WPMA
News and Information for the Petroleum Marketers Industry
weekly update

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PRESIDENT SIGNS COVID-19 RELIEF LEGISLATION

On Thursday, President Biden signed the $1.86 trillion COVID relief package, claiming his first major legislative victory. The package received no Republican support in either chamber. Late in the legislative process, Democrats managed to insert three different tax provisions worth an estimated $60 billion. One removes deductions for publicly traded companies that pay up to 10 employees more than $1 million. The second measure repeals a provision allowing multinational companies more flexibility when accounting for interest expense and the third limits to $500,000 the amount of losses certain people who own unincorporated “pass-through” businesses can use to offset other income and, thereby, reduce their tax bills. The legislation also includes:

- Extension of the employee retention tax credit through December 31, 2021.
- Extension of tax credits for employer-provided paid sick and family leave through September 30th. Please note the law does not include an extension of the Paid Sick andFamily Leave Mandate which expired on December 31st.
- Direct payments worth up to $1,400 per person.
- Extension of the Pandemic Unemployment Assistance program and Pandemic Emergency Unemployment Compensation programs.
- Extension of the 15 percent increase in food stamp benefits through September, instead of allowing it to expire at the end of June.
- $880 million for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
- $4.5 billion for LIHEAP
- $19.1 billion to state and local governments to help low-income households cover back rent and utility bills.
- Expansion of the child tax credit to $3,600 for children under 6 and $3,000 for children under age 18.
- $15 billion to the Emergency Injury Disaster Loan program.
- An additional $7 billion for the Paycheck Protection Program.
- $350 billion to state and local governments, as well as tribes and territories.

Meanwhile, Congressional leadership are turning attention to infrastructure to create new jobs and re-energize the economy. On Thursday, House Democrats jump-started discussion with a $312 billion proposal that would make the country’s electric grid more resilient to natural disasters, replace lead drinking water pipes, and deploy electric vehicles. More details in the article below.

There is broad, bipartisan support in Congress for a comprehensive infrastructure package; however, there are significant differences of opinion on major issues between Congressional leaders, such as the scope, how and when to advance the legislation through both Chambers, and how to pay for it. In addition, the House and Senate will need to reach a final agreement on how earmarks may be used. Earmarks allow Members of Congress to direct funding to certain projects in their districts and can be used as carrots and sticks for securing votes on key pieces of legislation.

Last week, the White House said the Biden Administration will release an infrastructure framework but will look to Congress to draft the legislation. President Biden’s State of the Union Address slipped into mid-April, after which the Administration will release their budget requests. Once the requests are issued, Congress is expected to focus on infrastructure legislation with the goal of passing legislation before the August recess. Leaders will aim to finalize conference negotiations before the current surface authorization expires September 30th.

The Senate also continues to press forward and confirm key agency officials as the Senate confirmed Merrick Garland to serve as Attorney General and Michael Regan as the EPA Administrator. Administrator Regan said, "The EPA will prove that environmental protection and economic prosperity go hand in hand - and we will seize this opportunity to create a healthier, more just future for all." Prior to his confirmation, Regan served as the Secretary of the North Carolina Department of Environmental Quality and served as the EPA program manager responsible for designing strategic solutions with industry and corporate stakeholders to reduce air pollution, improve energy efficiency and address climate change.

HOUSE DEMOCRATS INTRODUCE INFRASTRUCTURE BILL TO ELECTRIFY AMERICA

Yesterday, all Democratic members of the Energy and Commerce Committee reintroduced a broad infrastructure package called the “Leading Infrastructure for Tomorrow’s America Act,” or “LIFT America Act.” The massive infrastructure bill

includes boosting “clean energy” and strengthening the power grid, as well as expanding broadband access and building healthcare infrastructure. The bill is similar to legislation introduced last Congress that eventually was included in their comprehensive infrastructure bill known as “The Moving Forward Act” (H.R. 2). The House E&C version is dead on arrival in the Senate; however, some elements of this package are likely to be included in a possible bipartisan infrastructure package later this year. Key provisions impacting energy marketers include:

