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EMA COMPLIANCE BULLETIN: DOT ANNUAL HAZMAT REGISTRATION PERIOD OPENS MAY 1, 2022

The U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) online portal for annual HAZMAT registration opens May 1, 2022. Registration renewals must be completed by July 1, 2022. Due to COVID-19 workplace restrictions and processing delays, marketers should register online this year and do so early. However, registrations submitted before May 1, 2022 will not be processed until the open season begins.

PHMSA requires both hazardous material transporters and those who ship hazardous materials through common carriers to register and pay a fee each year in return for a certificate of authority to operate in intrastate and/or interstate commerce. Since PHMSA allows multiyear registration, not all registration certificates are up for renewal by July 1, 2022. Marketers should look at their registration certificate for the date of renewal or search registration status at PHMSA's online portal at registration look-up to determine whether registration is due for renewal.

[Click here to read the EMA Compliance Bulletin](#)

INSIDE THE BELTWAY UPDATE

As Democrats continue searching for ways to address high gas prices, the House Energy and Commerce Committee held a hearing with major oil company CEOs where Committee Democrats largely accused the companies of price-gouging. Oil company representatives pushed back against this narrative, arguing that prices are set by the global futures markets and that the fastest way to reduce gas prices is to increase domestic energy production. Senators from the west coast, including Maria Cantwell (D-WA), Dianne Feinstein (D-CA), and Ron Wyden (D-OR), urged the Federal Trade Commission to investigate "elevated and volatile" prices for gasoline, diesel, and jet fuel served in Washington, California, and Oregon. The Senators wrote they were "concerned that current prices borne by consumers at the pump are disproportionate to the rise and subsequent decline in the price of crude oil over the past month and cannot be fully explained by supply and demand fundamentals." Some Democrats continue advocating for a gas tax holiday, but Speaker Nancy Pelosi (D-CA), Senator Joe Manchin (D-WV), and many other Republicans and Democrats oppose such a measure, arguing it would deplete the Highway Trust Fund without solving the underlying supply issue.

Continuing pressure on Russia, Congress voted nearly unanimously this week (100-0 in the Senate; 413-9 in the House) to formally ban imports of Russian oil, gas, and coal. The Senate Energy and Natural Resources Committee also held a hearing on domestic critical mineral production, with Chairman Manchin (D-WV) strongly advocating for establishing a domestic supply chain. He also said he would not support an electric vehicle (EV) domestic battery tax credit unless the minerals going into such batteries are also produced domestically. As we have previously reported, Manchin has begun outlining markers for a slimmed-down Build Back Better (BBB) bill that would focus on clean energy incentives paid for by tax increases on wealthy Americans.

Also this week, a University of California professor published a study arguing that new EVs could increase crash fatalities due to their increased weight compared to traditional gas-burning cars. The Biden Administration and Congressional Democrats continue weighing options to pressure the US Postal Service (USPS) to electrify its fleet. USPS is defying Democratic wishes and is moving forward with a \$6 billion vehicle purchase plan of which 90 percent will be traditional internal combustion engines (ICE).

In addition, Senators John Barrasso (R-WY), Bill Cassidy (R-LA), Steve Daines (R-MT), Ben Ray Lujan (D-NM), and Dianne Feinstein (D-CA) announced bipartisan legislation this week that would allow renewable diesel (RD) fuel production facilities to qualify for certain Department of Energy loans. The "Renewable Diesel and Sustainable Aviation Fuel Parity Act of 2022" aims to increase RD use by exempting RD that meets the same ASTM specifications as diesel fuel from federal labeling requirements.

Biomass-based diesel fuels include biodiesel and renewable diesel, both of which are refined from the same types of fat, oil, and grease feedstocks. Renewable diesel is chemically indistinguishable from petroleum diesel (known as a drop-in diesel fuel), meaning that it meets specifications for use in existing infrastructure and diesel engines and is not subject to any blending limitations. Biodiesel is a mixture of chemical compounds known as alkyl esters and is often combined with petroleum diesel in blends of 5 percent to 20 percent, known as B5 to B20, respectively.

