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REMINDER! SHIPPING PAPER HAZMAT SEQUENCING CHANGE

PMAA has learned that roadside inspections violations for improper hazardous material notice sequencing on product transfer documents (PTD) remains a frequent occurrence. The order in which hazardous material information must appear on PTDs changed six years ago. The U.S. DOT issued a final rule on December 29, 2006 that implemented a change to hazardous materials shipping papers beginning January 1, 2013. However, some petroleum marketers remain unaware of these important changes. The DOT's final rule harmonized federal hazardous material regulations (HMR) with international standards but applies to domestic shipments as well.

The rule is important to petroleum marketers because it changed the way shipping papers for hazardous materials are prepared. Specifically, the final rule changed the sequence of hazardous material product description that must be placed on shipping papers for petroleum products. Under the new requirement, the hazardous material identification number must be entered first, followed by the product shipping name. Until now, the HMR required that the product shipping name be entered first, followed by the hazard class then the hazardous material identification number. The U.S. DOT allowed for voluntary compliance with the new hazardous material sequencing beginning January 1, 2007 but it became mandatory in 2013. The following is a comparison of the old and new hazardous material product information sequence for shipping papers (Note: bold type face used for purposes of illustration only):

INCORRECT SEQUENCING

Diesel Fuel, 3, NA1993, PG III
Fuel Oil, (No. 1,2,4,5 or 6) 3, NA1993, PG III
Gasoline, 3, UN1203, PG II
Kerosene, 3, UN1223, PG III
E-10
Gasoline, 3, UN1203, PG II
Ethanol blends over E-10 including E-85
Ethanol and Gasoline Mixture, 3, UN3475, PG II

CORRECT SEQUENCING

NA1993, Diesel Fuel, 3, PG III
NA1993, Fuel Oil (1,2,4,5 or 6), 3, PG III
UN1203, Gasoline, 3, PG II
UN1223, Kerosene, 3, PG III
UN1203, Gasoline, 3, PG II
UN3475 Ethanol and Gasoline Mixture, 3, PG II

(Remember all product sequences must be preceded or followed by quantity ex: "1 cargo tank truck" or "500 gals", etc.)

DEBT LIMIT DEAL SIGNED INTO LAW

What This Means for Tax Extenders

Before Congress left for its annual August recess, it passed a two-year budget framework and debt ceiling deal. Under the deal, spending caps would be raised by nearly \$324 billion over two years and the government would be able to keep borrowing. The budget framework serves as a blueprint for the actual appropriation process which means that Congress will still need to approve a government spending bill later this year. Although the bill was signed into law, many conservatives, and some Democrats, were not pleased with the bill due to the lack of financial offsets. The Trump Administration and Speaker of the House Nancy Pelosi (D-CA) had been rushing to reach a deal before the end of July to ensure a bill could be voted on before the August recess.

Unfortunately, the bill does not include the tax extenders package as some were expecting. The good news is that Congress will have another bite at the apple to attach tax extenders when it will need to approve a government spending bill later this year. The spending bill could include tax extenders, retirement fixes and technical fixes to the GOP's Tax Cuts and Jobs Act.

If a tax extenders package moves forward before the end of this year, it is likely to include:

- A retroactive extension of the \$1 per gallon biodiesel tax credit through 2019 and/or 2020 that expired at the end of 2017.
- A prospective renewal of the Oil Spill Liability Tax (OSLT) through at least 2019. In June, PMAA sent a letter to the Senate Finance Committee to reiterate its support for the biodiesel blender's tax credit and to oppose a retroactive extension of the OSLT.

URGE CONGRESS TO EXTEND THE BIODIESEL BLENDER'S TAX CREDIT

Given that lawmakers are back home in their districts during August recess, continue to remind them to extend the \$1 per gallon biodiesel blender's tax credit. PMAA supports legislation introduced by Rep. Abby Finkenauer (D-IA) (H.R. 2089), known as the "Biodiesel Tax Credit Extension Act," that would extend the biodiesel credit for 2018 and 2019. Similar legislation has also been introduced in the Senate, S. 617.

