

LAST CHANCE TO DONATE TO THE SCHOLARSHIP SILENT AUCTION!

In May, the WPMA Scholarship Foundation will award \$32,000 in scholarships to graduating high school seniors. The Foundation receives a large portion of its working capital through income from the annual Scholarship Silent Auction held at the WPMAEXPO in February. Please support the Scholarship Foundation by donating an item to the 2020 Scholarship Silent Auction.

To donate an item to the 2020 Scholarship Silent Auction, download a form at www.wpma.com/scholarship and return it to kathym@wpma.com, fax to 801-262-9413, or contact Kathy at 801-263-9762, no later than Wednesday, February 12th.

We hope to have your support in this worthwhile endeavor!

WHAT'S NEXT FOR INFRASTRUCTURE LEGISLATION

Earlier this week, Senate Majority Leader Mitch McConnell (R-KY) said the Senate's top priority is approving a highway infrastructure bill this year. Current surface transportation law is set to expire in September 2020. The Majority Leader's statement followed the President's State of the Union (SOTU) address in which President Trump urged Congress to approve the Senate surface transportation bill (S.2302), although the President did not provide suggestions on how to pay for the proposal.

President Trump promoted the Senate Environment and Public Works Committee bill which would cost \$287 billion, as compared to the \$760 billion infrastructure blueprint released by the House last week. The bipartisan Senate bill was passed by the committee unanimously last year. Senate Environment and Public Works Committee Chairman John Barrasso (R-WY) and Ranking Member Tom Carper (D-DE) also announced that drivers of electric vehicles (EVs) should pay for using the roads, which PMAA strongly agrees should occur. Chairman Barrasso stated that "there isn't a single answer, but among other solutions, I believe that the electric vehicle, which currently pays no federal gas tax, actually needs to make a contribution and pay into the system as well." Unfortunately, the Senate EPW committee does not have jurisdiction over finding a "pay for" for the highway bill. The Senate Finance Committee is tasked with finding a "pay for" and has yet to announce any details.

Of concern in the Senate EPW highway bill is Section 1401 which would create a \$1 billion grant program for states to deploy electric vehicle, hydrogen and natural gas vehicle charging stations along designated alternative fuel corridors. PMAA is concerned that the grant program does not provide for the equitable distribution of funds or account for other investment required for infrastructure changes that may be needed to accommodate EV and alternative fueling equipment such as upgrades to site utilities, adding land, and expanding paved areas and operating costs. In addition, the focus on alternative fuel corridors will result in a preference for grants to companies that have multiple sites distributed along major transportation routes. As with other grants for alternative fuels, small to medium c-stores will be placed at a competitive disadvantage.

In related news, Reps. Andy Levin (D-MI) and Alexandria Ocasio-Cortez (D-NY) introduced legislation known as the "EV Freedom Act" (H.R. 5770) that would create a nationwide electric vehicle (EV) charging network within five years by installing high-speed EV chargers along the federal Interstate and highway systems.

EPA ISSUES FINAL 2020 RFS BLENDING VOLUMES

The EPA this week released the annual renewable fuel blending volume obligations (RVOs) for 2020 as required under the Renewable Fuel Standard (RFS) program. The 2020 corn ethanol blending mandate will remain at the 15 billion-gallon maximum statutory limit set by Congress. Biodiesel RVOs for 2021 were set last year at 2.43 billion gallons and remain unchanged. The EPA increased requirements for cellulosic ethanol blending by 9 percent to 590 million gallons, bringing the total 2021 advanced biofuel requirement to 5.09 billion gallons. In addition, the rule, EPA said it would once again use its general waiver authority to lower the volumes of cellulosic biofuels, advanced biofuels, and total renewable fuels below the statutory targets.

Also included in the final rule is a new provision that requires large refiners to recapture blending volumes lost to small refiner exemptions (SREs) from RFS. The EPA issued 85 SREs for the 2016-2018 compliance years, reducing the statutory RVO blend volume by 4.04 billion gallons. Previously, the EPA had no mechanism to recapture and reassign lost volumes. Under the new rule the Agency will not recapture and reassign actual renewable blending volumes lost to SREs in any given year. Instead, the EPA will project an estimated displaced volume based on the Department of Energy's

(DOE) SRE recommendations averaged over the previous three years. The EPA's calculation will include displaced volume from partial waivers recommended by the DOE in the past even though the agency issued only full waivers to small refiners. Renewable fuel producers oppose the EPA formula because it will result in far fewer recaptured gallons than actually displaced by small refinery exemptions.

