

January 18, 2019

WR-19-03

Acting EPA Administrator Andrew Wheeler Testifies Before Senate

On Wednesday, Acting Environmental Protection Agency (EPA) Administrator Andrew Wheeler testified before the Senate Committee on Environment and Public Works (EPW). Wheeler was confirmed as the EPA's deputy administrator in April but was promoted to acting administrator after former EPA Administrator Scott Pruitt resigned last July. At the hearing, Wheeler was grilled by Democrats on the panel who believed he was committed to furthering President Trump's deregulatory agenda by rolling back certain environmental protections and undoing many Obama-era regulations. However, Wheeler defended the agenda, saying, "Through our regulatory actions, the Trump administration has proven that burdensome federal regulations are not necessary to drive environmental progress."

Sen. Bernie Sanders (I-VT), who plans to run for president in 2020, pushed Wheeler on the issue of climate change. Wheeler told Sen. Sanders that he believes climate change is "a huge issue that must be addressed globally," but said that he "would not call it the greatest crisis" of our time. Sen. Jeff Merkley (D-OR) pressed Wheeler further on climate change, asking him to rate climate change on a scale of one to ten based on severity, to which Wheeler replied an "8 or 9."

During the hearing, Sen. Tom Carper (D-DE) revealed that he had recently been told that, as part of their final rule, the EPA and Department of Transportation (DOT) are planning to impose a 0.5 percent annual increase in stringency on corporate average fuel economy (CAFE) standards starting in 2021. Originally, in the proposed rule, CAFE standards and corresponding greenhouse gas standards would have been frozen at 2020 levels. Wheeler did not comment about specifics of the upcoming final rule but did say that he has been working with states that have more stringent CAFE standards, like California, to strike a deal. In October, PMAA submitted comments to the EPA expressing support for the EPA and DOT proposed rule. Click [here](#) to read the comments.

Acting Administrator Wheeler also touched on several issues pertaining to ethanol. He stated that the ongoing government shutdown could impact the Trump Administration's proposal to allow E15 sales year-round. When pressed by Sen. Joni Ernst (R-IA), Wheeler said that the EPA "can only work on court-ordered deadlines or emergencies" during the shutdown and that the proposal may be delayed but said it should go into effect by the summer driving season provided the government shutdown ends in a reasonable amount of time.

Wheeler also addressed some lawmakers' concerns with the granting of small refinery RFS waivers to large oil companies by the Trump Administration. Wheeler defended the exemptions saying, "Often times these refineries are located in the Rocky Mountains and other regions where they are the only supplier in their region. We have to issue these regulations on the refiner itself." Although many ethanol producers believe that larger refineries should blend more ethanol to make up for the gallons lost due to the exemptions, Wheeler said that doing so could have "a rolling impact on other refiners" and could lead to more RFS waivers.

Some biofuel groups argue that the waivers have indirectly reduced the ethanol mandate which have driven down RIN values and, as a consequence, weakened the market for E15.

Democrats Introduce Legislation to Increase Minimum Wage

Speaker Nancy Pelosi (D-CA) and incoming Democratic Education and the Workforce Committee Chairman Bobby Scott (D-VA) list raising the minimum wage as a top House priority for Democrats in the new congress.

This week Senator Bernie Sanders (I-VT) and Rep. Bobby Scott (D-VA) announced the Senate and House versions of the "Raise the Wage Act," which would raise the federal hourly wage to \$15 per hour by 2024. The current minimum wage of \$7.25 was set by Congress a decade ago, and the last increase (from \$5.15 to \$7.25 per hour in July 2009) was a tough win for Democrats. It was part of an Iraq supplemental spending bill signed by President George W. Bush.

President Trump endorsed a \$10 hourly wage minimum near the end of his presidential campaign, but he has not shown interest since then, and it's doubtful that an increase would be approved by the Republican Senate.

