

June 1, 2018

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WP-06-01-18

PMAA GOES LIVE WITH THE PMAA DISASTER FUEL RESPONSE PROGRAM FOR 2018 HURRICANE SEASON

After a very busy hurricane season in 2017, meteorologists have predicted that 2018 will likely be another active season which starts today and runs through November 30th. Forecasters are predicting a 75 percent chance the Atlantic hurricane season will be near or above-normal this year, according to NOAA's Climate Prediction Center – as many people are still recovering from the devastating effects of Hurricanes that significantly impacted Texas, Florida and Puerto Rico.

In preparation for the Hurricane Season, PMAA announces a solution to one of the challenges that comes with hurricanes and other disasters. Through the PMAA Disaster Fuel Response Program, businesses and First Responders in need of fuel will have a new and efficient way to access additional supply, trucks and drivers. Many of these marketers have not delivered fuel to disaster areas outside of their regular delivery range, which means far more will be accessible during emergencies than there have been in the past. More available marketers to provide supply, drivers and trucks means electricity resumes sooner, gas stations reopen faster, and that all response and recovery efforts run more efficiently.

Through the PMAA Disaster Fuel Response Program, PMAA provides information of marketers who are willing to supply fuel to utilities, companies and industries that respond to disasters. PMAA also lists where the marketers are willing to deliver. Those entities then select the marketer best fitting their needs before negotiating fees and services directly with the marketer chosen. This is paramount in getting fuel to where it is needed after disasters.

PMAA supports marketers who participate in the Program with the know-how to respond to disasters effectively such as a checklist of the documents and supplies they must take with them. Marketers know that fuel delivery is critical for providing emergency services, restoring utilities, and rebuilding after disasters. This program is a private solution to a public problem as it provides the information required to successfully participate in supplying motor and heating fuels where needed during disasters. It also provides the information that businesses and First Responders need to obtain fuel deliveries as quickly as possible. For further information about the program, please contact sstone@pmaa.org.

MANDATORY ARBITRATION CLAUSES RULED CONSTITUTIONAL

On May 21, the Supreme Court in a 5-4 decision, ruled that mandatory arbitration clauses in employment contracts are constitutional. The ruling builds on previous Supreme Court decisions that let companies channel disputes with consumers and other businesses into arbitration. The latest decision applies directly to group wage-and-hour claims, and its reasoning might let employers avoid class action job-discrimination suits as well. The Court's decision overturns a 2012 ruling by the National Labor Relations Board (NLRB) making it illegal to add binding arbitration clauses to employment contracts. The rule is important to petroleum marketers because employment disputes can once again be settled and made binding in private third-party arbitration proceedings rather than in a court of law. Arbitration is cheaper and more efficient than traditional litigation in a court of law. Moreover, employers can choose third party arbiters who may be more sympathetic to the employer's point of view.

In the current ruling, the Supreme Court heard arguments on a case that combined three different challenges to the NLRB decision: *NLRB v. Murphy Oil USA, Inc.*; *Ernst & Young LLP v. Morris*; and *Epic Systems Corp. v. Lewis*. The Supreme Court's ruling allowing for mandatory arbitration clauses was based on the 1925 National Arbitration Act which specifically allows for these kinds of clauses.

NEW FMCSA ADMINISTRATOR OUTLINES TRUCKING PRIORITIES

Last week, Federal Motor Carrier Safety Administrator Ray Martinez testified before the House Subcommittee on Highways and Transit of the Transportation and Infrastructure Committee on critical trucking regulations. The hearing examined motor carrier provisions in the last highway bill, known as the FAST Act.

Martinez said that the Electronic Logging Device (ELD) mandate ensures that truck drivers are on a level playing field and would allow the agency to evaluate truck driver Hours of Service (HOS) rules to determine if any modifications were necessary. He also stated that he would seek uniformity regarding meals and rest breaks.

Since 1994, Congress has prohibited states from any regulation relating to motor carrier prices, routes, or services. However, in recent years, running in direct conflict with the prohibition, some courts have imposed state meal and rest break laws on interstate motor carriers, creating a dangerous and confusing two-tiered system of rules conflicting with the existing federal standards.

On April 26, the House approved an amendment to the Federal Aviation Administration (FAA) reauthorization bill (H.R. 4) which would prohibit states from setting their own requirements for trucker meal and rest breaks. The amendment,

introduced by Reps. Jeff Denham (R-CA), Henry Cuellar (D-TX) and Jim Costa (D-CA), was approved by a vote of 222-193, and is currently awaiting Senate action.

