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LEGISLATIVE UPDATE

This week, as Russian aggression in Ukraine increased, President Biden announced a ban on imports of Russian oil, gas, and coal. In remarks to the country, President Biden said the White House knows that this will likely raise gas prices, blamed Russia for the increase, and committed to doing everything to reduce this trend, mentioning again that the US and allies will release a combined 60 million barrels of oil from strategic reserves. EMA's lobbyists participated in a call with the White House shortly after President Biden's announcement, where senior Administration officials noted that the ban has broad bipartisan support and will deprive Russian President Vladimir Putin of vital resources. The White House reiterated commitments to lowering the price of oil.

In Congress, the House almost unanimously passed a ban on Russian energy imports. The House also passed an FY 2022 government funding package with supplemental funding for Ukraine. The package also includes language that would allow the FDA to regulate synthetic nicotine. The Senate passed the measure with overwhelming support late Thursday night. As a reminder, the FY 2022 funding package is critical to ensure that programs authorized in the Bipartisan Infrastructure Law (BIL) can be fully funded.

Also this week, the House Energy and Commerce Committee held a hearing on EV charging infrastructure, where private sector companies, including Ford Motor Company, stressed the need for increased government support. Republicans were weary of additional EV subsidies, and generally argued that the Committee should be focused on increasing American energy production in the wake of price rises. Republicans also voiced concerns of the efficiency of EVs and noted supply chain challenges for critical battery materials. Democrats broadly praised the coming deployment of EV charging funding but emphasized that chargers must be in low-income and rural communities, and not just along highways.

GAS STATIONS ARE NOT TO BLAME FOR RISING GASOLINE COSTS

President Biden Bans Russian Oil Imports

Seventy percent of Americans support the ban on Russian oil imports regardless of the rising fuel costs. However, some Americans are falsely directing blame to gas station owners for increased prices at the pump.

Rob Underwood, President of the Energy Marketers of America (EMA), said, "blaming gas station owners for high gas prices is nonsense. The retail motor fuels market is the most competitive marketplace in the country. Retailers post their prices on big signs where a one-penny difference can determine where customers choose to fill up. Unfortunately, what the market is currently experiencing is the whiplash effect of prices due to Russia's invasion of Ukraine. Crude oil is traded in a global market where prices are ultimately set by worldwide supply and demand and influenced by Wall Street commodity traders' perceptions about future supply and demand."

On March 8, President Biden signed an Executive Order (EO) to ban the import of Russian oil, LNG, and coal in an effort to hold Russia accountable for the invasion of Ukraine. In response to the EO, which took effect on March 8, the U.S. Department of the Treasury issued a General License authorizing wind down activities, and if a party has already contracted for a covered import they have 45 days in order to get the import into the US. The ban also covers new US investment in the Russian energy sector.

The Administration is looking for solutions to mitigate the impacts of losing the 700,000 barrels/day of Russian oil on US consumers by working with industry to ensure an adequate supply, and the Administrations' much longer-term efforts looks to items like the infrastructure plan as well as moving towards electric vehicles.

What the President must do is issue quarterly lease sales for onshore energy development and a new five-year plan for offshore development; renew Keystone XL; and provide for a general waiver of the Jones Act (see EMA's letter [here](#)) among other actions to strengthen domestic energy production. Furthermore, Russia's invasion of Ukraine, and corresponding oil prices, reinforces the value of America's traditional fuel sources. While the Administration prioritizes EV charging, we must not forget the millions of Americans who rely on mom-and-pop gas stations to fuel vehicles daily.

Rob Underwood also noted, "a myriad of factors beyond the cost of crude oil and refining it into gasoline affect prices at the pump, including federal/state motor fuels excise taxes, boutique fuel requirements, and credit card swipe fees which remain the highest expense after labor for gas station owners."

