

December 24, 2020

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WP-12-24-20

*Merry  
Christmas!*

### **2021 WPMAEXPO CANCELLED**

WPMA regrets to inform you that the 2021 WPMAEXPO has been cancelled. This decision was not an easy one. Due to the latest mandated restrictions in Nevada limiting gatherings as well as concern for the safety of our participants, we are unable to go forward with the convention. We know this is very disappointing for our attendees, exhibitors, sponsors and industry partners.

No other interaction is as effective as face-to-face meetings to create relationships, share ideas, build loyalty, and communicate. Due to the limitations created by virtual interactions we have chosen to focus on bringing you an exceptional face-to-face show in 2022, and not hold the event virtually.

We will be reaching out to those participants already registered for the event to begin the refund process. If you booked your room through the WPMA room block at The Mirage, your room will automatically be cancelled and refunded.

Thank you for your patience and continued participation with WPMA. You are what makes us successful.

### **CONGRESS APPROVES COVID RELIEF/GOVERNMENT SPENDING PACKAGE**

#### **PPP Deductibility Included**

This week, Congress approved a \$2.3 trillion funding package, which includes \$1.4 trillion in government funding and \$900 billion in COVID relief. The legislation extends the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and clarifies PPP expenses as tax deductible. The bill also provides \$600 stimulus checks for adults and dependents, restores \$300/week in additional unemployment assistance, increases SNAP benefits by 15 percent for six months (but does not expand eligibility), and allocates \$20 billion in new targeted economic injury disaster loans (EIDL) for low-income communities. Congressional leaders, however, could not reach an agreement to include Democratic priorities for additional state and local government aid and Republican's liability protections.

Meanwhile, President Trump signed a seven-day government spending bill, averting a federal shutdown, as the White House awaits formal paperwork after Congress cleared the 5,593-page government spending/COVID-19 relief package. Even if Trump were to veto massive funding bill, Congress has enough votes in both the House and Senate to override that veto.

### **FMCSA EXTENDS WAIVERS FOR RENEWAL OF CDL, DRIVER MEDICAL EXAMS AND MEDICAL CERTIFICATES TO FEBRUARY 28, 2021**

The FMCSA has extended its waivers for renewal of CDL licensure, CDL learner's permits and driver medical examinations and certificates that expired on or after March 1, 2020. The waiver is now extended through February 28, 2021. The FMCSA is also extending the waiver allowing state licensing agencies to not downgrade driver status due expiring or expired CDL licenses, permits, medical examinations and certificates through February 28, 2021. Drivers are only covered by the FMCSA waivers for CDL licenses and learner's permit if their respective state licensing agency also adopts the waivers. The waiver for medical certificates and medical exams apply automatically. The waivers are not valid for CDL licenses, learner's permits, and medical certificates expiring before March 1, 2020. The FMCSA waiver can be downloaded here. The TSA has not yet extended the waiver for driver hazardous material endorsements (HMEs) that expire on December 31, 2020. EMA is working with TSA to issue an extension for HMEs.

## **FINAL EPA RULE RESTRICTS DOWNSTREAM FUNGIBILITY OF 15PPM DIESEL FUEL AND HEATING OIL**

Earlier this month, the EPA issued a final rule that seemingly increases the fungibility of distillates by allowing downstream distributors to redesignate 15 ppm heating oil, kerosene, and jet fuel as ULSD for use in motor vehicles and non-road, locomotive and marine engines. Under the final Fuels Regulatory Streamlining rule, downstream distributors redesignating ULSD are allowed to rely on product transfer documents provided by upstream parties to certify redesignated product rather than go through elaborate EPA sample, testing and certification requirements. The EPA said in the final rule that "We expect that these changes will simplify the diesel fuel programs, resulting in reduced burden associated with demonstrating compliance with the sulfur standards and maximize the fungibility of diesel fuel, allowing the market to operate more efficiently. These changes are not expected to change the stringency of the diesel fuel and IMO marine fuel standards." Taken alone, the final rule would essentially make 15ppm ULSD fully interchangeable with heating oil, kerosene and jet fuel below the terminal rack, providing greater flexibility for heating oil dealers.

