

June 8, 2018

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PASSING OF NORM SATHER



We are saddened to announce the passing of Norm Sather, a longtime petroleum marketer from Washington State. Norm passed away peacefully at his home on the evening of June 5th with family by his side. Norm was a respected leader of both WPMA and WOMA, and served on the Board of WOMA for many years. He also held many leadership positions in WPMA, and served as President of WPMA in 1994-95.

A celebration of Norm's life will be held at 2:00 p.m. on Saturday, June 23rd at the Elks Lodge, 555 Otto Street, Port Townsend, Washington. The Washington Oil Marketers Association is planning a moment of silence in memory of Norm during the WOMA Convention later this month. Please keep his family in your thoughts and prayers.

LAWMAKERS SEND LETTERS TO EPA REQUESTING UST COMPLIANCE TESTING DELAY

Today, the U.S. Senate sent a bipartisan letter to Environmental Protection Agency (EPA) Administrator Scott Pruitt requesting that the compliance deadline in the 2015 underground storage tank amendments for containment sumps, spill buckets and overfill prevention equipment operability testing be delayed until October 13, 2024. The letter was led by Senator Jerry Moran (R-KS). Meanwhile, members of the House Energy and Commerce Committee spearheaded by Rep. Tim Walberg (R-MI) also sent their own letter. The extension of the compliance deadline would allow tank owners and operators adequate time to acquire the capital needed to pay for the compliance costs associated with the initial testing requirements.

"The EPA's 1988 UST system upgrade regulations provided a full ten years for the regulated community to comply. By comparison, the 2015 upgrade requirements provide only three years for small business petroleum marketers to comply," the letter stated. PMAA is concerned that replacing UST system equipment that was functioning properly before the mandated inspections, could place small businesses petroleum marketers in a difficult position.

"We thank both Senator Moran and Rep. Walberg for leading this effort to help petroleum marketers, but most especially small businesses across the country. The final UST rule encompasses more than just running an initial test as it could technically be a costly mandate for upgrades or replacement of UST system equipment. Extending the compliance deadline will not only keep small businesses in business, but it will also help the environment in the long run," said PMAA President Rob Underwood.

DEAL...BUT NOT DEAL ON THE RFS

This week, President Trump was expected to announce the final agreement on biofuel policy changes, however, the decision is again on hold due to opposition from the corn belt which was concerned the proposal would dampen demand for corn ethanol. The proposed White House deal would have reduced compliance costs to the refining industry by allowing biofuels exports to count towards RINs generation. It would also have granted the one psi waiver for E15 so it could be sold during the summer months. Finally, it would have reallocated biofuel volumes that small refiners had been exempted from blending to larger refiners who supposedly have the capacity to blend.

The corn belt was concerned that attaching RINs to exported ethanol would have increased the supply of RINs and greatly reduce the value of RINs which would potentially hurt E15 sales.

NEWLY DESIGNATED OZONE NONATTAINMENT AREAS MAY REQUIRE RFG OR LOWER RVP

The U.S. Environmental Protection Agency (EPA) issued a final rule this week that designates 51 additional counties in 22 states as ozone nonattainment areas. The Clean Air Act requires state air agencies to take steps to control ozone pollution in nonattainment areas based on the severity of the air quality problem at the time of designation. Severity classifications range from "marginal" to "extreme" as measured by air quality monitoring data. Two methods states may use to meet federal ozone emission standards are to mandate reformulated gasoline or impose lower RVP requirements for conventional gasoline during the summertime ozone season beginning June 1 through September 15 each year.

The EPA strengthened federal ozone standard in 2015 by lowering the attainment level for ground level ozone from 75 parts per billion to 70 parts per billion measured over an 8-hour period. Last November, EPA indicated that 85 percent or 2,646 counties nationwide would be in attainment with the new 70 parts per billion standard. The remaining 51 counties in designated as in nonattainment were not published until last week. Eight remaining counties in San Antonio, Texas area will be classified in July 2018, according to the EPA.

Nonattainment areas are required to meet the 70 parts per billion ozone standard as quickly as possible, but no later than the maximum attainment date associated with each classification. The maximum attainment date for each classification are:

- 3 years for marginal areas;
- 6 years for moderate areas;
- 9 years for serious areas;
- 15 years (or 17 years) for severe areas; and
- 20 years for extreme areas.

