

December 9, 2016

Visit us online at www.wpma.com

WP-12-09-16

NEW DATE FOR PMAA'S DC CONFERENCE AND DAY ON THE HILL

This week, the House of Representatives released its [2017 calendar](#), and unfortunately, the House is not in session the week of May 8-12th when PMAA's DC Conference and Day on the Hill are scheduled.

These dates are locked in with the Marriott three years in advance so sometimes this happens.

The good news is that PMAA was able to secure availability at the Marriott at Metro Center for the following week when Congress is in session.

Therefore, the new dates of PMAA's DC Conference and Day on the Hill is Wednesday- Friday May 17-19th, 2017. (Day on the Hill on Thursday, 18th)

The registration site will be up and running later this month.

PMAA SUBMITS COMMENTS ON PROPOSED SPEED LIMITER RULE FOR HEAVY DUTY TRUCKS

PMAA submitted [written comments](#) this week to the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) calling on the agencies to withdraw a controversial proposed rule to mandate speed limiters in heavy duty trucks weighing over 26,000 pounds. The proposed rule would require all newly manufactured heavy duty trucks to be equipped with speed limiters set to a maximum speed that will be included in the final rule. NHTSA is proposing to set the maximum speed at either, 60 mph, 65 mph or 68 mph based on written comments received from interested parties.

A major concern for petroleum marketers is the possibility that the speed limiter mandate would be made retroactive to trucks manufactured after 1990. PMAA opposed any retrofit requirement in its written comments. PMAA told the agencies that there is insufficient data to move forward with the rule. PMAA pointed out that the proposed rule does not adequately weigh the cost on how the rule would impact small business motor carriers.

In addition, the proposed rule failed to demonstrate through comprehensive data and conclusive studies that the speed differential between cars and trucks created by a speed limiter mandate would not adversely affect highway safety. Finally, PMAA told the agencies that the one size-fits-all regulatory framework that would be imposed across the industry was too broad because short-haul, private carriers who operate locally spend far less time operating at speeds that limiters would address than long-haul for hire motor carriers operating on interstate highways.

PMAA intends to work with the Small Business Administration's Office of Advocacy to force the FMCSA and NHTSA to undertake a thorough small business cost benefit analysis as required by law.

FINAL SNAP RETAILER RULE RELEASED

Yesterday, USDA released the final "Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)" rule. While there are improvements from what was originally proposed, the final rule still presents challenges and additional costs for retailers to participate in the program especially small business c-store owners.

Below is a summary:

- To continue to accept SNAP benefits at your store you will need to have at least 84 staple food items (**not 168 as was proposed**) on your shelves regularly starting one year from the date that this rule becomes effective. This minimum stock of 84 items includes: 7 varieties in each of the 4 staple food categories: 1. Veggies/fruits 2. Dairy 3. Meat 4. Bread/cereals, and **3 (not 6 as was proposed)** units of each variety. **According to USDA, two industry associations (PMAA and the Nebraska Grocery Industry Association) suggested that reconsideration of six different units of any food item in a store at any given time should be made, dropping that requirement to a lower number, such as three.**
- Variety means different kinds of products in each of the four staple food categories. Variety is usually defined by the main ingredient or kind of product. Under longstanding FNS policy, different brands, formats, flavors, or types of the same product are not considered different varieties. Apples, carrots, and pears are considered three different varieties in the vegetables or fruits staple food category, but tomato sauce, tomatoes, and 100 percent tomato juice are only considered one variety in the vegetables or fruits staple food category (tomato). For lists of accepted food varieties, click [here](#).

