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June 27, 2025 Visit us online at wpma.com WP-06-27-25

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EMA-Energy Marketers of America

Inside the Beltway Update

Congressional Republicans are charging toward their self-imposed July 4 deadline for passage of their tax and spending package, the *One Big Beautiful Bill Act* (H.R. 1), this week with Senate Majority Leader Thune (R-SD) teeing up floor consideration of the package starting as early as Friday.

Throughout the week, many details of the multi-trillion-dollar bill remained unresolved, with Senators debating key issues concerning Medicaid and the state and local tax (SALT) deduction cap behind closed doors. In addition, Senate Parliamentarian Elizabeth MacDonough advised Senators this week that several provisions included in the bill, such as proposals to sell public lands and expedited permitting provisions, would violate the Senate's budget rules. Additional rulings from the Parliamentarian, including key rulings on the bill's tax proposals, are expected before final floor consideration.

EMA joined a large coalition of businesses this week in urging the Senate to preserve and expand the Section 199A deduction from 20 to 23 percent. EMA strongly supports the Senate Finance Committee language making the 199A deduction permanent, and we urge the Senate to adopt the House-passed expansion of Section 199A. Expanding Section 199A will help preserve tax parity between pass-through businesses and larger public corporations while helping ensure the Senate bill does not raise taxes on millions of Main Street businesses.

The Section 199A deduction plays a vital role in preserving competitive neutrality in the Tax Code. The 2017 Tax Cuts and Jobs Act reduced the corporate tax rate from 35 percent to 21 percent. In doing so, it left pass-through businesses - which pay taxes at much higher individual rates - at risk of a long-term competitive disadvantage. Section 199A was adopted to mitigate this imbalance and preserve a level playing field. The Senate bill would make permanent the 199A deduction but also would cut in half their ability to deduct State and Local Taxes (SALT) as a business expense. The net result will be a tax hike on millions of pass-through businesses relative to what they currently pay. Expanding 199A deduction would offset this tax hike.

Despite several remaining hurdles, in a Truth Social post Tuesday, President Trump urged the House and Senate to resolve remaining sticking points in the legislation and send a final bill to his desk before July 4. On Wednesday, House Republican leaders advised Members that if the Senate concludes work on the package over the weekend, the House may delay its planned recess and vote on the bill early next week, where House Speaker Mike Johnson will again have to contend with a narrow House majority and competing Member priorities to secure final passage.

Meanwhile, off Capitol Hill the Trump Administration continues its overhaul of the federal budget. Nevertheless, on Tuesday, Judge Tana Lin blocked the Department of Transportation from freezing funds for electric vehicle charging stations under the National Electric Vehicle Infrastructure (NEVI) Program, finding the Department likely violated the law by withholding expected and relied-upon funding. The ruling follows an opinion issued by the nonpartisan Government Accountability Office (GAO), which also accused the freeze of violating the law.

Bipartisan Bill Aims to Maintain LIHEAP Staff

Earlier this month, Reps. Josh Gottheimer (D-N.J.) and Mike Lawler (R-N.Y.) introduced legislation to fix the Trump Administration's moves to lay off the entire federal Low Income Home Energy Assistance Program (LIHEAP) staff earlier this year. The Administration fired every staffer who works on the program as part of larger staff cuts at the Department of Health and Human Services (HHS) and has proposed zeroing out LIHEAP's budget. This decision, in addition to the Administration eliminating the program entirely in the President's FY2026 budget request, has put the program's future in jeopardy, threatening heating and cooling assistance for millions of families.

The bipartisan legislation would establish a minimum staffing threshold to administer the program. Specifically, the bill requires HHS to have at least 20 people working on the program, 60 percent of whom cannot be contractors. Furthermore, in emergencies, 30 people would have to be employed as part of the program.

HHS Secretary Robert F. Kennedy, Jr. explained during a recent hearing that the rationale for eliminating the program is that cost savings from President Trump's energy policies will make LIHEAP redundant by lowering the cost of energy so that everybody will get lower costs and LIHEAP will not be needed.
It's unknown whether the legislation will actually pass or if it will be attached to any larger bills. It is a good sign however, that some Republicans are pushing back against the dismantling of LIHEAP.

