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**RECORD NUMBER OF PETROLEUM MARKETERS ATTEND PMAA'S DAY ON THE HILL**

In an attendance record for PMAA, over 300 petroleum marketers participated in last week's highly successful PMAA Annual DC Conference and "Day on the Hill." This year's event occurred at a vital time in Washington with important industry changes sought by the Trump Administration and the GOP-controlled Senate, as well as the Democratic House of Representatives.

PMAA's opening speaker was Denton Cinquegrana, Chief Oil Analyst for Oil Price Information Service (OPIS) who addressed the group during the Opening Session, and on Friday attendees heard from U.S. Representative Greg Pence (IN) during the Board of Directors meeting.

PMAA marketers urged Members of Congress to cosponsor the "Fairness for Every Driver Act," S. 343 and H.R. 1027, which would eliminate the electric vehicle tax credit and ensure that alternative fuel vehicle drivers pay into the Highway Trust Fund.

Marketers also obtained lawmaker's signatures for the hours of service (HOS) letter that Rep. Crawford (R-AR) is circulating that will be sent to the Federal Motor Carrier Safety Administration (FMCSA) early next week. PMAA worked with the congressman to urge the Department of Transportation (DOT) to consider additional changes to the HOS modifications that are already proposed. PMAA is urging FMCSA to also consider allowing drivers to count the time waiting at terminals to load product as off-duty time; and to extend the 100-mile air radius short-haul driver exception to 150 miles for CDL drivers to reflect the maximum distance most CDL drivers in the petroleum industry travel to load supply.

Furthermore, marketers focused their meetings on gaining cosponsors for the "Preventing Online Sales of E-Cigarettes to Children Act" (S. 1253) which would amend the "Prevent all Cigarette Trafficking Act (PACT Act)" to include e-cigarettes. Marketers also urged their lawmakers to cosponsor "The Food and Fuel Consumer Protection Act," (H.R. 2540) which would reduce the ethanol mandate to 9.7 percent of gasoline.

Other critical and active issues that were brought up in Hill meetings were: opposing rest area commercialization and reinstating the \$1 per gallon biodiesel blender's tax credit.

This year PMAA added two apps for the convenience of conference attendees. The conference app included networking, schedules and social media, while the Silent Auction app provided a more efficient and inclusive way to bid for auction items. Both apps were a hit with the users throughout the conference.

PMAA looks forward to seeing everyone at our next conference at the Hyatt Regency Atlanta October 6-7.

**STUDY: EV TAX CREDIT EXTENSION LEGISLATION WILL COST TAXPAYERS NEARLY \$16 BILLION*****PMAA Joins Coalition in Sending Letter Opposing EV Tax Credit Extension***

According to analysis on legislation introduced by Sen. Debbie Stabenow (D-MI) and Rep. Dan Kildee (D-MI), known as the "Driving America Forward Act," the bill would cost taxpayers as much as \$15.7 billion. The legislation would expand the electric vehicle (EV) and hydrogen fuel cell tax credits. Specifically, the legislation would reduce the \$7,500 credit to \$7,000 and would lift the tax credit cap from 200,000 to 600,000. Under current law, the tax credit phases out on a per manufacturer basis once that company has sold 200,000 EVs total for use in the United States. The study was commissioned by American Fuel & Petrochemical Manufacturers (AFPM).

This week, PMAA joined AFPM, API, NACS and SIGMA in sending a letter to Senate Majority Leader Mitch McConnell (R-KY) opposing any extension or expansion of the EV tax credit. PMAA is concerned that expanding the EV tax credit places the burden on the poor and middle-class ratepayers who are subsidizing the wealthy's luxury buying power to purchase expensive EVs.

Despite the costs of EVs, some lawmakers continue to push for legislation that would expand EV infrastructure. This week, Sen. Martin Heinrich (D-NM) said that Democrats should prioritize adding electric vehicle chargers in an infrastructure package that Congressional leaders are working on with the White House. Democrats in both chambers also introduced legislation this week, led by Sen. Jeff Merkley (D-OR) and Rep. Mike Levin (D-CA), that is aimed at making all new car sales zero-emissions vehicles by 2040.

Specifically, the “Zero-Emission Vehicles Act of 2019” would require that by 2030, 50% of sales for new passenger vehicles are zero-emission vehicles, and ramp up 5% each year to 100% by 2040.

