

**TRANSPORTATION ELECTRIFICATION STRATEGY (TES) IS NOW OPEN FOR PUBLIC COMMENT THROUGH OCTOBER 30**

Washington Independent Distributors of Energy (WIDE) is asking for your input and feedback on the EV Council Guidelines.

The **Electric Vehicle Coordinating Council (EV Council)** has drafted a statewide Transportation Electrification Strategy (TES) intended to ensure market and infrastructure readiness to reach its 2030 electric vehicle adoption target.

Over the last several months, the EV Council has gathered input from a wide range of Washington residents—drivers and non-drivers, members of communities large and small—who represent the diversity of backgrounds and perspectives that make up our Evergreen State.

Read the draft TES and offer comment. The section you will want to focus on starts on **Page 76**, entitled “Part I – Achieving a Strong Electrification Strategy”

Please email Lea McCullough, ED and Diana Carlen, Lobbyist with all comments and considerations by Friday, October 27th so we can combine and submit comments to the Department of Commerce.

Click [HERE](#) for the PDF: Transportation Electrification Strategy

DEPARTMENT OF ECOLOGY OFFERS INTERIM GUIDANCE ON REPORTING AND DOCUMENTING EMISSIONS FROM LUBRICANTS UNDER THE CAP-AND-INVEST PROGRAM

On October 17th, the Department of Ecology published **interim guidance** on reporting Lubricants under the Cap and Invest Program. If your company has lubricants as part of your business, please review the attached PDF entitled “DOE Interim Guidance on Lubricants in Cap and Invest”.

Please contact Lea McCullough or Diana Carlen with comments or concerns on this guidance.

Click [HERE](#) for the PDF: Interim Guidance on Lubes

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

**FDA SENDS PROPOSED BAN ON MENTHOL CIGARETTES AND FLAVORED CIGARS TO OMB FOR FINAL REVIEW**

The Food and Drug Administration (FDA) sent two proposed rules over to the White House Office of Management and Budget this week that would ban the manufacture and sale of menthol flavored cigarettes and ban all flavored cigars and cigarillos. Should these federal flavor bans be finalized, it would represent the most far-reaching action taken by the FDA since Congress gave the agency the authority to regulate tobacco products in 2009. The proposed rules essentially mirror each other with a few exceptions. Both rules would: become effective one year after becoming finalized; focus enforcement on manufacturers, distributors and retailers, but not on consumers for possession or use. However, tobacco manufacturers as well as the Energy

Marketers of America strongly oppose the menthol and flavor bans and will likely challenge the proposed rules which is likely to set off a protracted legal battle that would delay implementation of the rules for years and/or likely to stop implementation.

A proposed menthol ban would give rise to illicit sales of these products by vendors and individuals who would not verify the age of consumers or collect taxes. Convenience retailers train their employees how not to sell tobacco products to underage customers, yet law-abiding small businesses could lose in-store sales of flavored tobacco products and likely other in-store products if such a ban goes into effect. Menthol cigarette sales make up about one-third of overall cigarette sales and even more in some regions. The ban also has the potential to affect all levels of the tobacco industry from the thousands of unionized farmers, machinists, raw materials providers, truck drivers, warehouse operators, and retailers who operate responsibly in the legal, regulated industry today. In addition, the federal government and state governments combined stand to lose billions in tax revenue in the year following prohibition of menthol-flavored cigarettes and flavored cigars, as recently reported by the Tax Foundation, an independent tax policy nonprofit.

Unfortunately, the FDA has not proven it can demonstrate viable enforcement on illegal vape products...so how can they realistically enforce a menthol cigarette ban? EMA encourages retailers to reach out to the White House highlighting that a ban on menthol cigarettes and cigars with characterizing flavors will likely lead to an illicit market that will put small business convenience stores out of business and lead to billions in lost government revenue.

[**CLICK HERE TO URGE THE WHITE HOUSE OMB TO SEND THESE RULES BACK TO THE FDA**](#)

INSIDE THE BELTWAY UPDATE

This is the second week that the House has been without a Speaker and, as a result, half of Congress is closed for business. At the time of writing, Rep. Jim Jordan (R-OH) has failed twice to gain the position but is forging ahead a third time, despite knowing he lacks the votes to secure a gavel. And while the Republican conference is currently allowing this plan, there had also been chatter that the House might provide Current Speaker of the House Pro Tem, Rep. Patrick McHenry (R-NC), broader powers because, at this time, he can only oversee the election of a full-time speaker. While Jordan does not have a path to the Speaker's chair at this time, he can continue to force votes as long as he chooses to, or more accurately, as long as House republicans allow him to. Especially as many expect him to continue to lose support as his bids moves forward.

