

August 25, 2017

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WP-08-25-17

URGE EPA TO REDUCE THE ETHANOL MANDATE

Early in July, the EPA released a proposed rulemaking to implement the federal Renewable Fuel Standard (RFS). The EPA's proposed rule mandates that refiners blend 15 billion gallons of corn ethanol into gasoline for 2018 which has increased the RIN values and have placed petroleum marketer in a precarious situation. As the blending obligations of the RFS have increased and gasoline consumption has decreased, PMAA is concerned "ethanol blend wall," wherein, if every gallon of gasoline in the nation was blended with 10 percent ethanol, we could not meet the RFS goals.

PMAA believes the best path forward to fix the inflated RIN problem is to immediately set the ethanol mandate at 9.7 percent of projected gasoline demand as determined by the Energy Information Administration (EIA). Reducing the ethanol mandate may likely prevent obligated parties from turning to large scale introduction of E15 blends nationwide to shore up sagging margins. This would amount to a de facto E15 mandate and set off a chain of events, resulting in a significant disruption of the nation's gasoline distribution and supply chain and skyrocketing prices at the pump.

Click [here](https://www.regulations.gov/comment?D=EPA-HQ-OAR-2017-0091-0002) (<https://www.regulations.gov/comment?D=EPA-HQ-OAR-2017-0091-0002>) to send comments to the EPA in support of reducing the corn ethanol mandate. PMAA has provided a template that can be found [here](http://www.pmaa.org/weeklyreview/attachments/CommentstoEPAonRFS0817.PDF) (<http://www.pmaa.org/weeklyreview/attachments/CommentstoEPAonRFS0817.PDF>).

HURRICANE HARVEY – PMAA STANDS READY TO HELP

With Hurricane Harvey approaching Texas and Louisiana as the largest hurricane to hit the U.S. in 12 years, PMAA reminds you that we are available to help with federal and national communications and requests. We also wish to remind you of the national Energy Waiver Library, a helpful resource produced by the Department of Energy (DOE) with PMAA's support. The Energy Waiver Library consolidates resources from across the Federal Government to create a central location for common waivers and special permits used for energy response (RVP, RFG, HOS, Jones Act, IRS, FMCSA and PHMSA waivers). DOE has consolidated and verified resources and includes background on the waiver or special permit, historical examples of past use, links to previously issued waivers, and an appropriate point of contact to request such waivers should the need arise.

In addition, the site has links to national policies of significance such as the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

This information is intended to assist the sector, as well as state, local, tribal and territorial partners to identify appropriate federal regulatory assistance during disasters.

The library can be found at <https://energy.gov/oe/energy-waiver-library>.

PMAA is participating in federal government and affected industry calls regarding preparation and response to Hurricane Harvey, and we are prepared to join the Department of Energy's National Command Center should that become operational.

PMAA FIGHTING REGULATIONS THAT WOULD HARM FAMILY BUSINESSES

As we have reported in the past, President Trump issued Executive Order 13789 (Identifying and Reducing Tax Regulatory Burdens) which was designed to reduce burdensome tax regulations. Earlier this month, PMAA along with other members of the Family Business Estate Tax Coalition (FBETC) submitted a letter to the Internal Revenue Service (IRS) regarding implementation of President Trump's Executive Order. The Executive Order calls for the Secretary of the Treasury to implement review of all significant tax regulations issued on or after January 1, 2016 that "impose an undue financial burden on United States taxpayers; add undue complexity to the Federal tax laws; or exceed the statutory authority of the IRS."

In response to the Executive Order, the Treasury Department identified eight sets of regulations for review and asked the public to comment on how these regulations should be fixed. Pursuant to the requests of PMAA and the Small Business Legislative Council (SBLC), IRS identified the proposed regulations under Section 2704(b) of the Internal Revenue Code for consideration. Section 2704(b) would minimize the number of estates that would be eligible for valuation discounts and avoidance of double taxation via the estate, gift or transfer taxes.

PMAA has opposed the regulations since their introduction because it is fundamentally unfair to single out family-owned small businesses for worse treatment under the tax laws than non-family-owned businesses. PMAA and the SBLC believe that the proposed regulations should simply be withdrawn and not replaced.

COMMERCE DEPARTMENT RULES IN FAVOR OF U.S. BIODIESEL PRODUCERS

Earlier this week, the U.S. Commerce Department announced that Argentina and Indonesia have been unfairly subsidizing biodiesel they export to the U.S. The Commerce Department found that Argentina and Indonesia provide subsidies to their biodiesel producers in violation of international trade rules. Additionally, the Commerce Department found “critical circumstances”, meaning retroactive duties will be enforced going back to May 2017.

