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**NPM&CSA ANNOUNCES NEW OFFICERS & DIRECTORS**

NPM&CSA (Nevada) is pleased to announce the election of the following officers and directors for 2018 – 2020.

President Jeremy Bautista, River City Petroleum

Vice President Christi Carano Case, Rebel Oil

PMAA Director Rob Flippo, On Time Oil

Directors: Craig Allison, Hunt & Sons; David Campbell, Pilot Thomas Logistics; Chris Kemper, Terrible Herbst Oil and Joe McGinley, McGinley and Associates

**NPM&CSA (NEVADA) WELCOMES TOM HEMINGWAY**

NPM&CSA (Nevada) would like to welcome our newest member Tom Hemingway, Broadway Truck Services in Battle Mountain, Nevada. Tom and his senior staff have been long time supporters of WPMA and its member states. "We are pleased to welcome Broadway to the Nevada Association," said Jeremy Bautista, NPM&CSA president.

**EPA OFFERS RFS COMPLIANCE RELIEF**

Under pressure from the refining industry, the EPA announced this week that it was scrapping a plan that would have forced large refiners to blend more biofuels into their gasoline and diesel in 2019 to compensate for volumes exempted under the EPA's small refinery exemption program. Carrying those gallons of biofuel over to larger refiners' obligated blending volumes for 2019 would have caused the value of RIN blending credits to soar, leading to higher prices at the pump. The plan would have raised the renewable fuel blending obligation for the refining industry to 11.76 percent from 10.88 percent to offset volumes lost under the waiver program, which was expanded under the Trump Administration. The announcement ends a wild chain of events that started last month when the EPA indicated that it could not force large oil refineries to make up for the amount of biofuel blending lost due to the small refinery hardship waiver program unless it receives authorization from Congress. A week later, the EPA changed course, stating that the agency could propose reallocating biofuel blending obligations to large refiners without Congressional authorization. Many biofuel groups have said the waivers have reduced the ethanol mandate which has driven down RIN prices. Midwest lawmakers, including Sen. Chuck Grassley (R-IA), have been demanding that larger refiners take on more volume obligations to compensate for the biofuel volumes exempted under the program.

Meanwhile, in a letter to Sen. Chuck Grassley (R-IA) from the EPA, the agency indicated that it granted 49 RFS exemptions to small refiners in compliance years 2016 and 2017, double the 10-12 RFS exemptions normally issued by the Obama administration. The agency is unable to provide the names of companies being granted the exemptions due to confidentiality reasons.

**EXECUTIVE ORDER PROVIDES LEEWAY IN THE HIRING OF FEDERAL JUDGES**

On Tuesday, President Trump followed a June ruling by the Supreme Court, by signing an executive order giving agency leadership more discretion over the selection of administrative law judges. These judges have relevance for petroleum marketers because they make legal rulings and implement much of the federal government's regulatory agenda. PMAA supports efforts to loosen the government's regulatory control by reducing the number of regulations and the costs of regulations.

There are 2,000 administrative law judges, and their role has increased over time. Their decisions have often become the final word of the agencies they serve. Therefore, at least some are "Officers of the United States" making them subject to the Constitution's Appointments Clause, which governs who may appoint such officials. Meaning once the executive order is implemented; the position will be an exception to the competitive examination and competitive service selection procedures currently used in hiring administrative law judges. Implementation of the executive order will provide agency heads additional flexibility to assess prospective appointees.

**SECRET SERVICE BATTLES AGAINST SKIMMING**

The Secret Service continues to lead the charge to protect consumers against skimming, a growing cyber-enabled financial crime that uses electronic devices to steal encoded information on credit cards to commit fraud. Criminals surreptitiously install the small devices, known as skimmers, at gas pumps where they are able to capture the protected data of unsuspecting victims.

Prior to the July 4 holiday, agents participated in a nationwide initiative to locate and recover illegal credit card skimming devices from fueling stations. Operations were conducted at locations across 21 states and involving 36 Secret Service field offices. Agents inspected pumps for illegal skimming devices. Fueling stations are considered to be a prime target due the frequency of use and the criminal's ability to install the devices and recover the stolen data undetected.

Because today's gas pumps are typically unattended, developing suspects and making arrests in skimming cases is difficult - but not impossible. The Secret Service led a similar campaign to counter skimming operations around the country prior to the 2018 Memorial Day Weekend. That nationwide event led to the recovery of more than 70 skimmers.

Special Agents and Investigative Analysts from around the country will continue to work closely with state and local law enforcement partners to minimize risks by informing the public and apprehending those responsible for credit card skimming operations. Credit card fraud is a Federal offense, carrying stiff penalties including heavy fines and lengthy prison sentences. More information for consumers who would like to report credit card fraud or protect themselves can be found [here](https://www.secretservice.gov/) (https://www.secretservice.gov/).