- Provides nearly $3.87 billion for fiscal years 2022-2026 for electric grid infrastructure, focused on grid modernization, security, resiliency, and efficiency. Funds will support infrastructure improvements to enhance energy security, smart grid technology deployment, and efficiency upgrades. Includes funding to establish a strategic transformer reserve to speed electric grid recovery following extreme weather events.
- Authorizes $22.5 billion through 2026 to provide grants to state and local governments to support projects that encourage the use of EVs.
- Reauthorizes the Energy Efficiency and Conservation Block Grant program to provide $17.5 billion, including funding to deploy infrastructure for delivering alternative fuels (including electricity).
- Authorizes $2.7 billion to spur the development of Smart Communities, including $850 million in technical assistance to help cities and counties integrate clean energy into their redevelopment efforts.
- Authorizes $1.2 billion annually through 2026 for a Home Energy Savings Retrofit Rebate Program which would provide rebates of as much as $800 for insulation and air sealing and as much as $1,500 if the installation is accompanied with a total or partial replacement of the HVAC system. Rebates would be capped at 30 percent of the actual cost of each installation and replacement. The Energy Department could pay contractors an additional $250 for each eligible project in exchange for information sharing on the performance of the retrofit. Would make grants available under the program for states to administer their own rebates for retrofits that reduce home energy use by at least 20 percent. Additional rebates would be allowed for retrofits achieving a 40 percent reduction.
- Authorizes $20 billion over five years through three existing Energy Department programs to fund upgrades to public buildings like schools, hospitals and libraries.
- $1 billion over five year for the installation of solar panels in low-income and underserved communities.

EMA is particularly alarmed by Section 34315 which allows public utilities to use rate payer dollars to invest in electric vehicle charging infrastructure. The purpose of these rate increases is, in part, to offset costs for installing EV infrastructure and charging networks that very few people will use. Hardworking Americans should not pay more in their utility bills just so that a few who can afford EVs are able to charge their vehicles, in some cases for free. Even small utility rate hikes to pay for EV charging can have an outsized impact on households. American households continue to have difficulty paying their energy bill due to the pandemic. If a PUC permits a rate hike, those unfairly paying for EV charging will include (1) low-income families, (2) the elderly and fixed-income families, (3) those who do not own EVs and will not use EV chargers and (4) small businesses. Furthermore, an electricity monopoly installing EV infrastructure hurts consumers by effectively blocking out competition. Competition will ensure consumers pay a competitive price for EV charging and are ultimately serviced by the companies that provide the best customer experience. In other words, utilities and non-utilities, including private businesses, should be on a level playing field when it comes to building out EV charging infrastructure.

DRIVE SAFE ACT REINTRODUCED IN SENATE AND HOUSE

On Wednesday, Senators Todd Young (R-IN) and Jon Tester (D-MT) reintroduced the *Developing Responsible Individuals for a Vibrant Economy (DRIVE-Safe) Act* to address the driver shortage in the trucking and logistics industry, and enhance safety training and job opportunities for young truckers. U.S. Senators Tom Cotton (R-AR), Jim Inhofe (R-OK), Angus King (I-ME), Joe Manchin (D-WV), Jerry Moran (R-KS), and Kyrsten Sinema (D-AZ) joined as original cosponsors of the bill.

Though 49 states and the District of Columbia allow individuals to obtain a commercial driver’s license (CDL) at the age 18, federal law currently prohibits those operators from moving goods from state to state until they are 21. The *DRIVE-Safe Act* establishes an apprenticeship program that would allow for the legal operation of a commercial motor vehicle in interstate commerce by CDL holders under the age of 21. Although this legislation will not apply to hazmat drivers, it will add to the overall pool of drivers.

“The trucking and national supply chain network have been fundamental to America’s response to the coronavirus, moving goods to support medical personnel and sustain the public throughout this crisis,” said Senator King. “The industry is vital to our everyday life, but driver shortages threaten its future. The DRIVE Safe Act addresses these challenges by creating an apprenticeship program that works across state lines, enhances the skills of our workforce, and helps train the next generation of safe drivers. I’m proud to once again stand with my bipartisan group of colleagues to introduce this bill, and hope that the Congress will move on this commonsense solution to a pressing problem.”

