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EPA PROPOSAL REALLOCATES FAR LESS WAIVED ETHANOL BLEND VOLUME THAN PROMISED TO RENEWABLE FUELS INDUSTRY GROUPS

The U.S. EPA's proposal to reallocate ethanol blend gallons lost over the past three years due to 31 small refinery blending exemptions issued by the agency, is falling far short of the renewable fuels industry's expectations. Instead of reallocating the entire volume of waived ethanol gallons, the EPA is proposing to reallocate volume based on a three-year average to increase the percentage blend rate refiners must achieve in 2020.

EPA plans to base the three-year average not on actual volumes waived under the small refinery exemptions, but on volume recommended by the Department of Energy (DOE). The sum of DOE recommended volumes is far below the actual volumes waived. The DOE, which provides an initial review of small refinery exemption requests, most recently recommended granting waivers for only 770 million gallons. The EPA, however, approved waivers for 1.4 billion gallons during its last round of exemptions.

The EPA proposal is good news for petroleum marketers because it reduces the likelihood of the retail market being flooded with E15 volumes that far exceed consumer demand. Renewable fuel groups are accusing the Trump Administration of renegeing on an agreement reached with the White House earlier this month. Since taking office, the Trump Administration has granted 85 waivers to small refineries, freeing them from using 4 billion gallons of renewable fuel. The EPA's proposed rule will be finalized later this year, after annual RFS mandates are set for 2020.

CRACKDOWN ON E-CIGS COULD LEAD TO MORE SMOKING OF TRADITIONAL CIGARETTES

Important E-Cig Bill Gets the Greenlight from House Judiciary Committee

According to a recent survey from Wells Fargo Securities of over 50,000 convenience store retailers, around one-third of the respondents said that they have seen an uptick in the number of e-cig users that are turning to traditional cigarettes as a result on the government crackdown on flavored e-cigs. Further, in states where e-cigs are banned, retailers have seen inventories of e-cigs shrink and the supply depleted by users who are trying to stock up on the product.

Many experts who study tobacco policy fear that the government crackdown on e-cigs will lead to adults e-cig users turning to traditional cigarette smoking which is the leading preventable cause of death in the United States. Jonathan Foulds, an addiction tobacco policy specialist at Penn State University, says that "this could take us from potentially the single biggest improvement in public health in the United States toward a public health disaster in which cigarettes continue to be the dominant nicotine product."

Meanwhile, this week, the House Judiciary Committee held a markup of H.R. 3942, known as the "Preventing Online Sales of E-Cigarettes to Children Act." Fortunately, the legislation backed by PMAA passed the committee unanimously by voice vote and will head to the House floor to be voted on soon. The bipartisan bill is sponsored by Reps. Rosa DeLauro (D-CT) and Kelly Armstrong (R-ND), and would prohibit online sales of e-cigarettes to minors by applying the same safeguards already in place for regular cigarettes and smokeless tobacco products.

The bill is companion legislation to S. 1253, which was introduced earlier this year by Sens. Dianne Feinstein (D-CA), John Cornyn (R-TX), and Chris Van Hollen (D-MD). Original cosponsors of H.R. 3942 include Reps. Doug Collins (R-GA), Jamie Raskin (D-MD), Joe Wilson (R-SC), J. Luis Correa (D-CA), Steve Womack (R-AR), Zoe Lofgren (D-CA), Sean Duffy (R-WI), French Hill (R-AR), and Mike Gallagher (R-WI).

The bill amends the "Prevent All Cigarette Trafficking Act (PACT Act)" to also include e-cigarettes in the definition that already includes cigarettes. Specifically, the bill would require online retailers of e-cigarettes to:

- Verify the age of customers for all purchases.
- Require an adult with ID to be present for delivery.
- Label shipping packages to show they contain tobacco products.
- Comply with all state and local tobacco tax requirements.

PMAA fully supports this legislation and looks forward to its House passage in the coming weeks.

Furthermore, Juul announced this week that it is suspending the sale of all of its flavored vaping pods except for tobacco and menthol flavors. The suspension applies to sales in convenience stores as well as online. Juul has come under fire from lawmakers who say the flavored pods are getting teens hooked on e-cigs. In a statement, new Juul CEO K.C.

