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### **TAX BILL GOES TO CONFERENCE**

Late last week, the Senate passed its version of a tax reform bill by a vote of 51-49. Because the chambers have passed different versions of the bill, the differences must now be reconciled through a conference committee. House Republican and Democratic leadership have named the following fourteen members to the conference committee - Don Young (R-AK), Sander Levin (D-MI), Fred Upton (R-MI), Richard Neal (D-MA), Lloyd Doggett (D-TX), Kevin Brady (R-TX), John Shimkus (R-IL), Rob Bishop (R-UT), Raul Grijalva (D-AZ), Devin Nunes (R-CA), Kathy Castor (D-FL), Peter Roskam (R-IL), Diane Black (R-TN), and Kristi Noem (R-SD). The Senate voted to proceed to a conference committee. The following Senate Republicans have been named to serve on the conference committee – Orrin Hatch (R-UT), Michael Enzi (R-WY), Lisa Murkowski (R-AK), John Thune (R-SD), Rob Portman (R-OH), Pat Toomey (R-PA), and Tim Scott (R-SC). The Senate Democrats include: Senate Finance Committee ranking member Ron Wyden of Oregon, Maria Cantwell (D-WA), Debbie Stabenow (D-MI), Bob Menendez (D-NJ) and Tom Carper (D-DE). The other appointees are Bernie Sanders (I-VT) and Patty Murray (D-WA). Committee negotiations are expected to begin as early as this week.

The Small Business Legislative Council (SBLC) recently released a comparison summary of the House passed tax reform package and the Senate Finance Committee passed version. Go here to read the analysis. ([http://www.pmaa.org/weeklyreview/attachments/SBLCAlert\\_1218\\_No\\_19.pdf](http://www.pmaa.org/weeklyreview/attachments/SBLCAlert_1218_No_19.pdf)) PMAA sits on the SBLC Board of Directors and provides input on tax related issues facing petroleum marketers.

Now that both chambers have passed their own tax bills, they will need to reconcile differences. That bill would then need to be approved by both chambers before heading to President Trump's desk. Lawmakers are hoping to put a final comprehensive tax bill on President Trump's desk before Christmas.

### **PRUITT TESTIFIES BEFORE CONGRESS SENATORS MEET WITH PRESIDENT OVER BROKEN RFS**

Yesterday, EPA Administrator Scott Pruitt testified before the House Energy and Commerce Subcommittee on Environment. Pruitt acknowledged that the RINs market is in need of reform and accountability. Merchant refiners have complained to the EPA that they are unable to blend renewable fuel and instead must rely on the volatile and costly RIN market to purchase credits to meet their annual volumetric blending mandates under the RFS. In addition, they say the combination of high RIN costs and below market pricing at the pump are threatening the long-term viability of their operations.

Meanwhile, President Trump, Agriculture Secretary Sonny Perdue, Energy Secretary Rick Perry, EPA Administrator Pruitt and several Senators who have concerns with the broken RFS met yesterday to discuss a path forward. The Trump Administration acknowledged the issues surrounding the RFS and agreed to work with them and Senators from the corn belt to reach a compromise. PMAA is concerned about the high value of RINs as it has picked winners and losers in the motor fuels market which is based on an artificial government mandate. At the meeting, a cap on the price of RINs was discussed to prevent the artificial price spikes that have negatively impacted refiners.

On November 9, PMAA sent a letter to Senate Environment and Public Works Committee Chairman John Barrasso regarding concerns over the ethanol mandate. In the letter, PMAA highlights that the vast majority of the nation's retail outlets, 95 percent of which are owned by independent petroleum marketing businesses, cannot legally store and dispense blends of gasoline over 10 percent ethanol. Existing equipment is certified for a maximum E10 blend.

Currently, there is no viable way for UST system operators to demonstrate that existing equipment is compatible with gasoline blends over E10.

