

June 29, 2018

Visit us online at [www.wpma.com](http://www.wpma.com)

WP-06-29-18

**WPMA ANNOUNCES 2018-19 EXECUTIVE COMMITTEE**

At the recent WPMA Board of Directors Meeting in Salt Lake City, Utah, members of the WPMA Executive Committee for the 2018 - 19 fiscal year were approved by unanimous vote of the Board. Effective July 1, 2018, the WPMA Executive Committee members will be:

**WPMA President: Mark Lytle, Pro Petroleum, Las Vegas, Nevada**

**WPMA 1<sup>st</sup> Vice President: Dennis Campo, Campo & Poole, Fruitland, Idaho**

**WPMA 2<sup>nd</sup> Vice President: Steve Clark, Genesee Energy, Seattle, Washington**

**WPMA 3<sup>rd</sup> Vice President: Leland Gould, Andeavor Inc, Albuquerque, New Mexico**

**WPMA Senior PMAA Director: Larry Hansen, Overland Petroleum, Sandy, Utah**

**WPMA Immediate Past President: Ron Berry, Berry Oil, Teton, Idaho**

WPMA welcomes Leland Gould, of Andeavor, Inc in Albuquerque, New Mexico and Larry Hansen of Overland Petroleum in Sandy, Utah to the WPMA Executive Committee. We appreciate Leland and Larry'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 Rick Reese of Kellerstrass Enterprises in Salt Lake City, Utah 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 Mark Lytle, 2018-19 WPMA President, at the helm. Mark's insights and leadership will prove invaluable as WPMA moves into the future.

**SENATE PASSES FARM BILL WITH NORA REAUTHORIZATION AMENDMENT INCLUDED**

Yesterday, the Senate passed its five-year farm bill, H.R. 2, by a vote of 86-11. Importantly for heating fuels industry, the bill includes an amendment that would permanently reauthorize the National Oilheat Research Alliance (NORA). Senator Jeanne Shaheen (D-NH) offered the NORA amendment to the farm bill. Other Senators who played a key role in the process included Senate Majority Leader Mitch McConnell (R-KY), Senator Richard Burr (R-NC), Senator Patrick Leahy (D-NH), Senator Susan Collins (R-ME) and Senator Jack Reed (D-RI).

NORA was first authorized in 2000 to provide funding that would allow the oilheat industry to provide more efficient and reliable heat and hot water to the American consumers. As a "check-off" program, NORA receives \$0.002 at the wholesale level on every gallon of heating oil sold. NORA provides critical training opportunities and supports the necessary research and development for the industry. Oilheat is currently used in 6.3 million homes, serving more than 16 million Americans across the country. The current NORA program is authorized through February 2019.

The House passed its version of a farm bill last week on its second attempt. The House bill is less bipartisan than the Senate bill and includes tougher eligibility requirements for Supplemental Nutrition Assistance Program (SNAP) recipients, a provision the White House supports. The bill now goes to conference between the House and Senate to hash out the details and come to an agreement on one final bill.

PMAA will keep you updated on the progress of this important bill as it heads to conference.

**ANNUAL HAZMAT REGISTRATIONS FOR 2018-2019 REGISTRATION YEAR DUE JULY 1**

The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee each year in return for a certificate of operation. PHMSA began mailing the 2018-2019 registration information to HAZMAT transporters earlier this month. Only those with expiring DOT PHMSA HAZMAT registration certificates must re-register before July 1, 2018 or risk losing authority to operate and pay substantial civil penalty. Petroleum marketers should check their HAZMAT certificate for the expiration date as multiple year reservations are offered and 2018 may not be your expiration date. The validity of HAZMAT registration certificates is checked at roadside inspections.

**EPA RELEASES PROPOSED RFS OBLIGATED BLENDING VOLUMES FOR 2019**

On Tuesday, the U.S. EPA issued a proposed rulemaking setting obligated blending volumes for the Renewable Fuels Standard (RFS) for 2019 and the biodiesel standard for 2020. The proposal calls for a three percent increase in the overall blending volumes which has sparked criticism from both the oil and ethanol industries.

The EPA is proposing to increase total renewable fuel volume by 590 million gallons from 19.29 billion gallons in 2018 to

19.88 billion gallons for 2019. Cellulosic biofuel will increase by 93 million gallons from 288 million gallons in 2018 to a proposed 381 million gallons in 2019. Under the proposed rule, advanced biofuels will increase from 4.29 billion gallons in 2018 to 4.88 billion gallons in 2019, an increase of 590 million gallons. Conventional biofuels, including corn ethanol, will remain at the 15 billion-gallon statutory maximum set by Congress under the RFS. The rulemaking also proposes to set the 2020 renewable fuel volume for biomass-based diesel at 2.43 billion gallons, up 330 million gallons when compared with 2019 and 2018 2.1 billion gallons requirement.

Overall, the proposed 2019 renewable fuel volumes are a mixed bag for petroleum marketers. The good news is that the rule did not propose to force large refiners to make up for the lost 1.5 billion gallons of obligated blending volume lost in 2018 due to blending waivers issued by the EPA to small refineries based on financial hardship. Carrying those gallons over to large refiner obligated blending volumes for 2019 would have caused the value of RIN blending credits to soar, leading to higher prices at the pump. The corn ethanol lobby is not pleased with EPA's move which indirectly reduces the corn ethanol mandate.