Gas prices are set by the owner or operator of each retail outlet who must factor the need to pay for the next delivery of gasoline (i.e. replacement costs) into the street price. If supply is seen as dropping relative to demand, this can place upward pressure on price and can be factored into the retailer's pricing decision. Boycotting local gasoline stations or

blaming them for the high prices is not an effective response and will not reduce the price of gasoline. EMA will continue representing these interests across the 47 state and regional fuel marketer associations we serve.

NEW SURVEY SHEDS LIGHT ON THE EXTENT OF THE DRIVER SHORTAGE IN THE ENERGY MARKETING INDUSTRY

A recent [survey](#) published by the National Tank Truck Carriers (NTTC) outlines the extent of the CDL driver shortage problem as it applies to the transportation of petroleum products. According to the survey, over a two-year period beginning in May 2019, the industry experienced a 41.6 percent reduction in petroleum driver applicants, along with a 23.3 percent reduction in drivers qualified to drive cargo tank motor vehicles. The driver shortage has had a negative impact on overall productivity, resulting in an 11 percent decline in petroleum loads hauled. Furthermore, the survey predicts the loss in productivity will continue as 23 percent of petroleum drivers are within 10 years of retirement while 80 percent of drivers over age 45 and 23 percent are over the age of 50.

The survey also found that from September 2016 to January 2021, petroleum carriers experienced an average of 1 new hire for every 9 job openings posted. During the same time period, the blue-collar work force (a broad pool of workers with a high school diploma or less) experienced 1 new hire for every 1 job opening posted, further highlighting the difficulty of petroleum carriers finding qualified drivers to meet increasing demand, according to the survey. Among the reasons for the ongoing petroleum carrier driver shortage are: minimum age requirements, 21 years old for interstate CDL and 23 years old for HAZMAT drivers; stringent Drug and Alcohol Clearinghouse rules that put more than 50,000 drivers in prohibited status with one violation or more; too few EB-3 visas available for foreign truck drivers; and regulatory hurdles for HAZMAT drivers related to training, testing and multiple agency's reporting requirements.

STATE TAX ADMINISTRATORS RELEASE UPDATED LIST OF STATE MOTOR FUEL EXCISE TAX RATES AND RULES

The Federation of Tax Administrators, an association of all 50 state and territorial tax authorities, recently published its [annual list of state motor fuel excise taxes](#). The list is updated to January 2022. In addition to listing state motor fuel excise taxes for gasoline, diesel fuel and gasohol, the list includes notations on the various surcharges, fees, sales taxes that are also imposed on the sale of motor fuel.

In addition, the Federation of Tax administrators has also published its [annual compendium of state motor fuel excise tax regulations](#). The compendium lists state by state motor fuel excise tax information in 37 categories; state excise tax authority contact information; state statute and rule citations for gasoline, diesel fuel, aviation gas and jet fuel; state point of collection requirements for motor fuel taxation; motor fuel tax rates for finished product and their effective dates; fees and rates on reportable products (i.e. environmental fee, inspection fees, etc.); state motor fuel rate updates; alternative fuels incentives and laws; state diversion requirements; alternative fuel tax rates and conversion rates for CNG, LNG, LPG, E85, electric vehicles, gasoline hybrid vehicles and methanol (M85); taxable blendstocks; contaminated fuel refund rules; refunds/credit allowance for bad debt; application of state sales tax on motor fuel sales; responsibility for remitting taxes and license requirements; exempt parties; and rules for filing refunds and credits.

The compendium is updated to September 2021 and is useful to Association Executives to identify state motor fuel excise tax trends and compare home state motor fuel excise tax laws to requirements in neighboring states.

SENATOR CASSIDY OUTLINES ROUTE TO REESTABLISH AMERICA'S ENERGY DOMINANCE

This week, Senator Bill Cassidy, M.D. (R-LA) released a policy outline detailing how the U.S. can reset its energy and climate policy and create a global Russia-free energy future. Cassidy, a member of the Senate Energy and Finance Committees, called for an Energy Operation Warp Speed to reestablish America's energy dominance.

