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STRATEGIES FOR STATE ADOPTION OF EPA 2015 UST AMENDMENTS

In 2015, the EPA adopted a number of new testing and inspection requirements for UST system components. States are now in the process of implementing those regulations. The new EPA regulations apply directly to the 12 states without state UST program authority. The remaining 38 states with UST program authority must adopt the same or similar regulations no later than October 13, 2018. PMAA has won substantial regulatory flexibility in the federal regulations that save every tank owner/operator thousands of dollars in annual compliance costs. State regulators should be made fully aware of this wide ranging flexibility approved by the EPA so it can be folded into state regulations as well. Please use [this](http://www.pmaa.org/weeklyreview/attachments/RR6-05-17%20UST%20State%20Implementation.pdf) (http://www.pmaa.org/weeklyreview/attachments/RR6-05-17%20UST%20State%20Implementation.pdf) PMAA memo to communicate the regulatory flexibility that was won by PMAA and has been approved by the EPA as "equally protective of the environment" and "no less stringent than federal regulations." Meeting both these federal standards gives state regulators the green light to adopt the alternative methods of compliance into state regulations.

HOUSE PASSES FINANCIAL CHOICE ACT WITHOUT DEBIT REPEAL

Yesterday, the House passed the Financial CHOICE Act along party lines by a vote of 233-186. Fortunately, PMAA and the Merchants Payments Coalition (MPC) were successful in convincing House leadership to drop the language from the Financial CHOICE Act two weeks ago that would have repealed the Durbin Amendment. Repealing the Durbin Amendment would harm petroleum marketers because the Durbin language has brought competition to the debit card fee market.

Last month, nearly 300 PMAA petroleum marketers educated lawmakers on the benefits of debit card fee reform, and in the end, House leadership decided that it was best to strip the Durbin repeal language from the overall bill. PMAA would like to thank everyone who has sent a letter or email, or who has talked with their representatives about the importance of the Durbin language over the past year. In particular, we thank all "Day on the Hill" attendees for their work last month to educate lawmakers on the benefits of debit card fee reform. The visits contributed to this decision to strip the repeal language.

FMCSA WITHDRAWS INSURANCE LIABILITY RULEMAKING

In another victory for petroleum marketers, on Monday the Federal Motor Carrier Safety Administration (FMCSA) officially withdrew a rulemaking intended to explore the pros and cons of increasing liability insurance minimums for motor carriers. The agency is withdrawing the rule because of a lack of data from insurance providers and carriers.

PMAA has opposed the increase since it was proposed in the November 28, 2014 Advanced Notice of Proposed Rulemaking (ANPR). FMCSA had publicly entertained the idea of increasing requirements to as much as \$4.5 million per truck for general freight, and a hike to as high as \$10 million for petroleum marketers from the current \$750,000 in liability insurance for general freight, \$1 million for home heating oil and \$5 million for gasoline and other hazardous materials. Under this scenario, premiums would have been increased approximately 500 percent.

Current requirements have been more than sufficient in ensuring over 99 percent of claims filed in motor vehicle crashes are fully covered since they were implemented subsequent to the passage of the Motor Carrier Act of 1980. In the rare instance that coverage is not adequate, claimants can pursue compensation in court for damages not covered by the carrier's insurance (assuming the motor carrier is at fault). FMCSA's ANPRM also ignored current market forces in the insurance industry that increase financial responsibility minimums when necessary to provide full coverage for damages based on risk. Ultimately, companies that could not afford the increase would have gone out of business, resulting in less competition and increased prices. Furthermore, some insurance companies may not have been able to underwrite this level of exposure.

Petroleum marketers in town for PMAA's 2015 Washington Conference "Day on the Hill" educated Congress on why there was no need to increase insurance minimums. PMAA joined other groups in a letter in support of language that was included in the 2015 Transportation-Housing spending bill which would have prohibited the FMCSA from using funds to issue and implement new Motor Carrier Financial Responsibility requirements.

EPA DELAYS OZONE STANDARD DEADLINE BY ONE YEAR

On Tuesday, the EPA announced that it will delay the deadline for determining which areas of the U.S. are not compliant under the ozone standard. The EPA was scheduled to make determinations on nonattainment areas this month and finalize them this October under the original plan. However, under the new schedule, the EPA will make final decisions on which areas are out of compliance with the ozone rule by October 2018.

