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SENATE HOLDS HEARING FOR EPA ADMINISTRATOR NOMINEE

On Wednesday, President-elect Donald Trump's nominee to lead the Environmental Protection Agency (EPA) outlined a vision for scaling back the office's reach. Oklahoma Attorney General Scott Pruitt told the Senate Environment and Public Works Committee that environmental protection can be accomplished in collaboration with states and Congress without undermining the economy.

During his confirmation hearing, Pruitt stated that "we must reject as a nation the false paradigm that if you're pro-energy, you're anti-environment, and if you're pro-environment, you're anti-energy." Further, "In this nation, we can grow our economy, harvest the resources God has blessed us with, while also being good stewards of the air, land and water."

If confirmed, Pruitt will be able to rewrite or rescind environmental regulations including the RFS. In 2013, Pruitt filed a "friend of the court" brief in an RFS lawsuit challenging the corn ethanol mandate. "The evidence is clear that the current ethanol fuel mandate is unworkable," Pruitt said in a press statement in 2013.

Supporters, including Senate EPW Chairman John Barrasso of Wyoming, say he would rein in overzealous Obama-era rules and restore balance to environmental regulation, making good on Trump's promise to focus the EPA on its core mission of protecting the air and water.

EPA MOVES FORWARD WITH TOUGH NEW FUEL ECONOMY STANDARDS FOR CARS AND LIGHT TRUCKS

The EPA has locked in regulations that establish stringent new fuel economy standards for cars and light trucks amid speculation that President-elect Trump plans to roll them back once he takes office. The Corporate Average Fuel Economy (CAFE) and greenhouse gas emissions standards were issued jointly by the EPA and the Department of Transportation in 2012. The emission standards take effect with the 2017 model year.

The phased-in fuel economy standard starts with a rise to an average 35 mpg for the 2017 models and increases to 36 mpg in 2018. The standard then increases to more than 37 mpg in 2019. By 2021, automakers will be required to hit a combined average of 41 mpg for cars and trucks. If the rules for model years are left in place, the emission standard will increase to about 43 mpg combined for cars and trucks in 2022, and finally to 54.5 mpg for cars and 40 mpg for trucks in 2025.

The 2012 rulemaking required the EPA to review the technical feasibility and cost of achieving the 54.5 and 40 mpg standards in 2018 and make adjustments if automakers were having difficulty attaining the incremental increases. Instead, the EPA completed the review last week, more than a year earlier than expected, and determined that automakers are able to meet the scheduled increases from both a technical and cost perspective. While there may be other regulatory or legislative avenues to roll back the standards, the EPA move removes the opportunity for an easy administrative fix by the Trump administration.

SENATE HEARING ON IMPROVING SMALL BUSINESS INPUT ON FEDERAL REGULATIONS

On Thursday the Senate Homeland Security and Government Affairs Subcommittee on Regulatory Affairs and Federal Management continued with a series of hearings that began last year which examine aspects of the regulatory process. The Improving Small Business Input on Federal Regulations: Ideas for Congress and a New Administration hearing explored the requirements contained in the Regulatory Flexibility Act, the Small Business Regulatory Enforcement Fairness Act, and whether requirements in the Small Business Regulatory Enforcement Fairness Act (SBREFA) and other statutes are enough to address small business concerns.

In particular the hearing examined how agencies consider the impact of regulations on small businesses, whether the requirements contained in the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act are adequate to address small business concerns, and steps that Congress and the new Administration should take to ensure that small businesses are able to contribute to the rulemaking process in a meaningful way.

Witnesses were Rosario Palmieri, National Association of Manufacturers; Jerry Hietpas, Action Safety Supply Company; LaJuanna Russell, Business Management Associates and Member of the Board Small Business Majority; and Karen Harned, Small Business Legal Center, National Federation of Independent Businesses.

2017 FEDERAL MOTOR FUEL EXCISE TAXES

What's New? The biodiesel blender credit, the alternative fuel mixture credit, the sale of use of alternative fuel credit and the alternative fuel infrastructure tax credit all expired on December 31, 2016. The IRS will not accept claims for any renewable fuel blends **created after** this date. However, timely filed claims for blends **created before** December 31, 2016 may still be filed.

Also, the federal Oil Spill Liability Tax (OSLT) increased from 8 cents per barrel of crude to 9 cents per barrel of crude on January 1, 2017. The OSLT is paid by refiners and is **not** treated as a tax below the terminal rack. Instead, the OSLT is passed down by refiners as a cost of the finished product even though many terminal operators break it out on bill of lading as a "tax". Therefore, tax exempt parties below the terminal rack are not exempt from the OSLT because it is a **cost** and not a tax at their point of purchase on the distribution stream.

The following is a list of federal motor fuel excise tax rates for 2017. (LUST tax included where applicable)

Product	Rate*	Cents Per/Gal
Gasoline	\$.184	18.4 cpg
Gasoline (removed for gasohol blending)	\$.184	18.4 cpg
Alcohol (for use in downstream gasohol blending)	\$.184	18.4 cpg
Aviation Gasoline	\$.194	19.4 cpg

Alcohol blends are always taxed at the full federal rate for gasoline.

