



# What's at Stake for Petroleum Marketers

SHARON PETERSON  
PMAA CHAIRWOMAN  
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# PMAA Overview



- PMAA is comprised of 47 independent petroleum marketer trade associations representing thousands of petroleum marketers nationwide.
- The origins of PMAA date back to 1909 when the Independent Petroleum Marketers Association of the United States was formed. That group died out but in 1940 another national organization, the President's Council of Petroleum Marketers Association, was formed.
- In 1948, that group became the National Oil Jobbers Council. In 1984, NOJC changed its name to PMAA.
- PMAA is governed by the Board of Directors and Executive Committee. Five Regional committees report to the Operational Committees (Motor Fuels, C-Store, and Heating Fuels.) In addition, the PMAA State Executives Association serves the interests and agendas of our State executive leaders.

**Keep in mind that, through your membership with your state association, every marketer in this room is a member of PMAA through your state association.**

# PMAA Priorities 2019



## Top Issues of 2019

- Tax Extenders/ Biodiesel Tax Credit
- CDL Driver Shortage: Focus on Expanding the HOS Short Haul Exemption
- Full Funding for LIHEAP
- Unfair EV Charging Infrastructure Initiatives/ EV Tax Credit/ Heat Pumps
- RVP Waiver for E10+ Blends, E15 Description/labeling, EPA RFS Final Rule, RFS Reform
- CAFE Standards- Rolling Back Obama-era Fuel Efficiency Rules
- Reducing UST Compliance Costs
- ULSD Corrosion
- Swipe Fees and Litigation
- Infrastructure Funding Issues

# UNFAIR EV INFRASTRUCTURE EXPANSION/EV TAX CREDIT



PMAA strives to promote programs that benefit both our marketer members and the environment in which we live and work. PMAA is already working with the biodiesel industry to promote cleaner fuel standards. Through innovation and technological change, we can become part of the solution to climate and greenhouse issues, instead of the target of the government.

- PMAA is concerned with utilities using their rate base to pay for EV infrastructure expansion. This grants an unfair competitive advantage to utilities over marketers.
- Questions remain whether widespread adoption of EVs could actually reduce America's CO2 footprint. PMAA advocates for a full life cycle analysis for energy and transportation comparisons.
- Serious safety concerns exist for EVs. How do firefighters respond to a battery fire?  
How do you get out of harms way if a Cat 5 Hurricane is approaching and you have to wait to charge your vehicle?  
Can the power companies handle emergency demand all at once?
- PMAA opposes an extension of the lucrative \$7,500 electric vehicle (EV) tax credit.
- **PMAA supports the "Fairness for Every Driver Act" (H.R. 1027) (S. 343), introduced by Rep. Jason Smith (R-MO) and Sen. John Barrasso (R-WY), which eliminates the electric vehicle tax credit and ensures alternative fuel vehicle drivers pay into the Highway Trust Fund.**
- **PMAA opposes the "Driving America Forward Act," (S. 1094) (Stabenow (D-MI), Alexander (R-TN) and Rep. Kildee (D-MI) (H.R. 2256) which would expand the EV and hydrogen fuel cell tax credits.**



# Biodiesel Tax Credit



**On Thursday June 20, 2019, the House Ways and Means Committee voted for the retroactive renewal of the Biodiesel Tax Credit. (Neal, H.R. 3301)**

The \$1 per gallon biodiesel blender's tax credit expired on December 31, 2017. The credit creates a strong incentive for downstream fuel marketers to blend biodiesel into ultra-low sulfur heating oil.

Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) bill (S. 617) would retroactively extend the \$1 per gallon biodiesel tax credit through 2019 along with a number of tax incentives. PMAA supports.

- PMAA urging Congress to pass a multi-year extension of the biodiesel blender's tax credit in the tax extender's package.
- Considerations: 2 or 3 year renewal;  
PayGo: estate taxes



# CDL Driver Shortage



In response to the nationwide driver shortage, PMAA is addressing three areas: maximizing the use and efficiency of our current drivers; recruit new drivers, and retain our existing drivers.

PMAA is working with the Federal Motor Carrier Safety Administration (FMCSA) to expand the class of drivers qualifying for the short haul exemption and increase the number of hours drivers can be on-duty each day.

The Specifics Below:

- Increase the number of daily on-duty hours from 12 to 14.
- Expand the 100-mile air radius to 150 miles in order to capture most drivers employed by petroleum marketers, including those traveling to terminals outside the current 100-mile limit.
- Allow drivers to count the time waiting at terminals to load product as off-duty time
- Extend the current 14 hour on-duty limitation to allow for a three consecutive hour break (to allow for loading and unloading). Extend the current 14 hour on-duty limitation by up to two hours when a truck driver encounters adverse driving conditions
- Elimination of the 30-minute rest break for drivers not qualifying for the 100 air-mile short-haul exception but who return to the worksite at the end of each daily shift.

PMAA supports the Drive Safe ACT (Reps. Hollingsworth (R-IN), Tester (D-MT), Young ((R-IN) which would allow 18-year old interstate drivers who meet rigorous training requirements. PMAA supports Rep. Crawford's (R-AR) letter to FMCSA to modernize the HOS rules and to increase the short haul exemption to 150 miles.

