

July 3, 2020

Visit us online at www.wpma.com

WP-07-3-20

WPMA OFFICES WILL BE CLOSED FRIDAY JULY 3RD IN CELEBRATION OF INDEPENDENCE DAY**HOUSE DEMOCRATS APPROVE INFRASTRUCTURE BILL*****Dead on Arrival in the Senate***

This week, House Democrats approved a comprehensive infrastructure bill known as "The Moving Forward Act" (H.R.2) totaling \$1.5 trillion which includes the bill passed by the House Transportation Committee recently, and it adds sections on water and energy infrastructure, broadband, housing and schools, healthcare and aviation. Click [here](#) for a complete breakdown of provisions important to fuel marketers in H.R. 2 that was passed mainly along party lines. Senate Majority Leader Mitch McConnell (R-KY) called the bill "a multi-thousand-page cousin of the Green New Deal masquerading as a highway bill" and said the package had no chance in Senate.

A coalition of farm and fuel groups including PMAA sent a letter to all 535 members of Congress late Monday addressing concerns in H.R. 2. The letter specifically asks members of Congress to not further expand the federal electric vehicle tax credit, which disproportionately benefits a small group of Americans. Additionally, the letter asks that infrastructure investment dollars be spent on projects that will benefit all Americans, not just EV owners. And finally, it asks that Congress protect utility ratepayers from shouldering the cost burden of increased investment in EV charging infrastructure. Click [here](#) to read the letter.

H.R. 2 currently lacks a full "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. The Senate Environment and Public Works Committee has marked up its own surface transportation bill, S. 2302, but it is unclear when the Senate will move forward with their version.

PMAA COMMENTS ON EPA FUEL REGULATION STREAMLINING PROPOSAL

PMAA submitted comments this week on an EPA proposed rule that would streamline and reorganize the agency's fuel regulations. The proposed rule will result in a major reorganization of the EPA fuel regulations but with few substantive changes that would impact downstream fuel marketers. PMAA's comments were generally supportive of the streamlining and reorganizational changes but with a few cautionary reservations.

RFG, RVP, BOB and Neat Gasoline

PMAA supported, with reservations, the EPA's proposal to combine existing RFG, RVP, diesel sulfur and E15 retail fuel quality surveys into one test. The change would reduce the number of retail surveys from 18,000 retail sites to just 5,000 sites nationwide according to the EPA. However, PMAA expressed concern that the EPA is not adequately testing for fuel quality above the terminal rack, leaving retail marketers exposed to liability for off spec fuels that may originate upstream. PMAA commented in favor of EPA's proposal to express the summertime RFG standard for VOCs as a 7.4 RVP cap and allow for the co-mingling of conventional gasoline and wintertime RFG because it would increase downstream fungibility of the two fuels. The EPA is also proposing to allow downstream parties to redesignate BOB when more oxygenate is added than indicated on PTDs without triggering an array of onerous regulations that typically apply to upstream parties. PMAA supported the provision because it would clarify downstream parties' obligations for higher blend ethanol blending.

Diesel Fuel and Heating Oil

PMAA supported the removal of obsolete regulatory language regarding ULSD sulfur warnings on PTDs and dispenser labels now that the transition to 15ppm diesel fuel and kerosene is complete, except for locomotive and marine diesels. PMAA supported revision of several important heating fuel provisions that would make distillates more fungible. The EPA is proposing to simplify downstream redesignation of diesel fuel to heating oil and vice versa provided cetane and aromatic standards are met. This change would make it easier for heating fuel dealers to use diesel fuel designated on PTDs as 15ppm as heating oil without triggering major regulatory requirements. Also, PMAA supported the EPA's proposal to lift its ban against the presence of red dye in motor vehicle diesel fuel. The EPA currently requires higher sulfur distillates to be dyed red to prevent on-road use which is restricted to 15 ppm sulfur. The EPA said the red dye ban is no longer needed now that nearly all diesel fuel and heating oil is 15ppm. PMAA supports the change because it would make distillates more fungible. The IRS red dye requirements for nontaxable distillates is not affected by the EPA proposals. Finalization of the streamlining proposal is expected later this year.