“Commercial drivers are the hard-working Americans who keep our nation running day in and day out, but tens of thousands of good-paying commercial driver jobs are left empty. Federal rules currently prevent commercial drivers under 21 from crossing state lines,” said Senator Manchin. “In West Virginia, that means someone can drive 5 hours from Beckley to Weirton, but can’t drive another 15 minutes over the river to Steubenville. We should be getting West Virginians into these jobs right out of high school, but many companies just don’t want to deal with the hassle. This bipartisan legislation will help fill that gap by establishing an apprenticeship training program for young Americans interested in these good-paying jobs. I urge my colleagues on both sides of the aisle to join us on this commonsense bill to put Americans back to work and fill vital roles in our economy.”

The apprenticeship training program would help ensure these drivers are trained beyond current standards while instituting rigorous safety standards and performance benchmarks. The apprenticeship program established by the *DRIVE-Safe Act* would require young drivers to complete at least 400 hours of on-duty time and 240 hours of driving time with an experienced driver in the cab with them. All trucks used for training in the program must be equipped with safety technology including active braking collision mitigation systems, a video event capture system, and a speed governor set at 65 miles per hour or below.

Representative Trey Hollingsworth (R-IN-09) introduced a companion bill in the House. Jim Cooper (D-TN), Henry Cuellar (D-TX), Elissa Slotkin (D-MI), Jared Golden (D-ME), Troy Balderson (R-OH), Ashley Hinson (R-Iowa), Bruce Westerman (R-AR) and Darin LaHood (R-IL) joined as original cosponsors of the bill.

IRS REQUIREMENTS FOR THE SALE OF TAX-FREE, UNDYED KEROSENE

IRS regulations allow for the tax-free sale of undyed kerosene at retail dispensers. Such sales are allowed so long as the undyed kerosene is sold from a “blocked pump”. Energy marketers may apply for a credit or refund of the federal tax on undyed kerosene provided the following conditions are met:

- The undyed kerosene is sold for a non-taxable use.
- The undyed kerosene is dispensed from a “blocked pump.”
- For purchases of five gallons or more, the vendor must record the date of sale, name and address of the buyer, and the number of gallons of kerosene sold to the buyer.

A blocked pump is a fuel dispenser that meets all of the following requirements:

- The dispenser is used to make retail sales of undyed kerosene for use by the buyer in any non-taxable use.
- The dispenser is in a fixed location.
- The dispenser is identified with a legible and conspicuous notice stating:

“UNDYED UNTAXED KEROSENE, NONTAXABLE USE ONLY”

The dispenser cannot reasonably be used to dispense fuel directly into the tank of a diesel-powered highway vehicle. This can be achieved by one of three methods:

- Use of a short hose that cannot reach the tank of a diesel-powered highway vehicle.
- Use of barriers that prevent the vehicle from reaching the hose nozzle. OR
- Vendor locks the dispenser after each sale and unlocks only in response to a buyer’s request for undyed kerosene for use as fuel other than in a diesel-powered highway vehicle.

The vendor selling the undyed tax-free kerosene from a blocked pump is the only party allowed to file a claim for a credit or refund on federally imposed excise tax. Before filing a claim, the vendor must first obtain an IRS 637 ultimate vendor registration (637 UV) number by filling out and submitting IRS Form 637. A credit or refund may be submitted every seven days for claims exceeding $100. IRS forms 8849 or 4136 must be used to file the claim for sales of undyed kerosene from a blocked pump. The claimant must write the word “KEROSENE “on the top of the credit or refund form submitted to the IRS.

Important! Tax-free undyed kerosene with a sulfur content over 15ppm can only be used for heating purposes. In this case, both the IRS dispenser label above is required along with the following EPA sulfur content dispenser label:

KEROSENE HEATING OIL
(May Exceed 500 PPM Sulfur)
WARNING!

Federal law prohibits use in highway vehicles or engines, or in non-road locomotive or marine diesel engines. Its use may damage these diesel engines.

Contact Mark S. Morgan, EMA Regulatory Counsel for questions or additional information. **mmorgan@emaamerica.org.**

LAWMAKERS URGE CREDIT CARD COMPANIES TO REFRAIN FROM INCREASING SWIPE FEES

This week, Sen. Dick Durbin (D-IL) and Rep. Peter Welch (D-VT) sent a letter to VISA and MasterCard urging the companies to refrain from increasing swipe fees by $1.2 billion scheduled to take effect in April. An increase in processing fees could be especially hard for convenience stores now that cash has become a less popular payment option with the COVID-19 pandemic. "Just as increased vaccination efforts start to give our Main Street business hope for a summer reopening, your companies propose slamming struggling merchants, and by extension consumers, with fee increases," Durbin and Welch said in the letter. "Raising your fees would undermine efforts to help the economy recover and further reduce Americans' purchasing power." Click here for the story.