For petroleum marketers, the corn ethanol mandate continues to put marketers in a precarious situation given UST system incompatibility with E10 plus blends with regard to the seals, glues, gaskets and other components that would force them to break concrete to sell higher ethanol blends.

### **SUPREME COURT RULES IN FAVOR OF AMERICAN EXPRESS**

This week, the Supreme Court ruled in favor of American Express in the case of Ohio vs. American Express. The case involved AmEx's contracts with retailers, which ban retailers from steering customers toward using other types of payment cards that may be cheaper than what AmEx offers.

### **PMAA SENDS LETTER TO CONGRESS SUPPORTING EXTENSION OF THE BIODIESEL BLENDERS TAX CREDIT**

On Monday, PMAA joined the Advanced Biofuels Association (ABA), American Trucking Associations (ATA), National Association of Convenience Stores (NACS), National Biodiesel Board (NBB), National Renderers Association (NRA), National Association of Truck Stop Operators (NATSO), the New England Fuel Institute (NEFI) and the Society of Independent Gasoline Marketers of America (SIGMA) in sending a letter to Senate and House leadership. The letter urges Congress to extend the \$1 per gallon blenders tax credit for 2018 and 2019.

### **HOUSE EYES SECOND ROUND OF TAX REFORM**

On Tuesday, House Ways and Means Committee Chairman Kevin Brady (R-TX) announced plans to pursue a second round of tax cuts that follow up on last year's tax reform package that passed, known as the "Tax Cuts and Jobs Act." According to Chairman Brady, the plans will extend temporary breaks for middle-income people and small businesses, and also deal with savings incentives. Chairman Brady stated that the draft proposal will consist of multiple bills and vetting will begin in the House next month in hopes of passing the bills this fall.

While House Republicans plan to act on a second tax package, it's unclear if the Senate will follow their lead. Unlike the "Tax Cuts and Jobs Act" that passed in December which required only a simple majority to pass in the Senate, the new tax package will now require 60 votes to pass, meaning that nine Democrats would have to vote with Republicans to pass a deal.

### **SUPREME COURT RULES AGAINST UNIONS COLLECTING FEES FROM NONMEMBERS**

On Wednesday, in a major blow for unions, the Supreme Court ruled that states can no longer force workers who choose not to join unions to pay for collective bargaining fees. In a 5-4 decision, the justices ruled that the collection of the fees, known as agency fees, violates public employees' First Amendment right.

All five of the court's Republican-appointed justices agreed on the ruling, with the four Democratic-appointed justices dissenting. On behalf of the majority, Justice Samuel A. Alito wrote that "states and public-sector unions may no longer extract agency fees from nonconsenting employees." The ruling overturned a 40-year-old precedent, known as the "Abood" decision, that allowed states to require public employees to pay money supporting collective bargaining and other union activities.

### **FMCSA ANNOUNCES PROGRAM TO ALLOW SOME 18 TO 20-YEAR-OLDS TO OPERATE COMMERCIAL TRUCKS**

This week, the Federal Motor Carrier Safety Administration (FMCSA) stated that they were launching a pilot program that would allow some qualified drivers from 18 to 20-years-old to operate commercial trucks across state lines. Current federal law requires drivers operating commercial trucks across state lines to be at least 21-years-old. The program comes in response to the truck driver shortage that the American Trucking Associations (ATA) says could reach 63,000 this year.

There are similar efforts underway in the House to decrease the driver shortage. In March, Rep. Trey Hollingsworth (R-IN) introduced H.R. 5358, the "DRIVE-Safe Act." The "Developing Responsible Individuals for a Vibrant Economy Act" 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.

PMAA fully supports this bill, as does UPS, the American Trucking Associations (ATA), the International Foodservice Distributors Association (IFDA) and the National Council of Chain Restaurants, a division of the National Retail Federation.

### SENATE APPROPRIATIONS PROVIDES \$3.7 BILLION FOR LIHEAP

Yesterday, the Senate Appropriations Committee passed their Labor-HHS-Education FY19 funding bill, which includes \$3.7 billion, a \$50 million increase, for home heating and cooling assistance for the Low-Income Home Energy Assistance Program (LIHEAP). Meanwhile, the House Appropriations Subcommittee on Labor-HHS-Education passed its FY 2019 bill which includes \$3.64 billion for LIHEAP, consistent with current funding.

In February, President Trump released his FY 2019 budget proposal that would eliminate LIHEAP as well as the Weatherization Assistance Program (WAP). In recent years, the LIHEAP program has provided more than \$3 billion annually to states in support of their fuel assistance programs. Both programs are vital in serving low income consumers of home heating fuel, with LIHEAP helping consumers with fuel funds and the WAP helping with acquiring more efficient equipment.

## PLAN TO ATTEND THE 2019 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

**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

### WPMA MEMBER SERVICES



**Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!**



**Petro Pete: “The best time to start thinking about your retirement is before the boss does.”**

© 2018 Western Petroleum Marketers Association - All rights reserved. No part of this work may be reproduced or copied in any form or by any means - graphic, electronic, or mechanical, including photocopying, recording, or otherwise. The information herein is also intended for the sole purpose of members of the Western Petroleum Marketers Association (WPMA). Any other use is strictly prohibited without the express written consent of the WPMA. If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: [janr@wpma.com](mailto:janr@wpma.com). Thanks.