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OPIS CHIEF OIL ANALYST TO ADDRESS PMAA'S SPRING DC CONFERENCE

PMAA is pleased to have OPIS's Chief Oil Analyst, Denton Cinquegrana, address petroleum marketers attending PMAA's DC Conference and Day on the Hill during the Issues Briefing on May 8 starting at 1:30pm.

In more than 16 years at OPIS, Denton Cinquegrana has covered almost every product and market where OPIS has price discovery. As Chief Oil Analyst, Denton is responsible for the day to day news and analysis operations at OPIS as well as giving the big picture look on domestic petroleum markets. Denton has been widely quoted and interviewed as an expert on petroleum supply and demand trends and forecasting the price of oil and retail gasoline and diesel. Denton is a frequent contributor and often a voice of reason for major media outlets such as Fox Business, MSNBC and CBS News.

Denton is a 1997 graduate of Rutgers University and a former football letter winner.

PMAA looks forward to hearing Denton's perspectives and to the Q & A that will follow his presentation.

TAX EXTENDERS INCLUDING BIO-DIESEL BLENDER'S CREDIT AND OSLT STILL IN LIMBO

While Congress has yet to renew the tax extenders package which includes both the biodiesel blenders tax credit and the oil spill liability tax (OSLT), there were some positive developments this week after the House Ways and Means Committee held a hearing on the subject. Ranking Member Kevin Brady (R-TX) said that he is developing a draft tax extenders package in an effort to shift the debate on the batch of temporary tax breaks.

This announcement comes two weeks after Senate Finance Committee Chairman Chuck Grassley (R-IA) introduced legislation that would retroactively extend most of the provisions through 2019 including the \$1 per gallon biodiesel tax credit that expired at the end of 2017. Additionally, the OSLT would be extended through 2019 and the good news for petroleum marketers is that it would not be applied retroactively. For instance, if the bill is signed into law in March, then the OSLT would be effective the first day of the first month following passage, which would be April 1, 2019. The prospects of passage depend on whether Congress can find a legislative vehicle to attach the tax extenders bill.

Last month, PMAA, NEFI and several other groups sent a letter to House and Senate leadership in support of a 2018 retroactive renewal of the \$1 per gallon biodiesel blender's tax credit, which expired on December 31, 2017. Further, the letter urges Congress to include a multi-year extension of the credit. Urge your representatives to support the biodiesel blender's tax credit.

Additionally, PMAA and other groups sent a letter to Congressional tax writing committees to oppose the retroactive renewal of the Oil Spill Liability Tax (OSLT) and to renew only on a prospective basis after the date of enactment. Applying an excise tax to 2019 transactions that have already been processed and the associated products sold multiple times would create significant transactional concerns and potential legal implications within the entire fuel supply chain.

NEW PROPOSED OVERTIME RULES DETAILED SUMMARY

Last Thursday, the Department of Labor (DOL) issued a new proposed rule that would modify the exemptions to the Fair Labor Standards Act (FLSA) overtime rules for certain white-collar employees (executive, administrative, professional, and computing positions) and highly compensated employees.

Similar to the Obama-era efforts, the new Proposed Rule presents changes to the regulations that govern how employers can structure their relationship with their employees, which in turn, can impact a business's bottom line. In general, the FLSA requires employees be paid one and a half times their regular rate of pay for all hours worked over forty hours in a given workweek. Under the FLSA, there are, however, certain exemptions. Employees who fall under one of these exemptions do not have to be paid overtime.

The Proposed Rule focuses on two general types of FLSA exemptions - the "white collar" exemption and the "highly-compensated worker" exemption.

EPA PROPOSES YEAR-ROUND SALES OF E15 AND LIMITS TO RINs TRADING

On Tuesday, the EPA proposed regulatory changes to allow gasoline blended with up to 15 percent ethanol (E15) to take advantage of the 1-psi Reid Vapor Pressure (RVP) waiver for the summer months that has historically been applied only to E10.

The proposed rule is important to petroleum marketers because it would allow the year-round sale of E15 blended gasoline. Currently, E15 may only be sold during the winter driving season. The proposed rule would change all that by extending the existing one-pound waiver allowed exclusively for E10 to E15 blends. If this happens, E15 will meet summertime RVP standards and can be sold year-round, underground storage tank and vehicle compatibility concerns notwithstanding.

Extending the one-pound RVP waiver to E15 through the rulemaking process is controversial because the statutory language of the Clean Air Act specifically limits the waiver to E10 blends. Consequently, opponents of E15 argue that any such change can only be made by Congress through the legislative process, specifically by amending the Clean Air Act. Despite this hurdle, the Trump Administration is directing the EPA to make the change through the proposed rulemaking. In the meantime, E15 opponents will likely sue to prevent the rule from taking effect. While PMAA supports all forms of motor fuels, serious compatibility issues with UST systems and vehicles must be resolved before E15 can be safely sold year-round.

