

June 14, 2019

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WP-06-14-19

WPMA ANNOUNCES 2019-20 EXECUTIVE COMMITTEE

At the recent WPMA Board of Directors Meeting in Deer Valley, Utah, members of the WPMA Executive Committee for the 2019-20 fiscal year were approved by unanimous vote of the Board. Effective July 1, 2019, the WPMA Executive Committee members will be:

WPMA President: Dennis Campo, Campo & Poole, Fruitland, Idaho
WPMA 1st Vice President: Steve Clark, Genesee Energy, Seattle, Washington
WPMA 2nd Vice President: Leland Gould, Andeavor Inc, Albuquerque, New Mexico
WPMA 3rd Vice President: Kary Tonjum, CityServiceValcon, Kalispell, Montana
WPMA Senior PMAA Director: Eric Busch, Busch Distributors, Moscow, Idaho
WPMA Immediate Past President: Mark Lytle, Pro Petroleum, Las Vegas, Nevada

WPMA welcomes Kary Tonjum, of CityServiceValcon in Kalispell, Montana and Eric Busch of Busch Distributors in Moscow, Idaho to the WPMA Executive Committee. We appreciate Kary and Eric's willingness to serve on the Executive Committee, and look forward to working with them in the coming year.

A special *Thank You* goes to departing WPMA Immediate Past President Ron Berry of Berry Oil in Tetonia, Idaho for his many years of dedicated service to the WPMA Executive Committee and Board of Directors.

We look forward to another great year for the association with Dennis Campo, 2019-20 WPMA President, at the helm. Dennis's insights and leadership will prove invaluable as WPMA moves into the future.

TAX EXTENDERS FRONT AND CENTER IN THE HOUSE

House Ways and Means Committee Chairman Richard Neal (D-MA) may bring an extenders package to the committee for a vote soon. Earlier this week, Neal discussed his proposal with members to extend the series of expired business tax credits including the biodiesel tax credit that expired on December 31, 2017. The extenders proposal would be revived retroactively for 2018 and continued through 2019 and 2020. The measure faces opposition in the Senate because the payfors include boosting estate and corporate taxes. The good news is that the Senate has introduced its own version of tax extenders that may have a better chance of passing.

In March, Senate Finance Committee Chairman Chuck Grassley (R-IA) introduced legislation that would retroactively extend most of the provisions through 2019 including the \$1 per gallon biodiesel tax credit that expired at the end of 2017. Additionally, the OSLT would be extended through 2019 and would not be applied retroactively, which is welcome news for petroleum marketers.

Yesterday, PMAA sent a letter to the Senate Finance Committee to reiterate its support for the biodiesel blender's tax credit and to oppose a retroactive extension of the OSLT.

CONGRESS HOLDS HEARING ON TRUCK DRIVER SHORTAGE

On Wednesday, the House Subcommittee on Highways and Transit held a Hearing on "Under Pressure: The State of Trucking in America." The surface transportation authorization expires September 30, 2020, and House and Senate leaders are working to write a new bill. Issues discussed during the hearing included the under 21 CDL interstate driver bill, the CDL driver shortage/training, hours of service and side guards for trucks.

Chris Spear, President & CEO of the American Trucking Associations, spoke against the "Stop Underrides Act" (S. 665, H.R. 1511) which would require new side underride protection for trailers and straight trucks with a gross vehicle weight over 10,000 pounds. PMAA also is opposed to the bill. Mr. Spear noted that the solution is easier said than done. The added weight and structural integrity of trailers will need to be considered. Secondly, Spear said that vehicle-to-vehicle connectivity could possibly be a solution so that cars could detect a tractor trailer and deploy the automatic emergency braking system before a possible collision.

Meanwhile, the short haul exception was also discussed during the hearing. PMAA has argued that expanding the short haul exception to 150 air miles and increase the on-duty driver time from 12 to 14 hours could be a short-term fix to address the driver shortage. Recently, Rep. Crawford (R-AR), along with several other GOP lawmakers, sent a letter to the Federal Motor Carrier Safety Administration (FMCSA) asking it to extend the 100-mile radius short haul driver exception to 150 miles to reflect the maximum distance most CDL drivers in the petroleum industry travel to load supply. Extending the short haul exception would also exempt CDL drivers from the electronic logging device (ELD) mandate if

they stay within 150 air miles. PMAA fully supported Rep. Crawford's letter and made this an important issue during PMAA's DC Conference and "Day on the Hill."