### **2018 MOTOR FUELS EXCISE TAXES**

PMAA has received a number of questions about federal motor fuel excise tax rates and claim procedures recently. There are few key changes for 2018, including the one-time claim procedure for calendar year 2017 retroactive biodiesel credits which must be filed by September 29, 2018 and reinstatement of the oil spill liability tax back on March 1. The following link explains these changes and lists the per gallon federal fuel excise tax rates and environmental fees imposed on all motor fuels.

### **PMAA SUBMITS COMMENTS TO FDA ON POTENTIAL TOBACCO RULES**

The Food and Drug Administration (FDA) is considering two potential new rules that could affect retailers of tobacco products. The first rule would severely restrict or even ban all menthol cigarettes and flavored tobacco and e-vapor products. The second rule would essentially ban all cigarettes on the market today by mandating that the levels of nicotine be nearly 98 percent lower than they are currently, before allowing for a new market of less harmful tobacco products to be established. If enacted, these potential rules would hurt retailers like convenience stores and gas stations.

We encourage everyone to submit comments to FDA. The deadlines to submit comments on the rules are July 16th for the nicotine rule and July 19 for the flavors rule.

### **HOUSE COMMITTEE VOTES TO DELAY CADILLAC TAX AND EMPLOYER MANDATE PENALTIES AGAIN**

Yesterday, the House Ways and Means Committee passed via a party line vote, H.R. 4616 to further delay the Cadillac tax on high price employer-provided health insurance to 2023, and to place a moratorium on the employer mandate penalties until January 1, 2019.

The Cadillac tax was included in Obamacare to reduce employer incentive to overspend on health plans and employee incentive to overuse services encouraged by the high-cost plans. Starting in 2022, employers were supposed to begin paying a 40% tax on costs of health plans that are above \$10,200 per individual and \$27,500 for family coverage. The idea was that many buy unnecessarily expensive plans, since they are not taxed on those earnings applied to premium costs. However, many employers and members of Congress on both sides of the aisle oppose the tax.

PMAA is a member of the Stop the HIT (healthcare insurance tax) coalition that has been fighting this tax and we are pleased that Congress delayed the Cadillac tax until 2023 because the tax could cause companies to cut some benefits and increase worker out-of-pocket costs to pay for it.

### **IEA WARNS SPARE OIL CAPACITY COULD BE STRETCHED TO THE LIMIT**

According to the latest monthly report from the International Energy Agency (IEA), the agency warned that global oil shortages could stretch spare crude oil production capacity to the limit, as supply disruptions and US sanctions against Iran tighten the market. The IEA's report comes as crude oil had its largest one-day drop in the past two years due to trade tensions between the U.S. and China and continuous global crude supply issues.

Additionally, outages from countries like Libya and Venezuela have recently increased oil prices up to \$80 a barrel which has forced Saudi Arabia and other countries to increase output to make up for the shortfall after the recent annual meeting last month of the Organization of the Petroleum Exporting Countries (OPEC). In a statement, the IEA stated that "the large number of (supply) disruptions reminds us of the pressure on global oil supply. This will become an even bigger issue as rising production from Middle East Gulf countries and Russia, welcome though it is, comes at the expense of the world's spare capacity cushion, which might be stretched to the limit."

### **ACTING EPA ADMINISTRATOR ANDREW WHEELER SPEAKS TO EPA STAFF**

After former EPA Administrator Scott Pruitt resigned from his position last week, EPA's Deputy Administrator Andrew Wheeler was announced as the Acting EPA Administrator. On Wednesday, Wheeler spoke to EPA staff for the first time being in charge of the agency and stated that he would continue to advance President Trump's agenda while listening to the recommendations of the staff. Wheeler, a former coal lobbyist and Senate staffer, vowed he would be more transparent than his predecessor. Wheeler also announced to EPA staff that Henry Darwin, a former Arizona state official who was brought to EPA by Scott Pruitt to streamline agency operations is taking on the duties of the second in command as deputy administrator at EPA. In his first days as head of EPA, Wheeler has met with a more diverse set of visitors than the conservatives and business interests that met with Pruitt.

Wheeler can remain as acting administrator for 210 days, and that time can be extended by President Trump. Senate Republicans are in no rush to take on a difficult confirmation fight to replace Pruitt, but the Senate could consider Wheeler as a replacement after the November midterm elections.

## PLAN TO ATTEND THE 2019 WPMAEXPO

# 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

**May 2-3, 2019** – Nevada (NPM&CSA) – Big Dogs – Las Vegas, Nevada

**August 5-7, 2019** – Idaho (IPM&CSA) – Convention – Sun Valley Resort – Sun Valley, Idaho

### WPMA MEMBER SERVICES



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**Petro Pete: “I woke up this morning and forgot which side the sun rises from, then it dawned on me.”**

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