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



Energy Marketers of America File Antitrust Action to Block Automakers' Agreement with California to Electrify Heavy-Duty Truck Fleets

On Tuesday, the State of Nebraska, the Energy Marketers of America, and Renewable Fuels Nebraska (RFN) filed an antitrust action in the District Court of Nebraska, Lincoln County, alleging that the 2023 "Clean Truck Partnership" agreement (CTP) between all major domestic manufacturers (OEMs) of medium and heavy-duty vehicles (MHDVs) and the California Air Resources Board (CARB) is anti-competitive.

The CTP commits the OEMs to meet CARB's zero-emission mandates for MHDVs, including the timelines (100 percent by 2036) in California's Advanced Clean Trucks and Advanced Clean Fleets programs, irrespective of any litigation challenging the State's regulations or CARB's authority to implement them. It also commits the OEMs to follow CARB's regulations in every state that has or "will" adopt them – again, even if they are ultimately found to be unlawful. Based on the CTP, the OEMs will reduce their output of internal combustion engine (ICE) vehicles, thereby eliminating consumer choice, and in turn drive-up prices for those same vehicles in Nebraska and elsewhere to subsidize the so-called "transition" to zero-emission vehicles (ZEVs). Further, the OEMs' broad promise to follow CARB's regulations in other states that purportedly "will" adopt them, and to not oppose any such out-of-state proposals, reflects the OEMs' intention to reduce output and raise prices in states that have not and may never adopt such regulations, including Nebraska.

Unfortunately, consumers will have fewer options and be forced to pay higher prices for their preferred ICE vehicles – while these vehicles are still available. When the supply of ICE vehicles runs dry, consumers will be left to purchase ZEVs they do not want – vehicles that come with a sticker price two or three times higher than comparable ICE vehicles.

Ultimately, the CTP ensures that each OEM electrifies its MHDV fleet at the same pace and on the same timeline to guarantee that no member sustains any competitive disadvantage. This is done largely at the expense of states, such as Nebraska, which have no intention of following California's regulations, and at the expense of consumers who have no desire to purchase ZEVs but will have to pay higher prices for the ICE vehicles they want. The bottom line is that the CTP is anti-competitive.

"Unfortunately, the OEMs' and CARB's aggressive attempt to electrify the heavy-duty transportation sector will limit consumer choice, increase Americans' utility bills to subsidize a massive expansion of the electric grid for EV charging, and threaten the viability and jobs of small business energy marketers around the country," said EMA President Rob Underwood.

Today, electrified heavy-duty vehicles make up just one tenth of one percent of all heavy vehicles. Unfortunately, the OEMs and CARB want to arbitrarily increase that figure exponentially over the next several years. This forced transition to electric trucks will increase the cost of procuring the trucks that the Energy Marketers of America's members need to continue serving American motorists.

In the antitrust complaint filed Tuesday, the Energy Marketers of America urges the court to declare the CTP null and void. **Click here** to read the complaint.

Senate Approves Transportation Security Screening Modernization Act

Yesterday, the Senate approved the *Transportation Security Screening Modernization Act* by unanimous consent, S. 3959, that would eliminate costly background check redundancies within the Transportation Worker Identification Credential (TWIC), Hazardous Materials Endorsement (HME), and TSA PreCheck programs. Now it is up to the House to approve the bill before the end of this year.

"By combining each of the different steps along the credentialing process into one cohesive process, this legislation will help eliminate this logiam and get these drivers out on the road more quickly while, at the same time, maintaining the same levels of scrutiny," said EMA President Rob Underwood. In fact, the Government Accountability Office (GAO) had recommended these steps be taken in 2007 especially since all it does is smooth out an unnecessarily cumbersome credentialing process.

EMA urges jobbers and retailers to reach out to their Representatives and urge them to support the Transportation Security Screening Modernization Act by **clicking here**.

Senate Committee Examines Swipe Fees

This week, the Senate Judiciary Committee held a long-awaited hearing "Breaking the Visa-Mastercard Duopoly: Bringing Competition and Lower Fees to the Credit Card System," and heard from witnesses on swipe fees. EMA is a member of the Merchant's Payment Coalition (MPC) and NACS's Doug Kantor testified on behalf of MPC during the hearing.

Senate Majority Whip Dick Durbin (D-IL), Chair of the Senate Judiciary Committee, sponsored MPC's supported <u>Credit Card Competition Act</u>, bipartisan legislation that would enhance competition and choice in the credit card network market, which is currently dominated by the Visa-Mastercard duopoly. Building off debit card competition reforms enacted by Congress in 2010, the Credit Card Competition Act would direct the Federal Reserve to ensure that the largest credit card-issuing banks offer a choice of at least two networks, one of which must be a network other than Visa and Mastercard, over which an electronic credit transaction may be processed.