On Tuesday, EPA also proposed changes in the trading and holding of biofuel credits, called renewable identification numbers (RINs), in an effort to stabilize the RIN market by limiting speculation. Proposed reforms to RIN markets include: prohibiting certain parties from being able to purchase separated RINs; requiring public disclosure when RIN holdings exceed specified thresholds; limiting the length of time a non-obligated party can hold RINs; and increasing the compliance frequency of the program from once annually to quarterly.

EPA will hold a public hearing on the proposals on March 29th in Michigan.

PMAA Counsel is reviewing the proposal and will provide a deeper dive soon. PMAA will also submit comments to EPA prior to the April 29th deadline.

COALITION SENDS LETTER TO CONGRESS IN OPPOSITION TO REST AREA COMMERCIALIZATION

This week, NATSO, PMAA and like-minded associations sent a letter to the Senate to oppose efforts to commercialize Interstate rest areas as they consider infrastructure legislation this year.

In the letter addressed to Senate Majority Leader Mitch McConnell and Minority Leader Charles Schumer as well as Senators John Barrasso (R-WY), Chairman of the EPW Committee, and Ranking Member Tom Carper, the groups said that while they understand the budget challenges that many states face and the need for more infrastructure revenue, proposals to allow the private sector to operate Interstate rest areas is counter-productive.

The letter underscores the negative affect that commercial rest areas would have on small businesses located off interstate highways.

Sen. Barrasso has been a strong champion against rest area commercialization sent a letter to Transportation Secretary Chao urging her to oppose rest area commercialization in 2018.

FDA ISSUES DRAFT GUIDANCE RESTRICTING THE SALE OF FLAVORED E-CIGARETTE PRODUCTS

This week, the Food and Drug Administration (FDA) issued draft guidance that would essentially ban flavored e-cigarette sales in convenience stores. Stores will continue to be able to sell tobacco and mint/menthol flavored e-cigarette products but cannot sell other flavored products unless minors are prohibited from entering the stores or those products are sold in a separate section of the store that minors are prohibited from accessing.

Meanwhile, National Cancer Institute Director Norman "Ned" Sharpless will become acting commissioner of the Food and Drug Administration after Commissioner Gottlieb recently announced that he planned to resign next month. It is not clear how Sharpless will impact the campaign to curb youth use of e-cigarettes and other tobacco products.

PMAA continues to take the FDA e-cig crackdown announcement seriously. Please reach out to your lawmakers and urge them to tell the White House not to ban sales of flavored e-cigarette products at convenience stores.

PMAA SENDS TO CONGRESS IN SUPPORT OF THE DRIVE-SAFE ACT

Recently, Senators Todd Young (R-IN) and Jon Tester (D-MT) reintroduced the bipartisan "Developing Responsible Individuals for a Vibrant Economy Act," also known as the "DRIVE-Safe Act," and Rep. Trey Hollingsworth (R-IN) reintroduced a companion bill in the House. The bill would allow drivers 18 and older to operate across state lines if they meet rigorous training requirements. The training requirements would include at least 400 hours of on-duty time with 240

hours of driving time with an experienced driver training them. Training would also be restricted to trucks equipped with active braking systems, video monitoring systems and speed limiters set to 65 mph or slower.

PMAA is a member of the DRIVE-Safe coalition that sent letters to the House and Senate sponsors of the DRIVE-Safe Act last week expressing support for the legislation.

PRESIDENT TRUMP RELEASES 2020 BUDGET

On Monday, the Trump Administration released its Fiscal Year (FY) 2020 budget proposal totaling \$4.7 trillion in spending. The proposal is projected to cut spending by \$2.7 trillion over the next 10 years.

The budget seeks:

- \$31.7 billion for the Department of Energy (DOE), an 11 percent decrease from the 2019 enacted level.
- \$158 million for the Advanced Energy Storage Initiative, a coordinated effort jointly led by the Office of Electricity and the Office of Energy Efficiency and Renewable Energy (EERE) to advance energy storage Research and Development as a key to increasing energy security, reliability, and resilience. • \$6.1 billion for the EPA, a 31 percent decrease from the 2019 level.
- \$643 million in additional funding for the Food and Drug Administration (FDA) and recommends a \$100 million increase to the FDA's user fee cap to regulate electronic nicotine products, which are not currently subject to FDA approval.
- \$220 billion in cuts over a decade to the Supplemental Nutrition Assistance Program (SNAP) and once again proposes the implementation of a harvest box program which would take billions in SNAP benefits that are spent in stores and divert the money to supplying SNAP recipients with delivery boxes of nonperishable foods.
- \$1 billion for expanding childcare access, as well an unpaid mandate of paid parental leave for new mothers, fathers and adoptive parents so that they can bond with their new child.
- The budget proposal does not provide any details regarding the Leaking Underground Storage Tank (LUST) Fund, the Low-Income Home Energy Assistance Program (LIHEAP) or the Weatherization Assistance Program (WAP). PMAA will continue to monitor these programs as more information becomes available.