Crosthwaite said, “We must reset the vapor category by earning the trust of society and working cooperatively with regulators, policymakers, and stakeholders to combat underage use while providing an alternative to adult smokers.”

PMAA OPPOSES BILL THAT WOULD MANDATE REPORTING BURDENS AND THREATEN PRIVACY

This week, PMAA joined the NFIB Coalition of Associations that are opposed to S. 1889, the True Incorporation Transparency for Law Enforcement (TITLE) Act in a letter to the Chair and Ranking Member of the Senate Judiciary Committee. The Act would mandate duplicative reporting burdens on millions of small businesses and would threaten the privacy of law-abiding small business owners.

On May 11, 2018, the Financial Crimes Enforcement Network’s (FinCEN) Customer Due Diligence (CDD) rule became applicable, requiring financial institutions to collect the “beneficial ownership” information of business customers when they open accounts. The TITLE Act would require 90% of businesses to report “beneficial ownership” information to States at incorporation, submit additional reports annually, and update reports within 60 days of any changes in ownership.

Complying with the legislation would be difficult, and failure to comply would result in substantial penalties. The legislation lacks a clear definition of a “beneficial owner.” Further, S. 1889 would remove current privacy protections afforded to small business owners as the CDD rule requires law enforcement to issue subpoenas to financial institutions for “beneficial ownership” information but the TITLE Act would make the information available to FinCEN, the Department of Treasury, financial institutions, and law enforcement agencies of foreign countries via requests by U.S. federal agencies without a subpoena or a warrant. The bill would require reports containing the names, residential or business addresses, dates of birth, and unexpired drivers’ license numbers or passport numbers of millions of small business owners. Further, the Act would allow States to disclose publicly any or all of the beneficial ownership information “through statute or otherwise.”

SBLC TO HOLD WEBINAR ON NEW OVERTIME RULES

The Small Business Legislative Council (SBLC) will be holding a webinar regarding the new final overtime regulations on Thursday, October 24th at 12:30pm eastern. The webinar will provide an overview of the DOL’s newly released overtime rules and recommendations for businesses on what steps they need to take before the rules go into effect on January 1, 2020. PMAA is a board member of the SBLC.

[Click here to register now!](https://register.gotowebinar.com/register/7370300621441435149) (https://register.gotowebinar.com/register/7370300621441435149)

This live webinar will be open to all PMAA state associations and its members, free of charge. When registering, please tell your members to type “PMAA” at the bottom of the registration page when asked: Which SBLC member association are you affiliated with?

After registering, you will receive a confirmation e-mail containing information about joining the webinar.

PEI SURVEY ON EV INVOLVEMENT, E15, AND EMV UPGRADES

Recently, the Petroleum Equipment Institute (PEI) announced that the number of PEI distributors and contractors who are actively involved in electric vehicle (EV) charging doubled in 2019. Further, those who are planning to get involved in EV charging almost doubled this year, to 32 percent. Other PEI survey results include a bump in the number of PEI members who see a place for E15. In 2019, 61.9% of respondents said they expect a small increase in E15 sales vs. 37.3% in 2018. Respondents in 2019 are less optimistic about the percentage of customers who will have completed EMV forecourt upgrades by the 2020 deadline. In 2019, respondents estimated 59.3%. In 2018, that number was 64.2%.

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

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

May 7-8, 2020 – Nevada NPM&CSA – Big Dogs - Las Vegas, NV

June 2-3, 2020 – Montana MPMCSA – Convention – Fairmont Hot Springs Resort – Fairmont, MT

June 22-25, 2020 – Washington (WOMA) – Convention – Suncadia Resort – Cle Elum, Washington

August 5-7, 2020 – Idaho (IPM&CSA) Convention – Coeur d’ Alene Resort – Coeur d’ Alene, Idaho

August 17-19, 2020 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

September 9-10, 2020 – Utah (UPMRA) – Convention – Park City Marriott – Park City, Utah

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Petro Pete: “Remember, today is the tomorrow you worried about yesterday.”

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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.