In related news, the EPA withdrew a controversial rule that would have reset the statutory RFS blend volumes established by Congress. The EPA has the authority to reset RVOs if it misses the statutory volumes by more than 20 percent for two consecutive years. Renewable fuel producers supported the reset because it opened the possibility to increase the RVO for corn ethanol past the current 15 billion-gallon maximum limit. The EPA gave no reason for withdrawing the reset rule.

	2015	2016	2017	2018	2019	2020	2021
Cellulosic biofuel	123 m/gal	230 m/gal	311 m/gal	288 m/g	420 m/g	590 m/g	n/a
Biomass-based diesel	1.73 b/gal	190 b/gal	2.0 b/gal	2.1 b/g	2.1 b/g	2.43 bill gal	2.43 bill gal
Advanced biofuel	2.88 b/gal	3.61 b/gal	4.28 b/gal	4.29 b/g	4.92 b/gal	5.04 bill gal	n/a
Total renewable fuels	16.93 b/gal	18.1 b/gal	19.28 /gal	19.29 b/g	19.2 b/g	20.04 bill gal	n/a

**HOUSE HOLDS HEARING ON VAPING
E-Cigarette Flavor Ban Began February 6**

This week, the House Energy and Commerce Subcommittee on Oversight and Investigations held a hearing titled "Vaping in America: E-Cigarette Manufacturers' Impact on Public Health." The purpose of the hearing was to hear from executives from some of the largest e-cigarette manufacturing companies in the nation. The executives who testified included: K.C. Crosthwaite, CEO, JUUL Labs, Inc.; Ricardo Oberlander, President & CEO, Reynolds American Inc.; Ryan Nivakoff, CEO, NJOY, LLC; Antoine Blonde, President, Fontem U.S.; and Jerry Loftin, President, Logic Technology Development, LLC.

Part of the hearing was focused on the growing problem of e-cigarette use by America's youth. Many lawmakers used the opportunity to grill the executives of the e-cigarette companies and blame them for the rise in e-cigarette use by children. In his opening statement, House Energy and Commerce Chairman Frank Pallone (D-NJ) stated that "a large portion of culpability rests with the manufacturers of e-cigarette products." Chairman Pallone also used his time to tout his bill, known as the "Reversing the Youth Tobacco Epidemic Act" (H.R. 2339), which seeks to ban menthol cigarettes and would also increase user fees on all tobacco products, including e-cigarettes. Chairman Pallone said he expects his bill will be voted on soon.

There is growing concern that since flavored e-cigarettes are now banned, many users will turn to counterfeit products. House Energy and Commerce Committee Ranking Member Greg Walden (R-OR) expressed his concerns about the "counterfeit and black market products that current e-cigarette users, including our youth, may turn to when products they are currently using will no longer be available in the legal and legitimate marketplace." Rep. Jeff Duncan (R-SC) said that the unregulated black market products have led to the recent health crisis that has created lung illnesses across the nation and that the manufacturers of the legitimate e-cigarette companies need to take steps to address these black market products. Rep. Duncan then proceeded to ask the manufacturers what they will do to address the problem of unregulated counterfeit products.

Rep. Paul Tonko (D-NY) focused his time on the flavor ban on fruit and mint flavored e-cigarette products, suggesting that the ban on mint flavored e-cigarettes will now lead to youth users switching to menthol flavored products which are similar in flavor. Other lawmakers at the hearing expressed their frustration that the recent ban on pod-based flavored e-cigarettes does not include a ban on flavored disposable e-cigarettes, which some will say may lead to youth users switching to those products.

REMINDER: The recent Final Guidance that bans the sale of most flavored cartridge-based e-cigarettes other than tobacco and menthol flavoring went into effect yesterday (February 6), meaning that stores must remove these items from their shelves immediately or risk enforcement action by the FDA.

SENATE COMMITTEE HEARING ON THE STATE OF THE TRUCKING INDUSTRY

On Tuesday, the Senate Committee on Commerce, Science and Transportation Subcommittee on Transportation and Safety held a hearing titled “Keep on Truckin’: Stakeholder Perspectives on Trucking in America.” Specifically, the purpose of the hearing was to examine the state of the trucking industry in the United States, truck safety issues, and the regulatory environment from the stakeholder perspective.

Witnesses at the hearing included: Chris Spear, President and CEO, American Trucking Associations; Jake Parnell, Manager, Cattlemen’s Livestock Market and Director, Livestock Marketing Association; Lewie Pugh, Executive Vice President, Owner-Operator Independent Drivers Association; Dawn King, President, Truck Safety Coalition; and Sgt. John Samis, President, Commercial Vehicle Safety Alliance.

