

weekly update

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September 29, 2023

Visit us online at wpma.com

WP-09-29-23



OREGON HOLIDAY PARTY

We are thrilled to invite you to our annual holiday extravaganza! Get ready to kick off the festive season in style at the Portland Golf Club on December 6, 2023, from 4:30 PM to 8:30 PM. It's going to be an unforgettable evening filled with laughter, merriment, and good company.

MAUI RELIEF RESOURCES



CLICK HERE FOR THE HEMA -MAUI FIRE RELIEF-RESOURCES

STOP BY THE WPMA BOOTH AT NACS

If you are attending the NACS trade show October 4-6, take a moment to visit with the WPMA staff in booth #4869. Gene, Jamie, & Kim would love to see you while you are there!

The following information provided by: **EMA-Energy Marketers of America**



THE IMPACT OF A GOVERNMENT SHUTDOWN ON FEDERAL REGULATORY AGENCIES

Each year, Congress must pass 12 spending bills before October 1, the start of a new fiscal year, or the government runs out of money to keep functioning. If Congress fails to act by September 30th, there will be a lapse in funding, and all nonessential government functions must stop at 12:01 A.M. on October 1. If Congress runs out of time to finish the appropriation process, lawmakers can pass a short-term funding extension (Continuing Resolution-CR) to temporarily fund government at the previous year's level until a full-year deal can be worked out. Agencies may continue to operate temporarily beyond the October 1 deadline by using any unexpended funds leftover from the previous fiscal year. Most agencies have only a few days of unexpended funds to continue operations.

The following is an analysis of how federal agencies would be affected by a shutdown should Congress fail to reach an agreement on a CR.

Internal Revenue Service

In a major turnabout yesterday, the IRS reversed its decision to remain open during a government shutdown and announced that it would furlough two thirds of its workforce resulting in long wait times for taxpayers including for motor fuel excise tax refund claims. The updated contingency plan issued by the IRS shows that it will furlough 60,000 of its 90,000 employees if Congress cannot agree on a continuing resolution to keep the federal government open. The IRS announcement means millions of taxpayers filing paper tax forms, including energy marketers, will not have their claims processed. According to the IRS, some electronically filed claims will continue to be processed, but at a slower pace. Paper claims will not be processed while the government shutdown continues. Moreover, paper claims will only be processed after all electronic refund claims are paid once the IRS returns to normal operations. It took the IRS over a year to clear the claims processing backlog after a 34-day government shutdown in 2018. More recently, during the COVID shutdown, energy marketers experienced long delays with motor fuel excise tax claims, tying up millions of dollars in refunds owed for the tax-free sale of clear diesel fuel to tax exempt users. Many of those claims took well over a year to be paid. Marketers can expect similar delays if a government shutdown occurs.

• Initially, the IRS planned to stay open using unexpended funds leftover from fiscal year 2022, including the \$80 billion the agency received under the Inflation Reduction Act for systems modernization. However, the Treasury Department reversed that decision. Instead, 30,000 IRS employees will continue to work but only on modernization efforts and not claim processing. The IRS pays interest on paper claims that are not processed within 45 days of receipt and after 20 days for claims filed electronically. The current interest rate for delayed refunds is between 6 and 7 percent.

Environmental Protection Agency

• All agency rulemaking, guidance and policy, civil enforcement inspections, issuance of permits, approvals of pending state requests (i.e., authorized/delegated state-issued EPA permits and State Implementation Plans) will be suspended in the event of a government shutdown. The EPA may "exempt" activities from the shutdown if the activities have funds available from fiscal year 2023. The EPA regional offices would be similarly affected by a lapse in appropriation.

Department of Health and Human Services

• The Low-Income Home Energy Assistance Program (LIHEAP) is funded by annual appropriations and will cease operations in the event of a government shutdown. LIHEAP annual appropriations for fiscal year 2023 have been fully distributed. State grantees with leftover LIHEAP funding from 2023 may continue to distribute until exhausted.

