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## **ENERGY MARKETERS OF AMERICA COMMENTS ON E15 LABELING AND UST COMPATIBILITY PROPOSED RULE**

On Monday, EMA submitted comments on the EPA's E15 Labeling and UST compatibility proposed rule. EMA told the EPA that "energy marketers are willing to sell any liquid fuel that is compatible with existing storage and dispensing equipment, as well as the equipment it powers. Unfortunately, sealants, gaskets and other materials used to connect piping to tanks and equipment, release detection and other monitoring equipment, as well as dispensing equipment are not E15 compatible and adding an ethanol compatible pipe dope to an existing pipe connection is not as simple as unscrewing a fitting, adding pipe dope, and replacing the fitting."

EMA also highlighted its concerns regarding state tank funds which could be at grave risk of insolvency if there are a significant number of new releases attributable to compatibility. Furthermore, EMA opposed the potential removal of the E15 labeling requirement in the proposed rule due to the ongoing risk of consumer misfuelling and the liability issues misfuelling raises for retailers. Even though the EPA has approved E15 for 2001 and newer vehicles, several automakers have not been willing to amend their warranties to handle blends above E10, therefore, consumers need to know what they are buying.

EMA urged the EPA to add the following to the current E15 dispenser label, "Check Owner's Manual for Compatibility with E15" and also voiced concerns with current E15 marketing as "unleaded88." Click [here](#) to read the comments.

## **IRS RULE ALLOWS DEDUCTIONS FOR EXPENSES PREVIOUSLY DISALLOWED UNDER THE PPP LOAN PROGRAM**

The IRS is providing businesses that received a first round Paycheck Protection Program (PPP) loan a way to deduct expenses they could not claim last year. This week, the IRS issued a revenue procedure that provides a safe harbor for certain taxpayers who received a Paycheck Protection Program (PPP) loan between March 26, 2020 and December 27, 2020. The safe harbor applies to taxpayers who were previously unable to deduct otherwise deductible expenses during the covered period due to an IRS ruling that disallowed costs paid from funds forgiven under the PPP program and treated PPP funds as gross income. This meant that not only were normally deductible costs for payroll, interest on mortgage obligations, rent and utilities not allowed, but the forgiven portion of the PPP loan would be taxed as income as well. However, the Consolidated Appropriations Act enacted on December 27, 2020 overturned the IRS ruling and allowed businesses to claim the deductions and treat forgiven PPP loans as taxable income.

EMA supported the provisions of the Consolidated Appropriations Act that fixed the deductibility and taxable income problems. Under the safe harbor established in the IRS ruling, taxpayers may now deduct the previously disallowed expenses in the immediately subsequent taxable year. EMA will issue a compliance bulletin on this issue next week.

## **CONGRESSIONAL UPDATE**

This week, Senate Republicans announced a \$568 billion infrastructure framework that focuses on roads, bridges, water systems, and broadband. The proposal, which Senate Democrats criticized as insufficient, would also impose user fees from drivers of electric, hybrid, and other vehicles not affected by the federal gas tax.

House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) announced that he still plans to mark up his infrastructure package by late May, which could ultimately be bundled with other aspects of President Biden's American Jobs Plan depending on the fate of negotiations. Senator Chris Coons (D-DE), a close ally of President Biden's, suggested that Democrats and Republicans could agree on a smaller package focused on conventional infrastructure

before turning to other more partisan provisions later in the year. Senate Energy and Natural Resources Committee Chairman Joe Manchin (D-WV) even suggested that infrastructure could be broken into as many as four different packages. He called for regular order (not budget reconciliation), and said he opposed a \$1 trillion price tag as well as any fees on carbon. Continuing the bipartisan message, Maryland Governor Larry Hogan is hosting an event with a bipartisan group of Senators, Governors, and Representatives to discuss Infrastructure.

President Biden opened his virtual Leaders' Summit on Climate, a two-day event with 40 world leaders. He announced the United States' new commitment under the Paris Accords – achieving a 50-52 percent reduction from 2005 levels in economy-wide net greenhouse gas pollution by 2030. The Biden Administration also announced several new programs to advance EV deployment. The Department of Transportation (DOT) announced its fifth round of “Alternative Fuel Corridor” designations, which denote highways with infrastructure plans to allow for travel on alternative fuels, including electricity. The current round of announcements includes 51 interstates and 50 highways in 25 states. DOT also released guidance clarifying that federal funds are available for EV charging systems on the national highway system. In addition, the Department of Energy announced funding opportunities for researching technologies that reduce the cost of EV supply equipment and accelerate the adoption of commercially available plug-in EVs.

### **BIDEN ADMINISTRATION CONSIDERING REDUCING NICOTINE IN CIGARETTES**

The Biden Administration is considering a FDA proposed rule to reduce nicotine levels in cigarettes to make them no longer addictive as well as whether to outright ban menthol cigarettes in the U.S. by April 29th. Click [here](#) for the story.

The Energy Marketers of America is concerned that such drastic measures could detrimentally impact small business retail fuel outlets who depend on the sale of tobacco products. Menthol cigarettes make up some 35 percent of overall cigarette sales, and in some regions or parts of communities, much more. Cigarette customers often end up purchasing other products which spurs economic activity, provides much-needed jobs, and supports local communities.