In her opening statement, Subcommittee Chair Deb Fischer (R-NE) mentioned the Federal Motor Carrier Safety Administration’s (FMCSA) recent Notice of Proposed Rulemaking (NPRM) that seeks to update the hours of service (HOS) requirements. She said that she was encouraged by the steps FMCSA has taken to make the necessary updates. In addition to the HOS regulations, Fischer mentioned other important regulations that should be discussed including the entry-level driver training rule.

There were multiple important trucking issues discussed at the hearing. In his testimony, Chris Spear spoke about the use of Electronic Logging Devices (ELDs), saying, “Compared to the outdated pen and paper methods of tracking driver hours, ELDs are a modern-day technology that have proven to be more accurate, easier to enforce, more difficult to falsify, and – most importantly – have and will continue to save lives. However, Lewie Pugh discussed in his testimony that the ELD mandate is a failure, is not necessary and should be repealed immediately.

Furthermore, in Spear’s testimony, he specifically mentioned a bill that is needed to address the truck driver shortage. Federal law currently restricts interstate trucking to CDL holders 21 years and older. However, most states allow drivers 18 or 19 and older to operate intrastate. The DRIVE-Safe Act would allow drivers 18 and older to operate across state lines, if they meet rigorous training requirements — at least 400 hours of on-duty time with 240 hours of driving time, with an experienced driver training them. Training would also be restricted to trucks equipped with active braking systems, video monitoring systems and speed limiters set to 65 mph or slower. Although drivers of petroleum would not be covered under the Drive-Safe Act, (since drivers must be 21 to qualify for a hazardous materials certification), PMAA supports the bill because it would expand the overall driver pool.

PMAA recently submitted a letter to the Senate Commerce, Science and Transportation Committee urging the committee to include the DRIVE-Safe Act in their title of the upcoming surface transportation reauthorization legislation.

NATSO TEAMS UP WITH CHARGEPOINT

This week, NATSO and ChargePoint announced plans to install Level 2 and DC fast chargers at more than 4,000 U.S. locations by 2030 by leveraging \$1 billion through public and private funding sources over the next decade to expand EV charging along highways and in rural communities.

CLIMATE COMPROMISE BILL LIKELY TO BE INTRODUCED SOON

Reps. David B. McKinley (R-WV) and Kurt Schrader (D-OR) indicated this week that they plan to introduce common ground legislation to reduce CO2 emissions from power plants by 80 percent by appropriating an enormous amount of government funding for advanced energy technologies. The bill would cancel regulations, however, if federal funding to reduce CO2 emissions does not materialize or if power plant emissions continued to rise, then the Clean Air Act would be reactivated. Both Reps. McKinley and Schrader said that their bill could attract bipartisan support.

Meanwhile, the House Energy and Commerce Committee Subcommittee on Environment and Climate Change convened a hearing titled “Clearing the Air: Legislation to Promote Carbon Capture, Utilization and Storage.” The hearing largely examined H.R. 1166, known as the “Utilizing Significant Emissions with Innovative Technologies (USE IT) Act” that was introduced by Reps. David McKinley (R-WV) and Scott Peters (D-CA). According to the sponsors of the bill, it seeks to “support the development and demonstration of carbon capture and removal technologies. Furthermore, the bill authorizes \$35 million in competitive prize funding for direct air capture technology and allocates \$50 million toward research and development of technologies that transform captured carbon dioxide into commercial products. The USE IT Act also facilitates the construction and development of carbon capture, utilization and sequestration (CCUS) infrastructure projects. Finally, the bill promotes emerging net negative emissions technologies, particularly Direct Air Capture (DAC) technology. DAC technology prevents CO2 emissions by removing CO2 directly from the atmosphere.”

In his opening testimony, House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) commended his colleagues for introducing the bill but requested that the bill be strengthened to better reduce emissions. Pallone stated that he believed the Department of Energy (DOE) should play a larger role in the process. “Second, while enhanced oil recovery is still the most profitable use for captured carbon, we will not make real progress in reducing climate pollution unless there is significant net storage associated with it. Third, I am concerned that the bill focuses too heavily on streamlining pipeline construction. I would like to see it provide a lot more direction on medium to long-term planning for a

time when enhanced oil recovery will not be the dominant use of captured carbon. I also want to work with the sponsors to ensure the bill does more to ensure that captured carbon is safely and permanently sequestered.”

OFA: CAP-AND-TRADE UPDATE

The first week of the Legislative Session has been quite busy, with multiple hearings on Cap-and-Trade (SB 1530).