Transportation Security Administration

• The Transportation Worker Identification Credential (TWIC) and the Hazardous Materials Endorsement (HME) background-check programs are self-funded and fee-based and therefore not impacted by government appropriations. Driver background checks will continue as usual. Also, TWIC and HME enrollment centers remain open during normal hours of operation. The Coast t Guard will continue to enforce the TWIC program and secure ports without interruption.

Federal Motor Carrier Safety Administration

All FMCSA operations will continue as normal in the event of a government shutdown. The FMCSA is largely funded
out of the Highway Trust Fund supported by federal motor fuel excise taxes and other fees. All FMCSA portals will
remain operational including the Drug and Alcohol Clearing House.

Pipeline and Hazardous Materials Safety Administration

- PHMSA will continue to investigate hazardous materials accidents in the event of a government shutdown. Inspections
 of hazardous materials shippers and carriers (including roadside inspections) testing facilities and cylinder
 reconditioning facilities will also continue as usual. All hazardous materials enforcement actions will continue as will
 any agency activity necessary for the protection of life and property.
- · Hazardous materials rulemaking will be suspended in the event of a government shutdown.
- Hazardous materials grants benefitting emergency first responders and localities funded from new registration fee
 collections would be discontinued as would the Hazardous Materials registration program which provides operation
 authority and registration program fee collections.

Department of Homeland Security

• The DHS E-Verify program portal that employers use to verify the citizenship status of employees will cease operation in the event of a government shut down. Employers must still complete Form I-9 but will not be penalized for late entry into the E-Verify portal during the duration of a government shutdown.

Federal Government Supply Agreements

Fuel sales to federal government facilities may continue though payment will likely be delayed in the event of a
government shutdown.

Small Business Administration

• Loan forgiveness processing under the Paycheck Protection Program will continue in the event of a government shutdown. However, there will be no new small business loans issued or program support under the CDC 504 Loan 7(a) Loan Programs for the duration of a government shutdown.

United States Postal Service

• The United States Postal Service does not cease operations during any federal lapse in appropriations as it is funded through a permanent no-year appropriation.

U.S. Department of Agriculture

- The Higher Blend Infrastructure Incentive Program (HBIIP) providing grants for biofuel infrastructure will continue to operate as usual in the event of a government shutdown. HBIIP was fully funded under the Inflation Reduction Act and is not subject to the annual appropriation process.
- The Supplemental Nutrition Assistance Program (SNAP) program does not cease operations. In 2021, the USDA issued a plan stating that SNAP operations could continue during a lapse in appropriations based on multiyear carry-over funds; contingency reserves; and quarterly apportionment of funds by the OMB under the continuing resolution. More importantly, the Food and Nutrition Service's accounting process considers the upcoming month's benefits to be "obligated." If a shutdown were to occur and continue past mid-October, there is a \$6 billion in SNAP contingency

reserve funding carrying into fiscal year 2024, which may be used to cover SNAP costs. If, however, USDA fails to instruct states to proceed with transmitting the necessary electronic files in order to issue November benefits, November SNAP benefits may be delayed or interrupted entirely.

INSIDE THE BELTWAY UPDATE

Congress is heading towards a government shutdown as House Republicans fail to reach consensus within their own party. On Wednesday, the Senate passed a Continuing Resolution (CR) to extend Fiscal Year (FY) 2023 funding levels through mid-November. However, based on demands from the very conservative wing of the party, House Speaker Kevin McCarthy (R-CA) said he would not place the measure on the House floor. The federal fiscal year will close at midnight Saturday and absent significant progress today, a government shutdown is all but certain.

In an effort to avert the shutdown, on Tuesday, the House began debate on a total of 440 amendments to four of the twelve appropriations bills. Among these amendments was one by Rep. Victoria Spartz (R-IN) that would restrict funding for check-off programs. At the urging of numerous industry groups, the House rejected this amendment 377-49.