Also last week, House Appropriators asked DOT for a report on the ELD rule's implementation. Specifically, how the department can prevent a disruption to the industries that depend on commercial trucks, rest area availability, and how the department will work with state and local partners on enforcement. For instance, the mandate has already had the unintended effect of adding new pressure to the parking situation along busy corridors across the nation.

PMAA and NEFI met with Secretary Martinez in April regarding these issues as well as the truck driver shortage. Furthermore, FMCSA promised to work closely with PMAA to improve the HOS emergency waiver process, and communication with pass-through states during disasters to minimize delays at weigh stations before the next hurricane. Keep in mind that petroleum marketers operating under the 100-air mile radius exemption are not required to use electronic logbooks. To qualify for the 100-air mile exemption drivers must:

- Start and return to the same location within 12 hours of going on duty,
- Drive no more than 11 hours during a shift,
- Take ten consecutive hours off between shifts, and
- Travel no further than a 100-air mile radius from the original starting location at the beginning of the shift.

Short-haul drivers may drive beyond the 100-air mile radius 8 times within each 30-day period without losing the ELD exemption. The driver would however, be required to keep a written HOS log for each day travelled beyond the 100-air mile radius limit.

Model Year Exemption - Drivers of vehicles with engines manufactured before model year 2000 are not required to use an ELD. The model year of the engine must be used to meet this exemption and not the Vehicle Identification Number. The 2000 model year cut off was put into place because most vehicles manufactured prior do not have an engine control module (ECM), which is required for ELDs operation.

Drivers are not required to keep or produce any certificate or proof of qualification for the hours of service or ELD exemptions.

NEW BILL WOULD PERMANENTLY EXEMPT SMALL CARRIERS FROM ELD MANDATE

On May 23, a bill was filed by Reps. Collin Peterson (D-MN) and Greg Gianforte (R-MT), that would permanently exempt trucking companies with 10 trucks or less from compliance with the Department of Transportation's (DOT) electronic logging device (ELD) mandate.

"The Small Carrier Electronic Logging Device Exemption Act" would allow carriers with 10 or fewer trucks to use paper logs to record duty status, instead of electronic logging devices (ELD). Peterson and Gianforte also introduced a bill to exempt those hauling agricultural commodities from the ELD mandate.

The ELD compliance mandate began December 18, 2017, and the hard enforcement date took effect on April 1, 2018.

A bill was introduced last year by Rep. Brian Babin (R-TX) to postpone the ELD mandate for two years for carriers of all sizes, though the bill has seen no action since.

In November, the Owner-Operator Independent Drivers Association petitioned FMCSA to allow small business truckers, those with less than \$27 million a year in revenue, as defined by the Small Business Administration and with strong safety records, to continue to run on paper logs for five years beyond the December 2017 compliance deadline. FMCSA has not yet issued a decision on OOIDA's waiver.

REMINDER: NATIONAL COMMERCIAL VEHICLE ROADSIDE INSPECTION BLITZ TAKING PLACE JUNE 5-7

Petroleum marketers are reminded to be prepared for the annual three-day RoadCheck enhanced roadside inspection enforcement blitz scheduled for June 5-7. RoadCheck, is an annual 72-hour event when inspectors fan out nationwide to conduct roadside compliance and enforcement inspections for commercial motor vehicle operators. The annual inspection blitz is organized by the Commercial Vehicle Safety Alliance (CVSA), a nationwide organization of federal, state, and local law enforcement and commercial vehicle safety personnel.

Click [here](https://www.pmaa.org/weeklyreview/attachments/Road_Inspection060118.pdf) (https://www.pmaa.org/weeklyreview/attachments/Road_Inspection060118.pdf) for more information.

NHTSA SENDS PROPOSED CAFE STANDARDS TO OMB

On Wednesday, the National Highway Traffic Safety Administration (NHTSA) sent its proposed fuel economy standards for 2022 through 2025 to the White House Office of Management and Budget for review.

Although EPA had already set greenhouse gas standards (GHG) for 2022 through 2025 under the Obama administration, the law governing NHTSA's separate Corporate Average Fuel Economy (CAFE) standards prevented NHTSA from also

setting fuel economy rules so far ahead of time.

In April, a draft version of NHTSA's proposal called for a freeze of the standards for 2022 through 2025 while also seeking to block California from enforcing higher greenhouse gas standards.

In April, the EPA announced that it would not be renewing Obama-era CAFE standards for cars and light trucks when the program is scheduled to end in 2025. EPA's GHG standards must be harmonized with NHTSA's CAFE standards because of the close correlation between emissions and efficiency.

