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WPMAEXPO

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OZONE STANDARD DELAY LEGISLATION REINTRODUCED

Last week, Rep. Pete Olson (R-TX) and Sen. Shelley Moore Capito (R-WV) reintroduced legislation from the previous Congress that would delay deadlines under EPA's 2015 ozone standards by eight years, from October 2017 to October 2025. The legislation passed the House last year but was never taken up for a vote in the Senate.

This legislation provides a common-sense approach for implementing national ambient air quality standards, recognizes ongoing state efforts to improve air quality through a reasonable implementation schedule for the 2015 ozone standards, streamlines the air permitting process for businesses to expand operations and create jobs, and includes other reforms that bring more regulatory certainty to federal air quality standards.

Last year, PMAA joined over 200 associations, companies and state groups in a letter of support for this legislation. PMAA will work to ensure that the Senate and House consider and pass this crucial legislation.

TAX COMMITTEE MEMBER CALLS FOR LOWER PASS-THROUGH TAX RATE

Senior Ways and Means Committee Member Rep. Buchanan (R-FL) is calling for a 20 percent pass-through rate which is lower than the 25 percent rate that is in Chairman Brady's (R-TX) broader tax reform plan.

The 25 percent GOP blueprint is between the 20 percent corporate rate and top individual rate of 33 percent. Congressman Buchanan believes that businesses that pay through the individual system should also get that 20 percent rate. Rep. Buchanan also sees the GOP's proposed immediate deduction on business investment costs as a "a big game-changer."

Buchanan and Brady had previously agreed that the House would pass tax reform legislation as soon as August this year, however, with the obstacles mounting, Brady, Buchanan and many of the primary tax policy writers believe the House will not complete a bill until next year.

Throughout the tax reform debate PMAA will continue to weigh in on provisions that are particularly important to petroleum marketers such as the estate tax and LIFO.

Meanwhile, this week President Trump announced that his team is preparing a tax reform plan. Further, that the

Administration plan for the most comprehensive business and individual tax overhaul since 1986 may be released within the next two or three weeks.

CONTINUED PIPELINE PROGRESS THIS WEEK, FINAL DAKOTA ACCESS APPROVAL GRANTED

On Tuesday, the Army Corps of Engineers announced that it had completed the review of the 1,172-mile Dakota Access Pipeline oil project that had triggered months of protests from Native American tribes and environmentalists. By approving the easement, the Administration has cleared the way for the pipeline to be completed.

The action follows President Trump's January 27 release of two memorandums to advance approval of the Keystone XL (KXL) and Dakota Access pipelines. PMAA was disappointed with President Obama's halt of construction on the pipeline and order for further environmental review late last year, as well as his November 2015 decision to veto TransCanada Corp's KXL pipeline.

PMAA strongly supports development of Energy Transfer Partners LP's Dakota Access pipeline, which would run from North Dakota to Illinois and would bring crude oil through the Midwest and into the U.S. Gulf Coast. PMAA also strongly supports development of the KXL pipeline which has already had more than seven years of debate and multiple environmental impact studies that have shown the pipeline would have no effect on climate change.

Like the Keystone XL pipeline, Dakota Access has become a symbol of environmental opposition to fossil fuel infrastructure. Approval of the Dakota Access pipeline and the Keystone XL pipeline is indicative of how the new Administration will take a much needed and drastically different approach to energy issues.

PMAA SIGNS LETTER TO SUPPORT THE REGULATORY ACCOUNTABILITY ACT

On Monday, PMAA joined 615 other coalition partners in sending a letter urging the Senate to consider and pass the "Regulatory Accountability Act of 2017." The bill aims to eliminate overly-burdensome red tape and regulations in order to lift unnecessary burdens on hardworking Americans and to promote jobs, innovation and economic growth. Its intent is to radically reform abusive federal regulation of areas from the environment to the workplace.

Last month, the House passed the bill by a vote of 238-183, with five democrats voting in favor. Passing this bill in the Senate would give President Trump the tools to wipe out abusive regulation.

COMMITTEE EXAMINES INFRASTRUCTURE FUNDING OPTIONS

On Wednesday, the Senate Committee on Environment and Public Works held a hearing to discuss the infrastructure needs of the country and the means by which the infrastructure projects will be funded. As of now, President Trump does not have a detailed plan, but he has said that he will tap private investors to raise the \$1 trillion he promised for infrastructure projects. The plan also states that investors will be provided a hefty tax credit. However, private investors will want a return on their money beyond just the tax credit, so their investments will only pay off through tolling or other methods of raising additional money. In turn, this plan makes high-volume urban areas attractive, while less-populated areas wouldn't see much private cash.