HOUSE DEMOCRATS RELEASE ELECTION YEAR CLIMATE CHANGE ACTION PLAN

This week, the House Select Committee on the Climate Crisis released a 538-page climate action plan that (click [here](#) for the full summary), among other things, bans traditional vehicles from U.S. roads by requiring that 100 percent of vehicles be “zero-emission vehicles” by 2035 and virtually eliminates fossil fuel use in the home heating fuel sector. The House democrats’ plan is dead on arrival in the Senate, however, it will serve as an election year messaging bill to show voters how the Democratic party will act on climate change if they take back the Presidency, Senate and maintain their House majority this November.

The House Select Committee on the Climate Crisis was formed by Speaker Pelosi in January 2019 and tasked with identifying policy options to reduce and eliminate CO2. The Transportation Fairness Alliance highlighted its concerns with the proposal. Click [here](#) for the blog.

Some quick highlights of the Democratic Climate Action Plan include:

- Banning traditional vehicles from U.S. roads by requiring that 100 percent of vehicles be “zero-emission vehicles” by 2035 and medium & heavy-duty vehicles by 2040.
- Reducing net U.S. CO2 emissions by 37 percent below 2010 levels in 2030 and 88 percent below 2010 levels by 2050.
- Reaching net-zero carbon dioxide emissions before 2050, in line with the IPCC’s guidance on emissions reductions needed to limit warming to 1.5°C.
- Achieving net-negative emissions in the second half of the century.
- Achieving Smart and resilient building technologies, grid-integrated buildings, electric and geothermal heat pumps, and low-emission building materials and technologies.
- Expanding energy efficiency tax incentives for residential and commercial buildings.
- Eliminating Tax Breaks for oil and gas companies.
- Replacing the RFS with a Low Carbon Fuel Standard (LCFS).

CONGRESS EXTENDS PAYCHECK PROTECTION PROGRAM (PPP) DEADLINE UNTIL AUGUST 8TH

This week, Congress approved a bill to extend the \$660 billion Paycheck Protection Program through August 8th. The application period expired at 11:59 p.m. on June 30 with about \$130 billion in PPP funds left over. The bill does not make any broader changes to the Paycheck Protection Program. The White House has indicated that the President will sign the bill into law.

Click [here](#) for more information about the Paycheck Protection Act.

CALIFORNIA MANDATES TRUCK MANUFACTURERS TO SELL MORE ELECTRIC TRUCKS

Recently, the California Air Resources Board (CARB) unanimously approved a new rule mandating truck manufacturers to increase the proportion of electric trucks they sell in the state through 2035. The rule is modeled after California’s Zero Emission Vehicle program that set sales targets for carbon-free passenger vehicles and has been stopped by the administration.

The [Advanced Clean Truck rule](#) will start in 2024 when five to nine percent of truck sales must be zero-emission with increasing numbers until 2035 when 55 percent of sales of light trucks, 75 percent of medium- and heavy-duty trucks and 40 percent of tractor-trailers will have to be zero-emissions. CARB estimates that the changes will result in having 300,000 electric trucks on the road by 2035 which is 15 percent of the total trucks expected on the road then, rather than 150,000 which would happen without the new regulation. Other than Rivian and Tesla, truck and engine manufacturers and natural gas companies opposed the rule. Northeast air quality agencies testified in support of the rule giving a glimpse of how other states may act similarly.

Because the rule imposes stricter regulations on vehicles than the federal government does under the Clean Air Act, California will need a waiver from the U.S. EPA to implement the rule. CARB also plans to propose rules to make government fleets and last mile delivery trucks entirely electric by 2035, and to force companies to purchase zero emission trucks from manufacturers.

SENATE DEMOCRATS PUSH FOR \$600 WEEKLY UNEMPLOYMENT EXTENSION

On Wednesday, Senate Minority Leader Chuck Schumer (D-NY) and Senator Ron Wyden (D-OR) introduced legislation that would extend the \$600 weekly payments through March 2021 to laid-off workers. Benefits would decrease by \$100 once a state reaches an average of 11 percent unemployment rate over three months and continue to decrease by \$100 per percentage point unemployment decrease until that rate drops below six percent.

Click [here](#) for the story.