Finally, the hearing focused on "The DRIVE Safe Act" (H.R. 1374; S. 569) which would allow drivers 18 and older to operate across state lines if they meet rigorous training requirements — at least 400 hours of on-duty time with 240 hours of driving time, with an experienced driver training them. Training would also be restricted to trucks equipped with active braking systems, video monitoring systems and speed limiters set to 65 mph or slower. ATA President Spear noted that 48 states already allow under 21 truckers to drive on highways within state lines without any special training beyond obtaining a CDL. Although drivers of petroleum would not be covered under the Drive-safe Act, (since drivers must be 21 to qualify for a hazardous materials certification), PMAA supports the bill because it would expand the overall driver pool.

DEMOCRATS INTRODUCE BILL TO DOUBLE THE SALARY QUALIFICATION FOR OVERTIME PAY

On Tuesday, Reps. Bobby Scott (D-VA) and Mark Takano (D-CA), as well as Senators Patty Murray (D-WA) and Sherrod Brown (D-OH) introduced the "Restoring Overtime Pay Act of 2019." The bill would reinstate an Obama-era rule on overtime pay which would more than double the salary level under which workers qualify for overtime pay when they work more than 40 hours a week. That ceiling, now \$23,660, would rise to \$51,000 under the bill, extending overtime coverage to more than 4 million workers.

The bill language would set the ceiling at a level that is slightly higher than the \$47,476 salary level enacted by the Labor Department in 2016, and well above the Trump administration's proposed \$35,308. Under the Democrats' bill, the salary ceiling would rise every three years based on cost-of-living increases, pegged to the 40th percentile of wages in the lowest-wage Census region. After a Texas court halted the Obama proposal in November 2016, concluding that DOL had exceeded its authority, Trump's DOL chose to rewrite the rule rather than appeal the ruling.

Similar to the Obama-era efforts, the Trump proposed rule presents changes to the regulations that govern how employers can structure their relationship with their employees, which in turn, can impact a business's bottom line. Fortunately, the new proposed rule is less burdensome on small businesses. In general, the Fair Labor Standards Act (FLSA) requires employees be paid one and a half times their regular rate of pay for all hours worked over forty hours in a given workweek. Under the FLSA, there are, however, certain exemptions. Employees who fall under one of these exemptions do not have to be paid overtime.

The PMAA Board of Directors voted to support the Trump Administration's proposed white-collar exemption salary threshold of \$35,308 per year (\$679 per week). PMAA also supported the proposed rule's intent to permit employers to satisfy the salary requirements through non-discretionary bonuses and incentive pay. PMAA opposed the proposed increase to the highly compensated exemption salary threshold and opposed any further efforts to add automatic future increases to the final rule.

REFINERS SUE EPA TO STOP THE SUMMERTIME SALE OF E15 GASOLINE BLENDS

The American Fuel & Petrochemical Manufacturers Association filed a petition in the U.S. Court of Appeals for the District of Columbia Circuit this week asking the court to review the EPA's final rule lifting the ban on summertime sale of E15 gasoline blends.

PMAA and other petroleum groups believe the EPA overstepped their legal authority when extending the waiver to E15 blends. The statutory language under the Clean Air Act specifically limits the one-pound RVP waiver exclusively to E10 blends. Since Congress established the waiver in legislation, only Congress has the authority to change it. This was EPA's position too until recently. Twice in the past, the EPA declined to extend the one-pound waiver to E15 claiming the agency lacked the authority to do so. The EPA only flipped their position and claimed to have such legal authority after the Trump administration directed it to do so. EPA claims their new position is in keeping with the intent of Congress to gradually increase the amount of ethanol in the fuel supply over time. Since the current, nationwide gasoline pool is currently comprised entirely of E10, there is no room for ethanol growth without lifting the summertime ban on E15 sales, according to the agency. The AFPM petition did not request an injunction to stop summertime E15 sales while the court takes the matter under review. This means summertime E15 sales will continue until the Court of Appeals renders a decision.

FDA ISSUES GUIDELINES FOR MANUFACTURERS OF E-CIGS SEEKING APPROVAL OF PRODUCTS

On Tuesday, the FDA released new guidelines for manufacturers seeking approval to continue selling e-cigarettes, or vaping devices, and the liquids used in the devices to deliver nicotine.

Currently, there are no authorized e-cigarettes on the U.S. market. The FDA has recently come down hard on e-cigarettes following a spike in their use among teenagers, and the new guidelines cover issues like accidental nicotine exposure and battery safety.

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 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: “The best way to predict your future is to create it. -Stephen R. Covey”

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