Scott will likely hold oversight hearings over the Labor Department and National Labor Relations Board, including a potential review of the pending joint employer rules, which would make it harder for businesses to be held liable for labor violations committed by their franchisees and contractors.

PMAA along with many Republicans and business advocates have concerns that a high wage hike could cause hardships for some employers and that market or state and local governments should set wages, not the federal government. An example of employers setting wages is Amazon which has increased the minimum for their employees. Furthermore, twenty-nine states and Washington, D.C. have minimum wages higher than the federal \$7.25.

Online Lotteries Deemed Illegal

This week, the Department of Justice (DOJ) determined that all online gambling, including lotteries, are illegal under the "Wire Act," therefore, reversing its 2011 interpretation of the Act.

The 2011 Department of Justice (DOJ) interpretation of the "Wire Act" provides what NACS, PMAA, SIGMA and like-minded associations have argued is a flawed opinion when it reversed a legal interpretation of the "Wire Act" and declared that the Act does not prohibit non-sports related gambling on the internet.

Convenience store owners operate on small margins with lottery sales sometimes a part of those margins. Lottery sales also bring customers into the store, which increases store sales. If lottery sales are allowed for online purchasing, small business owners and their employees would be adversely affected. Furthermore, online sales would increase the number of minors who are playing the lottery as the face to face security of age verification is absent when online.

It is unclear what will occur next or what the depth of the impact of the reversal opinion will be. On Tuesday, U.S. Deputy General Rod Rosenstein issued a memo which clarified that the new opinion will

not take effect for 90 days as it creates new prosecutorial guidelines. PMAA will monitor the implementation of the opinion as cessation of online lotteries is important for retailers.

Retailers Urged to Communicate to SNAP Recipients

Day 28 of the partial government shutdown leaves USDA's Food and Nutrition Service (FNS) working with states to issue February SNAP benefits earlier than usual.

When USDA's funding expired on December 21, 2018, SNAP benefits for January were fully funded. States have already received that money and have been distributing it to participants. Since the lapse in appropriations, USDA has been reviewing options available to the department for funding February benefits without an additional appropriation from Congress.

Last week, Agriculture Secretary Sonny Perdue announced that in order to ensure that participants in the Supplemental Nutrition Assistance Program (SNAP) receive their benefits in February if the shutdown persists, USDA has been urging states to issue February benefits earlier than usual. USDA announced earlier this month that it found a way to pay out \$4.8 billion in February SNAP benefits using an obscure budgetary provision in an expired continuing resolution. But the benefits must be distributed onto recipients' cards by January 20, which is weeks earlier than normal and unprecedented in the program's history.

SNAP retailers are urged to prepare for early transactions and to staff and stock stores appropriately. Moreover, the government is now urging retailers to help communicate to the millions of SNAP recipients that they should be aware that they will need to make their allocations last. It could be 40 days or longer before any other money is added to their benefit cards. USDA is urging retailers to put up signs in their stores that read something like this example, "Unless the federal shutdown is resolved, SNAP benefits for March MAY NOT be available. We are waiting for federal guidance and will keep you informed."

USDA has provided this language for retailers to share with SNAP customers affected:

February SNAP Was Delivered Early! Customers who use SNAP EBT should keep in mind that February food dollars will be added in the middle of January this year. This means that you may have two months' worth of food dollars on your account this month. No food dollars will be added in February. The early food dollars are meant to help with next month's food. We encourage our SNAP-participating customers to plan their purchases carefully so that they have money available to meet their food needs.

House Committee Leaders Announce Subcommittee Leadership for 116th Congress

This week, House leadership announced the House Energy and Commerce subcommittee leaders for the 116th Congress. Click [here](#) to view Democratic subcommittee leadership and [here](#) to view Republican subcommittee leadership.

Furthermore, House Ways and Means subcommittee leaders were announced this week. Click [here](#) to view Democratic subcommittee leadership and [here](#) to view Republican subcommittee leadership.