Further compounding this economic challenge is the near certainty that menthol cigarette bans would further the already intense competition small businesses face from the illicit marketing of tobacco products. The National Academies of Science, Engineering and Medicine have estimated that illicit marketing already accounts for up to 1 in 5 cigarettes sold in the United States. Research has also found that a substantial percentage and perhaps the bulk of menthol cigarette sales would simply move to this black market in the event of a ban, further increasing competition with legitimate sources. The bottom line is that small business retail fuel outlets undertake significant efforts to train their employees how to not sell tobacco products to underage youth, efforts that contraband sellers will not make.

### **U.S. DOT PROPOSES RULE TO RESTORE CALIFORNIA'S RIGHT TO SET ITS OWN VEHICLE EMISSION STANDARDS**

The Transportation Department's National Highway Traffic Safety Administration (NHTSA) announced this week it is withdrawing part of a Trump-era rule that removed California's waiver under the Clean Air Act to set their own stringent vehicle emission standards. The newly proposed rule change would restore California's authority to set fuel efficiency and greenhouse gas emission standards for cars and SUVs, and to require automobile manufacturers to sell more electric vehicles. The implications of restoring California's legal authority to set vehicle emission standards reach well beyond California itself. Thirteen states including New York, Massachusetts, Vermont, Maine, Pennsylvania, Connecticut, Rhode Island, Washington, Oregon, New Jersey, Maryland, Delaware and the District of Columbia adopt California's low emission vehicle (LEV), zero emission vehicle (ZEV) and vehicle greenhouse gas emission standards. Twenty-two states joined a lawsuit last year to restore California's air standard setting authority. If adopted, the NHTSA rule would render the lawsuit moot.

Meanwhile, California, New York, Massachusetts, North Carolina, Connecticut, Hawaii, Maine, New Jersey, New Mexico, Oregon, Washington State and Rhode Island Governors wrote to President Biden this week to support stopping sales of new gasoline-powered vehicles by 2035. The Governors want Biden to be more aggressive than he has already called for in his infrastructure package, by setting standards to ensure 100 percent zero-emission sales of medium-duty and heavy-duty vehicles by 2045.

Biden's proposal would not phase out sales of gasoline-powered vehicles but would incentivize development of electric vehicles (EVs) and charging stations. EVs currently make up just 2 percent of U.S. vehicle sales, and the twelve states want to accelerate a transition to EVs with a phase out of vehicles that run on motor fuels. Click [here](#) for the story.

### **ONLY HALF OF LARGE U.S. BANKS SIGNED NET-ZERO BANKING ALLIANCE**

On Wednesday, doubts were raised among environmentalists concerning some of the large U.S. financial institutions commitment to sustainability pledges to achieve net-zero emissions by 2050 or to execute Paris Climate Agreement-aligned targets.

Initial signatories of the Glasgow Financial Alliance for Net Zero, or the Net-Zero Banking Alliance, this week were Morgan

Stanley, Bank of America and Citigroup, but the other three of the largest banks, Wells Fargo, JPMorgan Chase and Goldman Sachs did not sign onto the Alliance which agreed on identifying ways to reduce financing for the oil industry and tracking and verifying emissions. To read the entire article, click [here](#).

### **FUELS INSTITUTE ISSUES DIESEL FUEL QUALITY RECOMMENDED PRACTICES GUIDE**

The Fuels Institute's Diesel Fuel Quality Council (DFQC) released its first publication earlier this month. The "Diesel Storage Tanks: Industry Practices to Minimize Degradation and Improve Fuel Quality" provides recommended practices for the management of storage tank systems to preserve diesel fuel quality and protect the vehicles using the fuel. The document discusses best practices related to the delivery of diesel fuel, diesel fuel tank and dispenser maintenance, and diesel fuel remediation.

Information is presented as minimum practices to ensure diesel fuel quality and additional practices for more preventative measures. EMA provided extensive comments on this document during its development. While we have concerns with the distinction between minimum practices and additional practices, the document provides many practices that can be implemented at a dispensing facility to minimize impacts to diesel fuel quality. You can download the document for free from the [Fuels Institute website](#)

### **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](http://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](mailto: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 1<sup>st</sup>. Later submissions will be considered for the Spring issue.

### **MARK YOUR CALENDARS FOR UPCOMING EVENTS**

**May 6-7, 2021** - Nevada (NPM&CSA) Big Dogs - Red Rock Hotel & Casino - Las Vegas, NV  
**June 7-9, 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 25-27, 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

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**Petro Pete: "I've never been held hostage...but I have been in a group text."**

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If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: [janr@wpma.com](mailto:janr@wpma.com). Thanks.

## **Classified Ads**

### **EMPLOYMENT OPPORTUNITY**

#### **Controller / Accounting Manager, Burley, ID**

Lynch Energy is looking for a driven, strategic leader to oversee general accounting operations and processes to ensure timely financial reporting. The Controller performs a critical function for our company, reconciling account balances and bank statements, processing payroll, maintaining general ledger, and preparing month-end close procedures, and reports directly to the CFO. A successful Controller combines excellent analytical skills with a thorough knowledge of accounting principles to analyze financial reports and forecasts, collaborating closely with senior management and office staff to accomplish company objectives.

Must Have Bachelor's Degree or higher in Accounting, Finance, or other relevant field, and 5+ years of experience in a position of leadership in Accounting. Salary \$75k-\$100k, commensurate with experience.

Contact Paul Cundick, HR Director for more information ([Paul@lynchoilinc.com](mailto:Paul@lynchoilinc.com)) or apply directly at [LynchEnergyInc.com](http://LynchEnergyInc.com)