Since 2005, there has been a \$1 per gallon biodiesel and renewable diesel blenders' tax credit which was created to stimulate production and consumption of biodiesel and renewable diesel. The biodiesel blender's credit has worked successfully to build a strong incentive for downstream fuel marketers to blend renewable fuel into the fuel supply which has lowered prices for motorists and heating fuels for consumers. As a result, the U.S. biodiesel and renewable diesel market has grown from roughly 100 million gallons in 2005 to nearly 2.6 billion gallons in 2017.

Unfortunately, the tax credit expired on December 31, 2017 and has been in limbo since. Congress must act before the end of this year to retroactively extend the credit for calendar year 2018 and through at least 2019.

EV BATTERIES WOULD LEAD TO LARGE EXPANSION OF MINING AND INCREASED WASTE

In an opinion piece in the Wall Street Journal, Mark Mills, a senior fellow at the Manhattan Institute, writes that electric vehicle batteries are made up of nonrenewable materials that must be mined, which will inevitably lead to a massive amount of waste. Mills states, "A single electric-car battery weighs about 1,000 pounds. Fabricating one requires digging up, moving and processing more than 500,000 pounds of raw materials somewhere on the planet. The alternative? Use gasoline and extract one-tenth as much total tonnage to deliver the same number of vehicle-miles over the battery's seven-year life."

FASTER, REAL-TIME PAYMENTS SERVICE PLANNED BY THE FEDERAL RESERVE

Following another significant recent announcement (July 31 one quarter cut in interest rate), this week the Federal Reserve Board announced that the Federal Reserve Banks will develop a payment and settlement service, called the FedNow[®] Service, to support real-time payments, 24-7, in the U.S.

Currently, card payments and direct deposits transactions are settled en masse three times a day and only during business hours. When a buyer sends money to a seller through a debit card or a check, it goes through a clearing agency that records the transaction for the banks. The money for that transaction is kept in limbo until the Reserve settles it at a later time. FedNow would eliminate the clearing process and go straight to automatic settlement, increasing the speed of transactions.

Since its founding more than a century ago, the Federal Reserve has provided payment and settlement services, alongside the private sector, as part of its core function of promoting an accessible, safe, and efficient U.S. payment system. The Federal Reserve has established over its history a broad reach as a provider of payment and settlement services to the more than 10,000 financial institutions across the country. That reach will help the FedNow Service support a nationwide infrastructure on which the financial services industry may develop innovative faster payment services.

Last year, the Board requested public comment on potential services that could be developed by the Federal Reserve to support faster payments. Of the more than 350 comments that took a position on whether the Federal Reserve should develop a new service for faster payments, over 90 percent supported the Federal Reserve operating a round-the-clock real-time payment and settlement service alongside services provided by the private sector. Not surprisingly, however, big banks are fighting the effort, asserting that real-time payments could derail the private bank network.

The Board is now requesting comment on how the new service might be designed to most effectively support the full set of payment system stakeholders and the functioning of the broader U.S. payment system.

FedNow is expected to be available in 2023 or 2024.

In addition, the Board intends to explore the expansion of Fedwire Funds Service and National Settlement Service hours, up to 24x7x365, to facilitate liquidity management in private-sector real-time gross settlement services for faster payments and to support a wide range of payment activities, beyond those related to faster payments.

DEMOCRATIC SENATORS URGE MORE AUTOMAKERS TO JOIN DEAL WITH CALIFORNIA

NHTSA Could Begin Investigation into Tesla's Autopilot System

On Tuesday, 30 Senate Democrats sent a letter to General Motors, the nation's largest automaker, and thirteen other major automakers encouraging them to join four other large automakers who recently struck a deal with California on auto emissions standards, otherwise known as Corporate Average Fuel Economy (CAFE) standards. Copies of the letter were also sent to Aston Martin, Fiat Chrysler, Hyundai, Jaguar, Kia, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Porsche, Subaru, Toyota and Volvo.

In the letter, the Senators stated, “As representatives of states that signed the Nation’s Clean Car Promise, we believe that General Motors joining this agreement would save consumers money, reduce emissions, and provide regulatory certainty to the auto industry.”