"The world will be safer and the planet healthier in a future free of Russian energy. This requires addressing global security, climate, and the ability of a family to afford a tank of gas," said Dr. Cassidy. "We need an Operation Warp Speed for domestic energy production." Cassidy's outline charts a four-pronged approach for the U.S. to achieve its energy, national security, economic, and climate goals:

1. **Create an Energy Operation Warp Speed** to invest in U.S. energy production and cut bureaucratic red-tape
2. **Build more resilient supply chains** by stockpiling fuels and critical minerals, nature-proofing our infrastructure, and reducing supply chain constraints through innovative research
3. **Draw developing countries closer** by financing smart and sustainable energy production in developing nations to limit dependence on Russia and China
4. **Coordinate with our allies** to alleviate current energy crisis, end reliance on Russia, and reduce global emissions

Cassidy's outline balances U.S. policy at the nexus of the environment, national security, economy, and affordable energy. It aims to restore America's energy independence, bolster our national security and the security of our allies, reduce global emissions, and lower high energy costs. Read the full policy outline [here](#).

PETROLEUM MARKETERS RISK MANAGEMENT ACADEMY OFFERED BY FEDERATED INSURANCE ON APRIL 19-21, 2022

Federated Insurance is offering complimentary risk management training for petroleum marketers on April 19-21, 2022. Through this valuable session, you will discover methods you can use immediately to help protect profits by reducing risk at your business.

Companies that are the most successful at controlling losses and protecting profits have integrated risk management into their overall company culture. Many have designated a key person as their risk manager. This person is supported by your company's top management and is both responsible and accountable for identifying loss exposures and implementing risk management solutions.

This seminar's objective is to help your risk manager learn the exposures specific to the petroleum industry, connect with peers from across the country and apply these best practices within your business.

You can learn more by viewing a brief [video](#) about the Risk Management Academy. To [reserve your spot](#) in the upcoming session or for more information, please contact drm@fedins.com or call 800.533.0472 Extension 455.5958.

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The graphic features the year '2022' in a large, stylized font. A green four-leaf clover is positioned over the first '0'. To the right, the word 'SCHOLARSHIP' is written in large, bold, red letters, with '\$4,000' below it. Further right is a red classical column icon. Below the column, 'WPMA' is written in large red letters, with 'SCHOLARSHIP FOUNDATION' in smaller black letters underneath. In the center, the word 'RECIPIENTS!' is written in large, bold, red letters. Below the '2022' and 'RECIPIENTS!' text, it says 'Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Associate scholarship applications are now in process ...'. At the bottom left, a small note reads 'Look for winners to be featured in the WPMA News Summer Magazine'.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

April 19, 2022 - Idaho (IPM&CSA) PAC Golf Event – Ridgecrest Golf Course, Nampa Idaho

April 25, 2022 – Hawaii (HEMA) Golf Tournament – Ko Olina Golf Club – Kapolei, HI

May 5-6, 2022 – Nevada (NPM&CSA) Big Dogs – Las Vegas, NV

June 7-8, 2022 – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Fairmont, MT

June 20-22, 2022 – Washington (WI/ED) Convention – Suncadia Resort – Cle Elum, WA

June 23, 2022 - Utah (UPMRA) Summer Golf Classic - Stonebridge GC - West Valley City, UT

July 17-19, 2022 – Oregon (OFA) Annual Convention – Sunriver Resort – Sunriver, OR

August 3-5, 2022 – Idaho (IPM&CSA) Convention – Coeur d'Alene Resort – Coeur d'Alene, ID

August 22-24, 2022 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

September 14-16, 2022 – Utah (UPMRA) Convention – Sheraton Park City Hotel – Park City, UT

February 21-23, 2023 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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Petro Pete: "The light at the end of the tunnel has been turned off due to budget cuts."

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