Like all presidential budgets, ultimate passage of the blueprint is not likely, especially since democrats have the majority in the House. In both chambers, most domestic programs have bipartisan advocates. And in the Senate, bipartisan support will be imperative because it takes 60 votes to move spending bills past delaying tactics.

PAID PARENTAL LEAVE BILL INTRODUCED

In what is being referred to as the Ivanka Trump effect on Republicans, on Tuesday, Sens. Joni Ernst (R-IA) and Mike Lee (R-UT) introduced a paid parental leave discussion document called the Child Rearing and Development Leave Empowerment (CRADLE) Act. Senator Rubio (R-FL) introduced similar legislation last year.

The draft bill would allow natural and adoptive parents to receive one, two, or three months of paid leave benefits by giving them the option to delay activating their Social Security benefits for two, four, or six months. Expectant parents would simply fill out a form to notify the Social Security Administration (SSA) of their intention to take paid leave before an expected birth or adoption. Then, after the birth or adoption, the SSA would begin payments two weeks after parents applied for their baby's social security number.

Workers would still bear the cost of taking time off - by delaying their retirement by twice as many months as they took off for parental leave. Therefore, someone who takes the maximum three months off would need to delay their Social Security retirement by six months.

The federal government would only mandate the proposal but leave it to the states to both shape and fund the paid parental leave.

FDA UNVEILS CALORIE COUNT MENU INFORMATION WEBSITE

This week, the U.S. Food and Drug Administration (USDA) unveiled on its website information to assist consumers on calories and nutrition on menus.

RESERVE YOUR ROOMS AND REGISTER NOW FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL

PMAA's annual Washington Conference and Day on the Hill will be held in our Nation's Capital of Washington, DC from May 8-10. Our industry continues to have dozens of important legislative and regulatory issues to discuss and the Day on the Hill continues to be the primary focus of this conference.

The conference will begin with an Opening Session / Issues Briefing and Region meetings during the afternoon of May 8. The welcome reception, including the fun and popular PAC silent auction fundraiser in a new format, concludes the day! On the morning of May 9, 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 your Congressional appointments as soon as possible! There will be a hospitality suite and luncheon on the Hill. On the evening of May 9, PMAA will honor their 2019 PMAA Chair, Sharon Peterson. The conference will conclude after the PMAA Board of Directors meet on May 10 following a buffet breakfast and committee meetings.

Go to the event website for all details and registration with secure event payment processing through Cvent. **We are expecting record attendance with over 245 members who have made hotel reservations and over 100 members currently registered!** If you plan on attending PMAA's annual Washington Conference and Day on the Hill and do not have hotel reservations, please take the time now to make your room reservation through A Room with a View at 800.780.4343, the free overflow hotel service that serves as PMAA's official waitlist. They will offer information on several PMAA overflow hotel options and rates. May is a peak month in Washington, DC where hotels book quickly and there are many citywide events also going on during the conference. We would encourage you to register for the meeting prior to making your travel arrangements.

It is your chance to make a positive difference for our industry! Please make your plans now to attend this important and productive conference to meet with your members of Congress!



Women In Carwash™ offers a taste of the new business environment™ that women in the car washing industry are creating. Anyone and everyone who enjoys being surrounded by successful women are welcome to attend. The conference is made possible thanks to sponsorship of progressive companies like P.D. McLaren Ltd and Parkland Industries. The speakers have been carefully selected to focus on the practical challenges and opportunities that operators and business leaders encounter every day such as Stress Management, Personality Profiling, Branding, Conflict Resolution and Negotiating Skills. You'll be inspired, motivated and energized by educational sessions, networking opportunities as well as some after-hours fun! And you'll leave with practical tools to strengthen your business.

We anticipate a sold-out event. Visit www.womenincarwash.com and register now!

PLAN TO ATTEND THE 2020 WPMAEXPO



Mark your calendars for February 18-20, 2020. Make plans now to attend the 2020 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

- May 2-3, 2019** – Nevada (NPM&CSA) – Big Dogs – Las Vegas, NV
- June 4-6, 2019** – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Fairmont, MT
- June 20, 2019** – Utah (UPMRA) Summer Golf Classic - South Mountain Golf Course, Draper, UT
- June 17-20, 2019** – Washington (WOMA) Convention – Suncadia Resort, Cle Elum, WA
- August 5-7, 2019** – Idaho (IPM&CSA) Convention – Sun Valley Resort, Sun Valley, ID
- August 19-21, 2019** – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM
- September 11-13, 2019** – Utah (UPMRA) – Convention – Zermatt Resort, Midway, UT
- February 18-20, 2020** – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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Petro Pete: *"If I agreed with you we'd both be wrong."*

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2001 Kenworth T800 fuel truck and trailer with 2001 Onnen tanks. 12,800 gallons total capacity. \$82,000. Please call Guy or Justin at 208-765-2266 if interested.