In a letter to governors, EPA Administrator Scott Pruitt said that he acted based on a provision in the Clean Air Act that allows delaying standards for up to a year if the agency has "insufficient information" to make compliance decisions. He

added that states would have an extra year to meet the tightened ozone standard, and EPA would address concerns over outstanding issues, like background ozone and smog coming in from China and other East Asian countries. Additionally, Pruitt stated that he will establish an Ozone Cooperative Compliance Task Force to develop additional flexibility for states to comply with the standard.

Under the Obama Administration on October 1, 2015, the EPA set the ozone standard at 70 parts per billion (ppb), a reduction from the 75ppb level set in 2008. The new ozone standard places a burden on hundreds of counties nationwide which could mean costly reformulated gasoline (RFG) and lower Reid vapor pressure (RVP) fuels. It is unclear whether Pruitt will look to repeal the 70ppb ozone standard and revert to the 75ppb ozone standard. Repealing or changing the rule would require an extensive regulatory process that could take a year or more to complete.

PMAA applauds the EPA for delaying this deadline. PMAA has argued before the EPA, the White House and Congress that the EPA's 2015 ozone standard is unattainable and will result in more boutique fuels resulting in higher prices at the pump.

LEGISLATIVE CALENDAR COULD AFFECT THE PROSPECTS OF TAX REFORM THIS YEAR

President Trump recently stated that he would like for Congress to focus on overhauling the tax code in September. While the Trump administration would prefer that the effort not add to the national debt and instead be revenue neutral, an administration official stressed that the top priority would be cutting taxes. The administration has outlined a broad plan that would cut tax rates for businesses and streamline the tax system for individuals.

Trump has pressed for quicker action in Congress, but his administration has also had to deal with the ongoing investigations into Russian interference in last year's election. Furthermore, Republicans already have plenty on their plate outside of taxes, including the looming debt ceiling fight, healthcare reform bill and FY 2018 appropriations bills. The fight over raising the debt ceiling will likely take priority over everything else either before Congress adjourns for August recess or shortly after Congress returns during the first week of September. Also, the Senate is currently crafting its version of a healthcare bill in hopes that an agreement can be reached before the August recess. Lastly, both the House and Senate have yet to even begin consideration of the FY 2018 appropriations bills.

The complicated and busy Congressional agenda, combined with distractions such as the investigations into Russian interference in the election, could threaten Congress's ability to pass comprehensive tax reform legislation before the new year. However, Republican members remain optimistic that they will accomplish everything on the agenda.

DOL WITHDRAWS JOINT EMPLOYER GUIDANCE

On Wednesday, U.S. Labor Secretary Alexander Acosta announced that the Department of Labor (DOL) was withdrawing the Obama Administration's informal guidance on joint employment, which increased scrutiny on how small businesses operate independently of their contractors and franchisees.

The DOL's Wage and Hour Division issued the "administrator's interpretation" less than six months after the National Labor Relations Board issued a controversial ruling in the Browning-Ferris Industries case that broadened a business's potential liability for the labor practices of third-party business partners. The Wage and Hour Division's January 2016 interpretation attempted to expand the concept of joint-employer liability under federal wage and hour laws as well.

PMAA applauds Secretary Acosta for withdrawing the joint employer guidance because the guidance was burdensome to businesses.

TRUMP OUTLINES HIS INFRASTRUCTURE PLAN

Speaking to a crowd in Cincinnati on Tuesday, President Trump outlined his vision for an infrastructure plan that includes federal grants to rural areas as well as to states and localities to create additional funding for infrastructure projects. He called on Congress to adopt his proposal for cutting federal funding for U.S. highways and allocating \$200 billion in federal funding in exchange for incentivizing private companies to pour \$800 billion into roads, bridges, waterways and other transportation infrastructure over 10 years.

The federal funds will be divided into four categories:

- A combination of grants and loans to "transformative" projects, with Trump's proposal to place the U.S. air-traffic control system under a private, non-profit corporation for example.
- Grants to rural areas to repair bridges, roads and waterways.
- Enhanced loan programs with the Transportation Infrastructure Finance and Innovation Act (TIFIA) as an example of how federal funds can be used with state, local, and private dollars to fund projects.
- Incentive programs with grants to states and municipalities to create additional funding for infrastructure.