The text of the legislation can be found **here**.

Main Street Privacy Coalition (MSPC) Urges Senate Committee to Oppose Two Provisions in the Privacy Act

This week, EMA joined other members of the Main Street Privacy Coalition (MSPC) in sending a **letter** to the Senate Committee on Commerce, Science, and Transportation in advance of Wednesday's mark-up of S. 836, the *Children and Teens' Online Privacy Protection Act* to amend the *Children's Online Privacy Protection Act of 1998* (COPPA).

EMA has two significant concerns with the bill, as introduced, regarding the reversal of state law preemption in COPPA and the replacement of the actual knowledge standard in the law that would make businesses liable for information they do not actually know.

Supreme Court Sides with EMA on Legal Challenge Targeting the California Car Mandate (ACC I)

In a significant victory for the energy industry, the U.S. Supreme Court (SCOTUS) ruled 7-2 last week in favor of the Energy Marketers of America (EMA), American Fuel & Petrochemical Manufacturers, and other stakeholders challenging the Biden Administration's EPA waiver that authorized California's Advanced Clean Cars I (ACC I) rule. The decision, authored by Justice Brett Kavanaugh, grants energy marketers legal standing to contest California's stringent vehicle emissions standards, remanding the case to the D.C. Circuit Court of Appeals for further review on its merits.

Background: The Battle Over California's Emissions Standards

California's ACC I rule, enabled by an EPA waiver under the Clean Air Act, accelerates the state's transition to electric vehicles (EVs) through model year 2025. The regulation is part of California's broader push to mandate electric vehicles. However, EMA and other fuel industry groups argued that these standards unfairly constrain the liquid fuels market, raise costs for consumers, and harm small business energy marketers.

The D.C. Circuit initially dismissed the challenge, ruling that fuel producers and marketers lacked standing because automakers plan compliance years in advance, and overturning the waiver would not provide meaningful relief. The Supreme Court, however, focused solely on the standing issue, leaving the substantive merits of the EPA's waiver for lower courts to address.

SCOTUS Ruling: A Win for Standing

In the majority opinion, Justice Kavanaugh emphasized that EMA's claims are redressable, rejecting the D.C. Circuit's reasoning. The lower court had incorrectly assumed the waiver's effects were limited to model year 2025, when, in fact, its impact could extend indefinitely. "This case concerns only standing, not the merits," Kavanaugh wrote. "If invalidating the regulations would change nothing in the market, why are EPA and California enforcing and defending the regulations?" Kavanaugh further noted that California's regulations aim to "increase the number of electric vehicles in the new automobile market beyond what consumers would otherwise demand and what automakers would otherwise manufacture and sell." By recognizing the potential harm to energy marketers, the Supreme Court revived the challenge, sending it back to the D.C. Circuit for a full review of the EPA waiver's legality.

EMA President Rob Underwood celebrated the SCOTUS decision, stating, "EMA applauds SCOTUS for recognizing the aggressive constraints on the liquid fuels market imposed by EPA and California and that energy marketers have standing to challenge tailpipe emissions standards being used to mandate EVs." Underwood highlighted waning consumer enthusiasm for EVs, arguing that California's regulations represent an "unlawful regulatory action to force electrification."

"We simply asked the Court to step in to preserve consumer choice and ensure that all forms of energy are treated equally," Underwood added. "This will guarantee that small business energy marketers can continue to sell American-made fuels in the future."

Broader Context: Congressional Action and Industry Impact

The SCOTUS ruling comes on the heels of significant legislative action. President Donald J. Trump recently signed Congressional Review Act (CRA) resolutions to overturn three Biden-era EPA waivers supporting California's mandates: the Advanced Clean Cars II (ACC II) rule, which sought to ban internal combustion engine vehicle sales by 2035; the Advanced Clean Trucks rule; and California's heavy-duty NOx emissions standards. EMA Chairman Jim Lipscomb and President Rob Underwood attended the White House signing ceremony last week, which represents a major victory for the auto and fuel industries, as well as for small businesses and working families.