However, the Fuels Regulatory Streamlining Rule must be read together with the EPA's 2020 RFS Standard final rule to fully understand downstream ULSD fungibility. The 2020 RFS rule issued in February actually restricts the ability of downstream parties to redesignate ULSD and eliminates downstream fungibility of 15 ppm distillate fuels created under the Fuels Regulatory Streamlining rule. The RFS rule restricts distillate fungibility by requiring downstream distributors who redesignate ULSD to register as obligated parties under the RFS, a move that would impose onerous blending, recordkeeping and reporting requirements heretofore limited to refiners and terminal operators. The EPA added this requirement to prevent upstream parties from designating ULSD volumes as RFS exempt "non-transportation diesel fuel" only to have downstream parties redesignate it as "transportation fuel" that is subject to RFS. Redesignation in this manner would remove ULSD volumes from RFS requirements with no mechanism for recapture downstream. Requiring downstream parties who redesignate distillates to comply with the RFS, recaptures volumes taken out or added to the RFS through redesignation. The RFS rule also prevents downstream distributors from redesignating 15 ppm heating oil as transportation fuel for the same reason. The bottom line is that heating oil dealers will not be able to redesignate diesel fuel to heating oil and vice-versa when the Fuels Regulatory Streamlining rule goes into effect on January 1.

## **IRS ISSUES OPTIONAL STANDARD MILEAGE RATES FOR 2021**

The IRS has issued the 2021 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business. Beginning on Jan. 1, 2021, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

56 cents per mile driven for business use, down 1.5 cents from the rate for 2020.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. However, taxpayers have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. Taxpayers can use the standard mileage rate but must opt to use it in the first year the car is available for business use. Then, in later years, they can choose either the standard mileage rate or actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals) if the standard mileage rate is chosen.

Notice 2021-02 contains the optional 2021 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan. In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in calendar year 2021 for which employers may use the fleet-average valuation rule in or the vehicle cents-per-mile valuation rule.

## **REMINDER: USDA OFFERS \$22 MILLION IN GRANTS TO MARKETERS FOR HIGHER BLEND ETHANOL AND BIODIESEL INFRASTRUCTURE**

The U.S. Department of Agriculture (USDA) announced it is reopening the application process for the Higher Blend Infrastructure Incentive Program (HBIIP) for marketers seeking grants to install or upgrade higher blend ethanol and/or biodiesel fueling infrastructure. The application period opened on December 21, 2020 and ends on January 19, 2021. The purpose of the HBIIP program is to increase the sales of E15 or higher ethanol blends biodiesel blends greater than five percent. The USDA is making \$22 million available for both retail and wholesale higher blend infrastructure. HBIIP grants cover up to 50 percent of total eligible project costs up to three million dollars for equipment upgrades at retail fueling facilities, biodiesel distribution facilities, including biodiesel terminal operations and home heating oil distribution centers or equivalent entities. Eligible Project Costs are only those costs incurred through December 31, 2020 and that are directly related to the use and purposes of the HBIIP. The HBIIP application process is lengthy. Applicants are encouraged to start the application process as early as possible before the 30-day period ends.

Applications must be filed online by clicking on "To Apply" at: [HBIIP Application](#).

## **REMINDER: CAN A COMPANY REQUIRE EMPLOYEES TO GET A COVID-19 VACCINE?**

Employers need to understand the rules on mandating the COVID-19 vaccine for its workforce. While an employer can require its employees to get the vaccine before returning to work, several exceptions exist. The two major exceptions are for employees with ADA disabilities and employees with sincere religious beliefs. Employees represented by unions may also have additional protections.

Click [here](#) for more information from Paley Rothman, counsel to the Small Business Legislative Counsel (SBLC).

## **CDC UPDATE COVID-19 VACCINE PRIORITY GROUPS**

On Monday, the Advisory Committee on Immunization Practices (ACIP) updated interim vaccine allocation recommendations. In Phase 1b, COVID-19 vaccine should be offered to persons aged ≥75 years and non–health care frontline essential workers, and in Phase 1c, to persons aged 65–74 years, persons aged 16–64 years with high-risk medical conditions, and essential workers not included in Phase 1b.

ACIP has classified the following non–health care essential workers as frontline workers: first responders (e.g., firefighters and police officers), corrections officers, food and agricultural workers, U.S. Postal Service workers, manufacturing workers, grocery store workers (includes convenience stores), public transit workers, and those who work in the education sector (teachers and support staff members) as well as childcare workers. Essential worker sectors recommended for vaccination in Phase 1c include those in transportation and logistics, water and wastewater, food service, shelter and housing (e.g., construction), finance (e.g., bank tellers), information technology and communications, energy, legal, media, public safety (e.g., engineers), and public health workers. Petroleum marketers without a convenience store are categorized under Energy and are included in Group 1c's "essential workers not included in the second phase of vaccination." Although states generally follow the CDC's guidelines, each creates its own plan to deal with situations unique to each state. For more information, click [here](#) and [here](#).

