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## Thank You **WPMAEXPO 2016 TOP SPONSORS**

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### 2016 WPMAEXPO A SUCCESS

February 16-18, WPMA hosted their annual convention and trade show exhibition at The Mirage in Las Vegas. The convention was very well attended and we had the pleasure of associating with many WPMA members and exhibitors. From our informative workshops to our outstanding keynote speaker, Jim Morris and our exceptional trade show, it was fun, educational, and very rewarding for all who attended. Our management session speakers were very enlightening. The WPMA annual convention is especially rewarding for our organization, as it is a time we can all come together, renew friendships and gain information that will help make our business more successful. We want to thank each of you for your participation in our convention.

WPMA would like to extend a special thank you to each of those who donated or purchased items from our silent auction and/or played golf in the WPMA Scholarship Open. All of the money raised at these events goes directly to our Scholarship Foundation, to fund the scholarships that we award each year. Once again, thanks to each of you for making our convention such a great success. Without you we couldn't do it.

We'll see you in 2017!

### SENATE COMMITTEE HOLDS HEARING OVER THE ETHANOL MANDATE

On Wednesday, representatives from Environmental Protection Agency (EPA), Energy Information Administration (EIA), and Energy Policy Research Foundation (EPRINC) testified before the Senate Committee on Environment and Public Works. Numerous problems with the current RFS program were highlighted throughout the hearing.

Janet McCabe, Acting Assistant Administrator for the Office of Air and Radiation with EPA, acknowledged that significant improvements need to be made to the RFS. Late last year, the EPA finalized new volumes for the 2016 RFS program that many consider to be problematic. McCabe claimed that their final rule balances two dynamics: First, Congress's clear intent to increase use of renewable fuels over time to address climate change and increase energy security, and second: real-world circumstances, including slower than expected growth in the development of the cellulosic biofuel industry, and the E10 blend wall, which have slowed progress toward such goals.

Ron Minsk, a former staff member of the National Economic Council at the White House, stated that the RFS program which is administered by EPA, is flawed and is not achieving its original goals, adding that the problem with the program that was developed by EPA in 2005 and 2010 does not reflect the evolution of the U.S. fuel markets since that time. However, Minsk believes that there are opportunities within the statute, or by making modest changes to the statute, which could substantially improve the operation of the program. He said the EPA should establish lower Renewable Volumetric Obligations (RVO's) for corn ethanol in its annual rulemaking process in order to reduce the overall compliance costs of the RFS, without substantially reducing the volume of corn ethanol fuel that is blended into the fuel supply. Secondly, Minsk

said that the EPA should move the point of obligation from importers and refiners to the terminal rack. PMAA has serious concerns with moving the obligation to the terminal rack and sent a letter along with NATSO, SIGMA and NACS in opposition. Click [here](#)

([http://www.pmaa.org/weeklyreview/attachments/Retailer%20Delegation%20Letter%20to%20EPW%20-%20Attachment%20-Addendum%20on%20RFS\\_Obligated%20Parties.pdf](http://www.pmaa.org/weeklyreview/attachments/Retailer%20Delegation%20Letter%20to%20EPW%20-%20Attachment%20-Addendum%20on%20RFS_Obligated%20Parties.pdf)) to read the letter. Minsk believes the final option would be for Congress to amend the statute by simply lowering the RVO requirements. PMAA fully supports EPA's ability to lower the corn ethanol mandate to reasonable levels to avoid breaching the ethanol blendwall.

Many members of the committee criticized the EPA and its handling of the RFS. Senator Mike Rounds (R-SD) and Deb Fischer (R-NE), who hail from corn ethanol heavy states, expressed their displeasure at the reduction of the new corn ethanol mandated volumes. Chairman Jim Inhofe, the most critical of the program, stated his belief that the EPA should not be able to have full control over the RFS program on its own and that Congress should decide whether to continue the program by 2022.

### **CONGRESS SENDS LETTERS TO SECRETARY PEREZ OPPOSING OVERTIME RULE**

Two letters were sent to U.S. Secretary of Labor Thomas Perez last week relating to the Department of Labor's controversial overtime rule. The first was a bipartisan letter co-signed by 108 House members expressing their fierce opposition to the overtime rule. The second letter to Perez came from Congressman John Kline (R-MN), Chairman of the House Committee on Education and Workforce, and Congressman Tim Walberg (R-MI), Chairman of the Subcommittee on Workforce Protections. In the letter, the Congressmen request that the Department of Labor provide them with stakeholder documents and stated the 60 day comment period was insufficient.

