

PMAA TO MEET WITH OMB TO SUPPORT KEY PROVISIONS IN DRIVER HOURS OF SERVICE REFORM RULE

The Federal Motor Carrier Safety Administration (FMCSA) this week referred the Hours of Service (HOS) regulatory relief rule over to the White House Office of Management and Budget (OMB) for final approval. OMB is the last step in the regulatory process before a rule is finalized and published in the Federal Register. The rule is important to petroleum marketers and heating fuel dealers, if approved, because it would:

- Extend the current 100 air mile short-haul motor carrier exception from recording driver hours of service to 150 miles.
- Extend the 12-hour maximum on duty period for drivers under the short-haul exception to 14 hours per day.
- Extend by two hours the driving period for drivers encountering adverse weather. The adverse driving exception allows CDL drivers to add two hours to their 11-hour on duty driving limit so long as they go off-duty after the 14th hour.

PMAA has a meeting scheduled with OMB officials to provide one final push for the important regulatory reform rule. PMAA initiated the request for HOS regulatory relief in a meeting with FMCSA Administrator Ray Martinez and his deputies two years ago, before the current rule was proposed. Specifically, PMAA asked the FMCSA Administrator for an extension of the short-haul exception distance limitation from 100 miles to 150 miles so that drivers travelling beyond the 100-mile limit would not trigger the requirement to log their daily HOS which they currently are not required to record. PMAA's request for the mileage extension is important to petroleum marketers and heating fuel dealers because daily HOS logs must now be recorded on expensive and complicated electronic recording devices. The mileage extension is also important in the event drivers are required to travel to more distant terminals for supply in times of supply shortages from inclement weather, refinery shutdowns, etc.

PMAA requested FMCSA to extend the 12-hour on-duty maximum for short-haul drivers to 14 hours. PMAA told the FMCSA that lengthening the daily on-duty maximum to 14 hours would put short-haul drivers on par with other categories of drivers who enjoy a HOS recording exception without the loss of two hours of on-duty time. Moreover, PMAA pointed out there is no justification for the reduction of on-duty hours for short haul drivers in the first place. PMAA also requested that driver wait time at terminals be counted as off-duty time rather than on-duty as currently required under the HOS regulations.

The content of the final rule sent to OMB is unknown, but it is likely that one or more of PMAA's requests will be adopted. Publication of the final rule is likely to occur within the next 60 to 90 days.

SENATE TO CONSIDER ENERGY BILL NEXT WEEK

The Senate is expected to consider "The American Energy Innovation Act," which represents a compilation of more than 50 bills advanced by the Senate Energy and Natural Resources Committee. The bill is sponsored by Senate Energy and Natural Resources Committee Chairwoman Lisa Murkowski (R-AK) and Ranking Member Joe Manchin (D-WV) which focuses on energy innovation by boosting new and developing technologies including ways to make cars and trucks more fuel efficient and manufacturing processes less CO2 heavy. The bill contains provisions that would improve electric reliability and energy efficiency; promote the development of hydropower, geothermal, weatherize homes, and methane hydrates; enhance cyber security efforts; bolster mineral security; and repeals a range of obsolete authorities currently within the U.S. Code. Environmental groups are not too enthusiastic with the bill given that it does not set any specific carbon reduction targets.

More than 150 amendments were submitted to the bill this week including amendments to place an offshore oil-drilling moratorium in the eastern Gulf of Mexico. However, the big debate is over whether to expand the current EV tax credit from 200,000 per manufacturer to 600,000 and extend the credit for fuel cell vehicles through December 31, 2024. Senator Mike Braun (R-IL) filed two amendments; one to limit the EV credit for vehicles costing more than \$45,000 and the other would prevent taxpayers with annual incomes of more than \$163,000 from taking advantage of the \$7,500 EV tax credit. PMAA is working with like-minded associations to defeat any expansion of the current EV tax credit.