Alcohol Blender's Credit	(Expired)
Biodiesel Blender's Credit	(Expired)
Alternative Fuel Mixture Credit	(Expired)
Sale or Use of Alternative Fuel Credit	(Expired)

Heating Oil (LUST tax)	\$.001	1/10 th	cpg
Diesel (clear)	\$.244	24.4	cpg
Diesel (dyed)	\$.001	1/10 th	cpg
Diesel (dyed, used in trains)	\$.001	1/10 th	cpg
Diesel (removed for blending with biodiesel)	\$.244	24.4	cpg
Diesel (used in certain intercity and local buses)	\$.17	17	
Biodiesel (removed for blending with diesel)	\$.244	24.4	cpg
Kerosene (clear)	\$.244	24.	4cpg
Kerosene (dyed)	\$.001	1/10 th	cpg
Kerosene (clear - non-commercial aviation)**	\$.219	21.9	cpg
Kerosene (clear - for use in non-taxable aviation)	\$.001	1/10 th	cpg
Kerosene (clear - for use in commercial aviation not foreign trade)	\$.044	4.4	cpg
Propane (liquefied propane gas) (gasoline gallon equivalent)	\$.183	18.3	cpg
Compressed Natural Gas (CNG) (gasolinegallonequivalent)	\$.183	18.3	cpg
Liquefied Natural Gas (diesel fuel gallon equivalent)	\$.243	24.3	cpg
"P" Series Fuels	\$.184	18.4	cpg
Liquefied Fuel (derived from biomass)	\$.244	24.4	cpg

* Rates include the \$.001 cpg federal Leaking Underground Storage Tank (LUST) tax. The LUST tax is non-refundable.

** Marketers pay \$.244 cpg at the rack, user's rate is \$.219. Ultimate vendor claim is \$.025 cpg. The ultimate vendor is the only party that can make the claim for 2.5 cpg. Ultimate vendor must have a certificate from the ultimate purchaser verifying the fuel is used for non-commercial aviation. Ultimate vendor must have an IRS 637 UA registration to file claim.

***** For taxation purposes, one gasoline gallon equivalent (GGE) is equal to 5.75 pounds (lbs.) of propane and 5.66 lbs. of CNG. One diesel gallon equivalent (DGE) is equal to 6.06 lbs. of LNG.**

Got Questions: Contact Mark S. Morgan, PMAA Regulatory Counsel: mmorgan@pmaa.org

THE WPMA SCHOLARSHIP SILENT AUCTION IS GOING HIGH-TECH!

New in 2017, you can bid on silent auction items from your phone!

With any type of mobile device, you can browse auction items, place bids, and pay for your items with the tap of a finger. Should any guest feel technologically-challenged, our WPMA Staff members will be there to offer hands-on assistance at any time.

Here are some of the great features of our new online auction -

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- Bid from Anywhere
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Please donate an item to the 2017 Silent Auction - help make this the best auction ever!

To donate an item to the 2017 Scholarship Silent Auction, download a form at www.wpma.com/scholarship and return it to kathym@wpma.com, or fax to 801-262-9413, no later than January 22, so that brochures can be printed in time for the convention.

We hope to have your support in this worthwhile endeavor!

SCHOLARSHIP DEADLINE IS APPROACHING!

The time is fast approaching when the WPMA scholarship recipients for 2017 will be selected. **March 1, 2017 is the cut-off date** for applications to be postmarked and mailed to the WPMA office. Usually, there are less than 15 applicants for each WPMA state scholarship and the associate member scholarship, which makes the chances of receiving a scholarship very good. Applicants must be graduating high school seniors, and the son or daughter of a full-time employee of a WPMA member or associate member company. Applicant qualification information and the scholarship applications are available to download at <http://www.wpma.com/pdf/scholarship/Scholarship-Application102016-e.pdf> Scholarship applications are also available from the WPMA office by e-mailing kathym@wpma.com and requesting an application. The WPMA scholarships pay \$500 per semester for up to eight semesters, for a maximum award of \$4,000. **Employers, please remind your employees to request or download an application right away, and give their students a chance for some extra financial help in college!**

2017 WPMAEXPO - LAS VEGAS, NEVADA

WPMAEXPO

Mark your calendars for February 21-23, 2017. Make plans now to attend the 2017 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

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MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 21-23, 2017 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada

March 1, 2017 – Utah (UPMRA) Day on Capitol Hill – Salt Lake City, Utah

May 4-5, 2017– Nevada (NPM&CSA) Big Dogs Shootout – TBD, Nevada

June 6-8, 2017 – Montana (MPMCSA) Convention – Northern Hotel – Billings, Montana

June 19-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

June 22, 2017 – Utah (UPMRA) Summer Classic PAC Golf Outing – TBD, Utah

August 2-4, 2017 – Idaho (IPM&CSA) Convention – Sun Valley Resort – Sun Valley, Idaho

August 21-23, 2017 – New Mexico (NMPMA) Convention – Sandia Resort – Albuquerque, New Mexico

September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

June 18-21, 2018 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

August 8-10, 2018 – Idaho (IPM&CSA) Convention – Coeur d'Alene Resort – Coeur d'Alene, Idaho

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Petro Pete: "I return to work tomorrow with a child-like belief that 2017 is the year people will think at least twice before hitting "Reply All"."

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