Across the Capitol, Senators Fischer (R-NE), Ricketts (R-NE), Cornyn (R-TX), and Lummis (R-WY) introduced the "Stop EV Freeloading Act." The legislation would ensure that electric vehicles (EVs) pay into the Highway Trust Fund (HTF) to support the construction and maintenance of U.S. roads and bridges. The HTF supports over 90 percent of federal highway aid to states. The HTF was meant to be funded primarily by the federal gas tax. However, since the gas tax was last raised in 1993, the HTF faces insolvency due to more fuel-efficient vehicles leading to reduced fuel use. EVs are not subject to the gas tax and do not contribute to the HTF. Furthermore, their greater battery-related weight (up to triple) leads to more extensive road wear with more maintenance and greater costs. Senator Fischer's legislation would fix this discrepancy by implementing a fee at the manufacturer level on the production of EVs. This ensures that every vehicle on the road is paying into the HTF and supporting critical repairs to America's infrastructure.

With a shutdown looming and federal funding expected to lapse, federal agencies began implementing contingency plans. Speaking with agency officials this week, EMA learned that agencies are preparing for the shutdown to last a minimum of two weeks. Economists suggested that this shutdown could cost the U.S. economy \$140 million per day.

GROUPS URGE FDA TO PRIORITIZE ENFORCEMENT AGAINST ILLEGAL E-VAPE PRODUCTS

This week, the Energy Marketers of America (EMA), along with Altria Client Services, Convenience Distribution Association (CDA), ITG Brands, LLC, JT International U.S.A., Inc., National Association of Tobacco Outlets (NATO), New England Convenience Store & Energy Marketers Association, Inc. (NECSEMA) and RAI Services Company, sent a letter to the Food and Drug Administration (FDA) to implore them to prioritize enforcement against illegal e-vapor products. The letter also urged the FDA to publish a clear and comprehensive list of e-vapor products to eliminate confusion and uncertainty in the marketplace. Although the FDA has provided a list of products with MDOs and a list of companies that received MDOs, those lists have not proven useful to EMA's members who need to determine which products can and cannot be legally sold.

CLICK HERE to read the letter.

U.S. EIA TO HOLD FREE 2023-2024 WINTER FUELS OUTLOOK WEBINAR

The U.S. Energy Information Administration (EIA) is inviting energy marketers and heating fuel dealers to join a 2023-2024 Winter Fuels Outlook webinar presented by the Office of Energy Analysis. The webinar will address price, consumption, and expenditure trends for major heating fuels for the upcoming winter. EIA Administrator, Joe DeCarolis, will present our Winter Fuels Outlook, and a panel of EIA experts will answer questions from attendees who can submit questions through the Webex chat feature during the webinar. The webinar will be held on October 16, 2023 at 11:00 AM Eastern time. The webinar is open to the public but <u>registration</u> is required.

CONTINUE TO URGE CONGRESS TO SUPPORT THE CREDIT CARD COMPETITION ACT!

Last week, over 100 members of the Merchants Payments Coalition (MPC), including several EMA State Association Executives and marketers, flooded Capitol Hill to demand a vote on the Credit Card Competition Act as an amendment to the Senate's \$280 billion spending minibus which would ensure retailer choice in payment routing by requiring at least two unaffiliated processors on credit cards-- the same process that is currently used for debit card transactions. The industry overall sent more than 5,000 email messages to congressional offices along with hundreds of CEO calls last week alone. The big banks responded by flooding the Hill as well. It's safe to say that this bill is the most heavily lobbied bill in recent history.

Unfortunately, due to Congress's inability to fund the federal government, the bill did not receive a vote on the Senate floor last week. The good news is that the bill's Senate champions, Senators Roger Marshall (R-KY) and Dick Durbin (D-IL), remain committed to receiving an up and down vote before the end of the year. Additionally, Senate Banking Committee Chairman Sherrod Brown (D-OH) indicated he's open to legislative action on the bill, and possibly holding a hearing.

EMA continues to urge all jobbers and retailers to reach out to their Senators and ask them to VOTE YES on the Credit Card Competition Act. This bill would reduce swipe fees and allow retailers a choice of network to handle the transaction through

competition which would save Americans and businesses around \$15 billion in swipe fees per year. Our industry's share of that comes to around \$9,000 per store per year.