PMAA opposed the proposed overtime rule in its comments sent on September 4, 2015. PMAA will be supporting legal and Congressional efforts to delay and/or kill the rule when it's finalized – likely by summer 2016.

### **PROPOSED NEW RETAILER STANDARDS FOR SNAP PARTICIPATION**

Last week the USDA released a proposed rule that went further than those supported by PMAA via the 2014 Farm Bill.

By law the rule, once finalized, will require retailers to meet these conditions in order to participate in the Supplemental Nutrition Assistance Program (SNAP). Retailers must offer for sale on a continuous basis a variety of at least seven foods in each of the four categories (1. dairy products; 2. meat, poultry, or fish; 3. fruits or vegetables; 4. bread or cereals) (Current law requires only three items in each category). It also requires SNAP retailers to stock at least one "perishable" food item in at least three of the four staple food categories. (Current law requires perishable items in only two of the staple food categories).

Unfortunately USDA also added these unnecessary requirements in the proposed rule: "multiple ingredient" items (cold pizza) would not be counted in any staple food category and would not go toward meeting a retailer's "depth of stock" requirements. Currently multiple ingredient foods can be counted under the category of the main ingredient. In addition, the proposal would require that retailers always have six different units of any food item that are in the store and are counted under the four categories of eligibility for SNAP participation.

PMAA will solicit feedback from the cstore committee in order to file comments before the April 18, 2016 due date.

### **ADDITIONAL \$8 BILLION COST OF OBAMA'S PROPOSED BARREL TAX**

A new Congressional Research Service study found that the additional .25 cents of the Obama administration's proposed \$10.25 (early reports anticipated a \$10 tax proposal but the administration raised it to \$10.25) tax on every barrel of oil would impose an additional \$8 billion of costs on the industry.

As previously reported by PMAA, now that Obama is near the end of his term and with a plan that has zero chance of passing Congress, President Obama included a \$10.25 tax on every barrel of oil in his 2017 budget request which would pay for billions in investment on his green transportation projects. The tax would include a 15-percent set-aside for aid to low-income families whose heating bills would increase because of the resulting increase in fuel prices. Heating oil also would see a temporary exemption from the tax in an effort to minimize in the short term its impact on lower-income households. In addition, the set-aside could be used for switching from home heating oil to natural gas. Unfortunately, President Obama's proposal is short sided especially because the Administration fails to acknowledge the recent advancements made by the heating oil industry which is now cleaner and cheaper than natural gas.

### **HOUSE REPUBLICANS STRUGGLING TO REACH A BUDGET DEAL**

When House Speaker Paul Ryan (R-WI) succeeded John Boehner, he vowed to return the House to normalcy. Unfortunately, he is currently struggling with gaining support for a new budget plan from members of his own party, mainly the Freedom Caucus made up of tea party conservatives.

The members in opposition to the new budget deal say the deal doesn't do enough to cut government spending, arguing for only increases in defense spending. Congressman Mike Turner (R-OH), along with 83 other GOP members, recently

sent House Budget Committee Chairman Tom Price (R-GA) a letter requesting that includes roughly \$574 billion for Pentagon spending. That's \$27 billion more than the spending caps established last year. GOP leadership has stated that a budget with those numbers would likely not be agreed to.

### **GROWTH FORECASTS CUT BY HALF FOR ELECTRIC PLUG IN HYBRID AND ELECTRIC BATTERY CARS**

This week Bloomberg New Energy Finance cut its prior growth forecasts from 1 million to \$500,000 (by 2020) for plug in hybrid and electric battery vehicle (EV) sales in the U.S. because of low oil prices and last year's sales drop. EV cars make up just one-tenth of 1 percent of the global car market today. However, if oil prices climb to \$70 a barrel, then by 2040, electric vehicles could amount to a quarter of all cars on the road internationally. This is in large part because of the expected drop in EV car battery costs with EV cars costing an equivalent to petroleum fueled vehicles by 2022. In the next few years, Tesla, Chevy, and Nissan plan to start selling long-range electric cars in the \$30,000 range, and by 2040, long-range electric cars will cost less than \$22,000 (in today's dollars), according to the projections. OPEC maintains that electric vehicles (EVs) will make up just 1 percent of cars in 2040.