Away from Congress, the Federal Reserve announced it would consider a 12-year-old rule regulating debit card swipe fees, specifically noting that it would discuss "proposed revisions to the Board's debit interchange fee cap." Proponents of the changes note that where debit cards function like electronic checks, unlike cashing a check, processing each transaction costs merchants a swipe fee. In 2022, debit card swipe fees cost merchants \$34.4 billion in revenue – a 5 percent jump – and if credit card fees are included, swipe fees cost merchants \$160.7 billion—the highest expense behind labor. Right now, banks with more than \$10 billion in assets can charge up to 21 cents per transaction, plus 1 cent for fraud and .5 percent of the transaction. The fed could lower that cap if it has determined that processing charges are declining—which, of course, with technological developments in the last 12 years, they have. Although details of the proposed revisions to the Board's debit interchange fee cap have not been released, the Wall Street Journal is reporting that the Fed plans to lower the allowable fee amount in the meeting on Wednesday. EMA and the Merchants Payment Coalition have been fighting to reduce debit and credit card fees for decades and a decrease of the debit fee rate cap will be a critical update.

Meanwhile, 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 credit card 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**](#)

Additionally, Arkansas and Oklahoma have joined the oil sector in opposing year-round sales of E15 fuel, which both state's governors believe will push U.S. refineries beyond their production capacity ultimately leading to higher prices for consumers. While 8 midwestern states are pushing for year-round waivers to sell E10 plus blends, refiners and suppliers are noting the change would significantly diminish their ability to maintain a sufficient supply of fuel to the states they supply since resources would be diverted from standard fuel production to production of E15. The ethanol industry opposes any proposed delay.

Finally, Senators Mike Crapo (R-ID) and Pete Ricketts (R-NE) introduced the "Choice in Automobile Retail Sales (CARS) Act," which would prevent efforts by the Biden Administration to impose a de facto electric vehicle mandate and would ensure Americans have access to choose the vehicles that meet their needs. Representative Tim Walberg (R-MI) first introduced the legislation in the U.S. House of Representatives on July 6, 2023. The House Committee on Energy and Commerce advanced the bill to the full House on September 1, 2023.

THE CORPORATE TRANSPARENCY ACT (CTA) - TAKES EFFECT JANUARY 1, 2024 WITHOUT FURTHER CONGRESSIONAL ACTION

In December 2020, Congress passed the Corporate Transparency Act (CTA) as part of the National Defense Authorization Act (NDAA). According to the Financial Crimes Enforcement Network (FinCEN), the purpose of the CTA is to "better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity" by [**creating a federal framework**](#) for reporting, storing, and disclosing beneficial ownership information of "reporting companies."

While the CTA was ostensibly targeted to foreign-owned companies, domestic companies – particularly small businesses – who meet the broad definition of reporting company will be affected by the CTA’s disclosure provision. The CTA takes effect on January 1, 2024 without further congressional action.

Compliance with the reporting requirements depends on the formation date of each reporting company. For entities formed prior to January 1, 2024, reports must be filed no later than January 1, 2025. If there is a change to the information previously submitted to FinCEN, an entity must file an updated report within 30 calendar days of the change occurring. The same applies for any situations where a reporting company becomes aware of an inaccuracy in a report.

For entities formed on or after January 1, 2024, reports must be filed within 30 calendar days of when it receives actual notice that its creation has become effective or when the secretary of state or similar office provides public notice of its formation, whichever occurs first.

What is a “Reporting Company?”

Under the CTA, a reporting company is defined as a corporation, a limited liability company, or other entity that is 1) formed by filing documents with a secretary of state or similar office of a state or Indian tribe or 2) formed under the law of a foreign country and registered to do business in the United States.

FinCEN has provided an extensive list of entities exempt to the term “reporting company.” Three such exempt entities include publicly traded companies, public utility companies, and entities that employ more than 20 employees, operate at a physical office in the United States, and filed federal tax returns demonstrating more than \$5 million in gross receipts or sales.

Even with the exemptions, tens of millions of entities will be required to file beneficial ownership reports with FinCEN. The filing requirements will affect a broad range of entities, including but not limited to smaller private companies and joint ventures that are not exempt.

What is Required to Be Reported and When?