### **LETTER SENT TO ARIZONA LAWMAKERS OPPOSING INTERSTATE REST AREA COMMERCIALIZATION**

This week, PMAA joined 11 other associations sending a letter (<http://www.pmaa.org/weeklyreview/attachments/CongressionalCommercializationLetters1217.pdf>) to Arizona members of Congress detailing our opposition to the privatization and commercialization of interstate rest areas. This letter was sent in response to a letter from Arizona Governor, Doug Ducey, who requested a waiver from the U.S. Department of Transportation for the state of Arizona from the 60-year-old prohibition on the sale of food, fuel and other commercial services at Interstate rest areas.

PMAA opposes commercializing rest areas because they could jeopardize private businesses that have operated under the current law for the past 50 years and established locations at highway exits. Due to their convenient locations for

motorists, state-owned commercial rest areas have established virtual monopolies on the sale of services to highway travelers. Allowing corporate logo advertising would not only hurt petroleum marketers and small businesses, but would also create a safety hazard. The ban on the commercialization of rest areas has resulted in a strong, competitive economic environment with over 60,000 businesses developing along U.S. interstate highways. Prohibiting publicly-run rest areas from competing with private sector businesses has been an undeniable success, resulting in industries that provide valuable services such as gas stations, travel plazas, truck stops, restaurants, and hotels.

### **LAWMAKERS PASS SPENDING MEASURE TO AVOID A GOVERNMENT SHUTDOWN**

After President Trump met with Republicans and Democrats yesterday to negotiate a long-term budget agreement, the House and Senate passed a two-week spending bill to keep the government open through December 22. Passage of the measure was intended to give President Trump and Congress time to negotiate spending levels for defense and nondefense spending for the next two years.

The stop gap spending bill also provides additional funding to states that are running out of federal funds under the Children's Health Insurance Program (CHIP). However, the bill did not include additional disaster aid that the Trump administration had requested for areas affected by hurricanes Harvey, Irma, and Maria.

The bill's passage now sets up intense negotiations between Republicans and Democrats in the coming days. Republicans will need Democrats support to pass a broader spending agreement to fund the government through 2018, and Democrats are making significant policy demands for their votes. Democrats have made it clear that they would like to have Dreamers be protected from the possibility of deportation, among other demands.

### **TRADE COMMISSION IMPOSES DUTIES ON BIODIESEL IMPORTS FROM ARGENTINA AND INDONESIA BIODIESEL TAX CREDIT LIKELY TO BE INCLUDED IN TAX EXTENDERS PACKAGE**

This week, the U.S. International Trade Commission found there was enough evidence of injury to U.S. producers to justify sanctions, and the panel approved duties on imports of biodiesel from Argentina and Indonesia by a 4-0 vote. This critical step allows the Commerce Department to issue final countervailing duties which will be in the range of 72 percent on imports from Argentina and 35 to 65 percent on imports from Indonesia. Importers have already been required to post cash deposits based on those rates.

Also, Sen. Grassley (R-IA) indicated recently that the \$1-per-gallon biodiesel tax credit that expired in 2016 will likely be included in the tax extenders package currently being assembled. However, he mentioned no specifics on whether it will be a blender or producer credit. Given the ITC decision, arguments that the credit should be moved to the producer level have lost momentum.

PMAA is working to ensure that the tax credit remains at the blender level.

### **BOOK YOUR ROOM NOW FOR THE 2018 WPMAEXPO**

Our hotel block for the 2018 WPMAEXPO is open and available at \$149/night and has been extended until December 15, 2017.

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**May 3-4, 2018** – NPM&CSA Big Dogs – Red Rock Casino – Las Vegas, Nevada

**June 5-7, 2018** – MPMCSA Convention & Expo – Fairmont, MT

**June 18-21, 2018** – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

**August 8-10, 2018** – Idaho (IPM&CSA) Convention – Coeur d’Alene Resort – Coeur d’Alene, Idaho

**August 20-22, 2018** – New Mexico (NMPMA) Convention – Sandia Resort & Casino, Albuquerque, NM

**September 12-14, 2018** – Utah (UPMRA) Convention – Doubletree by Hilton, Park City, UT

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**Petro Pete: “Light travels faster than sound. This is why some people appear bright until you hear them speak.”**

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