ETHANOL AND FARM GROUPS SUE EPA OVER RFS WAIVERS

On Tuesday, a coalition of ethanol and farm groups filed a lawsuit against the Environmental Protection Agency (EPA) over waivers that have been granted to small refineries that have allowed them to bypass their Renewable Fuel Standard (RFS) requirements on blending biofuels. The groups filed the lawsuit over three specific waivers that were granted by the small refiner waiver provision, including waivers for CVR Refining in Oklahoma, HollyFrontier in Wyoming and Woods Cross in Utah.

The coalition of groups, including the Renewable Fuels Association, National Corn Growers Association, American Coalition for Ethanol and National Farmers Union, filed the challenge in a U.S. Court of Appeals for the 10th Circuit in Denver. Under the RFS, refiners are required to blend increasing volumes of biofuels including ethanol each year. However, the EPA can offer exemptions for facilities under 75,000 barrels per day, if they experience "disproportionate economic hardship."

These challenges come right as EPA continues to find ways to reduce refiners' RFS compliance costs. This week, the EPA decided to give HollyFrontier nearly \$34 million worth of credits for this year to reverse a denial for a waiver for one of its Wyoming plants dating back to 2015 and undisclosed millions more to Sinclair for two of its facilities in the same state for 2014 and 2015, according to a Reuters report. Click [here](https://www.reuters.com/article/us-usa-biofuels-waivers-exclusive/exclusive-u-s-epa-grants-refiners-biofuel-credits-to-remedy-obama-era-waiver-denials-idUSKCN1IW1DW) (https://www.reuters.com/article/us-usa-biofuels-waivers-exclusive/exclusive-u-s-epa-grants-refiners-biofuel-credits-to-remedy-obama-era-waiver-denials-idUSKCN1IW1DW) to read the article.

FUELS INSTITUTE HOLDS ANNUAL MEETING IN CHICAGO

The Fuels Institute held its annual meeting in Chicago last week which included over 150 attendees from over 125 companies representing stakeholders from across all sectors of the fuels and vehicles industries. Click [here](https://www.pmaa.org/weeklyreview/attachments/FuelsInstitute_0618.pdf) (https://www.pmaa.org/weeklyreview/attachments/FuelsInstitute_0618.pdf) to read more.

PMAA BRINGS MARKETER PERSPECTIVE TO EPA FUEL REGULATION STREAMLINING WORKSHOP

Last week, PMAA attended a three-day EPA workshop in Chicago focused on streamlining federal fuel regulations. Click [here](https://www.pmaa.org/weeklyreview/attachments/PMAABringsMarketerPerspectiveEPAFuelRegulationStreamliningWorkshop_0618.pdf) (https://www.pmaa.org/weeklyreview/attachments/PMAABringsMarketerPerspectiveEPAFuelRegulationStreamliningWorkshop_0618.pdf) to read more.

REP. DEFazio COMMENTS ON A FEDERAL GAS TAX INCREASE

Rep. Peter DeFazio (D-OR) recently discussed the possibility of a federal gas tax increase in an interview. Rep. DeFazio, the ranking member of the House Transportation and Infrastructure Committee, stated that there would not be a gas tax increase in 2018. Rep. DeFazio stated, "Speaker [Paul] Ryan is opposed to any increase in user fees of any support and any additional increase in transportation infrastructure. As long as he's the speaker, I don't see any meaningful legislation to fund surface transportation legislation moving through the House of Representatives." However, if the Democrats take back the House, Rep. DeFazio thinks that a federal gas tax increase could be in play and could help fund the next surface transportation bill.

Many Democrats support an increase in the gas tax and a few Republicans, including President Trump, are open to discussing it. However, with a Republican majority in Congress, the tax will likely not be raised anytime soon. Interest groups are divided on the issue as well, with the Chamber of Commerce and American Trucking Associations being in support of a gas tax increase and groups like Freedom Partners and Americans for Prosperity being in opposition to a gas tax increase.

PLAN TO ATTEND THE 2019 WPMAEXPO



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.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

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

February 19-21, 2019 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada

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Petro Pete: "I believe in living every day like it's my last. And on my last day, I plan to take it easy."

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CLASSIFIED ADS

Delta Western President Opening: Strategic thinker with a start-up mind-set. Demonstrated financial and analytical skills are a must. Superior talent management and team building skills are critical with a track record of collaboration, building successful teams, growing organizations, open and transparent communications, business origination, and customer engagement. The candidate must be of impeccable character and integrity with an outstanding reputation and a sustained network of energy sector and commercial business relationships in Alaska. He/she must travel frequently throughout Alaska and pro-actively interact and communicate with a diverse customer, employee, and supplier network.

The successful candidate **must** reside in Anchorage, Alaska. This position is available immediately. An attractive compensation package commensurate with the responsibility and significance of this position will be offered to the successful candidate.

Please submit a letter of interest and resume in Word or PDF format referencing **DWP PRESIDENT** to:

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