THE FUEL RELIEF FUND NOW IN ETHIOPIA

EMA is proud to notify you that the California based Fuel Relief Fund (FRF) has been actively providing fuel used to distribute food to people who are struggling in Ethiopia. Since January FRF has been collaborating with the United Nations World Food Programme (WFP) to establish a reliable and efficient fuel supply chain for their humanitarian operations in Ethiopia.

Since November 2020, there has been an outbreak of sectarian violence in northern Ethiopia resulting in a massive humanitarian crisis. As the conflict has continued to escalate, it has destabilized the region and resulted in civilian casualties and mass displacement in Tigray and beyond Ethiopia's borders. Recent numbers suggest that over 2.2 million people are in need of humanitarian assistance. Access into and within Tigray continues to be a major impediment for humanitarian planning and response efforts. Humanitarian needs have increased and coordinated logistical and fuel supply support is more critical than ever.

Over the next several months, the fleet of WFP trucks delivering food and other critical humanitarian supplies is slated to double. But with the conflict ongoing, commodity markets and supply chains are likely to be negatively impacted. Therefore, WFP has called on FRF to assist in establishing a parallel fuel supply chain to ensure continuity of humanitarian response operations, despite the upheaval.

To contribute to this fund, please go to Fuel Relief Fund | Fuel Saves Lives.

EMLI (PMLI) REGISTRATION IS OPEN NOW

We are excited to announce that registration is open for the Energy Marketers Leadership Institute (EMLI)!

EMLI is new and improved and is designed to make it easier and more affordable for WPMA members to attend. The EMLI programs will be delivered online via Zoom video conference and will include breakout rooms so that the leaders who are attending can interact and learn together.

Special thanks to Lea McCullough for her leadership in working with Meridian to design and deliver the EMLI programs. For more information on how to register go to: **https://emamasters.com/energy-marketers-leadership-institute/**

WPMA COVID-19 - CRITICAL REFERENCES FOR MEMBERS

Please visit our web site for up-to-date information related to your business and the COVID-19 pandemic. You will find the link on our home page at www.wpma.com.

MEMBERS AND ASSOCIATES - YOU CAN CONTRIBUTE!

WPMA welcomes industry-related articles for publication in the WPMA News magazine. All members and associate members of WPMA are eligible to submit items for publication. Articles will be included as space allows, and no self-promoting articles or editorials will be accepted. WPMA reserves the right to edit and make adaption of such contributions to accommodate the magazine's space and style. Please submit articles or content to Jan Roothoff, WPMA Administration/IT Director at janr@wpma.com, or mail to Jan Roothoff, Western Petroleum Marketers Association, PO Box 571500, Murray, UT 84157-1500. Submissions for the Winter edition of WPMA News magazine are due before November 1st. Later submissions will be considered for the Spring issue.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

March 15, 2021 – Hawaii (HPMA) Golf Tournament – Oahu Country Club – Honolulu, HI
May 6-7, 2021 - Nevada (NPM&CSA) Big Dogs - Red Rock Hotel & Casino - Las Vegas, NV
June 1-2, 2021 - Montana (MPMCSA) Convention -Fairmont Hot Springs Resort - Fairmont, MT
June 21-24, 2021 - Washington (WIED) Convention - Suncadia Resort - Cle Elum, WA
June 24, 2021 - Utah (UPMRA) Summer Golf Classic - Bountiful Ridge GC - Bountiful, UT
July 17-19, 2021 - Oregon (OFA) Annual Conference - Sunriver Resort - Sunriver, OR
August 4-6, 2021 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID
August 23-25, 2021 - New Mexico (NMPMA) Convention - Sandia Resort & Casino - Albuquerque, NM
September 15-17, 2021 - Utah (UPMRA) Convention - Sheraton Park City Hotel - Park City, UT
February 22-24, 2022 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!

Petro Pete: ***"In the rush to return back to normal, use the time to consider which parts of normal are worth rushing back to."***

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