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weekly update

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FMCSA DRIVER HOURS OF SERVICE PROPOSAL IS A BIG WIN FOR PETROLEUM MARKETERS

On Wednesday morning, the Federal Motor Carrier Safety Administration (FMCSA) published a long-awaited proposed rulemaking to streamline a number of hours of service (HOS) regulations important to petroleum marketers. In doing so, the FMCSA handed petroleum marketers a significant victory by proposing key HOS changes requested by PMAA. The most important of the changes included in the FMCSA's Notice of Proposed Rulemaking (NPRM) would lengthen the maximum distance limit and increase on-duty time a CDL driver may travel each day while maintaining their short haul status and exception from recording daily HOS. PMAA made this an important issue during its DC Conference and "Day on the Hill" by working with Rep. Rick Crawford's (R-AR) office in sending a letter to the FMCSA.

Under the NPRM, the distance a driver could travel under the short haul exception would lengthen from 100 air-mile radius to 150 miles. In addition, the maximum daily on-duty status for short haul drivers would increase from 12 hours to 14 hours. PMAA requested these changes to expand the number of CDL HAZMAT drivers who qualify for short haul status, increase the availability of short haul drivers for longer shifts and provide marketers more driver scheduling flexibility. The changes would also eliminate the electronic HOS recording requirement for drivers who currently drive beyond a 100 air-miles radius but remain within 150 air-miles from their work reporting location at the start of their daily shift.

PMAA initially asked the FMCSA to make the changes to the short haul driver exception in 2017 as part of the Administration's regulatory streamlining initiative. The FMCSA was receptive to PMAA's request. PMAA then successfully worked with the office of Rep. Rick Crawford (R-AR) to send a letter supporting PMAA's request to the FMCSA.

The ANPRM also proposes additional changes to the HOS supported by PMAA including:

- Extend the 14-hour maximum on duty time for up to three consecutive hours to allow a single off-duty time break ranging from 30 minutes to no more than 3 consecutive hours provided the driver has at least 10 consecutive hours off duty before the start of his or her next duty period. This means wait times at terminals for up to three hours would not count towards the 14- hour maximum on duty time provided the driver goes off-duty.
- Modify the adverse driving conditions exception that currently allows up to 13 hours of driving time to also extend the maximum daily on-duty time from 14 to 16 hours.
- FMCSA's proposed rule on hours of service regulations would provide $274 million in savings for the U.S. economy and have no negative impact on safety. The public comment period is open for 45 days. PMAA will file comments supporting the changes in the proposed rule to ensure they become final regulations.

EPA GRANTS OVER 30 SMALL REFINERY EXEMPTIONS

Late last Friday, the EPA granted 31 small refinery exemptions (SREs) from the 2018 RFS blending requirements which covers more than four billion gallons of biofuel. Under the RFS, refiners must blend certain volumes of biofuels into their fuel each year or purchase credits from those that do. Small refineries with a capacity of less than 75,000 barrels per day can receive waivers if they prove RFS blending compliance would cause them significant economic harm. The recent SRE announcement was quickly criticized by biofuel groups because they argue that the numerous refinery waivers have indirectly reduced the ethanol mandate which have driven down RIN values. Lower RIN values weakened the market for E15.

EPA Administrator Andrew Wheeler has defended the SREs in the past saying, "Often times these refineries are located in the Rocky Mountains and other regions where they are the only supplier in their region. We have to issue these regulations on the refiner itself." Although many ethanol producers believe that larger refineries should blend more ethanol to make up for the gallons lost due to the exemptions, Wheeler said that doing so could have "a rolling impact on other refiners" and could lead to more RFS waivers. EPA has also indicated that the waivers have not had a negative impact on ethanol demand.

SENATE FINANCE COMMITTEE RELEASES TASK FORCE REPORTS ON TAX EXTENDERS

Earlier this week, Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) released three reports containing summaries of the work conducted by several bipartisan task forces that examined temporary tax provisions that expired, or will expire, between December 31, 2017 and December 31, 2019 – totaling more than 40 provisions. The reports included feedback from stakeholder groups who commented on the tax provisions, including PMAA.

The Energy Task Force, led by Sens. John Thune (R-SD) and Debbie Stabenow (D-MI), examined several energy tax policies including the federal EV tax credit and the biodiesel tax credit, both of which PMAA submitted letters on.

In June, PMAA joined the American Fuel and Petrochemical Manufacturers (AFPM) and American Petroleum Institute (API) in sending a letter to the Senate Finance Committee urging them to oppose any extension of the federal EV tax credit in any upcoming legislation. Furthermore, 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 Oil Spill Liability Tax (OSLT).

Before Congress left for its annual August recess, it passed a two-year budget framework and debt ceiling deal. Unfortunately, the deal did not include a tax extenders package as some were expecting. However, 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 will likely include a retroactive extension of the $1 per gallon biodiesel tax credit through 2019 and/or 2020, and a prospective renewal of the OSLT through at least 2019.

FERC ALLOWS TEMPORARY COMPENSATION FOR ELECTRICITY PLANTS WITH ON-SITE FUEL SUPPLIES

Earlier this month, FERC regulators allowed a market proposal to take effect in the New England electricity market that will assist power plants with on-site fuel supplies, such as those that burn oil, coal, liquefied natural gas or nuclear fuel.