The ACC II rule, in particular, would have mandated an increasing amount of EVs starting in 2026, culminating in a complete ban on internal combustion engine vehicles by 2035. Seventeen states had adopted portions of these regulations, threatening to disrupt national transportation markets, reduce liquid fuel availability, and increase costs for goods and transportation.

What's Next?

The case now returns to the D.C. Circuit, where the merits of the EPA's waiver will be scrutinized. While the Supreme Court did not rule on the legality of California's emissions standards, the decision ensures that energy marketers have a voice in the ongoing debate over EV mandates and their impact on the fuel industry. The outcome of the D.C. Circuit's review could have far-reaching implications for California's auto policies. It will be interesting to see what will be EPA's legal position on the merits under the new administration. For now, the SCOTUS ruling marks a critical step in challenging what many in the industry view as overreaching regulatory efforts to reshape America's transportation landscape.

Special EMA Members Code for NACS Show 2025 Registration
The NACS Show is returning to Chicago this October, and it's time to start planning.

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Click Here for EMA's Fall Meeting Information and NACS Show Registration:
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CLICK HERE for full instructions to register.

Questions registering for NACS Show? Contact NACS Show registration customer service at **nacs@maritz.com** or 469-513-9489, Monday-Friday, 9:00 a.m. - 5:00 p.m. EST, for assistance

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Weekend Reads
How Iraqi militias siphoned billions from Visa and Mastercard for Iran | yahoo!news

Iran conflict poses minimal threat to US gas prices | The Hill

Oil Market Sees 1 in 5 Chance of Material Gulf Disruption | Rigzone

SCOTUS ruling opens challenge to CA greenhouse gas, EV rules | The Center Square California

Enbridge says it would pitch new Alberta-B.C. pipeline only under right conditions | CBC Canada

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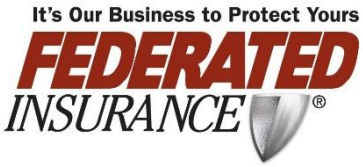

A single mistake can open the door to potentially devastating data breaches. Whether it's clicking on a malicious email link or using weak passwords, human error is a major contributor to cyberattacks. Federated Insurance® reminds your members, our clients, that 82% of data breaches are caused by human error[1].

This June, Federated Insurance highlights the importance of employee training in reducing cyber risks. With the right knowledge, employees can become a business' first line of defense against cyber threats.

Federated® encourages businesses to take action by accessing the complimentary resources available on mySHIELD®. This includes a **one-page cybersecurity handout**, designed to help business owners and their employees recognize potential risks and protect sensitive information.

1. Verizon. 2022 Data Breach Investigations Report. https://www.verizon.com/business/resources/T159/reports/2022-dbir-public-sector-snapshot.pdf. Accessed: June 3, 2025.

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September 9-11
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www.wpma.com/utah

July 30 - August 1
IPM&CSA Idaho Petroleum Marketers & Convenience Store Association
Convention & Trade Show
at Sun Valley
Sun Valley, Idaho
www.wpma.com/idaho

August 19-21
NMPMA New Mexico Petroleum Marketers Association
Convention & Trade Show
at Sundia Resort & Casino
Albuquerque, New Mexico
www.wpma.com/new-mexico

PLEASE NOTE UPCOMING DATES FOR WPMA EVENTS
July 20-22, 2025 - Oregon (OFA) Conference - Sunriver Resort - Sunriver, OR
July 30-August 1, 2025 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID
August 19-21, 2025 - New Mexico (NMPMA) Convention - Sandia Resort - Albuquerque, NM
September 9-11, 2025 Utah (UPMRA) Convention - Park City Sheraton, Park City, UT
February 17-19, 2026 WPMAEXPO - MGM Grand - Las Vegas, NV

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Petro Pete: **My dog accidentally swallowed a bunch of Scrabble tiles. I think this could spell disaster.**

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