As a result of the ruling, importers of Argentinian and Indonesian biodiesel will be forced to pay cash deposits on biodiesel imported from the two countries. The cash deposit rates range from 50.29 percent to 64.17 percent for biodiesel from Argentina, and 41.06 percent to 68.28 percent for biodiesel from Indonesia. The cash deposit requirements will be imposed when the preliminary determination is published in the Federal Register sometime next week. Also, based on the “critical circumstances” finding, the rates for Argentina will apply retroactively 90 days from the date of the Federal Register notice.

The investigation was in response to a complaint filed by the biodiesel industry in the U.S. The biodiesel industry representatives testified to the International Trade Commission a few months ago, saying biodiesel produced in Argentina and Indonesia has been flooding the U.S. market since 2014. The industry has claimed that the subsidized biodiesel from Argentina and Indonesia has forced U.S. producers out of their home market.

The Argentinian biodiesel industry claims that the duties will halt Argentinian biodiesel exports to the U.S. Argentinian biodiesel currently accounts for two-thirds of the U.S.’s biodiesel imports. PMAA is concerned that the duties on biodiesel will likely force fuel prices to rise because the U.S. must satisfy the biodiesel quota under the RFS and will have to find a way to replace nearly 250 million gallons of biodiesel per year.

REGULATORY ACTIVITY DROPS UNDER TRUMP ADMINISTRATION

Compared to the 216 regulatory actions taken in the first six months of the Obama administration, there have only been 67 actions under the current administration. Data on regulatory actions which are notices, proposals, interim rules and final rules, are compiled by the Office of Information and Regulatory Affairs (OIRA), which is part of the Office of Management and Budget (OMB), which is an agency within the Executive Office of the President. In addition to reviewing government collections of information, OIRA reviews draft proposed and final regulations, and develops and oversees the implementation of government-wide policies in the areas of information policy, privacy, and statistical policy.

PMAA is pleased that Congress was able to overturn regulations using the Congressional Review Act, and now agencies must deregulate 860 proposed regulatory actions that were withdrawn or removed from active status. Deregulating is a lengthy process where rules must go through the Administrative Procedure Act process. A huge barrier at this point is many political appointee positions at the agencies have not been confirmed by the Senate.

PASSING OF GENE ATENCIO, ALBUQUERQUE, NM

WPMA is saddened to report the passing of Eugene (Gene) Atencio of Albuquerque, New Mexico on August 1, 2017, after a lengthy battle with cancer.

Gene was an executive for Brewer Oil Company in New Mexico for 30 years, and was respected by all who knew him. WPMA sends our heartfelt condolences to Gene’s family and associates at this difficult time.

Memorial Services for Gene have been set for 10:00 a.m. on Saturday, September 16, 2017 at Riverside Funeral Home, located at 225 San Mateo Blvd NE, Albuquerque, NM 87108. A meal will follow from 12-4 at the Brewer Training Center located at 501 Candelaria Rd NE, Albuquerque. In lieu of flowers Gene requested that donations be made to the Wounded Warriors Project at: <https://support.woundedwarriorproject.org/default.aspx?tsid=7792>.

BOOK YOUR ROOM NOW FOR THE 2018 WPMAEXPO

Our hotel block for the 2018 WPMAEXPO is open and available.

You have two ways to book rooms:

- Through our website here: <http://www.wpma.com/national-convention/hotel>
- Or call The Mirage directly at 800-627-6667 using WPM18A for the early bird rate.

We do not have a company representing us for room booking. Please do not book hotel rooms with a third-party company. Booking with a third-party company is at your own risk. You should only book your room through the WPMA web site or by calling the Mirage directly using the WPMA code above.

PLAN TO ATTEND THE 2018 WPMAEXPO

WPMAEXPO

Mark your calendars for February 20-22, 2018. Make plans now to attend the 2018 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

August 30, 2017 – Idaho(IPM&CSA) PAC Golf Tournament, Huntsman Springs GC, Driggs, Idaho

September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

October 5, 2017 – Hawaii (HPMA) Golf Tournament – The King Kamehameha GC, Wailuku, Hawaii

February 20-22, 2018 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada

June 5-7, 2018 – MPMCSA Convention & Expo – Fairmont, MT

June 18-21, 2018 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

August 8-10, 2018 – Idaho (IPM&CSA) Convention – Coeur d’Alene Resort – Coeur d’Alene, Idaho

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Petro Pete: “Take my advice...I’m not using it.”

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