- Retailers will be able to show a USDA inspector that he/she is in compliance with the stocking requirements by showing that he/she had ordered and/or received the required stock no more than 21 days prior to being inspected.
- The final rule raises the required number of staple food categories containing at least one **perishable foods variety from two to three**, where “perishable foods” are defined as items which are either frozen, fresh, unrefrigerated, or refrigerated staple food items that will spoil or suffer significant deterioration in quality within three weeks. USDA references PMAA’s comments to the proposed rule that the depth of stock requirement would be particularly onerous for small businesses to comply with, because unlike large retailers, they are constrained by limited shelf and storage space in which to display and house products. PMAA commented further, “If fifty percent of perishable foods exceed the expiration dates or spoils, and PMAA expects that will be the case for most of the perishable food in the smallest stores, that \$140 capital investment is a recurring \$3,640 per year investment (\$70 x 52 weeks) by the site operator to remain eligible.” Click [here](#) to view all of PMAA’s comments.
- If you don’t yet accept SNAP benefits at your store, but want to apply to do so, you will need to have at least 84 staple food items on your shelves regularly starting four months from the date that this rule becomes effective (as early as January 7, 2017).
- Multiple ingredient foods **will continue (proposed rule wouldn’t count multiple ingredient foods)** to be counted as staple foods in the category of their main ingredient. This means that a can of cream of mushroom soup with a listed main ingredient of “mushrooms” would be considered a staple food in the vegetables or fruits staple food category.
- Snacks and desserts, such as potato chips and ice cream, are not considered staple foods. Spices, most beverages, seasonings, and other food items that complement or supplement meals are also not considered staple foods. These products are considered accessory food items. While still eligible for purchase with SNAP benefits, accessory food items do not count towards one of the required 84 items.
- Also if more than **50 percent (not 15 percent as was proposed)** of your business’s **total gross sales** (not total food sales) come from prepared foods cooked or heated onsite by the retailer, before or after purchase, you will no longer be eligible to accept SNAP – ***PMAA pushed back hard on the total food sales language as that would have been particularly harmful for smaller retailers.***
- If you are a store owner who accepts SNAP benefits and your store breaks SNAP rules, then your name, the name of your store, and the nature of your violation will be made public starting on the date that this rule becomes effective.
- The rule does not change what food is eligible for purchase with SNAP benefits.

The table below shows the number of items required under the new requirement, the proposed requirement, and the old requirement.

	NUMBER OF STAPLE FOOD CATEGORIES	NUMBER OF STAPLE FOOD VARIETIES PER CATEGORY	NUMBER OF STOCKING UNITS PER VARIETY	TOTAL NUMBER OF FOOD ITEMS REQUIRED
New Requirement	4	7	3	84
Proposed Requirement	4	7	6	168
Old Requirement	4	3	1	12

Regarding the SNAP program, on Wednesday House Agriculture Committee Chairman Mike Conaway (R-TX), released a committee report based on 16 hearings he’s called to review the performance of the SNAP. Based on report findings, clear program goals and more flexibility for states is needed, however, the program does not need to be completely gutted. Still, House Republicans are laying the groundwork for a fresh effort to overhaul the program which could occur in the next farm bill which is due in 2018.

TRUMP PICKS OKLAHOMA AG TO HEAD EPA

President-elect Donald Trump has picked Oklahoma Attorney General Scott Pruitt (R) to run the EPA. Senate Democrats have vowed to block his nomination given his stance against EPA’s climate rules and his skepticism that burning fossil fuels is driving up global temperatures. Trump’s EPA pick comes as an interesting time after Trump met with Leonard DiCaprio and Al Gore who have been staunch advocates of combating global climate change. In President-elect Trump’s official statement in announcing Pruitt, Trump made clear that “for too long, the EPA has spent taxpayer dollars on an out-of-control anti-energy agenda that has destroyed millions of jobs, while also undermining our incredible farmers and many other businesses and industries at every turn.” Pruitt, Trump said, “will reverse this trend and restore the EPA’s essential mission of keeping our air and our water clean and safe.”

Trump's pick has worried corn ethanol supporters because of Pruitt's concerns with the RFS. There's a strong possibility that Pruitt will make adjustments to the broken RFS program if confirmed by the Senate.

PMAA will make it clear that the RFS corn ethanol mandate needs to be significantly reduced in order to lower motor fuel prices.

HOUSE PASSES GOVERNMENT FUNDING BILL WITH HOURS OF SERVICE LANGUAGE INCLUDED

Yesterday, the House passed a spending bill, aimed at staving off a government shutdown. The bill, which passed 326-96, would fund the government through April 27th of next year. All eyes are now on the Senate where it meets fierce opposition by coal country Senate Democrats. They are refusing to rule out a temporary government shutdown if their demands aren't met for a longer extension of expiring benefits for coal miners.

