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BIDEN ADMINISTRATION TO ALLOW SUMMERTIME SALE OF E15 UNDER EMERGENCY WAIVER

The Biden administration announced this week it is lifting the ban on summertime sales of gasoline containing 15 percent ethanol. The move is part of the administration's larger plan to lower the price of gasoline ahead of the midterm elections. EMA has repeatedly warned both the EPA and the White House of the limitations involving the sale of E15 for the majority of retail gasoline stations across the nation. Those limitations include compatibility issues with existing UST system components, motorcycles, boats and small gasoline powered equipment and downstream supply chain disruptions.

In addition, EMA contends, and the courts agree, that EPA does not have the legal authority under the Clean Air Act to waive the 1.0 psi waiver to allow the sale of E15 during the summer driving season. The White House estimated that E15 could save a family 10 cents per gallon of gasoline on average. Midwest lawmakers and corn ethanol industry groups urged Biden to grant the E15 waiver last month. EMA also sent a letter last month to the White House urging caution when evaluating a summertime E15 sales waiver. [CLICK HERE TO READ THE LETTER.](#)

The EPA will issue a national emergency waiver to lift the existing E15 summertime restrictions before June 1 summer driving season begins. EPA would be lifting the ban temporarily since the emergency waiver authority is only allowed in 20-day increments. The White House said the agency plans to extend the waiver "so long as the current fuel supply emergency continues." Environmental groups could challenge the waiver due to E15's carbon intensity.

EPA is also considering additional action to facilitate the use of E15 year-round, including discussions with states and considering modifications to E15 fuel pump labeling. E15 contains lower energy content than E10 blends, thus erasing any economic benefit American families may gain.

The Biden Administration announced additional steps to lower prices at the pump:

- Release of more than 240 million barrels of crude from world wide reserves over the next six months.
- Regulatory changes to institute a "use it or lose it" policy that would force oil companies to pay fees on unused federal drilling leases that they hold without producing.
- Accelerating the switch from fossil fuels to alternative sources of energy by providing incentives for electric vehicles and funding research and development for large capacity batteries under the Defense Production Act.
- Providing \$700 million in grants to biofuel producers to ensure a sustainable market for biofuels made from agricultural products.
- Providing \$5.6 million for higher blend renewable fuel infrastructure.
- Providing \$100 million dollars in grants to retail gasoline stations and distribution facilities for the cost of installation, retrofitting and upgrading equipment compatible with E15 or higher blends and B20 and higher blends.
- Provide funding for expanding railroad infrastructure to support a wider biofuel distribution network.
- Providing \$4.6 billion for the development of sustainable aviation fuels.
- Regulatory changes to include canola oil to the list of approved fuel pathways under the RFS for production of renewable diesel, jet fuel and other distillates.

EMA is closely following implementation of the Biden plan to lower fuel prices and will report as more details emerge.

USDA TO PROVIDE \$100 MILLION IN NEW HIGHER BLEND INFRASTRUCTURE GRANTS TO MARKETERS

The USDA announced this week it will provide new funding under the Higher Blend Infrastructure Program (HBIP) to help gasoline retailers and distributors to upgrade infrastructure for the distribution of higher blends of ethanol and biodiesel. USDA is earmarking \$5.6 million in grants to seven states designed to expand the retail availability of higher blend renewable fuels by 59.5 million gallons. States included in the grant agreement include California, Delaware, Illinois, New York, New Jersey, Maryland and South Dakota. The money is earmarked for the replacement of USTs and dispensers at retail sites in the seven states.

In addition, the USDA is making \$100 million in new HBIP grants available to energy marketers nationwide. The funding will provide grants to refueling and distribution facilities for the cost of installation, retrofitting or otherwise upgrading of infrastructure required at a location to ensure the environmentally safe availability of fuel containing ethanol blends of E15 and greater or fuel containing biodiesel blends B-20 and greater. The new grants will benefit both motor fuel and heating oil marketers. Details on the timing and application process for obtaining HBIP funding is still being worked out by the USDA. EMA expects these details will be released shortly. EMA will monitor developments closely and report back as soon as the application process is available.

LEGISLATIVE UPDATE

Last week, the House and Senate left Washington, DC for a two-week recess period. While members are spending the weeks campaigning in the district, many are preparing for what the remainder of this year's legislative session may hold. A priority for many Republicans and Democrats is passing the U.S. China Innovation and Competition Act (USICA) aimed to better position US competitiveness towards China by investing in semiconductors, R&D, and education.

A second priority for Democrats is passing some version of the stalled Build Back Better ("BBB") Act. As we have reported previously, moderate Senators Manchin (D-WV) and Sinema (D-AZ) continue to withhold support for President Biden's large tax-and-spend reconciliation package. However, Senator Manchin has said that he is outlining a slimmed down version of the BBB that would include \$500 billion in clean energy investments, with a focus on innovation and not elimination (meaning not specifically punishing or eliminating oil, gas, and coal production). While Senator Manchin can certainly influence the future of the BBB, his proposal would be paid for, in part, by increasing taxes on corporations, capital gains, and the wealthiest Americans. Senator Sinema has been adamant in her opposition to any tax increase.

On 1600 Pennsylvania Avenue, President Biden is confronted the ongoing Ukraine/Russia conflict and rising inflation. This week, inflation surged to 8.5 percent, the highest in over 40 years.