CLICK HERE TO URGE SENATORS TO SUPPORT THE CREDIT CARD COMPETITION ACT

WEEKEND READS

Ford halts work on \$3.5B EV battery factory with China's CATL

Biden's union pandering sets him on a collision course with EV promises he can't keep | The Hill

Biden ESG rule survives challenge from 25 red states | The Hill

How will Russian ban on diesel exports impact global energy trade? | Freightwaves

US Energy Policy Hindering Oil Production, Chevron CEO Says | BNN Bloomberg

GOP threatens subpoena over Ford EV battery licensing deal | Politico Pro

RISK MANAGEMENT ACADEMY FOR ALL INDUSTRIES BY FEDERATED INSURANCE ON NOVEMBER 7-9, 2023

THE REGISTRATION DEADLINE IS FRIDAY, OCTOBER 6, 2023

Risk, in its many forms, is an ever-present part of our lives. When it comes to your business, you know that mitigating risk is an important factor in keeping your employees safe, your claims costs low, and your business standing strong. Federated Insurance® has the resources to help and would like to offer you an exclusive invitation to our complimentary 2 ½-Day Risk Management AcademySM (RMA) session for all industries.



This informative session will be held on November 7-9, 2023. It will be hosted by Federated Insurance in Owatonna, Minnesota. Business owners are encouraged to attend — this session will equip you and a representative from your organization with industry-specific tools and knowledge designed to help prevent losses and protect profits. During the session, you will:

- Address losses impacting your industry
- Connect with industry peers facing similar challenges
- Apply risk management best practices at your business

The registration deadline is Friday, October 6, 2023. There is no charge to attend this valuable seminar. Attendees are responsible only for air and/or ground transportation to and from the seminar location, lodging, and incidental meals. Class size is limited to 40 people.

You can learn more by viewing a brief <u>video</u> about the Risk Management Academy. To reserve your spot in the upcoming session, or for more information, please contact <u>FederatedRMA@fedins.com</u>. Or visit <u>www.federatedinsurance.com</u> and click on <u>Risk Management Academy</u> to register online.





The **WPMA NEWS** currently serves EIGHT independent petroleum and convenience store associations.

CLICK HERE FOR THE CURRENT ISSUE OF THE WPMA NEWS MAGAZINE

Interested in a previous WPMA News issue? Click HERE.

<u>EMA JOURNAL -</u> The Official Publication of the Energy Marketers of America

Check out the EMA Journal anytime online by clicking **here**.

The EMA Journal summer issue is now available.

PLEASE NOTE UPCOMING DATES FOR WPMA EVENTS

October 25-27, 2023 - UPMRA Utah Convention - Hilton Garden Inn - St. George, UT

December 6, 2023 - OFA Holiday Party - Portland Golf Club - Portland, OR

December 7, 2023 - WA Holiday Party - Topgolf - Renton, WA

February 20-22, 2024 - WPMAEXPO - Mirage/Hard Rock Resort - Las Vegas, NV

April 25-26, 2024 - Nevada (NPM&CSA) Big Dogs - Red Rock & Siena Golf Course - Las Vegas, NV

June 4-5, 2024 - Montana (MPMCSA) Convention - Fairmont Hot Springs Resort - Fairmont, MT

June 17-19, 2024 - Washington Energy Convention - Suncadia Lodge - Cle Elum, WA

August 7-9, 2024 - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort, Coeur d'Alene, ID

REGISTRATION IS OPEN FOR THE FOLLOWING EVENTS



UTAH CONVENTION

Click <u>here</u> to see Schedule of Events for the UPMRA Convention held October 25-27 at the Hilton Garden Inn, St. George, UT.

Choose your attendee type to register: Attendee or Exhibitor



OREGON HOLIDAY PARTY

Click here to register for the Oregon Holiday Party at the Portland Golf Club in Portland, OR.



WASHINGTON HOLIDAY PARTY

Click here to register for the WA Holiday Party at Topgolf in Renton, WA



Petro Pete: A book fell on my head the other day. I only have my shelf to blame though.

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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: kimw@wpma.com Thanks.