

June 19, 2020

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WPMA ANNOUNCES 2020 - 21 EXECUTIVE COMMITTEE

At the recent WPMA Virtual Board of Directors Meeting, members of the WPMA Executive Committee for the 2020 - 21 fiscal year were approved by unanimous vote of the Board. Effective July 1, 2020, the WPMA Executive Committee members will be:

WPMA President: Steve Clark, Genesee Energy, Seattle, Washington

WPMA 1st Vice President: Leland Gould, Marathon Petroleum, Albuquerque, New Mexico

WPMA 2nd Vice President: Kary Tonjum, CityServiceValcon, Kalispell, Montana

WPMA 3rd Vice President: Jeremy Bautista, River City Petroleum, Sacramento, California

WPMA Senior PMAA Director: Annie Marszal, Lahaina Petroleum, Paia, Hawaii

WPMA Immediate Past President: Dennis Campo, Campo & Poole, Fruitland, Idaho

WPMA welcomes Jeremy Bautista of River City Petroleum as the Third Vice President of the Association. President Steve Clark has chosen Hawaii PMAA Director Annie Marszal of Lahaina Petroleum to serve as the WPMA Senior PMAA Director. We appreciate Jeremy and Annie's willingness to serve on the WPMA Executive Committee and look forward to working with them in the coming year.

A special *Thank You* goes to departing WPMA Immediate Past President Mark Lytle of Pro Petroleum in Las Vegas, Nevada 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 Steve Clark, 2020 - 21 WPMA President, at the helm. Steve's insights and leadership will prove invaluable as WPMA moves into the future.

PMAA COMPLIANCE BULLETIN: 2020-2021 FEDERAL HEAVY HIGHWAY VEHICLE USE TAX FILING PERIOD BEGINS JULY 1

The 2020 Heavy Highway Vehicle Use (HHVU) tax reporting period runs from July 1, 2020 to June 30, 2021. The HHVU tax is paid on each commercial motor vehicle with a gross vehicle weight of 55,000 pounds or greater that travels 5,000 miles or more per year. The HHVU applies to most petroleum cargo tank vehicles and transports. Once the HHVU tax is filed and paid, the IRS will send back to filers a stamped IRS Form 2290 Schedule 1, proof of payment within 6 weeks.

What's New with 2290 Filings:

IMPORTANT! The IRS has suspended debit card and credit card payment methods for the HHVU tax until January 1, 2021. Until that time, only electronic payment via Electronic Federal Taxpaying System (EFTPS), electronic funds withdrawals, checks or money orders may be used to pay the tax. The IRS provided no reason for the temporary suspension. However, the agency is cautioning taxpayers that the newly revised IRS Form 2029 (Rev. July 2020) for the 2020-2021 filing period continues to include the credit card/debit card payment option on line 6. Do not check this box until credit card and debit card payments resume on January 1, 2021. Another form of payment must be used.

IMPORTANT! Use IRS Form 2290 (Rev. July 2020) for the 2020-2021 filing period. Any amount due from the 2019-2020 filing period must be filed on the previous Form 2029 (Rev. July 2019)

FEDERAL RESERVE MAKES \$600 BILLION IN EMERGENCY LOANS AVAILABLE FOR SMALL AND MEDIUM SIZED BUSINESSES

The U.S. Federal Reserve launched its Main Street Lending Program (MSLP) this week. The MSLP program is designed to provide a total of \$600 billion in credit to small and mid-sized businesses that were in "good financial standing" before the COVID-19 emergency but are now struggling due to stay-at-home and business closure orders.

Business borrowers must apply for MSLP loans through participating local banks. The Federal Reserve will purchase back 95% of loans from eligible lenders. Loans are available until September 30, 2020. Eligible borrowers include businesses with 15,000 employees or fewer: or businesses with 2019 revenues of \$5 billion or less. Eligible lenders include participating federally insured depository institutions including, banks, credit unions and savings and loans institutions. Borrowers have 5 years to repay a loan made under the MSLP program. Principal and interest payments on the loans will be deferred for up to two years, with 33% payments due in each of the years following that for new loans. Borrowing limits on secured or unsecured loans start at a minimum of \$250,000 up to a maximum of \$50 million. The interest rate on the loan is LIBOR plus 3%.

Unlike the federal PPP and EIDL Advance emergency loans, MSLP loans must be paid back in full.

SMALL BUSINESS ADMINISTRATION ISSUES MORE USER-FRIENDLY PPP LOAN FULL FORGIVENESS APPLICATION

The U.S. Small Business Administration (SBA) has issued a revised, borrower-friendly Paycheck Protection Program (PPP) loan forgiveness application. The new forgiveness form was part of the PPP Flexibility Act of 2020, signed into law June 5, 2020 and is designed to increase processing efficiency to make it easier for businesses to realize full forgiveness of their PPP loan.