Visa and Mastercard wield enormous market power in credit cards; according to the Federal Reserve, they account for nearly 576 million cards. Visa's and Mastercard's market power and network structure have enabled them to impose fees on U.S. merchants that are among the world's highest, charging more than \$100 billion in U.S. merchant credit card fees in 2023 alone. These fees include interchange fees which Visa and Mastercard require merchants to pay to issuing banks, as well as network fees that Visa and Mastercard require merchants to pay directly to them.

In his testimony, NACS's Doug Kantor pointed out that the huge costs of the system, which disproportionately impact lower-income Americans, are "an ongoing problem, and consumers don't know it. Everything about this is hidden from them. They're not aware of the role Visa and MasterCard play. They're not aware of the other processors in the system. They're not given information about the pricing or the fact that there's any fees at all." Retailers, restaurants, and other small businesses have no ability to negotiate these fees, which can run anywhere from one to three percent of the total bill. The only 'choice' they have is to accept Visa- and Mastercard-branded credit cards and pay the fee or refuse to accept the cards entirely—which, in this day and age, is no choice at all for most retailers.

During the hearing, Durbin questioned Bill Sheedy, Senior Advisor to the CEO of Visa, Inc., about the lack of competition in the credit card market and its impact on interchange fees.

Durbin first highlighted the skyrocketing cost of interchange fees in the U.S. verse the European Union (EU). In the EU, credit card interchange fees are capped at 0.3 percent of the payment value for most transactions, and in Australia they are capped at 0.8 percent. Despite these lower interchange fees, Visa and Mastercard both continue to operate secure and efficient credit card networks in both Australia and the EU, and banks there continue to issue credit cards that offer rewards. "The bottom line is that they [Visa and Mastercard] are profitable in Europe even when restricted to 0.3 percent interchange fees. It is also very clear that when it comes to these interchange fees and the frequent flyer programs, they are still offering them in Europe," Durbin stated.

Regarding Visa's then-Vice Chairman and Chief Financial Officer, Mr. Vasant Prabhu, statement that "[T]o the extent that there's inflation, driving up ticket size, clearly, it's beneficial to us...So net-net, I mean we are a beneficiary of inflation." Durbin asked how that would be possible and added "So as American families are struggling to survive because of inflation, you are doing well as long as the ticket size goes up and your percentage applies, correct?" Video of Durbin's questions in Committee is available here.

Inside the Beltway Update

This week, Congress worked on funding for fiscal year (FY) 2025 with the government funding deadline of December 20 approaching. However, Congress is expected to push the deadline to March or April 2025. This would be after Republicans take control of the House and Senate. To do this, Congress will likely pass another short-term funding measure (continuing resolution or CR) after Thanksgiving. With new Republican majorities, there is a possibility that some FY 2025 funding bills will be rewritten to match their priorities.

Meanwhile, the White House submitted a \$100 billion emergency funding request to Congress for disaster relief. This would cover FEMA's Disaster Relief Fund (DRF) to address recent natural disasters, as well as additional funds for other federal agencies. Congress will likely consider this request as part of a funding package after the holiday break.

In leadership news, both the House and Senate held elections and discussed policy for the upcoming 119th Congress. On Wednesday, House Majority Leader Steve Scalise (R-LA) briefed Republicans on a framework for a reconciliation package. This package could include major tax reform and energy bills, like updates to the 2005 Energy Policy Act, aimed at reducing costs and inflation. Some senior House Republicans have suggested setting an October 1, 2025 deadline to pass the package before the 2026 primaries.

Federal Judge Invalidates Overtime Rule

The U.S. District Court for the Eastern District of Texas issued its ruling which permanently blocks the Biden Administration rule - invalidating the entirety of the Department of Labor (DOL)'s overtime final rule. In his ruling, Judge Jordan stated that while DOL has the authority to define and delimit the terms of the overtime exemption, "that authority is not unbounded," that the ruling improperly bases eligibility for overtime pay on workers' wages rather than their job duties.

U.S. District Judge Sean Jordan explained, "the minimum salary level imposed by the 2024 Rule 'effectively eliminates' consideration of whether an employee performs 'bona fide executive, administrative, or professional capacity' duties in favor of what amounts to a salary-only test." He also said that the Department's automatic updates to the minimum salary threshold every three years "violates the notice-and-comment rulemaking requirements of the [Administrative Procedure Act]." Jordan, who was appointed by Republican President-elect Donald Trump in his first term, struck down the rule after saying in June that it was probably invalid and temporarily blocking it from being applied to Texas state employees.

The rule would have required employers to pay overtime premiums to salaried workers who earn less than \$58,600 per year, when they work more than 40 hours in a week, beginning Jan. 1, 2025, and it had temporarily raised the threshold to about \$44,000 per year on July 1.

Because of today's decision, the minimum salary threshold which increased in July is once again set to \$35,568, and the threshold for highly compensated employees is set to \$107,432.