Last week, Ford Motor Company, BMW AG, Volkswagen AG and Honda Motor Company, reached an agreement with California on CAFE standards. Under the terms of the deal between the California Air Resources Board (CARB) and Ford, VW, Honda and BMW, the automakers would increase the average fuel economy of their fleets to around 50 miles per gallon by the end of the 2026. GM did not take a position on the agreement, and Fiat Chrysler indicated that it wasn’t invited to the discussion. In response to the deal, EPA quickly dismissed the move and said the Trump Administration would not be changing course on the issue.

Last August, the EPA and National Highway and Transportation Safety Administration (NHTSA) issued a proposed rule, known as “The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks,” that would freeze CAFE standards and corresponding greenhouse gas standards at 2020 levels and revoke the rights of individual states to adopt more stringent emissions standards. In October, PMAA submitted comments in support of the Trump Administration’s proposed rule. PMAA highlighted numerous reasons why current CAFE standards could harm petroleum marketers and how important the Trump Administration’s proposed rule is needed. Click [here](#) to read the comments.

In other news, a former National Highway Traffic Safety Administration (NHTSA) official has warned that the agency may be preparing to investigate Tesla’s driver-assistance system Autopilot. Since April 2018, the agency has issued at least five subpoenas to obtain information regarding crashes of Tesla vehicles. The agency also requested information from Tesla regarding test results of the Tesla Model 3’s automatic emergency braking system, as well as the number of sales of vehicles sold with and without the Autopilot system since 2016.

NOAA INCREASES ODDS OF ABOVE-NORMAL HURRICANE SEASON

This week, the National Oceanic and Atmospheric Administration (NOAA) updated its forecast and now predicts an above-normal hurricane season. In its report, NOAA said that “forecasters monitoring oceanic and atmospheric patterns say conditions are now more favorable for above-normal hurricane activity since El Nino has now ended. Two named storms have formed so far this year and the peak months of the hurricane season, August through October, are now underway.”

The likelihood of an above-normal Atlantic hurricane season has increased to 45 percent (up from 30 percent from the outlook issued in May). The likelihood of near-normal activity is now at 35 percent, and the chance of below-normal activity has dropped to 20 percent. The number of predicted storms has also increased with NOAA now expecting 10-17 named storms (winds of 39 mph or greater), of which 5-9 will become hurricanes (winds of 74 mph or greater), including 2-4 major hurricanes (winds of 111 mph or greater).

ANTI-IDLING TECHNOLOGY COULD CUT FUEL CONSUMPTION BY 20 PERCENT

According to a recent report from the North American Council for Freight Efficiency (NACFE), anti-idling technologies, which are more prevalent than ever, could cut fuel consumption significantly. Mike Roeth, Executive Director of NACFE, stated that “by investing in technologies and practices, fleets can reduce idle to well below 20 percent. The challenge is figuring out which set of technologies are best for you and being diligent in making it work.”

RENO MUNICIPAL CODE CONCERNING SIGN ORDINANCES

If you supply and operate retail stations in the City of Reno – You need to Contact Peter Krueger – peter@fuelingnevada.com

The Reno City Council at its Wednesday, August 14th meeting will consider changes to Title 18 of the Reno Municipal Code concerning Sign Ordinances. Your Association is OPPOSED to two changes that might affect you:

1. Digital signs, including price signs, will be prohibited from flipping more than once in a 24-hour period.
2. Between sunset and sunrise, digital signs must lower their illumination.

PLAN TO ATTEND THE 2020 WPMAEXPO



Mark your calendars for February 18-20, 2020. Make plans now to attend the 2020 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

August 19-21, 2019 – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM

September 11-13, 2019 – Utah (UPMRA) – Convention – Zermatt Resort, Midway, UT

September 13, 2019 – Idaho (IPM&CSA) Teton Golf Tournament – Teton Springs Resort, Victor, ID

October 14, 2019 - Hawaii (HPMA) - Golf Tournament - Oahu Country Club, Honolulu, HI

February 18-20, 2020 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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Petro Pete: *“The most difficult thing is the decision to act, the rest is merely tenacity.”*

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FOR SALE

2001 Kenworth T800 fuel truck and trailer with 2001 Onnen tanks. 12,800 gallons total capacity. \$79,000. Please call Guy or Justin at 208-765-2266 if interested.