### **UPDATED! REVISED PROCEDURES FOR FILING BIODIESEL BLENDER CLAIMS**

PMAA met with the IRS earlier this week over an ongoing problem with the process for filing new 2016 and retroactive 2015 biodiesel blender credit claims. The problem arose when the IRS failed to issue a revised IRS Form 8849 Schedule 3 that is required to file new 2016 and retroactive 2015 biodiesel blender credit claims. Since the one-time claim period for retroactive 2015 biodiesel blender credits is limited to a short timeframe, PMAA requested alternative claim procedures to expedite the refund process. The IRS agreed and will allow both 2016 and 2015 claims to be made separately on the existing IRS Form 8849 Schedule 3 (Rev. January 2015).

The IRS issued the following separate filing procedures for new 2016 and retroactive 2015 biodiesel blender credit claims:

**2016 CLAIMS** - Blenders may [use IRS Form 8849 Schedule 3 \(Rev. January 2015\)](#) to file a claim for the \$1.00 per gallon biodiesel blender credit for blends created during calendar year 2016. Use this form until the 2016 revised 8849 Schedule 3 becomes available on [www.irs.gov](http://www.irs.gov).

**2015 RETROACTIVE CLAIMS** – Blenders may [use IRS Form 8849 Schedule 3 \(Rev. January 2015\)](#) to file a **one-time claim** for 2015 retroactive biodiesel credits.

- The IRS requires all biodiesel blenders using the 8849 Schedule 3 (Rev. January 2015) for claiming 2015 retroactive biodiesel credits to cross out the last sentence contained in the “Caution” statement at the top of the form as follows:

~~“Do not use this revision of Schedule 3 (Form 8849) to claim any credit for fuel sold or used during calendar year 2015.”~~

- Fill in the section on the form asking for “Period of claim” with the following:

**“01/01/2015 to 12/31/2015”**

- Hand write in the top margin of Form 8849 Schedule 3 (Rev January 2015) the following:

**“2015 RETROACTIVE BIODIESEL BLENDER CREDIT CLAIM”**

**Important!** Blenders must combine all 2015 retroactive biodiesel credits into one claim. The IRS will not accept more than one claim for 2015 retroactive biodiesel credits from the same taxpayer. Do not include 2016 credits in claims for 2015 retroactive credits. Claims for biodiesel blends created in 2016 must be filed separately from retroactive claims for blends created in 2015.

**Important!** The IRS is providing a short claim period of sixth months for filing 2015 retroactive biodiesel credit claims. The claim period runs from February 8, 2016 through August 8, 2016. The IRS will not accept any claims for 2015 retroactive biodiesel credits after August 8, 2016.

The IRS processing centers have been instructed to accept all new 2016 and retroactive 2015 biodiesel credit claims on Form 8849 Schedule 3 (Rev. January 2015).

PMAA will alert members when the revised 2016 form becomes available.

**Got Questions? Contact PMAA Regulatory Counsel Mark S. Morgan at: [mmorgan@pmaa.org](mailto:mmorgan@pmaa.org).**

## 2017 WPMAEXPO - LAS VEGAS, NEVADA



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.

### MARK YOUR CALENDARS FOR UPCOMING EVENTS

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

**May 19-20, 2016** – Nevada (NPM&CSA) Big Dogs Shootout – Red Rock Resort & Casino – Las Vegas, Nevada

**June 7-9, 2016** – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Butte, Montana

**June 20-23, 2016** - Washington (WOMA) Convention - Suncadia Resort - Cle Elum, Washington

**June 29, 2016** – Idaho (IPM&CSA) Magic Valley PAC Golf Outing – Blue Lakes Country Club, Twin Falls, Idaho

**August 3 – 5, 2016** - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort - Coeur d'Alene, Idaho

**August 22-24, 2016** – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, New Mexico

**September 14-16, 2016** - Utah (UPMRA) Convention - DoubleTree Hotel by Hilton - Park City, Utah

**June 18-22, 2017** – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

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

**June 17-21, 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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### WPMA MEMBER SERVICES



**Petro Pete: "If people are going to judge me they should at least hold up scorecards so I know how I'm doing."**

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