Although DOL may appeal the decision to the 5th Circuit, under the new Administration, DOL will almost certainly abandon its defense of the rule. Over the next four years, it may choose to issue its own rulemaking to update the threshold.

Weekend Reads

Nebraska sues four major semitruck manufacturers nationwide for antitrust violations

EV Demand Could Drop 27% Without Tax Credit | Transport Topics

Automakers urge Trump to preserve EV tax credits, boost self-driving cars

Trump administration plans to roll back Biden's stricter fuel-efficiency standards | Reuters

Trump names North Dakota Gov. Burgum to combined Interior, energy role | Yahoo News

Trump Could Make Biden's EV Mandates Obsolete, Revamp Auto Industry With One Move

What Trump's Second Term Could Mean for the Top U.S. Cyber Agency

Alberta Pushes for More Oil Pipelines to US as Trump Returns | Yahoo News



The Power of Planning: Changing Driving Behaviors

A recent study estimates that 29% of all traffic-related deaths are due to distractions. Distracted driving is a choice — one that can have <u>serious consequences</u> for everyone sharing the road. Ultimately, you and your employees need to make choices that impact everyone's safety and well-being while driving.

One way to do this is to remind your employees to plan ahead before driving by using the following tactics:

- Silence Phone Notifications: Before hitting the road, silence your phone to avoid the temptation to check it during your drive.
- **Prepare Your GPS in Advance:** Set up your GPS and review your route before starting your journey to help prevent last-minute distractions.
- Check Conditions: Look for detours, traffic updates, and weather forecasts to better plan your route and avoid sudden changes.
- Communicate Plans: Inform others when you leave and your expected arrival time to keep them updated without needing to check your phone.
- Pull Over for Calls: If you need to make a call or send an update, find a safe place to pull over first.
- Use a Driving Telematics Program: Utilize in-cab technology or <u>driving telematics programs</u> to enhance your accountability and safety on the road.

By encouraging these responsible habits, you can reinforce safer driving behaviors for your employees. Reach out to your local Federated® marketing representative to learn more about how planning ahead to prevent distracted driving, along with telematics programs like Federated DriveSAFESM, can help your drivers stay safe.

1. U.S. Department of Transportation. 2024 Progress Report on the National Roadway Safety Strategy. Accessed 9/19/24.

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2025 WPMAEXPO SPEAKERS



Keynote: Donald Trump Jr.

Donald Trump Jr. is an innovator and leader in today's business world. As Executive Vice President at The Trump Organization, he actively oversees the organization's extensive property portfolio. As a bestselling author he is known for his sharp insights and outspoken commentary on politics, business, media bias, and contemporary American culture.



Ladies Luncheon: Riley Gaines

Riley Gaines competed and tied with trans-identifying male swimmer, Lia Thomas, at their NCAA championships. Since directly experiencing the injustice of allowing men in women's sports, Riley has been outspoken on why this issue is blatantly unfair and harmful to female athletes.



Thursday Speaker: Alex Epstein

The Moral Case for Fossil Fuels

Founder and President of the Center for Industrial Progress (CIP) and bestselling author of *The Moral Case for Fossil Fuels*, Alex Epstein challenges conventional views on climate change and advocates for expanding fossil fuel use.

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Attention Exhibitors! Registrations included with the booth will be available with the exhibitor kit in November.

WPMA HAS NOT contracted with any service to book accommodations for the convention. Reservations made through any outside agency will be at your own risk. If you have any questions, please contact the WPMA staff at 801-263-9762.

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Starting in 2025, the WPMA Scholarship Foundation will award FOUR \$10,000 scholarships to students of marketer members and ONE \$6,000 scholarship for associate members.

PLEASE NOTE UPCOMING DATES FOR WPMA EVENTS

December 5, 2024 - Washington (WIDE) Holiday Party - Topgolf - Renton, WA

December 11, 2024 - Oregon (OFA) Holiday Party - Portland Golf Club - Portland, OR

February 18-20, 2025 - WPMAEXPO, MGM Grand Resort, Las Vegas, NV

April 24-25, 2025 - Nevada (NPM&CSA) Big Dogs Event - Red Rock Casino/Angel Park Golf Course

June 3-4, 2025 - Montana (MPMCSA) Convention - Fairmont Hot Springs - Fairmont, MT

June 18-20, 2025 - Washington (WIDE) Convention - Davenport Hotel - Spokane, WA

July 20-22, 2025 - Oregon (OFA) Conference - Sunriver Resort - Sunriver, OR

July 30-August 1, 2025 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID

August 19-21, 2025 - New Mexico (NMPMA) Convention - Sandia Resort - Albuquerque, NM

September 9-11, 2025 Utah (UPMRA) Convention - Park City Sheraton, Park City, UT

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HERTZ CAR RENTAL

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Petro Pete: Who were Frosty's parents? Mom and Popsicle.

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