Reporting companies will be required starting in 2024 to deliver to FinCEN a report containing the following information about the reporting company:

- Entity’s full legal name
- Trade names
- A complete current address
- The jurisdiction it was formed in or jurisdiction in which a foreign company first registers
- Internal Revenue Service Taxpayer Identification Number and Employer Identification Number

More notably, reporting companies must also furnish the following information to FinCEN about each beneficial owner and company applicant of the reporting company:

- Full legal name
- Date of birth
- Current business or residential address
- A unique identifying number from an acceptable identification document (i.e., passport, driver’s license, etc.) or FinCEN identifier

The CTA defines “beneficial owner” as an individual, who directly or indirectly, exercises substantial control over the reporting company or owns or controls at least 25 percent of the ownership interests of the reporting company. An individual exercises “substantial control” over an entity if the individual 1) serves as a senior officer, 2) has authority over the appointment or removal of a senior officer or a majority of the board of directors, or 3) directs, determines, or has substantial influence over important business decisions.

The CTA also excludes certain individuals and entities from the term “beneficial owner,” including minor children, individuals acting as agents, employees, individuals with a future inherited interest, and creditors. However, the parents of minor children – who would meet the beneficial owner standard but for the exception noted – must have their information reported, according to the CTA.

A “company applicant” is an individual who directly files the formation documents for the reporting company.

Violations and Penalties

A false, fraudulent, or incomplete beneficial ownership report constitutes a reporting violation only if it is the willful act of an individual. Failure to comply with the CTA reporting requirements can lead to significant civil and criminal penalties, including a maximum civil penalty of \$500 per day (up to \$10,000) and imprisonment for up to two years.

Who Has Access to the Reports?

FinCEN is required to maintain the information in these reports in a confidential, secure, and non-public database. Under the CTA, beneficial ownership information is neither publicly accessible nor subject to requests under the Freedom of Information Act. However, the CTA authorizes FinCEN to disclose beneficial ownership information to a) federal agencies engaged in national security, intelligence, or law enforcement, b) state, local, or tribal law enforcement for purposes of criminal or civil investigations, c) federal agency issued in response to a request for assistance to a foreign investigation or prosecution, d) financial institutions requesting this information, with the consent of the reporting company, to facilitate compliance with customer due diligence regulations, and e) federal functional regulators or other appropriate regulatory agencies. FinCEN is currently engaged in the rulemaking process for rules on protection and confidentiality regarding these reports.

The Protecting Small Business Information Act of 2023 (H.R. 4035), filed by Speaker Pro Tem and House Financial Services Chairman Patrick McHenry (R-NC) earlier this year, delays the CTA's reporting requirements from taking effect until Treasury finalizes its rulemaking process. Many trade and professional association groups have lobbied in support of H.R. 4035.

NATIONAL ACADEMY OF SCIENCES QUESTIONS ETHANOL'S EMISSIONS BENEFITS

Renewing the fight between ethanol and environmental groups, EPA's Science Advisory Board (SAB) is now questioning the emissions reduction potential on the RFS Program. This debate was ignited by the recent findings in the Proceedings of the National Academy of Sciences (PNAS) of the United States of America, a peer-reviewed multidisciplinary scientific journal. The study found that although science is divided on the issue, the carbon intensity of corn ethanol is as much as 24 percent higher than that of gasoline. As a consequence, the SAB sent a [letter](#) to EPA Administrator Michael Regan questioning the efficacy of the program in cutting emissions, and the Board met last month to discuss its findings. The SAB called on the EPA to further examine the RFS and set future rulemakings that directly address the scientific question of whether ethanol has lifecycle greenhouse gas emissions no higher than 80 percent of those of gasoline and diesel. Specifically, "The 2023 RFS rulemaking, governing volumes for 2023, 2024, and 2025, represents the first rulemaking under the Standard in which direct Congressional guidance on volume targets has now expired for all fuel categories, and the EPA is directed to set de novo volume targets, in consultation with the Department of Energy and the Department of Agriculture. The SAB has identified this as an opportunity for the EPA to incorporate the best available science on the environmental impacts of conventional and advanced biofuels in setting new volume requirements."

Some environmental groups supported the move, while ethanol industry supporters opposed the assertion. Geoff Cooper, CEO of the Renewable Fuels Association, "adamantly" disagreed with the SAB's assertion and argued the best available science shows "just the opposite." In a [letter](#) to Administrator Regan, Cooper pointed to a long list of research confirming ethanol's climate benefits by government entities such as the Departments of Energy and the Agriculture and the California Air Resources Board, as well as major universities. Studies from these institutions all show corn ethanol reduces greenhouse gas emissions by 40 to 50 percent compared to gasoline.