## **THREE NEW ENGLAND STATES AND DC JOIN REGIONAL TRANSPORTATION & CLIMATE INITIATIVE**

On Monday, the Governors of Massachusetts, Connecticut and Rhode Island as well as the Mayor of the District of Columbia announced their intention to join the regional Transportation & Climate Initiative (TCI).

The TCI is a regional compact among Northeastern and Mid-Atlantic states designed to reduce the climate impact of cars and trucks in the region by driving up the cost of gasoline and diesel fuel so high that consumers and businesses will be forced to purchase new, costly electric vehicles. TCI will add 19.6 cents per gallon to the price of gasoline in 2022 and rise steadily to 32 cents per gallon by 2032, an average increase of 26 cents per gallon over 10 years in addition to market and inflationary price increases over the same period. Moreover, the TCI program will be administered by a regional bureaucracy with little oversight or accountability to the state legislatures and the citizens who elect them.

The TCI tax on motor fuels means that goods transported by truck, rail and cargo ship will increase accordingly. These costs will be passed down to consumers as a second TCI "tax" dealing a one-two blow to hard working families and the regional economy. Moreover, the economic impact of TCI is hitting at the same time as COVID-19 pandemic is decimating local, state and regional economies. Yet, TCI only promises to reduce greenhouse gas emissions by 6 percent regionwide.

"The gas tax money raised by TCI will not be spent on improving local roads and bridges that consumers and businesses rely on every day but, removed from local communities to fund alternative methods of regional transportation that consumers infrequently use," said Rob Underwood, President of the Energy Marketers of America. Governors should rethink participation in TCI and develop an alternative approach to reducing greenhouses gas emissions that will benefit consumers and small businesses while at the same time promoting economic growth.

## **WPMA COVID-19 - CRITICAL REFERENCES FOR MEMBERS**

Please visit our web site for up-to-date information related to your business and the COVID-19 pandemic. You will find the link on our home page at [www.wpma.com](http://www.wpma.com).

## **MEMBERS AND ASSOCIATES - YOU CAN CONTRIBUTE!**

WPMA welcomes industry-related articles for publication in the WPMA News magazine. All members and associate members of WPMA are eligible to submit items for publication. Articles will be included as space allows, and no self-promoting articles or editorials will be accepted. WPMA reserves the right to edit and make adaption of such contributions to accommodate the magazine's space and style. Please submit articles or content to Jan Roothoff, WPMA Administration/IT Director at [janr@wpma.com](mailto:janr@wpma.com), or mail to Jan Roothoff, Western Petroleum Marketers Association, PO Box 571500, Murray, UT 84157-1500. Submissions for the Winter edition of WPMA News magazine are due before November 1<sup>st</sup>. Later submissions will be considered for the Spring issue.

## **MARK YOUR CALENDARS FOR UPCOMING EVENTS**

**CANCELLED February 16-18, 2021** – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

**March 15, 2021** – Hawaii (HPMA) Golf Tournament – Oahu Country Club – Honolulu, HI

**May 6-7, 2021** - Nevada (NPM&CSA) Big Dogs - Red Rock Hotel & Casino - Las Vegas, NV

**June 1-2, 2021** - Montana (MPMCSA) Convention -Fairmont Hot Springs Resort - Fairmont, MT

**June 21-24, 2021** - Washington (WOMA) Convention - Suncadia Resort - Cle Elum, WA

**June 24, 2021** - Utah (UPMRA) Summer Golf Classic - Bountiful Ridge GC - Bountiful, UT

**July 17-19, 2021** - Oregon (OFA) Annual Conference - Sunriver Resort - Sunriver, OR

**August 4-6, 2021** - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID

**August 23-25, 2021** - New Mexico (NMPMA) Convention - Sandia Resort & Casino - Albuquerque, NM

**September 15-17, 2021** - Utah (UPMRA) Convention - Sheraton Park City Hotel - Park City, UT

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**Petro Pete: “A perfectly managed Christmas, correct in every detail, is a sure sign of someone who hasn't enough to do.”**

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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](mailto:janr@wpma.com). Thanks.