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PMAA COMMENTS ON CORPORATE AVERAGE FUEL ECONOMY (CAFE) STANDARDS

Today, PMAA submitted comments in support of the Department of Transportation's National Highway Traffic Safety Administration (NHTSA) and the EPA's Proposed Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks that would freeze CAFE standards and corresponding greenhouse gas standards at 2020 levels and revoke the rights of individual states to adopt more stringent emissions standards.

PMAA highlighted numerous reasons why current CAFE standards could impact petroleum marketers and how important the Trump Administration's proposed rule is needed:

- The proposed rule properly reflects the statutory factors that the Agencies must consider, including consumer acceptance, safety, technical feasibility, national security, and economic practicability.
- Current CAFE standards may lead to an increase in electric vehicle (EV) production which does not necessarily guarantee a CO2 footprint reduction given that EV power is likely to derive from traditional energy sources such as coal and natural gas.
- Aggressive CAFE standards set forth by the Obama Administration while maintaining requirements for ethanol volumes under the Renewable Fuel Standard (RFS) could potentially force higher ethanol blends into retail gasoline station underground storage tank systems that are not compatible with E10 plus blends.
- CAFE standards must be reduced to ensure that parties mandated to blend ethanol into gasoline under the Renewable Fuel Standard (RFS) can meet their blending obligations in a way that does not lead to gasoline price spikes at the pump.
- Petroleum marketers are placed at a competitive disadvantage when the utilities can use their rate base to pay for EV infrastructure expansion compared to small businesses petroleum marketers who must economically justify at risk investments in new equipment like EV charging stations.
- EV infrastructure expansion puts a financial burden on poor and middle-class consumers who must subsidize these EV charging stations operated by utilities but cannot afford EVs.

PMAA TEAMS UP WITH WORLDPAY TO OFFER PETROLEUM MARKETERS DISCOUNTED PROCESSING RATES

PMAA has negotiated a new contract extension with Worldpay that went into effect recently. The exclusive agreement offers discounted processing rates (0.029 cents) that cannot be increased during the term of the agreement to our state association members. Our efforts to receive superior pricing were achieved by partnering with NACS. Both PMAA and NACS combined their number of locations on the credit card program which will result in lower transaction fees to our members as both programs grow. Other than combining the total number of locations to receive lower fees, the two programs will be managed and run separately with procedures in place to ensure members of both associations are placed in the correct program.

Worldpay is a significant player in the un-branded and mid-tier payments industry and leader in value-added services. Please reach out to Dan Fisher for additional information on the program and endorsement opportunities. He can be reached at Daniel.Fisher@worldpay.com or at 972-213-6954.

DETAILS OF A POSSIBLE INFRASTRUCTURE PACKAGE NEXT YEAR

In July, outgoing House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) released draft legislation which calls for phasing in a 15-cent gasoline and 20-cent diesel tax increase over three years to ensure that the Highway Trust Fund (HTF) stays solvent over the next decade. After three years, the taxes would be indexed to inflation. However, at a White House event this week, Transportation Secretary Elaine Chao said that all options are on the table regarding how an infrastructure package would be funded. She stated that the Trump administration is considering an increase in the federal motor fuels excise tax, while Democrats may consider a carbon tax.

Although many Democrats have advocated for a carbon tax, a Republican, Rep. Carlos Curbelo (R-FL), formally introduced the "Market Choice Act," (H.R. 6463) in July which would replace the federal motor fuels tax with a \$23 per ton economy-wide carbon tax on emissions from oil refineries, gas processing plants and coal mines beginning in 2020. The bill would also direct 70 percent of revenues to the Highway Trust Fund and includes a border adjustment tax (BAT) meaning fees could be assessed on imported products from countries without a carbon tax and outlines various points of taxation, among other provisions, that would have far reaching economic impacts across numerous sectors. PMAA has serious concerns with this carbon tax legislation because the cost will not be readily visible to the public and it would likely put the EPA in charge of who pays into the Highway Trust Fund.

Meanwhile, Chairman Shuster's draft bill would begin taxing infrastructure users that can currently avoid taxation such as a

10 percent user fee on electric batteries and adult bicycle tires and would also eliminate full and partial fuel tax exemptions for public transit and intercity buses. Furthermore, the legislation would create a voluntary pilot program to test the feasibility of a vehicle miles traveled (VMT) to replace the federal motor fuels excise tax. Ways to track mileage would possibly include: phone apps, in-car diagnostic systems, etc. By having a VMT and/or the provision included in the draft bill that would tax electric vehicles (EVs), the legislation is a conversion starter to ensure that all highway users pay their fair share. Currently, EVs are exempted from paying any type of highway tax. Fortunately, the draft legislation does not include language that would commercialize rest areas or allow existing highways to be tolled. Keep in mind that the Trump administration called for ending the federal prohibition on tolling existing highways and commercializing rest areas.

If Democrats take back the House, a potential Highway bill may be one of the few issues that both parties may be able work across the aisle.

LAWMAKERS URGE EPA NOT TO REVOKE CALIFORNIA'S FUEL ECONOMY WAIVER

Trump Likely to Nominate Wheeler as EPA Administrator

Last week, 68 lawmakers sent a letter to EPA Acting Administrator Andrew Wheeler urging him not to revoke California's waiver to set more stringent vehicle efficiency standards. The bipartisan group of signatories said the Trump administration's proposed plan to freeze fuel economy standards at 2020 levels would penalize states that want to exceed national goals to benefit public health. Twelve other states and the District of Columbia follow California's standard, which makes up to 1 of 3 cars sold in the United States.

This week, President Trump indicated that he is likely to nominate EPA Acting Administrator Andrew Wheeler as EPA Administrator. If so, Wheeler will again have to seek Senate confirmation, but his approval would certainly be granted by the Senate.

PLAN TO ATTEND THE 2019 WPMAEXPO



Mark your calendars for February 19-21, 2019. Make plans now to attend the 2019 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 19-21, 2019 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

May 2-3, 2019 – Nevada (NPM&CSA) – Big Dogs – Las Vegas, NV

June 4-6, 2019 – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Fairmont, MT

June 20, 2019 – Utah (UPMRA) Summer Golf Classic - South Mountain Golf Course, Draper, UT

June 17-20, 2019 – Washington (WOMA) Convention – Suncadia Resort, Cle Elum, WA

August 5-7, 2019 – Idaho (IPM&CSA) Convention – Sun Valley Resort, Sun Valley, ID

August 19-21, 2019 – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM

September 11-13, 2019 – Utah (UPMRA) – Convention – Zermatt Resort, Midway, UT

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Petro Pete: “I intend to live forever, or die trying.”

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