U.S. SMALL BUSINESS ADMINISTRATION REOPENS EIDL EMERGENCY LOANS AND EIDL ADVANCE GRANT PROGRAM

The Small Business Administration (SBA) this week announced the reopening of the Economic Injury Disaster Loan (EIDL) and the EIDL Advance program. The SBA's existing EIDL emergency loan program was funded with an additional \$20 billion to provide emergency relief and to ensure that EIDL loans available to small businesses experiencing economic impacts due to the COVID-19 pandemic. The EIDL program came to an abrupt halt in early May due to the inability of the SBA to process the millions of applications that came flooding in from applicants seeking emergency relief. The reopening means that small business petroleum marketers and heating fuel dealers have another opportunity to seek long term, low interest disaster loans and emergency grants from the SBA. Additionally, EIDL Advance will provide up to \$10,000 (\$1,000 per employee) of economic emergency relief to small businesses as a nonrepayable grant. The SBA said it has improved the application and loan closing process to make it easier and faster for applicants to receive funding.

HOUSE TRANSPORTATION COMMITTEE HOLDS MARKUP OF SURFACE TRANSPORTATION BILL *Trump Administration Considering Its Own Plan*

This week, the House Transportation and Infrastructure Committee held a markup to consider numerous amendments to H.R. 2, the Investing in a New Vision for the Environment and Surface Transportation in America (INVEST) Act, that was introduced by Democrats two weeks ago. The bill would direct the Secretary of Transportation to delay the new FMCSA hours-of-service rule for commercial drivers until a comprehensive review of its waivers, exemptions and related guidelines is finalized. There were several amendments considered at the markup that are significant to fuel marketers.

First, Rep. Grace Napolitano (D-CA) introduced an amendment to the bill that would lift the longtime ban on the commercialization of Interstate rest areas by allowing electric vehicle (EV) charging stations to be built at them. Unfortunately, the amendment was ultimately included in Committee Chairman Pete DeFazio's (D-OR) manager's amendment that passed by a vote of 36-20. PMAA, along with NATSO, SIGMA and NACS, has been fighting attempts to lift the ban on the commercialization of rest areas because the ban has been essential in protecting the significant investments fuel marketers have made in communities and real estate directly off the U.S. Interstate System.

Secondly, PMAA opposed Section 1303 of the bill that would create an alternative fuel corridor grant program, specifically providing \$350 million per year for grants for EV charging and hydrogen fueling infrastructure. PMAA is concerned that the grant program could allow the government to own and operate EV charging stations and compete with private businesses as well as permit electric utilities to double dip – meaning they could charge their rate paying consumers to pay to expand EV infrastructure, while also taking grant money to subsidize the same projects. An amendment offered by Rep. Lizzie Fletcher (D-TX) was approved which allows natural gas and propane projects to receive grants under the alternative fuel corridor grants program in the bill. Rep. Scott Perry (R-PA) introduced an amendment that would have scrapped the grant program; however, the amendment failed by a vote of 23-40.

Additionally, Rep. Jesús "Chuy" García (D-IL) introduced an amendment that would more than double the current minimum insurance requirement for commercial motor vehicles from \$750,000 to \$2 million. The amendment was heavily criticized by many Republicans at the markup. Committee Ranking Member Sam Graves (R-MO) called Rep. Garcia's amendment "nothing more than a handout to the trial attorneys." Rep. Garrett Graves (R-LA) expressed his opposition to the amendment, saying that raising the minimum insurance requirement on truckers would inevitably drive up the cost of shipping goods across the country leading to higher food prices, which will "have a disproportionate impact on the poor." Rep. Garcia's amendment ultimately passed by a vote of 37-27.

Although the bill was completely partisan, some GOP amendments were adopted including Rep. Stauber's (R-MN) amendment directing the Secretary of Commerce to certify that EV charging stations are free of minerals that are mined using child labor. House Transportation Committee Chairman DeFazio opposed the amendment, arguing it was an attempt to target charging infrastructure, but it was approved 43-19.

