WPMA
News and Information for the Petroleum Marketers Industry
weekly update

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CONGRESS APPROVES OMNIBUS SPENDING BILL

Shortly after midnight, Congress approved a $1.3 trillion spending bill which would fund the government through the end of the fiscal year on September 30. The bill includes funding for: fencing on the U.S. border with Mexico; combatting opioid addiction; building roads and strengthens background checks for guns.

Of significance for marketers, the bill includes:

- $92 million for the Leaking Underground Storage Tank (LUST) fund which matches previous funding levels.
- A $250 million funding increase for the Low-Income Home Energy Assistance Program (LIHEAP) from $3.39 billion to $3.64 billion.
- A $23 million funding increase for the Weatherization Assistance Program (WAP) from $228 million to $251 million.
- A $4.5 billion funding decrease for the Supplemental Nutrition Assistance Program (SNAP) from $78.5 billion to $74 billion.
- A $29 million funding increase for the Strategic Petroleum Reserve (SPR) from $223 million to $252 million.
- A 10-million-barrel sale from the SPR through fiscal years 2020 and 2021.
- A funding level of $6.5 million for the Northeast Home Heating Oil Reserve, which remains unchanged from the previous year.

Unfortunately, several provisions did not make the cut including federal preemption of state meal and rest break requirements provision for motor carriers, a provision that would have corrected a mistake in Section 168 of the new tax law that may cause retailers to lose eligibility for bonus depreciation and a provision that would have delayed implementation of EPA's revised ozone standard for 10 years from 2015 to 2025.

Congress will eventually have to fund the government again before the September 30th deadline. It is likely that Congress will pass another short-term continuing resolution (CR) through the mid-term elections and then return during a lame-duck session to approve a government spending bill.

PMAA continues to work with like-minded associations to include these important provisions in the next spending bill.

EPA TO EASE AUTOMOBILE FUEL EFFICIENCY STANDARDS

EPA Administrator Scott Pruitt suggested this week that the EPA won’t renew Obama-era Corporate Average Fuel Economy (CAFE) standards for cars and light trucks when the program is scheduled to end in 2025. The Obama Administration initially set 50 miles per gallon as an across the board fleet-wide target by 2025. However, the target may never be met because the EPA is currently considering a reduction in CAFE standards already in place for 2022 through 2025.

Pruitt says he is taking the action because the market for clean cars hasn’t materialized as expected. Consumers are buying trucks and SUVs in record numbers while more fuel-efficient passenger cars and electric vehicle sales plummet. Pruitt’s plan will essentially end the federal fuel efficiency program first initiated in 2008. It will also set up a historic clash between the federal government and California which establishes its own strict mpg standards.

California accounts for roughly 12 percent of new vehicle registrations annually, giving the state an outsized influence that largely dictates the standards by which auto manufacturers build cars. The Obama Administration aligned federal goals with California standards in 2008, temporarily resolving the federal/state regulatory conflict. Pruitt has already indicated that California “shouldn’t and can’t dictate to the rest of the country what these levels are going to be.” Bringing California into line would require eliminating the state's 50-year history of regulating mileage standards and vehicle emissions within its borders by revoking dozens of current waivers spanning decades.

California Air Resources Board (CARB) vows to fight revocation of its Clean Air Act waiver authority.

NLRB SETTLES WITH MCDONALD’S TO AVOID LANDMARK JOINT EMPLOYER DECISION

The National Labor Relations Board (NLRB) reached a settlement with McDonald’s Corp. employees this week rather than resuming trial in a case that if the workers were to win, would have a profound effect and become a potential landmark decision on how major corporations are held liable for workplace wrongdoing.

The case before the NLRB was based on claims by McDonald’s franchise employees who said they were fired in retaliation for joining a national effort to obtain a $15 hourly wage, the “Fight For $15” movement. McDonald’s said it shouldn’t be held responsible for the actions of individual franchises, that it is not a "joint employer" with its franchises.

Earlier this month, in an unrelated case, the NLRB voted to vacate a December 2017 decision, Hy-Brand Industrial Contractors, Ltd. and Brandt Construction Co., which overturned the 2015 ruling that made it easier to hold companies liable for labor violations committed by their franchisees or contractors.

The December determination found that to be classified a "joint employer," a business must have a direct and immediate control over the employees in question. Browning-Ferris, issued under President Obama, said a business could be classified a joint employer even if its relationship to the employees in question were indirect.

Now the Browning-Ferris standard is back in place, making it easier for employers to be found jointly liable over a particular employee. The reason the ruling was vacated is because NLRB Board member William Emanuel’s former law firm had represented a party to the original Browning-Ferris decision and William should have recused himself from the case.

Late last year, the House passed the “Save Local Business Act,” which would reverse the NLRB 2015 Browning-Ferris decision by narrowing the circumstances under which businesses can be classified a joint employer. Under Browning-Ferris, companies that exert only "indirect" control over franchisees may still be joint employers. The bill would revert to a standard of "direct" control. Following last year’s finding the legislation was not considered necessary except to prevent a future Democratic NLRB from switching the ruling back sometime in the future. Now enactment of such legislation is critical because NLRB Trump appointee William Emanuel did not recuse himself during the case last year.