President Trump's speeches this week on infrastructure come as part of the administration's push to recognize Infrastructure Week, an informal week in which lawmakers, the public and roads groups call for investment in failing U.S. infrastructure.

SENATE BILL COULD ALIGN FUEL EFFICIENCY STANDARDS

Recently, Senator Roy Blunt (R-MO) introduced legislation, S. 1273, intended to reconcile differences in fuel economy rule enforcement between EPA's Greenhouse Gas (GHG) emissions programs with the National Highway and Transportation Safety Administration's (NHTSA) Corporate Average Fuel Economy (CAFE) standards. The "Fuel Economy Harmonization Act" is cosponsored by Senators Debbie Stabenow (D-MI), Gary Peters (D-MI) Claire McCaskill (D-MO), Jerry Moran (R-KS) and Todd Young (R-IN).

Currently it is possible for automakers to comply with the more stringent GHG standards while not being able to meet the corresponding fuel efficiency standards because of the discrepancies in the credit accounting between the programs.

In 2009 in an effort to reduce conflicting regulatory requirements, the Obama administration announced that the various vehicle fuel economy programs would be managed as One National Program. However, the One National Program framework still amounts to separate programs, created under separate statutes, managed by separate regulatory agencies. As a result, compliance with EPA's more stringent miles per gallon efficiency requirements could still mean penalties under NHTSA because of the different structure of the CAFE program – resulting in fines on auto manufacturers without any environmental benefit to the public. The Fuel Economy Harmonization Act will help deliver on the promise of One National Program, making it easier and less costly for manufacturers to meet the goals of federal fuel economy programs.

"The conflicting fuel economy standards that are currently in place at NHTSA and EPA drive up manufacturing costs, which are ultimately passed on to consumers," Blunt said. "This bill gets us closer to one national fuel economy standard program that meets the goals of both the NHTSA and EPA programs in a less costly, more efficient way. It is a bipartisan, commonsense step we can take to lower costs and boost U.S. auto manufacturing."

SNAP MODERNIZATION HEARING

Yesterday, the House Agriculture Subcommittee on Nutrition held a hearing to evaluate technology and modernization in the Supplemental Nutrition Assistance Program (SNAP). Subcommittee Chairman Glenn Thompson and committee members heard from witnesses on the ways technology and modernization improve the customer experience, streamline delivery of services and ease administrative burden. This hearing is a continuation of the committee's hearing series leading up to the next farm bill.

"It's critical we evaluate the opportunities and challenges of effectively managing SNAP in an evolving, 21st century economy," said Subcommittee Chairman Thompson. "Given that SNAP is the largest domestic hunger safety net program in the country, opportunities exist to improve and streamline the program through the use of technology. The introduction of EBT cards created a more efficient and adaptable program, better meeting customer needs and helping to maintain program integrity. Now, with so many states transitioning to new integrated eligibility systems, agencies have the opportunity to improve program operations, modernize the eligibility determination process and improve customer service through technology."

2018 WPMAEXPO KEYNOTE SPEAKER!



WPMA is excited to announce our 2018 WPMAEXPO Keynote speaker will be **Mitt Romney**, former Governor of Massachusetts (2003-2007), President and CEO of the Salt Lake Organizing Committee for the 2002 Winter Olympic games, and Founder/CEO of Bain Capital.

Come and join us at The Mirage on February 21, 2018, to hear Mitt Romney speak on the issues of the day!

PLAN TO ATTEND THE 2018 WPMAEXPO

WPMAEXPO

Mark your calendars for February 20-22, 2018. Make plans now to attend the 2018 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

June 19-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

June 22, 2017 – Utah (UPMRA) Summer Classic PAC Golf Outing – Stonebridge GC, WVC, Utah

August 2-4, 2017 – Idaho (IPM&CSA) Convention – Sun Valley Resort – Sun Valley, Idaho

August 21-23, 2017 – New Mexico (NMPMA) Convention – Sandia Resort – Albuquerque, New Mexico

August 30, 2017 – Idaho (IPM&CSA) PAC Golf Tournament, Huntsman Springs GC, Driggs, Idaho

September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

October 5, 2017 – Hawaii (HPMA) Golf Tournament – The King Kamehameha GC, Wailuku, Hawaii

February 20-22, 2018 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada

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

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Petro Pete: “According to science the atoms in my body contain the energy of 30 hydrogen bombs, and yet not enough energy to get up early and go jogging.”

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