

## **UPCOMING FEDERAL REGULATORY COMPLIANCE DEADLINES**

1. *FMCSA Driver Drug and Alcohol Clearinghouse Online Database Registration*  
January 6, 2020  
Click [here](https://clearinghouse.fmcsa.dot.gov/) (<https://clearinghouse.fmcsa.dot.gov/>) for more information.
2. *OSHA Illness and Injury*  
February 1, 2020  
Click [here](https://www.osha.gov/recordkeeping/index.html) (<https://www.osha.gov/recordkeeping/index.html>) for more information.
3. *EPCRA Tier II Reports for Bulk Plants and Gas Stations Due*  
March 1, 2020  
Click [here](https://www.epa.gov/epcra/tier-ii-forms-and-instructions) (<https://www.epa.gov/epcra/tier-ii-forms-and-instructions>) for more information.

Got Questions? Contact Mark S. Morgan, PMAA Regulatory Counsel at [mmorgan@pmaa.org](mailto:mmorgan@pmaa.org).

## **SENATE MINORITY LEADER CALLS FOR MASSIVE EV EXPANSION**

In a New York Times op-ed this week, Senate Minority Leader Chuck Schumer (D-NY) said that if the Democrats win the Presidency and the Senate in 2020, he will introduce a \$400 billion cash-for-clunkers style program to end the existence of the internal combustion engine (ICE) and switch to an all-electric future.

Vouchers would start at \$3,000 to trade in HCEs for EVs, plug-in hybrids and hydrogen fuel cell vehicles. Lower income households could expect a larger trade-in amount. He also said that the legislation would spend \$45 billion in new grants to encourage the use of EV charging infrastructure and \$17 billion to transform the U.S. manufacturing sector to produce EVs. By 2040, all ICEs would be off the road. The total cost would be \$454 billion over ten years, according to his office.

## **RFS REVAMP LEGISLATION INTRODUCED**

This week, House Energy and Commerce Committee members John Shimkus (R-IL) and Rep. Bill Flores (R-TX) introduced the "21st Century Transportation Fuels Act," which aims to revamp the Renewable Fuel Standard (RFS) by moving towards a fuel performance standard to reduce emissions and preserve the liquid fuels industry. The bill is essentially identical to the draft legislation introduced last year which would nix the 15-billion-gallon corn ethanol mandate in 2022 and transition to a national octane standard. In other words, the legislation would swap out a government mandate for a performance standard that autos, refiners and petroleum marketers would need to meet. The legislation is highly unlikely to become law this Congress, but it could set the stage for an RFS revamp in the next Congress. Both Representatives Flores and Shimkus announced that they are not running for reelection in 2020.

The legislation aims to encourage the production of high compression engines (HCEs) warranted up to E20 and refiners to produce higher octane fuels known as 95 research octane number (RON) that would be compatible with HCEs. 95 RON is similar to today's premium fuel that would lower emissions and preserve the liquid fuels distribution network. Although PMAA is concerned that implementing a higher-octane fuel may be used as an excuse to mandate E15 or higher ethanol blends, moving towards a performance standard versus a government-imposed mandate may have its benefits by maintaining the liquid fuels marketplace. Given ethanol's octane boost, E10 would likely be used to meet the 95 RON standard.

PMAA applauds Reps. Shimkus and Flores' work on trying to find common ground between the corn, refining and marketing interests. While this legislation may be a mixed bag for petroleum marketers, keep in mind that current law puts the responsibility of the RFS in the hands of the EPA to set yearly RVOs following 2022. Therefore, this bill is the first step that serves as a blueprint for future legislation where all parties must give something up to preserve the liquid fuels industry. PMAA will continue to monitor the issue.

## **HOUSE HOLDS HEARING ON THE PROSPECTS OF DECARBONIZING TRANSPORTATION IN THE U.S.**

On Wednesday, the House Energy and Commerce Committee Subcommittee on Environment and Climate Change held a hearing entitled "Building a 100 Percent Clean Economy: Solutions for Planes, Trains and Everything Beyond Automobiles." According to committee Chairman Frank Pallone (D-NJ), the point of the hearing was to examine the challenges and opportunities with decarbonizing the U.S. transportation sector, and more specifically the decarbonization of heavy-duty trucks, buses, ships, aircraft, and rail.