REFUNDABLE TAX CREDIT FOR TRUCK DRIVERS BILL INTRODUCED

Recently, Reps. Mike Gallagher (R-WI) and Abigail Spanberger (D-VA) introduced bipartisan legislation to address the current truck driver shortage in the United States by establishing a refundable income tax credit for qualified commercial truck drivers. "The Strengthening Supply Chains Through Truck Driver Incentives Act" would create a new refundable tax credit of up to \$7,500 for truck drivers holding a valid Class A CDL who drive at least 1,900 hours and up to \$10,000 for new truck drivers enrolled in a registered trucking apprenticeship. The refundable tax credit would be available for truck drivers, not companies, in tax years 2022 and 2023.

Unfortunately, the bill does not apply to Class B CDL holders driving straight trucks to qualify for the \$7,500 refundable tax credit which means heating oil truck drivers are not eligible for the tax credit. EMA is confident changes will be made to include heating oil truck drivers, and if corrected, EMA will support this needed legislation. For additional details, click [here](#).

COMPLIANCE WITH SYNTHETIC NICOTINE REQUIREMENTS IN EFFECT

On March 15, 2022, President Biden signed H.R. 2471 – the Consolidated Appropriations Act 2022. As a result, the Federal Food, Drug, and Cosmetic Act (FD&C Act) now includes specific language that makes clear the U.S. Food and Drug Administration (FDA) can, as of March 15, regulate tobacco products containing nicotine from any source. This law took effect yesterday, April 14, 2022.

Now manufacturers, distributors, importers and retailers of tobacco products containing synthetic nicotine—must ensure compliance with applicable requirements under the *Federal Food, Drug, and Cosmetic Act* (FD&C Act) resulting from this law, such as:

- Not selling these products to persons under 21 years of age (both in-person and online).
- Not marketing these products as [modified risk tobacco products](#) without FDA's authorization; and
- Not distributing free samples of these products.

Manufacturers of synthetic nicotine who wish to market their products are required to submit a premarket application and obtain FDA authorization by May 14, 2022, or they will be subject to FDA enforcement. If a manufacturer does not submit a PMTA by the May 14th deadline, retailers then must remove the product from shelves or else they could also be subject to FDA enforcement. Convenience store owners selling synthetic nicotine products should contact the manufacturers to verify whether a PMTA has been submitted or not.

THE STORM PREPAREDNESS WORKSHOP

EMA members are invited to attend a small group virtual workshop that will engage you with six seasoned storm response professionals who have worked with industry and government for decades and are eager to share their proven strategies, experiences, and knowledge.

What You Will Learn:

- Understand the processes that the electric sector uses during the preparedness phase and how to integrate the processes into your own planning efforts
- Discuss what other sectors you rely upon and how to communicate with them
- What are the strategic objectives in the preparedness phase and what tactical activities are required
- What to consider in your action plan (EOC readiness, continuity plans, leadership availability, fleet size)
- How to ready your team and how big your team should be

- What resources you will need and where to place them
- What you can expect regarding financial implications
- What you should be communicating, and to whom
- How to leverage situational awareness by understanding what neighboring industries are most likely doing to prepare, and when to ask for help
- What data and systems you should be checking (i.e. traffic data)
- And more!

To register, please click [here](#).

BILL INTRODUCED TO ENSURE TRUCKERS RECEIVE OVERTIME PAY

This week, Rep. Andy Levin (D-MI) introduced "The Guaranteeing Overtime for Truckers Act" that would repeal the motor carrier overtime exemption in the Fair Labor Standards Act. The legislation aligns with DOT's recent recommendation that Congress eliminate the exemption because "employers are not required to pay overtime to many truck drivers." [Click here](#) for the story.

EPA OVERTURNS SMALL REFINERY EXEMPTIONS

The Environmental Protection Agency (EPA) overturned 31 small refinery exemptions SREs that were granted by the Trump Administration in August 2019. The effect of those 31 exemptions was to reduce the 2018 Renewable Fuel Standard (RFS) requirements by 1.43 billion gallons while increasing the supply of Renewable Identification Numbers (RINs). EPA's decision was grounded in a January 2020 court case that required the EPA to assess whether the economic harm claimed by a small refinery is caused directly by RFS compliance, and whether the small refinery lacks the ability to pass through its RFS compliance costs to wholesale customers. Drawing in large measure on the arguments that NATSO has long articulated in various RFS policy debates, EPA found that the harm claimed by the refiners was not primarily caused by RFS compliance obligations and that all of the refiners pass along their compliance costs through higher prices for refined products. EPA found no justification for granting any of the exemptions.

DOT ISSUES FUEL ECONOMY ("CAFE")

The Department of Transportation (DOT) recently released final tailpipe pollution standards that will require average fuel efficiency of new cars and light trucks to reach 49 miles per gallon in less than four years. The new standards largely reverse a Trump-era rollback of the Obama-era standards. The new rule requires the nation's automakers to increase light duty fuel efficiency fleetwide by 8 percent starting in late 2023, another 8 percent the year after and 10 percent for model year 2026. EPA shares responsibility with DOT for overseeing the standards and issued its own companion rule in December. DOT also said that it will more than double penalties for automakers that fail to meet fuel efficiency standards for 2019 and later models.

CARGO BACKLOG STYMIES CHINESE SHIPPING

Cargo backlogs quickly developed around China as the country locked down the port city of Shanghai because of a surge in COVID cases. Cargo facilities in other cities have become overcrowded because of the moves, slowing freight shipments from the country. Currently, 90 percent of the truck capacity that serves Shanghai is out of service because of the lockdown.

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: “Worrying works! More than 90 percent of the things I worry about never happen.”

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