Lastly, there are doubts surrounding the minerals used in making the batteries for EVs. Industry analysts recently highlighted concerns with the challenges the U.S. faces in creating its own EV supply chain due to the uncertainty of the extent of the country’s metal reserves and the existence of only a few facilities to process minerals and produce batteries. It is also hard to know how much cobalt and other important minerals used to make EVs are actually in the U.S., as there has not been a national survey to accurately make those measurements. Earlier this month, Tesla announced that it is expecting a global shortage of key minerals used in the production of EV batteries.

### **HOUSE DEMOCRATS INTRODUCE INFRASTRUCTURE BILL THAT WOULD DRIVE THE ELECTRIFICATION OF TRANSPORTATION**

On Wednesday, all 31 Democratic members of the Energy and Commerce Committee introduced a broad infrastructure package that would cost tens of billions of dollars. The “Leading Infrastructure for Tomorrow’s America Act,” or LIFT America Act, includes boosting “clean energy” and strengthening the power grid, as well as expanding broadband access and building healthcare infrastructure.

The bill also contains language that may affect the heating oil industry. PMAA is carefully reviewing the language and will send a more detailed summary soon.

Although this version of infrastructure legislation is unlikely to move, elements of this package are likely to be included in a final infrastructure bill. PMAA is particularly alarmed by the sentiment shared by many policymakers that electricity is the solution to lowering carbon emissions. The electrification of transportation is the latest trend among state and federal policymakers, and it lacks hard data and sound logic.

### **URGE LAWMAKERS TO REDUCE THE ETHANOL MANDATE**

Last week, Reps. Bill Flores (R-TX) and Peter Welch (D-VT) introduced bipartisan legislation known as “The Food and Fuel Consumer Protection Act,” (H.R. 2540) which would cap the ethanol mandate at 9.7 percent of projected gasoline demand. PMAA highlighted its support for this important legislation at its annual DC Conference and “Day on the Hill” last Thursday. The legislation was introduced just as the EPA sent its proposed 2020 renewable volume blending targets to the Office of Management and Budget (OMB) for review. The EPA is required by law to issue its annual 2020 renewable volume obligations (RVOs) for the following year by November 30th. It is expected that a final 2020 RFS rule will be in place before the November 30th deadline.

The RFS is important to petroleum marketers because it ultimately determines whether E15 gasoline is mandated to meet annual refiner blending mandates. The existing RFS ethanol blending mandates have already pushed E10 blends into virtually every gasoline market in the country. Any significant increase in the ethanol blending standard will force refiners to move to E15 blends unless gasoline demand rises to offset new blending mandates. Currently, there is no viable way for UST system operators to demonstrate that existing equipment is compatible with gasoline blends over E10.

### **FMCSA SEEKS INPUT ON YOUNGER CMV DRIVERS IN INTERSTATE COMMERCE**

The Department of Transportation’s (DOT) Federal Motor Carrier Safety Administration (FMCSA) announced Tuesday that it is seeking public comment on a potential pilot program that would allow drivers ages 18-20 to operate commercial motor vehicles (CMVs) in interstate commerce.

Drivers ages 18-20 may currently only operate CMVs in intrastate commerce. In July 2018, DOT announced the details of the Commercial Driver Pilot Program required under the Fixing America’s Surface Transportation (FAST) Act, which allows certain 18- to 20-year-olds with military training to operate CMVs in interstate commerce.

Now FMCSA is requesting comments on a second pilot program to allow non-military drivers ages 18-20 to operate CMVs in interstate commerce. FMCSA requests comments on the training, qualifications, driving limitations, and vehicle safety systems that FMCSA should consider in developing options or approaches for a second pilot program for younger drivers. “We want input from the public on efforts that offer the potential to create more jobs in the commercial motor vehicle industry, while maintaining the highest level of safety. We encourage all CMV stakeholders to submit comments on a potential interstate pilot program for younger drivers,” said FMCSA Administrator Raymond P. Martinez.

PMAA will submit comments prior to the July 15, 2019 deadline.

## PLAN TO ATTEND THE 2020 WPMAEXPO

# 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

**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

**October 14, 2019** - Hawaii (HPMA) - Golf Tournament - Oahu Country Club, Honolulu, HI

**February 18-20, 2020** – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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**Petro Pete: “There is only one way to avoid criticism: do nothing, say nothing, and be nothing. –Aristotle”**

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