Senate final passage on the energy bill remains unclear. PMAA will continue to monitor the latest.

TRUMP ADMINISTRATION TO FIGHT COURT RULING ON SMALL REFINERY EXEMPTIONS

Yesterday, the Trump Administration announced that it will challenge a U.S. appeals court ruling which said that the EPA had exceeded its authority and must reconsider the SREs that it had granted to three different refineries. That court said only refineries that had exemptions continuously since 2011 could apply for new ones. The Trump Administration's announcement marks a reversal where top officials as recently as a week and a half ago had planned to drastically scale back the number of small refinery exemptions (SREs) which would have negatively impacted refineries by increasing RIN prices. The issue is important to petroleum marketers because high RIN prices leads to an unlevel playing field in the motor fuels market.

SUPREME COURT TO HEAR CONSOLIDATION OF OBAMACARE CASES

This week, the Supreme Court announced that it will hear Texas et al v. United States of America et al, which is a consolidation of a few different cases challenging the Affordable Care Act (ACA). The underlying challenge to the ACA was brought by more than a dozen Republican Attorneys General and two individual plaintiffs.

The announcement brings clarity to the potential timeline and manner in which this case may play out. PMAA is a long-standing participant in the SBLC.

CORONAVIRUS SITUATIONAL UPDATE AND RESOURCES

PMAA continues to work with the relevant government departments (primarily DOE, DOT and DHS/FEMA) regarding the needs of petroleum marketers and consumers regarding COVID-19.

This week the House (415-2) and the Senate (96-1) passed the bipartisan "Coronavirus Preparedness and Response Supplemental Appropriations Act," which will be approved by President Trump. The bill provides \$8.3 billion for the Department of Health and Human Services, the Small Business Administration and the State Department to fight the virus. About \$3 billion would go toward the development of vaccines, therapeutics and diagnostics, while \$950 million would go to state, local and tribal governments.

For updates and resources:

The FEMA National Business Emergency Operations Center (NBEOC) is activated as part of the Interagency Crisis Action Task Force, supporting the U.S. Department of Health and Human Services (HHS), the Lead Federal Agency for our nation's response to COVID-19. Emergency Support Function #14 – Cross Sector Business & Infrastructure is also activated at the national level with the Cybersecurity and Infrastructure Security Agency (CISA) coordinating. The NBEOC Operations Dashboard is active and being used to post incident updates: <https://fema.connectsolutions.com/nbeoc>

Businesses may join the National Business Emergency Operations Center (NBEOC) Cross Sector Coordination Call (or continue to be represented by your state and national Petroleum Marketers Associations) each Tuesday/Thursday at 3:00 pm EST. The next COVID-19 call will be on March 10 at 3:00 pm EST. The Call-In Number is: 800-593-7177, and the PIN is: 7963614.

All CDC Coronavirus Information:

<https://www.cdc.gov/coronavirus/2019-ncov/about/index.html>

CDC Guidance for Businesses:

<https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/guidance-business-response.html>

Posters for Employees:

<https://www.cdc.gov/coronavirus/2019-ncov/communication/factsheets.html>

About Coronavirus:

<https://www.who.int/news-room/q-a-detail/q-a-coronaviruses>

Chamber Coronavirus Information:

<https://www.uschamberfoundation.org/coronavirus>

CDC State Cases:

<https://www.cdc.gov/coronavirus/2019-ncov/cases-in-us.html>

John Hopkins Global Cases Map:

<https://gisanddata.maps.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>

Guidance: Get Your Mass Gatherings or Large Community Events Ready for Coronavirus:
<https://www.cdc.gov/coronavirus/2019-ncov/community/mass-gatherings-ready-for-covid-19.html>

OSHA Standards/COVID-19 is a Recordable Illness/Worker Responsibilities:
<https://www.osha.gov/SLTC/covid-19/>

For Medical Supply Information:
<https://www.fda.gov/emergency-preparedness-and-response/mcm-issues/coronavirus-disease-2019-covid-19>