Prior to the markup, PMAA sent a letter highlighting its concerns with certain provisions and amendments to the INVEST Act especially the rest area commercialization language. PMAA also highlighted its concerns that the grant program does not provide for the equitable distribution of funds or account for other investment required for infrastructure changes that may be needed to accommodate EV and alternative fueling equipment such as upgrades to site utilities and expanding

paved areas. PMAA urged the Committee to ensure that 50 percent of the grant program funding be dedicated to small, independent fuel marketing businesses who can diversify and bring necessary competition to the market. Now that the bill has been marked up, it now heads to the House floor for a vote that is expected to take place in early July. While the Democratic-controlled House is expected to approve the bill, it is dead on arrival in the Senate. The bill currently lacks a “pay for” meaning it is unlikely that a potential multiyear surface transportation bill is signed into law this year. The 24.4 cents-per-gallon diesel tax and 18.4 cents-per-gallon gas tax have remained unchanged since 1993. Congress is more than likely to pass a short-term reauthorization of surface transportation programs into next year since current law is set to expire on September 30, 2020.

Finally, reports have indicated that the Trump Administration has been drafting its own infrastructure plan in hopes that a package could kickstart the economy that has been hit hard by the coronavirus health pandemic. A preliminary plan being prepared by the Department of Transportation (DOT) would provide nearly \$1 trillion in funding, the majority of which would be spent on roads and bridges.

SMALL REFINERIES EMPLOY STRATEGY TO OBTAIN NEW RFS HARDSHIP EXEMPTIONS

The EPA announced it has received 52 petitions from small refiners requesting economic hardship exemptions from compliance with the Renewable Fuel Standard (RFS). The petitions request retroactive exemptions back to 2013 and earlier. Typically, small refinery exemption petitions are filed annually when the EPA sets new RFS blending mandates for the upcoming year. The retroactive filings are meant to bypass a recent federal court order limiting new hardship exemptions to only those small refineries that have been exempted from the RFS every year since 2013. Only a handful of the 52 small refineries currently filing petitions would qualify for hardship exemptions under the new standard set by the court.

Many small refiners disagreed with the court’s decision because exemptions were not necessary in the early years of the RFS when volumetric blending mandates were lower and blending RIN credits were cheap. If the EPA approves the retroactive petitions, the total ethanol gallons lost to hardship exemptions will continue to increase from the 2.63 billion gallons already displaced since 2016. Economic hardship exemptions are particularly important to small refiners right now due to the dramatic drop in demand for gasoline brought on by the COVID-19 emergency. The EPA has yet to act on the petitions and has given no indication when the exemption review process might begin.

PMAA JOINS SBLC IN SUPPORT OF JOBS CREDIT ACT

This week, PMAA joined other members of the Small Business Legislative Council (SBLC) in a letter supporting the Jumpstarting Our Businesses’ Success Credit (JOBS Credit) Act of 2020 (H.R. 6776) which would improve the Employee Retention Tax Credit (ERTC) provision included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Section 2301).

The JOBS Credit Act would expand the credit percentage from 50 to 80 percent of qualified wages; increase the per-employee limitation from \$10,000 for all calendar quarters to \$15,000 per calendar quarter (and an aggregate of \$45,000 for all calendar quarters); change the threshold for treatment as a large employer from employers having more than 100 employees to employers having more than 1,500 employees (based on the average number of full-time employees in 2019) or having gross receipts above \$41.5 million in 2019; allow a phased-in credit, which would allow employers with more than a 20 percent decline in gross receipts to be eligible for a portion of the credit; and improve coordination between the ERTC and the Paycheck Protection Program so employers can be eligible for both programs, but with guardrails in place to prevent “double dipping.”

BP REVIEW OF WORLD ENERGY RELEASED

On Wednesday, BP released its Statistical Review of World Energy. Growth in energy demand was declining before the pandemic, but far more so once the coronavirus pandemic spread globally, sending prices to record lows. Growth slowed to almost half the rate of 2018, with primary energy consumption slowed to 1.3% in 2019.

SENATE HOLDS HEARING ON COVID-19’S IMPACT ON THE ENERGY SECTOR

On Tuesday, the Senate Energy and Natural Resources Committee held a hearing titled: “Impacts of COVID-19 on the Energy Industry,” the purpose of which was to examine the damaging effects the health pandemic has had on the energy sector. Witnesses at the hearing included: Mr. Stephen Nalley (Deputy Administrator, U.S. Energy Information Administration); Mr. David Turk (Acting Deputy Executive Director, International Energy Agency); Ms. Lisa Jacobson (President, Business Council for Sustainable Energy); Mr. Frank J. Macchiarola (Senior Vice President of Policy, Economics and Regulatory Affairs, American Petroleum Institute) and Ms. Jackie Roberts (President, National Association of State Utility Advocates).