States must detail how they will comply with the 70 parts per billion standard in revised state air quality implementation plans (SIP) submitted to the EPA for approval. Areas classified as marginal are not required to submit plans demonstrating how they will meet the ozone standards but must meet the three-year maximum attainment date.

URGE CONGRESS TO FIX THE DRAFTING ERROR IN SECTION 168 OF THE TAX CUTS AND JOBS ACT

In December, Congress passed a comprehensive tax reform bill known as the "Tax Cuts and Jobs Act." The bill contains a provision in Section 168 that provides retailers with the benefit of 100 percent bonus depreciation for qualified improvement property acquired and placed into service after September 27, 2017. However, an error occurred when the final text was drafted that makes retailers ineligible for this benefit.

Meanwhile, the Qualified Improvement Property (QIP) Coalition in which PMAA is a member has been urging Congress to fix the drafting error. Today, the QIP Coalition sent a letter to House Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking member Richard Neal (D-MA) as well as Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking member Ron Wyden (D-OR).

NLRB WILL DEFINE JOINT EMPLOYER THROUGH RULEMAKING

This week, NLRB Chairman John Ring sent a letter to Senators Elizabeth Warren (D-MA), Kirsten Gillibrand (D-NY) and Bernie Sanders (I-VT) and stated that NLRB will likely propose a rule defining joint employment rather than through the usual process of hearing and deciding an administrative law case and will do so later this summer.

In March, the NLRB voted to vacate a December 2017 decision, Hy-Brand Industrial Contractors, Ltd. and Brandt Construction Co., which overturned the 2015 ruling that made it easier to hold companies liable for labor violations committed by their franchisees or contractors.

The December determination found that to be classified a "joint employer," a business must have a direct and immediate control over the employees in question. Browning-Ferris, issued under President Obama, said a business could be classified a joint employer even if its relationship to the employees in question were indirect.

Now the Browning-Ferris standard is back in place, making it easier for employers to be found jointly liable over a particular employee. The reason the ruling was vacated is because NLRB Board member William Emanuel's former law firm had represented a party to the original Browning-Ferris decision and William should have recused himself from the case.

Late last year, the House passed the "Save Local Business Act," which would reverse the NLRB 2015 Browning-Ferris decision by narrowing the circumstances under which businesses can be classified a joint employer. Under Browning-Ferris, companies that exert only "indirect" control over franchisees may still be joint employers. The bill would revert to a standard of "direct" control. Following last year's finding, the legislation was not considered necessary except to prevent a future Democratic NLRB from switching the ruling back sometime in the future.

HOUSE COMMITTEE APPROVES LUST FUNDING FOR 2019

On Wednesday, the House Appropriations Committee passed its \$35 billion Interior-EPA 2019 spending bill by a party-line vote of 25-20. Included in the bill is \$92 million for the Leaking Underground Storage Tank (LUST) program which is consistent with current year funding.

Earlier this year, President Trump released his FY 2019 budget plan. In the plan, funding for the Leaking Underground Storage Tank (LUST) program would be reduced to \$47 million. PMAA is concerned that if states do not receive funding, then they will find other ways to cover their costs including increasing tank fees. In previous years, Congress has appropriated \$90 - \$100 million each year; an amount PMAA continues to urge Congress to continue to appropriate.

The bill is expected before the full House this Summer, but it is unknown whether the Senate will act on a similar schedule.

NEW COALITION FORMED TO ADDRESS PAYMENTS SECURITY

The National Retail Federation, the National Association of Convenience Stores, other retail groups and two of the nation's best-known ATM networks announced this week that they have formed a new coalition intended to improve the security of

the U.S. electronic payments system ranging from credit and debit cards to emerging technology. The coalition known as the Secure Payments Partnership (SPP) include NRF, the Food Marketing Institute, the National Association of Convenience Stores, the National Grocers Association, First Data's Star Network and the Shazam network.

Currently, the U.S. lags behind the rest of the world when it comes to card payment security largely because Visa and MasterCard control security standards without sufficient input from competing card networks, retailers, consumers and banks. SPP aims to achieve successful open standards setting, payment security innovation, stronger user authentication and network routing competition which will lower transaction fees, and ultimately, reduce fraud.

PLAN TO ATTEND THE 2019 WPMAEXPO

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 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: "The 50-50-90 rule: Anytime you have a 50-50 chance of getting something right, there's a 90% probability you'll get it wrong."

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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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