The changes come from grid operator ISO New England's March 25 proposal to offer temporary compensation for power generation resources that can store fuel on-site for use during winter months. The "Inventoried Energy Program" was requested to counter what the ISO believes is an over-reliance on natural gas plants fed by pipelines in the winter, when gas is diverted for home heating during extended cold snaps. The plan will provide compensation for plants with on-site supplies to encourage those plants to stock up on more fuel ahead of winter.

The changes will affect capacity market auctions in February 2020 and 2021, which will determine the resource mix for the winters of 2023/2024 and 2024/2025. After that, ISO NE plans to transition to a market-based program for valuing on-site fuel.

FDA REAFFIRMS COMMITMENT TO HELP RETAILERS ACHIEVE MENU LABELING COMPLIANCE

This week FDA announced their commitment to work with chain restaurants and similar retail food establishments to achieve menu labeling compliance which became effective on May 7, 2018. The goal of the menu labeling requirements is to provide consumers with consistent nutrition information for standard menu items (including food on display and self-service foods) in chain restaurants or similar retail food establishments.

To do so, "in a flexible way," FDA will:

- Provide continued support for industry stakeholders by responding to requests for training and to email inquiries (calorielabeling@fda.hhs.gov). Stakeholder questions and input have helped FDA tailor resources for industry, specifically the development of fact sheets and the Menu Labeling Training Module.
- Assess industry implementation of the primary components of the menu labeling requirements:
    - Posting calorie information on menus and menu boards for all standard menu items;
    - Disclosing calorie information on signs adjacent to foods on display and self-service foods that are standard menu items;
    - Including the succinct statement concerning suggested daily caloric intake and statement of availability for written nutrition information on menus and menu boards; and
    - Having required written nutrition information available on the premises of the chain restaurant or similar retail food establishment upon request.

FDA will explore partnering with trade associations and consumer groups in assessment and outreach efforts. FDA will also identify issues from consumer complaints to its' menu labeling complaints mailbox at menuandvendingcomplaints@fda.hhs.gov in order to guide outreach efforts.

- Continue to be a resource on menu labeling for state, local, tribal, and territorial (SLTT) regulatory partners to ensure consistent implementation. Some states and localities have already adopted menu labeling regulations identical to FDA's. FDA plans to engage with retail stakeholder groups, like the Conference for Food Protection, to explore a potential forum for discussing implementation, sharing information, and developing common approaches to key implementation problems. The forum would benefit SLTT regulatory partners who are interested in including menu labeling within their retail food protection programs. Further, FDA is working to develop a model ordinance form for states and localities that may find such a tool useful in adopting menu labeling requirements identical to FDA's.

For the first year of implementation, FDA focused on education and outreach to help establishments understand the new menu labeling regulations. FDA developed and posted on the FDA website the following resources and educational tools:

- Guidance for Industry: A Labeling Guide for Restaurants and Retail Establishments Selling Away-From-Home Foods - Part II (Menu Labeling Requirements in Accordance with 21 CFR 101.11)
- Guidance for Industry: Menu Labeling Supplemental Guidance
- Small Entity Compliance Guide: Nutrition Labeling of Standard Menu Items in Restaurants and Similar Retail Food Establishments
- Fact Sheets - Quick reference sheets focusing on general requirements and calorie declaration requirements
    - Menu Labeling Rule Key Facts for Industry (General Information)
    - Menu Labeling Rule Key Facts for Industry (Declaring Calories)
- Menu Labeling Regulation Module - Educational video about the menu labeling requirements applicable for all stakeholders
- Mailbox for general menu labeling questions at calorielabeling@fda.hhs.gov

STUDY CLAIMS $2.3 BILLION NEEDED TO FUND EV CHARGING DEMAND THROUGH 2025

According to a report released this week from the International Council on Clean Transportation (ICCT), it would cost the U.S. government nearly $2.3 billion to make electric vehicle (EV) charging upgrades to meet demand for EVs in the most populous 100 metropolitan areas from now through 2025. The 100 metropolitan areas analyzed in the study represent 88 percent of new EVs sold and 75 percent of the entire U.S. vehicle market. The study found that $1.3 billion would be needed to make investments in home charging for EVs and $940 million would be needed for EV charging investments at the workplace and in public parts of the metro areas. Click here to view the study.

The study comes less than two weeks after the Senate Environment and Public Works Committee unanimously approved a five-year surface transportation bill, known as the “America’s Transportation Infrastructure Act (ATIA) of 2019,” which includes a section that would create a $1 billion grant program for states to deploy EV charging stations along designated alternative fuel corridors.

This bill could potentially allow electric utilities to double dip in which they charge their rate paying customers to expand EV infrastructure while also taking grant money to subsidize the same project. PMAA is also concerned that the grant program in the bill **does not** provide for the equitable distribution of funds or account for other investment required for infrastructure changes that may be needed to accommodate EV and alternative fueling equipment, such as upgrades to site utilities, adding land, and expanding paved areas and operating costs. Additionally, the focus on alternative fuel corridors will result in a preference for grants to companies that have multiple sites distributed along major transportation routes. As with other grants for alternative fuels, small to medium c-stores will be placed at a competitive disadvantage.

PLAN TO ATTEND THE 2020 WPMAEXPO

WPMA EXPO

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 best time to plant a tree was 20 years ago. The second best time is now.*"

CLASSIFIED ADS

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.