Frank Macchiarola with API spoke about the challenges the oil industry has faced during the health pandemic, saying, “While the recent lifting of stay-at-home policies designed to prevent the spread of the coronavirus has resulted in increased petroleum demand and a stabilization in the markets, difficulties persist. In particular, uncertainty remains as to the speed and scope of the recovery in transportation and thus the outlook for jet fuel and gasoline demand. We remain

confident that economic recovery and oil demand are inextricably linked, and we see signs of recovery and demand increases continuing into the second half of 2020.” He continued, saying, “Our industry remains resilient in the face of these challenges and we are committed to providing the affordable, reliable and cleaner energy that people need to sustain everyday life, enhance standards of living and increase prosperity around the world.”

Meanwhile, Jackie Roberts, president of the National Association of State Utility Consumer Advocates, told members that more Low-Income Home Energy Assistance Program (LIHEAP) is needed to pay consumer heating and cooling bills because of the Coronavirus pandemic. This would be in addition to the \$900 million in new funding for the LIHEAP that passed as part of the CARES Act in March. Mr. Roberts reported that assistance is needed for customers who typically make too much money to qualify for LIHEAP but are now out of work. Provisions in the “Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act,” include an additional \$1.5 billion in funding for LIHEAP. PMAA is a member of the National Energy and Utility Affordability Coalition (NEUAC) that is urging Congress to pass additional funds for LIHEAP to help the millions more households that will be affected by COVID-19.

NEW ASSOCIATE MEMBER OF WPMA – SOUND PAYMENTS

Sound Payments is a proud new Associate Member of WPMA. Sound Payments cost-effectively enables EMV at the pump with EMV Easy Pump™, a retrofit, semi-integrated payment solution that supports contactless via card tap or NFC (Apple Pay, WeChat Pay, Ali Pay), QR code scanning, PIN-on-glass, MSR, and EMV chip and PIN. EMV Easy Pump™ is easy to install with only one power cord and eliminates the need to purchase new pumps and close stations for installation. The platform is flexible so it can easily support future innovations. It is important to start looking at options now and make decisions due to the lack of field technicians in the industry. We would like to invite you to our upcoming webinar -- July 8th at 2:00 p.m. ET -- [Sound Payments EMV Easy Pump Webinar](#) -- that will provide insight into the different scenarios and pumps when it comes to installation to upgrade for EMV. We will be giving real examples of installs to cost-effectively enable EMV at the pump along with the benefits of semi-integration. Additionally, contactless capabilities help eliminate touch point – an important factor to consider as we face a new normal as a result of COVID-19.

WPMA COVID-19 - CRITICAL REFERENCES FOR MEMBERS

Please visit our web site for up-to-date information related to your business and the COVID-19 pandemic. You will find the link on our home page at www.wpma.com.

MEMBERS AND ASSOCIATES - YOU CAN CONTRIBUTE!

WPMA welcomes industry-related articles for publication in the WPMA News magazine. All members and associate members of WPMA are eligible to submit items for publication. Articles will be included as space allows, and no self-promoting articles or editorials will be accepted. WPMA reserves the right to edit and make adaption of such contributions to accommodate the magazine's space and style. Please submit articles or content to Jan Roothoff, WPMA Administration/IT Director at janr@wpma.com, or mail to Jan Roothoff, Western Petroleum Marketers Association, PO Box 571500, Murray, UT 84157-1500. Submissions for the Summer edition of WPMA News magazine are due before April 30th. Later submissions will be considered for the Fall issue.

WPMA EXPO

February 16-18, 2021. The Mirage Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

CANCELED July 19-21, 2020 - Oregon (OFA) Conference - Sunriver Resort - Sunriver, OR

NEW DATE July 29, 2020 – Utah (UPMRA) Summer Golf Classic – Bountiful Ridge GC – Bountiful, UT

August 5-7, 2020 – Idaho (IPM&CSA) Convention – Coeur d' Alene Resort – Coeur d' Alene, ID

CANCELED August 17-19, 2020 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

NEW DATE August 24-26, 2020 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, WA

NEW DATE September 2-3, 2020 – Montana (MPMCSA) – Convention – Fairmont Hot Springs Resort – Fairmont, MT

September 9-10, 2020 – Utah (UPMRA) – Convention – Sheraton Park City Hotel – Park City, UT

NEW DATE October 1-2, 2020 – Nevada NPM&CSA – Big Dogs- Red Rock Hotel & Casino - Las Vegas, NV

November 2, 2020 – Hawaii (HPMA) Golf Tournament – Oahu Country Club – Honolulu, HI

February 16-18, 2021 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

WPMA MEMBER SERVICES



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Petro Pete: *“Don’t you hate it when someone answers their own questions? I do.”*

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