Businesses Preparedness, Making a Disaster Plan, Making a Supply Kit:
<https://www.sba.gov/offices/headquarters/oda/resources/2803>

PMAA SUBMITS COMMENTS ON THE TRANSPORTATION CLIMATE INITIATIVE

Last Friday, PMAA submitted comments regarding the Transportation Climate Initiative (TCI), which is a collaboration of 12 Northeast and Mid-Atlantic States and the District of Columbia led by the Georgetown Climate Center. TCI seeks to improve transportation, develop the clean energy economy, and reduce carbon emissions from the transportation sector. The plan requires wholesale suppliers to purchase carbon allowances via auctions, with the states receiving the proceeds. Suppliers would be able to buy and sell those credits and pass along any of the cost to motorists. According to the Boston Globe, gasoline prices from Virginia to Maine could jump as much as 17 cents per gallon.

Unfortunately, TCI falls short on providing additional details on how to implement the program and fails to acknowledge advancements the liquid fuels industry has made to bring cleaner and greener fuels to the market.

SNAP EXPECTED TO COMPLETE ROLLOUT OF ITS EBT CARDS BY OCTOBER

By October, the Special Supplemental Nutrition Program (SNAP) is expected to complete its rollout of EBT cards nationwide according to an article this week in [Payments Journal](#).

While most national retail chains integrate EBT payments into their point-of-sale (POS) systems, there are 256,000 merchants that are eligible to accept SNAP nationwide and many of the smaller convenience stores and grocers have needed to “layer separate, antiquated and expensive POS terminal on top of their systems, which results in juggling multiple card readers, paying additional costs for software and hardware, and hurting check-out efficiency,” according to [Payments Journal](#) author Josh Wiles.

EBT payment is still dominated by legacy terminals which puts those businesses at compliance risk. “Since SNAP acceptance has specific reporting rules, merchants must also consider how to accurately report via two separate POS systems. This may require significant manual input, which is not only time-consuming but prone to human error. This is a step that cannot be overlooked; violating the rules of SNAP acceptance can result in fines or disqualification from the program. More often than not, merchants attempt to process EBT payments in an ad hoc manner that increases the probability for errors and fraud and puts merchant compliance at risk.”

[Payments Journal](#) urges, “It is time that the payments evolution also includes smaller supermarkets, convenience stores and bodegas who accept EBT. Adopting a modern POS solution that accepts all payments, including SNAP and WIC, provides benefits to the merchants, the consumer and the wider community.”

BP IS EXITING THREE TRADE GROUPS OVER CLIMATE POLICIES

According to a recent article in the Washington Post, BP is withdrawing from three trade groups because of differences on climate policies, coming after the company vowed on February 12, 2020, to reach net-zero carbon emissions by 2050.

Following reviews of 30 of its memberships with trade groups, BP decided to leave the American Fuel and Petrochemical Manufacturers (AFPM), the Western Energy Alliance and the Western States Petroleum Association, but BP decided to remain in the American Petroleum Institute (API). Exiting the groups was specifically due to differences on methane leaks and carbon pricing, BP is also concerned about a loss of societal trust in the industry “because of seeming inconsistencies between public statements and lobbying and advocacy.”

BP may exit other groups if they are not able to alter the positions of some other trade associations, particularly five groups that BP determined were only “partially aligned” with BP’s positions.

BP is not the only oil company to leave a trade association due to differences in climate policies. Last year, Shell withdrew from AFPM, citing differences in reduction of methane emissions, the Paris Climate Agreement, fuel mandates and carbon pricing.

WPMA EXPO

February 16-18, 2021. The Mirage Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

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

November 2, 2020 – Hawaii (HPMA) Golf Tournament – Oahu Country Club – Honolulu, HI

February 16-18, 2021 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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Petro Pete: “You can never cross the ocean until you have the courage to lose sight of the shore.”

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