Senate EPW Committee Chairman John Barrasso (R-WY), disagrees with the White House's plan because he believes the plan wouldn't provide much help to his rural state of Wyoming. His concern is that public-private partnerships that depend on a positive revenue stream are not a solution for rural states as traffic volumes in rural states are low.

The House held a similar hearing last week on the state of the nation's infrastructure and Senators anticipate that the Trump Administration will expand its infrastructure plan in the near future. Also, Transportation Secretary Chao will work with Congress to craft a more comprehensive plan to funding transit, roads and bridges.

PRESIDENT TRUMP'S NEW REGULATORY POLICIES WILL TAKE TIME

President Trump signed several orders aimed at making significant across the board reductions in federal regulations. The first order came in the form of a memo to all federal agencies imposing a freeze and regulatory review of all pending rules for a period of 60 days. The President then issued an Executive Order requiring federal agencies to eliminate two existing rules for every new rule issued. While both are aimed at stemming the flow of federal regulations that affect businesses both large and small, there are legal and practical hurdles that will limit the orders effectiveness. The freeze and review order is temporary and applies only to rulemakings in process as of January 20, 2017 and those that have been issued but have not reached their effective date. Rules that are in the process can simply be withdrawn with no further action. Rules that have been published in the Federal Register but have not reached their effective date are frozen for 60 days but can't be withdrawn without lengthy public notice and comment periods, essentially a new rulemaking. Finally, no rulemaking can be started or issued until March 20, 2017.

The order requiring elimination of two existing rules for every new rule is more problematic from a legal and practical standpoint. The order requires that the cost of any new rule issued be offset by the cost of the two current rules to be eliminated. This will be a lengthy process because the Office of Management and Budget (OMB), which has the final say on all rulemakings, must conduct detailed cost benefit analysis on the existing rules to determine if they meet the cost

offset requirement to issue the new rule. For the agencies, picking the two regulations up front to meet offset requirements before a cost estimate is conducted by the OMB will be difficult to determine. Even when the equivalency is established the two current rules picked for elimination must go through a formal rulemaking process including public notice and comment period required under the Administrative Procedure Act. In addition, lawsuits by advocacy groups aimed to stop rule eliminations will further slowdown the regulatory process. Finally, the last tool available to eliminate federal regulations, The Congressional Review Act, only gives Congress the ability to override a federal regulation within 60 days after it is issued. This means that any existing rule older than 60 days is not subject to the act.

Taken together, the new Trump regulatory policies will likely be very effective in slowing down new regulations but have a limited impact eliminating existing regulations. In other words, regulatory change is not going to happen quickly other than a reduction in the number of new regulations. The new regulatory initiatives have caused a lot of confusion and uncertainty in both the agencies and regulated community. Within the next few months the new regulatory process will likely be implemented and the steps to achieve regulatory relief clearer.

Bottom line: Once the dust settles at the federal agencies and the new regulatory policy fully implemented, PMAA will take every opportunity to relieve marketers of costly federal regulations. PMAA, with the assistance of Association Executives and marketers, is preparing for the new regulatory process by putting together a target list of regulations to offer up for regulatory adjustment or elimination once the Trump policies are fully implemented.

REGISTRATION IS OPEN FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL SCHEDULED FOR MAY

PMAA's 2017 annual Washington Conference and Day on the Hill will be held in Washington, DC from May 17-19. With the new Congress and Administration in place, it is important that our industry concerns are heard!

The meeting will begin with an Opening Session / Issues Briefing and Region meetings in the afternoon of May 17. Our welcome reception, including our fun and popular PAC silent auction fundraiser, will conclude the day! On the morning of May 18, marketers will head to Capitol Hill for visits with their Congressional delegations after a buffet breakfast and issues briefing for those who were not able to attend the opening session. Please be sure to make these appointments at your earliest convenience. There will be a hospitality suite and luncheon on the Hill. On the evening of May 18, we will honor our new PMAA Chair Mark Whitehead. Our conference will conclude after the PMAA Board of Directors meet on May 19 following a buffet breakfast and committee meetings.

Please click [here](http://www.cvent.com/d/svqfns) (<http://www.cvent.com/d/svqfns>) for our event website for all details and registration with secure event payment processing through Cvent.

If you plan on attending PMAA's annual Washington Conference and Day on the Hill, now is the time to make your room reservation as we have had an excellent response to the room block. See you in DC this spring!

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 and 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!**

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'd like to test the theory that money can't buy you happiness."*

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