Witnesses included: Jeremy Baines (President, Neste US. Inc.); Emily Wimberger (Climate Economist, Rhodium Group);

Wayne Eckerle (Vice President of Research and Technology, Cummins, Inc.); Adrian Martinez (Staff Attorney, Earthjustice); Fred Felleman (Commissioner, Port of Seattle and the Northwest Seaport Alliance); Timothy A. Blubaugh (Executive Vice President, Truck & Engine Manufacturers Association) and J.P. Fjeld-Hansen (Managing Director and Vice President, Musket Corporation, on behalf of the National Association of Truckstop Operators.)

In his opening testimony, Jeremy Baines discussed the future need for liquid fuels among heavy-duty trucks, buses, ships, aircrafts and rail to electric vehicles and other zero emission technologies. He stated, "medium- and heavy-duty transport, aviation, maritime and freight rail will continue to rely on a significant percentage of liquid fuels... the U.S. Energy Information Agency (EIA) projects that domestic diesel use will remain relatively constant and jet fuel use will grow significantly" in the coming years. He also discussed the significant challenges related to the electrification of these modes of transportation, including "battery size, weight, volume, range and charging duration."

Timothy Blubaugh also discussed challenges with converting heavy duty trucks to electrification, saying that "converting a commercial fleet to battery-electric technology is nothing like convincing a consumer to purchase a zero-emission passenger car. Attractive styling or effective marketing will not persuade trucking fleet's business managers (who are forced to operate on razor thin profit margins) that battery-electric trucks make financial sense.

J.P. Fjeld-Hansen, who spoke on behalf of the National Association of Truckstop Operators (NATSO), highlighted the unlevel playing field between fuel retailers and public utility companies. He stated, "Utility companies have for several years aggressively sought to enter the EV charging business. These utilities have successfully convinced public utility commissions ("PUCs") across the country to allow them to utilize ratepayer dollars to underwrite their investment in EV charging. Where this occurs, the utilities can compete with NATSO's members for EV consumers without putting a single dollar at risk. For this reason, many fuel retailers that may otherwise explore investing in EV charging infrastructure do not bother to do so."

PMAA shares the same concern as NATSO regarding the utility companies using their rate base to pay for EV infrastructure expansion. We believe this allows utilities an unfair competitive advantage over marketers and others who must economically justify at risk investments in new equipment such as EV charging stations. Further, the individuals who get the short end of the stick are the poor and middle class who are subsidizing the utilities ability to generate income from EV charging stations without at risk investment and the wealthy's ability to buy more EVs.

### **HOUSE COMMITTEE ADVANCES BILL THAT WOULD INCREASE E-CIGARETTE TAXES**

On Wednesday, the House Ways and Means Committee approved H.R. 4742, the "Protecting American Lungs Act," by a vote of 24-15. The vote was largely divided along party lines, although two Republicans voted for the bill, while one Democrat voted against it. Many Republicans opposed the bill because they claimed the bill was rushed through the committee without going through normal procedures such as holding hearings on the legislation.

The bill, sponsored by Reps. Suozzi (D-NY) and King (R-NY), would place a federal excise tax on e-cigarettes and vaping products equal to the amount of federal taxes on traditional cigarettes at \$1.01 per pack. The updated bill takes a more moderate approach than what Reps. Suozzi and King originally proposed, which would have taxed e-cigarettes and traditional cigarettes at around \$3 per pack and would have raised taxes on other tobacco products as well. In a statement, Rep. Suozzi said, "Increasing the cost of vaping will have a direct correlation to decreasing the usage of vaping products." In fact, the excise tax on e-cigarettes will be significant. According to the congressional Joint Committee on Taxation, the bill is expected to raise nearly \$10 billion over the next decade. Additionally, the committee expects demand for e-cigarettes and vapor products to decrease by 22% over the coming years.