House Transportation and Infrastructure Committee Ranking Member Sam Graves (R-MO) also announced Republican subcommittee leaders this week. Click [here](#) to view Republican subcommittee leadership.

Finally, House Appropriations subcommittee leaders were recently announced. Click [here](#) to view Democratic subcommittee leadership and [here](#) to view Republican subcommittee leadership.

PMAA Submits Comments to FDA Regarding Smokeless Tobacco

Last March, U.S. Smokeless Tobacco Company (USSTC), Altria Group, Inc.'s smokeless tobacco business, submitted to the Food and Drug Administration (FDA) a Modified Risk Tobacco Product (MRTP) application for its Copenhagen® Snuff Fine Cut moist smokeless tobacco product. In the application, USSTC made the following proposed claim: "If you smoke, consider this: Switching completely to this product from cigarettes reduces the risk of lung cancer."

Yesterday, PMAA submitted comments to the FDA supporting USSTC's MRTP application. Click [here](#) to read the comments.

[Federated Insurance Risk Management Academy](#)SM Offered April 23-25, 2019

Federated Insurance is offering complimentary risk management training for petroleum marketers on April 23-25, 2019. Through this valuable session, you will discover methods you can use immediately to help protect profits by reducing risk at your business.

Companies that are the most successful at controlling losses and protecting profits have integrated risk management into their overall company culture. Many have designated a key person as their risk manager. This person is supported by top management and is both responsible and accountable for identifying loss exposures and implementing risk management solutions.

These seminars are designed for individuals in positions of risk leadership including owners, operations management, service management, risk management, or human resources. The key to a successful business is implementing and leading a strong risk management culture, so attendees should be in a position to take action!

Class size is limited to 25. For more information or to reserve your spot in the upcoming session, please view the [video](#), contact Royetta Spurgeon at Federated Insurance by calling 507.455.5604, or e-mailing drm@fedins.com. **Federated is a PMAA Corporate Platinum Partner.**

PMAA Corporate Platinum Partner Spotlight Featuring: Federated Insurance
Federated Insurance: It's Your Life
Digital Estate Planning

Whether you realize it or not, you probably have amassed a large number of digital assets throughout your lifetime. Digital assets include anything that is created, communicated, sent, received, or stored electronically. Think about all the photos, music, movies, and e-books you have on your computer, smartphone, or in the cloud. Add to that each of the accounts you have created to access online banking, e-mail, shopping, or social media sites. These all make up your digital estate.

If something should happen to you, what happens to your digital accounts and files? Who will have access to them? If your family wants to preserve or download the content, will they be allowed to do so? Even if you provide a list of user IDs and passwords to your heirs, accessing someone else's online accounts may violate Terms of Service agreements or state or federal law.

To read more on planning now on how you want your digital assets to be handled, please click [here](#). For additional information or to discuss this in further detail, please contact your Federated regional representative or PMAA's National Account Executive [Jerry Leemkuil](#) at 800.533.0472. **Federated is a PMAA Corporate Platinum Partner.**

PMAA Corporate Gold Partner Spotlight Featuring: National Association of Shell Marketers
Alfano is Selected as NASM Legal Counsel

The National Association of Shell Marketers (NASM) is pleased to announce Al Alfano of the law firm Bassman, Mitchell, and Alfano, Chartered, (Washington, D.C.) is joining NASM as legal counsel to the association and its members effective immediately. Mr. Alfano is a distinguished attorney in the petroleum marketing industry and was selected by a search committee of NASM's Board of Directors following a rigorous recruitment process. Alfano is replacing longtime NASM legal counsel Bill Taylor who retired December 31, 2018.

"I appreciate the opportunity to represent an association I have held in such high esteem for such a long time." "I also feel honored to follow Bill Taylor, who did a great job of representing NASM's members." - Al Alfano.

Please read the press release in its entirety [here](#). **NASM is a PMAA Corporate Gold Partner.**