As you know, the underlying bill would regulate fuel imported into Oregon. Once the fuel is regulated (imported), the bill provides that the state will retire allowances for fuel sold:

- (1) Outside the Portland Metro area in 2022; and
- (2) Outside of zip codes with less than 10 Million gallons starting in 2025.

This means starting in 2025, virtually all fuel stations that sell a high volume of fuel or are located within a zip code of a fuel station selling a high volume of fuel would sell fuel with the carbon price attached.

After hearing feedback from OFA members and the OFA Board, we are concerned that this system will be incredibly complex to administer, create new competitive issues between in-state fuel stations, and will not mitigate the threats of competitive disadvantages for in-state fuel retailers with retailers in neighboring states without a carbon pricing program. In short, the language in SB 1530 will not work for OFA members and hurt consumers. Additionally, current commercial software tracks the sale of fuel by both zip-code and counties, not by cities or amount of fuel delivered.

Knowing this, OFA has worked over the past two weeks with legislators and key policymakers to make changes to the bill. On Tuesday night, a -27 amendment to SB 1530 was released by the Senate Environment Committee. The amendment follows OFA feedback in terms of regulating counties and/or zip codes, rather than tracking fuel by cities or by fuel delivered to a particular area. The amendment also helps meet OFA’s objectives of protecting stations on the border of Washington and Idaho from significant increases in fuel and mitigate local station competitive issues by exempting most of Eastern Oregon and a narrow truck stop exemption.

Here is the current amendment with a regional phasing-in of different parts of the states under cap-and-trade, and leaving certain areas out of cap-and-trade indefinitely.

- For the Portland Metro area, the region is under the cap beginning in 2022 (same as SB 1530). This is the area within the Portland METRO boundaries.
- In 2025, all western counties are under the cap. This means the regulated areas by county would be: Clatsop, Columbia, Hood River, Tillamook, Lincoln, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine, Jackson and the Cities of Bend and Klamath Falls and the remaining non metro areas of Multnomah, Washington and Clackamas.
- Exempt cities and counties may opt-in to program. Once 20 exempt counties opt-in, the program goes statewide.
- Truck stops within 1.5 miles of borders of states without cap and trade programs (currently Washington and Idaho) are exempt.

OFA does not have a formal position on the bill. This program is inherently bad for the fuels sector. The program creates competitive issues between OFA member companies. However, knowing the make-up of the Oregon Legislature, we have lobbied for improving the bill so that it can work with our current systems for tracking fuel, protect border regions, and minimizes station-to-station competition issues.

The bill still has a very small chance of passing. We expect the Republicans to deny quorum again, preventing its passage. This could begin as early as next week. We will keep you informed as we have information.

SCHOLARSHIP APPLICANTS NEEDED!!!

The time is fast approaching when the WPMA scholarship recipients for 2020 will be selected. **MARCH 1, 2020 IS THE CUT-OFF DATE** for applications to be **E-MAILED IN OR POSTMARKED AND MAILED** to the WPMA office. Usually, there are less than 10 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.

NEW THIS YEAR! High School seniors who are currently working part-time for a WPMA member company, and have been employed for at least 90 days, may also apply for the scholarship.

Newly Updated applicant qualification information and submission options are listed on the updated scholarship application, available at <https://www.wpma.com/pdf/scholarship/Scholarship-Application2020.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 all of your full-time employees or part-time senior student employees to request or download an application right away, and give our students a chance for some extra financial help with college or vocational training!**

PLAN TO ATTEND THE 2020 WPMAEXPO

WPMA EXPO

Mark your calendars for February 18-20, 2020. Make plans now to attend the 2020 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

THANK YOU **WPMA EXPO 2020** TOP SPONSORS

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MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 18-20, 2020 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

April 21, 2020 – IPM&CSA PAC Golf Tournament – Ridgecrest GC – Nampa, ID

April 21-23, 2020 - Federated Insurance Risk Management Academy

May 7-8, 2020 – Nevada NPM&CSA – Big Dogs - Las Vegas, NV

June 2-3, 2020 – Montana MPMCSA – Convention – Fairmont Hot Springs Resort – Fairmont, MT

June 22-25, 2020 – Washington (WOMA) – Convention – Suncadia Resort – Cle Elum, Washington

August 5-7, 2020 – Idaho (IPM&CSA) Convention – Coeur d' Alene Resort – Coeur d' Alene, Idaho

August 17-19, 2020 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

September 9-10, 2020 – Utah (UPMRA) – Convention – Park City Marriott – Park City, Utah

September 15-17, 2020 - Federated Insurance Risk Management Academy

WPMA MEMBER SERVICES



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Petro Pete: *“To be sure of hitting the target, shoot first, and call whatever you hit the target.”*

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