Included in the CR is language which provides a permanent fix to the Hours of Service (HOS) restart issue. Specifically, the HOS provision is similar to the language contained in the FY 2017 Senate T-HUD bill, but there are two important differences. First, appropriators included "hereafter" language that permanently retains the pre-July 2013 restart rule if Federal Motor Carrier Safety Administration's (FMCSA) study does not meet the criteria required by Congress – which it is not expected to do. Secondly, they removed a 73-hour cap on drivers.

Additionally, appropriators included language that would require the Department of Energy to draw down and sell up to \$375 million worth of crude oil from the nation's Strategic Petroleum Reserve in fiscal 2017.

ENERGY BILL UNABLE TO MAKE IT TO THE FINISH LINE

Last ditch efforts to finalize wide-ranging energy legislation failed this week as conferees were unable to reach an agreement in time.

In November, the Senate passed by a vote of 85-12, the first comprehensive energy bill in a decade. S. 2012, the "Energy Policy Modernization Act of 2015," would require the Department of Energy (DOE) to approve or deny the use and operation of an LNG export facility no later than 45 days after an environmental review conducted by the Federal Energy Regulatory Commission (FERC). It would also require the DOE to gather and distribute data on the destinations of LNG exports. The House approved its own energy bill, H.R. 8, in December last year by a vote of 249-174.

It is unclear how quickly the new Congress will act on energy legislation in 2017.

MORE BAKKEN CRUDE EXPECTED TO MOVE BY RAIL

Due to last week's decision by the Army Corps of Engineers to deny a permit for the construction of a key section of the Dakota Access Pipeline, the supply of Bakken crude will now have to be shipped by other means of transport, including by rail. Protestors of the pipeline complained about dangers to the environment and local communities, however, transport by rail carries a higher CO2 footprint than pipelines and has its own vulnerabilities.

Although rail makes up nearly 65 percent of total crude export capacity in the Bakken Shale, it is now being underutilized because it is less efficient and more costly. Speaking on the matter, Rick Smead, managing director of advisory services for RBN Energy, stated that "once the pipes are full, that means more trains. And without DAPL, the pipes get full sooner than they otherwise would have." As volumes of crude production are expected to increase, so are the chances of a rail accident.

Thank You *WPMA* EXPO 2017 TOP SPONSORS

----- Presidential -----



----- Premier -----



----- Diamond -----



2017 WPMAEXPO - LAS VEGAS, NEVADA



Mark your calendars for February 21-23, 2017. Make plans now to attend the 2017 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 21-23, 2017 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada
March 1, 2017 – Utah (UPMRA) Day on Capitol Hill – Salt Lake City, Utah
May 4-5, 2017– Nevada (NPM&CSA) Big Dogs Shootout – TBD, Nevada
June 6-8, 2017 – Montana (MPMCSA) Convention – Northern Hotel – Billings, Montana
June 19-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington
June 22, 2017 – Utah (UPMRA) Summer Classic PAC Golf Outing – TBD, Utah
August 2-4, 2017 – Idaho (IPM&CSA) Convention – Sun Valley Resort – Sun Valley, Idaho
August 21-23, 2017 – New Mexico (NMPMA) Convention – Sandia Resort – Albuquerque, New Mexico
September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

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

NPP WPMA MEMBER SERVICE

WPMA has partnered with NPP to provide members discounts on many products and services. NPP negotiates the rates, and makes them available to WPMA members. Membership with NPP is free, and there is no obligation to purchase. Discounts through Verizon, Expedia, Fastenal, Cradlepoint, and more.

Register Now: <https://associations.mynpp.com/myNPP/memberSavings.xhtml?guid=RB3WUOFG>

WPMA MEMBER SERVICES



Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!



Petro Pete: *“Today a man knocked on my door and asked for a small donation towards the local swimming pool. I gave him a glass of water.”*

© 2016 Western Petroleum Marketers Association - All rights reserved. No part of this work may be reproduced or copied in any form or by any means - graphic, electronic, or mechanical, including photocopying, recording, or otherwise. The information herein is also intended for the sole purpose of members of the Western Petroleum Marketers Association (WPMA). Any other use is strictly prohibited without the express written consent of the WPMA. If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: janr@wpma.com. Thanks.