REFINERS RESPOND TO SECRETARY PERDUE’S COMMENTS ON RINS

On Tuesday, a group of refiners known as the Fueling American Jobs Coalition responded to comments made by Agriculture Secretary Sonny Perdue that Congress would be better off handling the issue over the price of RIN credits instead of the White House. In their comments, the coalition praised Secretary Perdue for acknowledging that there is a problem with the current Renewable Fuel Standard (RFS) program and that the issue surrounding the volatility of RINs needs to be addressed.

However, the group did respond to Secretary Perdue’s comments with some criticism, saying that "arguing that administrative reforms and legislative are an either-or matter is simply presenting a false choice. Administrative reform is needed now to avoid job loss and squandering of needed capital by the poorly calibrated RINs program. Legislation on the RFS is a laudable goal but will clearly take time to navigate the tough politics of biofuels on Capitol Hill.” Lastly, the group stated that Secretary Perdue’s call for a “middle ground” solution "must include serious, meaningful and direct cost containment for RINs of the very sort the President has previously discussed, such as waiver credits."

PMAA has been following the issue closely and will continue to provide updates.

ARTICLE IN THE SANTA FE NEW MEXICAN

Santa Fe New Mexican / 16 Mar 2018 / By Andy Stiny
Workers were feeling so good at a Santa Fe Allsup’s convenience store Thursday that you might have thought it was raining cash. And it almost was. One-time cash bonuses of $1,000 had appeared that morning by direct deposit in the bank accounts of all full-time, non-executive Allsup’s employees who have been with the company at least one full calendar year. Cashier Cesia Villatoro, who works at the Allsup’s store at 305 N. Guadalupe St., said she was happy with the bonus. Then she amended that to “very happy.” “I’m going to help my family,” Villatoro said.

Owners of the Clovis-based company said in a news release that the windfall was “a result of the recent Tax Cuts and Jobs Act passed in December 2017” — a massive Republican tax overhaul pushed by President Donald Trump. “The new tax reform legislation provides tax cuts for individuals and companies and should result in positive economic growth,” Allsup’s said.

The company operates 317 stores in New Mexico, West Texas and Oklahoma and employs 3,200 full-time and part-time employees. It did not say how many of its employees received a bonus this week. Velia Bojorquez, manager of the North Guadalupe Street store, said the company had mentioned the bonuses would be coming but didn’t give an exact date of when workers could expect them. “It’s too good to be true,” she said. “We were all surprised. Where did this money come from?” Bojorquez said she plans to use the extra infusion of cash to pay some bills. “It’s going to be a big help.” Cashier Maria Rosado was equally enthused. “I really need it,” she said of the cash disbursement. “I’m going to help my family and pay some bills.” The Trumpian largess did not stuff everyone’s pockets at the store. Cashier Matt Lucero, who had only been with Allsup’s for four days, was among the workers who didn’t qualify for the bonus bucks. But he was not disappointed, he said. Lucero said it’s still “hard to say” if Trump’s tax plan might be a long-term panacea. “It looks like it has some good benefits,” he said, “but you never know until later if it will make a difference or not.”

Allsup’s is one of nearly 440 companies nationwide that have announced bonuses, pay raises, utility rate cuts or 401k retirement plan increases since Trump signed the bill into law Dec. 22, according to the Americans for Tax Reform website

When Trump signed the bill, he praised companies that offered such bonuses and pay raises. Barbara Allsup, co-founder and owner of Allsup's with her late husband, Lonnie D. Allsup, is quoted in the company's news release saying, "Mark and I are pleased to announce this special, one-time bonus to our hard-working employees." Her husband had endorsed the plan shortly before his death in late January at age 84, the company said.

FEDERATED'S RISK MANAGEMENT ACADEMY FOR PETROLEUM MARKETERS

For two and a half days, **April 24 - 26** or **September 11-13,** experts at Federated's corporate headquarters in **Owatonna, Minnesota** will guide you through the best practices on how to keep your business safe. These seminars are designed for individuals in positions of risk leadership including owners, operations management, service management, risk management, or human resources. The key to a successful business is implementing and leading a strong risk management culture, so attendees should be in a position to take action! Topics target specific risk management exposures in the Petroleum Industry. Seminar sessions include:

- Pollution Liability
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- Claims Management
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- Risk Manager Responsibilities
- Family and Business Succession Planning
- Managing Your Workers Compensation
- Underwriting Your Business
- Cyber Risk Management
- Disaster Planning

The seminar is free to attend. For questions, concerns and assistance contact Royetta Spurgeon (507-455-5604), Ryan Crawford (520-820-6478) or your local Federated Marketing Representative. Here is a link for more information https://www.federatedinsurance.com/ws/fi/InsuranceProducts/RiskManagement/RiskManagementAcademy/index.htm

PLAN TO ATTEND THE 2019 WPMAEXPO

WPMA EXPO

Mark your calendars for February 19-21, 2019. Make plans now to attend the 2019 WPMAEXPO.
It will be held once again at the Mirage in Las Vegas, Nevada.

#wpmaexpo19

MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 19-21, 2019 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada
May 3-4, 2018 – NPM&CSA Big Dogs – Red Rock Casino – Las Vegas, Nevada
June 5-7, 2018 – MPMCSA Convention & Expo – Fairmont, MT
June 18-21, 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
August 20-22, 2018 – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM
September 12-14, 2018 – Utah (UPMRA) Convention – Doubletree by Hilton, Park City, UT

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Petro Pete: ***"Wise people think all they say, fools say all they think."***

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