TEAMSTERS AND SAFETY GROUPS PETITION TO DELAY DRIVER HOS AMENDMENTS

The International Brotherhood of Teamsters along with four highway safety groups filed a petition this week to delay the Federal Motor Carrier Safety Administration's (FMCSA) recent driver hours of service (HOS) rule supported by PMAA and national trucking associations. The petition is important to petroleum marketers because it seeks to overturn the short-haul driver amendment that lengthens CDL drivers' maximum on-duty period from 12 to 14 hours and extends the distance limit within which the driver may operate from 100 air miles to 150 air miles. The short-haul amendment originated with PMAA and is designed to provide short haul drivers the same on-duty and driving time as all other CDL drivers. The group seeks to delay implementation of the rule set for September 29, 2020 until the FMCSA completes a full review of the issues raised in the petition.

The petition argues that the HOS rule in general and the short-haul exemption specifically will increase driver fatigue and result in more accidents. PMAA argues that the fatigue is a concern for long haul drivers who are on the road for weeks at a time and not short haul drivers who return home every day at the end of their shift. Each of the parties in the petition filed comments on the HOS proposed rule citing the same fatigue issues when it was proposed last year. Democrats in Congress are also seeking a delay in the HOS final rule in a House version of the transportation reauthorization bill. However, even if the HOS provision passes the House, it will not survive in the Republican controlled Senate. FMCSA has given no timeline for completing review of the petition. PMAA will continue to actively support the short-haul driver exemption in the final rule.

SMALL BUSINESS COMMITTEE HEARING OF THE ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM

On Wednesday, the House Committee on Small Business met to discuss the Economic Injury Disaster Loan (EIDL) Program. The program was made available to small business, independent contractors, and certain nonprofits to provide financial assistance for harm caused by the coronavirus pandemic. The hearing entitled "The Economic Injury Disaster Loan Program: A View from Main Street" offered Members the opportunity to hear directly from EIDL applicants regarding the challenges they've faced with the program, allowing Committee Members to conduct proper oversight.

The Economic Injury Disaster Loan Program provides up to \$2 million for working capital (including fixed debts, payroll, accounts payable, and other bills that cannot be paid because of the disaster's impact) to help small businesses, small agricultural cooperatives, and most private, nonprofit organizations to meet their financial obligations and operating expenses that cannot be met as a direct result of the disaster (regardless if there has been physical damage to the business). Substantial economic injury "is such that the business concern is unable to meet its obligations as they mature or to pay its ordinary and necessary operating expenses." The loan can have a maturity of up to 30 years and an interest rate of four percent or less.

The Committee has heard from small businesses about their concerns and frustrations with the implementation of the EIDL and the main issues are:

- Lack of Information on status of application. SBA has not instituted a workable process to allow borrowers who have applied but not received funds to monitor the progress of their applications. Small businesses across the country are reporting significant problems determining where they stand in the queue and any attempts to communicate with SBA through the recommended channels are fruitless.
- Arbitrary policy changes and lack of communication. SBA reduced the maximum amount of the EIDL loans from \$2 million to \$150,000 per small business and limited the EIDL advances to \$1,000 per employee. These arbitrary policy changes are inconsistent with the law and Congressional intent, and the changes were not communicated effectively and in a timely way to borrowers, SBA field offices, and Resource Partners.
- Slow processing and disbursement of loans despite additional resources. Congress intended the additional infusion of funds to be used to provide a quick turnaround of the loans to struggling small businesses. As of May 30, 2020, 707,613 loans, amounting to nearly \$55.8 billion, have been disbursed.
- Lack of transparency, to date, Congress does not know how many applications are pending in SBA's queue, how quickly SBA is processing these applications, and what the approval/denial rates are for the loans.

REMINDER: URGE CONGRESS TO PROVIDE LIABILITY PROTECTION TO ESSENTIAL CRITICAL INFRASTRUCTURE INDUSTRIES

PMAA continues to urge Congress to protect essential businesses that remain open during the COVID-19 pandemic from lawsuits and other claims by infected persons. The liability protection effort would provide essential businesses, designated as essential critical infrastructure by the Department of Homeland Security, with immunity from lawsuits claiming money damages for persons who allegedly contracted COVID-19 at a business premises or as a result of business operations.

The motor fuels, heating fuels and convenience store industries are at the forefront of COVID-19 response efforts and should not have to worry about future lawsuits for providing needed products and services to American consumers.

Please click [here](#) to urge your lawmakers for liability protection in a future COVID-19 response bill.

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

POSTPONED TBD - 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

CANCELED 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



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: "I know they say that money talks, but all mine says is 'Goodbye.'"

© 2020 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. Thanks.