EMA OPPOSES NHTSA'S PROPOSED FUEL ECONOMY STANDARDS

This week, EMA submitted comments opposing the National Highway Traffic Safety Administration's (NHTSA) proposed fuel economy standards for light duty vehicles and trucks for model year 2027- 2032 and fuel efficiency standards of heavy-duty pickup trucks and vans for model years 2032-2035. The proposed rule will likely discourage investment in lower carbon liquid fuels. The focus on electric vehicle (EV) production will eliminate an opportunity to provide liquid fuels that immediately lower emissions not only for new cars, but for the heavy-duty trucks currently on the road. In addition, the proposed rule will limit consumer choice and threaten the viability and jobs of small business energy marketers around the country.

Unfortunately, the proposed rule fails to consider the lifecycle emissions associated with EV production, usage, and end-of-life disposal including emissions from raw material mining and refining, battery manufacturing, and electricity generation for EV charging. An assumption of zero emissions from electric vehicles fails to consider the significant emissions associated with a transition to EV.

Further, NHTSA fails to consider the logistics, investment, and timing associated with EV and battery production, electric generation and transmission, and EV charging to support a substantial increase in EV production. Achieving a significant ramp up of domestic supply of raw materials for batteries, mineral refining, and battery and vehicle manufacturing as well as upgrades to the electricity generation and transmission will be complex and take time.

HIGHWAY TRUST FUND: RUNNING ON EMPTY

On Wednesday, the House Transportation and Infrastructure's Subcommittee on Highways and Transit held a hearing entitled "Running on Empty: The Highway Trust Fund."

Subcommittee Chairman Rick Crawford (R-AR) told attendees that, "The Infrastructure Investment and Jobs Act" (IIJA) authorized \$118 billion in transfers into the Highway Trust Fund (HTF) to ensure the fund can meet its obligations until the law expires. Beyond the expiration of IIJA in 2026, the HTF will once again go broke, requiring additional congressional action to provide solvency for the fund."

Crawford noted that beginning in 2008, the Trust Fund relied on \$275 billion in transfers, mainly from the General Fund of the Treasury, to remain solvent. More fuel-efficient vehicles and the use of alternative fuel sources have contributed to the erosion of the Fund, and "electric vehicle drivers pay nothing at the federal level for their use of roadways." Furthermore, the Biden Administration's desired CAFE standards could result in reduced motor fuel consumption of 200 billion gallons by 2050 while the movement of freight is expected to increase by 50 percent in tonnage and double in value by 2050.

Hearing witnesses were Kris Strickler, Director, Oregon Department of Transportation; Dr. Chad Shirley, Ph.D., Principal Analyst, Microeconomics Studies Division, Congressional Budget Office; Jeff Davis, Senior Fellow, Eno Center for Transportation; and Reema Griffith, Executive Director, Washington State Transportation Commission.

Kris Stickler testified also on behalf of the American Association of State Highway and Transportation Officials and the group has identified three categories of revenue for the HTF: Raising the rate of taxation or fee rates of existing federal revenue streams into the HTF, examples include motor fuel taxes on gasoline and diesel (including indexing), user fee on heavy vehicles, and sales tax on trucks, trailers, and truck tires; Identifying and creating new federal revenue sources for the HTF, and; Redirecting current revenues (and possibly increasing the rates) from other federal sources into the HTF, examples include customs duties, income taxes, and other revenues from the general fund.

WEEKEND READS

[What Israel-Hamas war means for global oil market | Reuters](#)

[Biden sold off nearly half the U.S. oil reserve. Is it ready for a crisis? | Politico](#)

[Automakers Have Big Hopes for EVs; Buyers Aren't Cooperating | Wall Street Journal](#)

[GM delays Orion transition for EV truck production by one year | The Detroit News](#)

[Mayors can make or break Biden's EV plans | Politico](#)

[Electrical grids aren't keeping up with the green energy push. That could risk climate goals | AP News](#)

[GOP states raise fees on electric cars as gas tax revenue falls | The Washington Post](#)

FEDERATED INSURANCE: EMPLOYMENT PRACTICES NETWORK **HR QUESTION OF THE MONTH**

Federated Insurance's HR Question of the Month focuses on employment-related practices liability issues. This month's question is: Off-Duty Conduct. We have two employees who are friends and hang out together outside of work. However, they have been getting into disputes outside of work hours, and they're bringing their personal issues into the workplace. They recently had an argument and were shouting at each other in the office during work hours. What can I do? Am I allowed to discipline them for issues stemming from their off-duty conduct? Please click [here](#) to read the response.



For additional information or to discuss this in further detail, please contact your **Federated** regional representative or EMA's National Account Executive **Jon Medo** at 800.533.0472 for any additional information or risk management questions.



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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 [here](#) 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

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Petro Pete: Four fonts walk into a bar. The bartender says, 'Hey! We don't want your type in here!'

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