

Washington State Report – Summer, 2013

2013 has been a stellar year for the members of the Washington Oil Marketers. Dave Ducharme skillfully navigated our group through treacherous waters during the Legislative session, and a double special session. Normal sessions in Washington end by April, and this year Dave rushed back after his presentation during the June convention to sew up details and continue to protect us from transportation taxes. It was certainly a roller coaster year of obstacles.

In the end, WOMA prevailed on numerous issues.

- The Washington State Supreme Court overturned Initiative 1053, that required a 2/3rd vote of the Legislature to raise taxes. This paved the way for numerous tax increase measures being introduced during the session that influenced the focus of WOMA's legislative activities.
- The House of Representatives introduced a hefty Transportation Revenue Package in HB 1954. Initially it increased the MTCA Tax from .7 to 1.0 percent. WOMA and other oil industry reps were able to eliminate the increase from the bill – which would have funded stormwater and fish passage barrier projects. It also called for an increase of the Motor Fuel Tax by 10 cents over four years. In the end, the transportation package failed on a slim vote margin, **but there is chatter in Olympia that Governor Inslee will call for a special session in the fall for the sole purpose of passing a Transportation Revenue Package. One can only assume a gas tax increase will be part of the revenue source.**
- Since the State of Washington has failed to fund basic education, Legislators introduced HB 1122 and SB 5039 –which among other things – imposed a 12-cent gas tax increase dedicated to student bus transportation. WOMA was able to defeat these measures during the regular legislative session.
- HB 2034 eliminated a series of tax exemptions including the “extracted fuel tax” exemption used by Washington's oil refineries. Extracted fuel is a byproduct of the refining process and is used for power generation in the refining process. Eliminating this exemption will cost the refining industry \$42 million annually. It failed to pass out of the Senate by the end of session.
- The Handling Allowance was actually picked out of the lineup of other tax exemptions and deemed its own separate bill that would eliminate the Handling Allowance, based on a recommendation by JLARC in 2008. It never passed either, but we were able to garner our own \$50k study by JLARC on the fee and inspection policies of the local air authorities within counties to try and find a standard by which all local agencies should be standardized. Stay tuned on this... it should be interesting! The committee shall submit its finding and recommendations to the Legislature by December 31, 2014.
- Green House Gas Reporting certainly has turned into a nuisance. We fought for a bill that would have eliminated the GHG reporting requirements and fees to the DOE for facilities and fuel suppliers, but in the end, we were unable to garner the votes we needed to succeed. However, logic says we

should not have to report to the “Office of Redundancy” since these numbers already exist at DOL. This argument is not over, and Dave and Lea will continue to fight this battle.

- In the State’s pursuit to continue to privatize rest areas, SB 5024 proposed a demonstration project to privatize rest areas and also to petition Congress for the elimination of the prohibition against privatizing interstate rest areas. WOMA successfully defeated this proposed measure once again.

WOMA’s scorecard in the Legislative Session was quite good, and we were able to once again beat back some bad bills that could have injured us. So as the spring and early summer kept us busy in Olympia, we were also gearing up for one of the best events of the year... the WOMA Convention.

Hosted this year once again at Suncadia’s premier resort, we had another successful event. With a sold out tradeshow (and a healthy waiting list of vendors wanting to come), we also had a record high attendance of marketers and c-store operators as well. With a few additions and tweaks to this year’s show, I believe it was one of our best yet!

Thank you to our Convention Sponsors - without your support and dedication to this industry, our show could not be touted as “The Best in the West”! WOMA would like to thank:

- ***Federated Insurance***
- ***Chevron Products Co***
- ***Core-Mark International***
- ***Phillips 66***
- ***US Oil Trading LLC***
- ***Tesoro Refining and Marketing***
- BP Products North America
- Heil Trailer International
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- Polar Service Centers
- Top Tanx
- ExxonMobil Fuels Marketing Co
- Vitol Inc.
- Pacific Environmental Services
- Phillips 66 Lubricants
- Shell Oil Products US
- Targa Sound Terminal
- World Fuel Services Corp

What’s in store for next year? LOTS! Mark your calendar now for June 16 – 19, 2014 at Suncadia Resort. Golf will be hosted on the beautiful Prospector Golf Course and our Welcome Dinner will be back at the beautiful Swiftwater Winery. We plan to add an additional 15 tradeshow booths to accommodate more vendors, as well as

expand our “family friendly” outdoor options as well. Next year, you can count on expanded spa hours, the water slides being open, the stairs to the river for those of you who like to hike, bikes and family time on the lake all being available.

Thank you to everyone who is a part of this wonderful event every year. Please spread the word on the great things WOMA does for our industry in Washington, and invite more to attend our show in June.

More dates to remember:

September 16 & 17, 2013 – Walla Walla Wine Tour and Golf PAC Fund Raiser

December 10, 2013 – Holiday Party at Emerald Downs Race Track in Auburn, WA