The bill now moves to the full House for a vote. It is unclear if the bill will be attached to other vaping-related bills or if it will be voted on as standalone legislation. The bill, however, faces an uphill battle in the Senate. According to the communications director for Senate Finance Committee Chairman Chuck Grassley (R-IA), the committee does not currently have plans to hold a markup on any vaping tax bills. Furthermore, a large number of Senate conservatives do not support a tax increase on e-cigarettes and vaping products.

PMAA will continue to monitor this legislation as well as other legislation involving e-cigarettes.

### **PMAA OPPOSES NEW EFFORTS TO MANDATE REPORTING AND IMPOSE PRIVACY VIOLATIONS**

On Tuesday, the House of Representatives passed H.R. 2513, the "Corporate Transparency Act of 2019" (CTA), bipartisan legislation introduced by Congresswoman Maloney (D-NY), Chair of the Finance Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets, and Congressman King (R-NY). It was passed by a vote of 249-173. Prior to the vote, PMAA joined the NFIB Coalition of Associations that are opposed to H.R. 2513 in a letter of opposition to all House lawmakers.

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.

Last week, we reported on PMAA and the Coalition's opposition to the True Incorporation Transparency for Law Enforcement (TITLE) Act which is similar to the CTA. Both bills were created to shift the reporting requirements from large banks – those best equipped to handle reporting requirements – to millions of small businesses – those least equipped to handle reporting requirements.

Under the CTA, the reporting requirements would be duplicative and burdensome. Millions of small businesses would be required to register personally identifiable information with FinCEN upon incorporation and file annual reports with FinCEN for the life of the business. Failure to comply with these reporting requirements would be a federal crime with civil penalties up to \$10,000, criminal penalties up to 3 years in prison, or both. Furthermore, the bill would impose a \$5.7 billion regulatory burden on small businesses with 131.7 million new paperwork hours over 10 years.

The TITLE Act has two critical differences from the CTA. It would allow Congressional Chairman and Subcommittee Chairman the ability to access the information being filed (small business owners private beneficial ownership information) via a Congressional subpoena, and it would allow states to publicly post any and all of the information if they choose to do so.

Even though the bill passed, Republican opposition has grown significantly, from 40 percent Republicans supporting the Committee passed bill earlier this year, and only 13 percent of Republicans supporting the bill during the full House vote. That is a big win for the coalition. This sends a clear message to the Senate that this bill and this concept is not inevitable, and there is real, serious opposition from the business community and others.

### **PLEASE CONTINUE TO URGE CONGRESS TO EXTEND THE BIODIESEL BLENDER'S TAX CREDIT**

Please continue to remind your members of Congress to extend the \$1 per gallon biodiesel blender's tax credit.

Since 2005, there has been a \$1 per gallon biodiesel and renewable diesel blenders' tax credit which was created to stimulate production and consumption of biodiesel and renewable diesel. The biodiesel blender's credit has worked successfully to build a strong incentive for downstream fuel marketers to blend renewable fuel into the fuel supply which has lowered prices for motorists and heating fuels for consumers. As a result, the U.S. biodiesel and renewable diesel market has grown from roughly 100 million gallons in 2005 to nearly 2.6 billion gallons in 2017.

Unfortunately, the tax credit expired on December 31, 2017 and has been in limbo since. Congress must act before the end of this year to retroactively extend the credit for calendar year 2018 and through at least 2019. There is a chance that Congress will tack on a biodiesel tax credit extension to an end of the year funding bill so please reach out to your lawmakers.

Click [here](https://www.pmaa.org/advocacy/advocacy/#/26) (<https://www.pmaa.org/advocacy/advocacy/#/26>) to urge your members of Congress to renew the \$1 per gallon biodiesel blender's tax credit.

### **PLAN TO ATTEND THE 2020 WPMAEXPO**

# 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: *“Have you ever noticed that anybody driving slower than you is an idiot, and anyone going faster than you is a maniac?”***

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## **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.