EIA projects that production of renewable diesel supply will grow because of its compatibility with existing distribution infrastructure and engines, higher state and federal targets for renewable fuel production, incentives from tax credits, and the conversion of existing petroleum refineries into renewable diesel refineries.

Finally, Congress has closed out its six-week work session, embarking on a two-week recess. The end of April and May period will be crucial for determining any progress on BBB.

FOURTH CIRCUIT DENIES MAJOR OIL COMPANIES MOVE TO FEDERAL COURT FOR SUITS SEEKING TO MAKE THEM RESPONSIBLE FOR CLIMATE CHANGE

This week, the U.S. Court of Appeals for the Fourth Circuit delivered a victory for proponents of holding major oil companies liable for the effects of climate change. Cities and counties have instituted lawsuits all over the Nation like the one filed by the City of Baltimore, seeking to shift the burden of dealing with the alleged effects of climate change (e.g., rises in sea levels, floods, and other natural disasters) to major oil companies. Thus far, these cases have been characterized by the procedural wrangling of the parties, with the cities and counties striving to keep the cases in state courts and the major oil companies seeking to remove them to federal courts.

Most observers believe that a federal court adjudication would mean a likely victory for the oil companies, and that an adjudication by a state court would provide a more welcome forum for the cities and counties. Federal courts are more likely to view climate change issues as being governed by “federal common law,” which would supersede the state law claims asserted by Baltimore and other jurisdictions.

The Fourth Circuit Court of Appeals, in a case in which EMA sided with the oil companies in an amicus brief filed with the court, remanded the case for adjudication by a state court in Maryland. The court held that federal common law could be a defense to state law claims but that it is not a basis for removal of the case to a federal court. The oil companies will likely file a petition for review by the Supreme Court, which may or may not be granted.

If the Supreme Court decides to review the case, it may be able to determine the substantive issue that will most likely decide the fate of cities and counties in these cases. That is, whether the application of federal common law so completely governs climate change issues that it removes state court jurisdiction in the area. If this issue is decided in the affirmative, it could spell the death knell for all of the various climate change cases bought by state and local jurisdictions. On the other hand, if the Supreme Court sides with the cities and counties, they will live to fight another day, and they may ultimately prevail on some of their state law theories, at least in some state courts.

EMA JOINS COALITION IN LETTER URGING THE PRESIDENT AGAINST TAXING UNREALIZED CAPITAL GAINS

Recently, EMA and the Family Business Coalition sent a letter to President Biden and the House and Senate Tax Committee chairs arguing against taxing unrealized capital gains. Taxing unrealized gains in any form, subjecting more families to the estate tax, changing step-up in basis, and removing important tools that family businesses use for succession planning are not ideas to help spur job creation and economic recovery. Click [here](#) to read the letter.

VISA AND MASTERCARD PLANNING CHANGES TO ALLOW FOR LARGER GAS CHARGES

Visa Inc. and Mastercard Inc. are planning numerous changes to allow larger card transactions to help drivers cover their expenses at the pump. To minimize the damage of already excessively high swipe fees, many gas stations have a \$125 limit for Visa transactions at the pump because the card company adds even more fees to the retailer when charges exceed that amount. With current fuel prices, people who drive vehicles with large tanks must pay using two transactions.

In May, Visa will quadruple the maximum transaction amount that carries better interchange rates for purchases made with small-business and commercial cards. Visa will also raise the fraud-liability threshold to \$175. The changes should mean gas stations can raise limits and fewer consumers will face pump shutoffs. Mastercard will increase the amounts it pre-authorizes at gas stations to \$175 from \$125 for consumer cards and to \$500 from \$350 for commercial cards. Click [here](#) for the story.

NHTSA INVESTIGATING EV BATTERY SAFETY DEFECTS

The National Highway Traffic Safety Administration (NHTSA) is investigating the safety of EV and hybrid vehicle batteries made by LG Energy Solution of South Korea. Since February 2020, General Motors, Mercedes-Benz, Hyundai, Stellantis and Volkswagen have issued recalls for as many as 138,000 vehicles with possible defects that could cause fires. General Motors has taken the most hits with a string of recalls that involved more than 140,000 Chevrolet Bolt EVs from the 2017 through 2022 model years.