# INFRASTRUCTURE AND FUNDING ISSUES



- An infrastructure bill could be voted on later this year.
- President Trump's past infrastructure plan shifts financing responsibilities from government to the states and calls for rest area commercialization.
- State-owned commercialized rest areas would establish monopolies on the sale of services to highway travelers.
- Congress prohibited development on interstate rights of way in the 1960s which has led to economic growth along interstate highways.
- **PMAA urging lawmakers to oppose the commercialization of rest stops.**
- **All forms of transportation must pay their fair share to use the road.**



# LIHEAP Funding



- President's FY 2020 budget proposal eliminates LIHEAP as well as the Weatherization Assistance Program (WAP).
- LIHEAP program provides more than \$3 billion annually to states in support of their fuel assistance programs, with a current budget of \$3.6 billion.
- Both programs are vital in serving low income consumers of home heating fuel, with LIHEAP helping consumers with fuel funds and the WAP helping with acquiring more efficient equipment.
- PMAA supports full funding for LIHEAP and for WAP.

# RFS Reform



- PMAA remains concerned with E15 compatibility with existing UST systems.
- Retrofit costs for E15 compatible equipment are expensive and could place small business petroleum marketers out of business.
- EPA just granted year round E15 waiver. PMAA opposed this move.
- RINs market leading to an unlevel playing field in the marketplace.
- Current E15 branding and labeling on price signs and dispensers using brands such as “unleaded plus,” “unleaded 88,” and “eblend,” are confusing motorists.
- **PMAA urging lawmakers to support “The Food and Fuel Consumer Protection Act” (Rep. Flores (R-TX) and Peter Welch (D-VT) that would reduce the corn ethanol mandate to 9.7 percent of projected gasoline demand.**

# Tobacco Issues



- FDA issued draft guidance effectively bans c-stores from selling most flavored electronic cigarettes and flavored cigars unless: minors are restricted from entering the store or those items are sold in a separate location in the store that minors are prohibited from entering.  
FDA not completely clear on this guidance.



- **PMAA continues to urge lawmakers to contact the Trump Administration and urge the administration to reject the FDA's plan to ban convenience stores from selling legally flavored e-cigarette products.**
- Need to amend the Prevent All Cigarette Trafficking Act (PACT Act) to ensure online retailers pay state and local taxes on their sales of e-cigarettes.
- **PMAA supports the "Preventing Online Sales of E-Cigarettes to Children Act" (Sen. Feinstein (D-CA) and Cornyn (R-TX) to reduce underage purchases of e-cigarettes online and ensure that online retailers pay state and local taxes on their sales of e-cigarettes.**

## RETROFIT OF CARGO TANKS WITH SIDE UNDERRIDE PROTECTION



- “Stop Underrides Act” (S. 665) (H.R. 1511) introduced by Sen. Gillibrand (D-NY) and Rep. Steve Cohen (D-TN) which would require new side underride protection for trailers and straight trucks with a gross vehicle weight over 10,000 pounds.
- Requires a costly retrofit of transport cargo tank trailers and single unit cargo tank trucks.
- NHTSA has indicated in the past that it’s not cost effective.
- PMAA opposes efforts to mandate costly underride equipment retrofits unless the retrofits can be done in a safe and cost effective manner.
- **PMAA opposes S. 665 and H.R. 1511 -- the “Stop Underrides Act”.**

# Some PMAA Highlights from 2018



- **NORA Reauthorization**

Congress reauthorized the National Oilheat Research Alliance (NORA) for ten years!

Key Senate offices for NORA reauthorization: Sens. Leahy (D-VT), Shaheen (D-NH), Reed (D-RI), Collins (R-ME), Burr (R-NC) and Portman (R-OH) and Senate Majority Leader McConnell (R-KY).

In the House, Reps. Welch (D-VT), Lance (R-NJ), Kuster (D-NH), Faso (R-NY), Tonko (D-NY), Shimkus (R-IL), Cramer (R-ND). Jeff Duncan (R-SC) signed letter in support of NORA. South Carolina has a little heating oil so it's good to show nationwide support for NORA.

- **UST Final Rule**

EPA approved PMAA's low liquid level integrity test as an alternative method for containment sump testing.

PMAA continues to work with ASTM on a visual inspection of UST system equipment.

- PMAA filed a brief in the Visa and Mastercard swipe fee litigation now pending in U.S. District Court in New York. PMAA has a template for jobbers to send to their suppliers requesting the settlement money since jobbers paid the fees.
- PMAA also established the PMAA Disaster Fuel Response Program, a critically necessary link between marketers available to provide fuel to disaster areas and those in need of such fuel.

# Enhance Your Support for PMAA



- **Please Support the PMAA PAC (non-corporate contributions only) and Marketer Defense Fund (MDF)!**
- **Like us on Facebook and Twitter**
- **Visit us on [www.pmaa.org](http://www.pmaa.org)**
- **PMAA signed a new credit card processing agreement with**

**Worldpay!**

**Rate of \$2.9 cents per transaction per transaction**

**No hidden fees. Please sign up!**

## PETROLEUM MARKETERS PARTICIPATION IN THE POLITICAL PROCESS

THE PMAA SMALL BUSINESS COMMITTEE (SBC) IS A POLITICAL ACTION COMMITTEE FUNDED BY VOLUNTARY CONTRIBUTIONS FROM MARKETERS ACROSS THE COUNTRY. PMAA REGULARLY REPORTS THE ACTIVITIES OF THE PAC (AS REQUIRED BY LAW) TO THE FEDERAL ELECTION COMMISSION (FEC) AND INFORMATION ABOUT THAT ACTIVITY IS AVAILABLE TO THE PUBLIC.