BMW and Ford have also recalled batteries in recent years, and the National Transportation Safety Board (NTSB) investigated Tesla vehicles fires and determined that the high-voltage lithium-ion batteries pose safety risks to first responders. NHTSA plans to write to LG and other companies that might have bought similar batteries to make sure recalls are being done when needed.

CISA PROVIDES GUIDANCE ON SHARING CYBER INCIDENT INFORMATION

In this time of heightened risk due to the war in Ukraine, CISA urges lowering the threshold for sharing information to raise our collective resilience to global cyber threats. Sharing information about cyber incidents allows CISA to fill critical information gaps, rapidly deploy resources and render assistance to victims suffering attacks, analyze incoming information from across sectors to spot trends, and quickly share that information with network defenders to warn other potential victims.

To facilitate the information sharing process, CISA developed this [Cyber Event Information Sharing](#) Fact Sheet, which provides stakeholders like you with clear guidance about what to share, who should share, and how to share information about unusual cyber incidents or activity. We encourage you to share this resource with your networks, on your websites, and across your social media accounts.

Cybersecurity is national security, which is why we also encourage your organization, stakeholders, customers, and employees to utilize the wealth of resources on our [Shields Up](#) webpage, including information for organizations and individuals, technical guidance for network defenders, free tools and services, among other offerings. It takes the entire nation to raise our collective cyber defense and we appreciate your support.

SUPPLY-CHAIN PRESSURE INDEX HITS RECORD-HIGH

The Logistics Managers' Index, which measures U.S. supply chain pressures, rose to its highest level on record. The index increased for the third straight month, based on input from logistics managers about inventories, warehousing and transportation. The associated report stated, "Continued inventory congestion has driven inventory costs, warehousing prices, and overall aggregate logistics costs to all-time high levels," the report stated. "This is putting even more pressure on already-constrained capacity."

<http://natso.informz.net/z/cjUucD9taT0zNjA0NTY5JnA9MSZ1PTEzODk2NzM1MCZsaT0zNDY2Nzc5Ng/index.html>

ONTARIO TO REDUCE FUEL TAXES FOR 6 MONTHS

The provincial government of Ontario has introduced legislation that would cut the gas tax by 5.7 cents per liter and the fuel tax by 5.3 cents per liter for a period of six months beginning July 1. If passed, the gasoline and diesel fuel tax rate would both fall to 9 cents per liter.

<http://natso.informz.net/z/cjUucD9taT0zNjA0NTY5JnA9MSZ1PTEzODk2NzM1MCZsaT0zNDY2Nzc5Nw/index.html>

U.S. REFINERIES CLOSE TO CAPACITY

Refineries in the United States are currently operating at 92 percent capacity, according to the Energy Information Administration (EIA). That operating level is very close to full capacity. During the Covid pandemic, several refineries closed permanently, eliminating 1 million barrels a day of capacity in the country. Diesel and jet fuel have been most impacted, as Russia's exports have been removed from the market.

<http://natso.informz.net/z/cjUucD9taT0zNjA0NTY5JnA9MSZ1PTEzODk2NzM1MCZsaT0zNDY2Nzc5OQ/index.html>

CONGRESS CONSIDERS TAX CREDITS FOR TRUCK DRIVERS

Legislators are considering a bipartisan bill that would provide a tax credit for truck drivers. The Strengthening Supply Chains Through Truck Driver Incentives Act would create a two-year refundable tax credit of up to \$7,500 for drivers who log at least 1,900 hours per year while holding a commercial driver's license. The purpose of the legislation is to encourage new drivers to enter the trucking industry.

<http://natso.informz.net/z/cjUucD9taT0zNjA0NTY5JnA9MSZ1PTEzODk2NzM1MCZsaT0zNDY2NzgwMA/index.html>

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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LOOK FOR ... WPMA Scholarship winner announcements in **MAY!**



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: “Life is like looking for your phone. Most of the time, it’s in your hands.”

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