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WR-19-04

Groups Urge Congress to Oppose Retroactive Renewal of the Oil Spill Liability Tax

On Thursday, PMAA and like-minded associations sent a letter to Congressional tax writing committees in an effort to renew the Oil Spill Liability Tax (OSLT) on a prospective basis after the date of enactment. Applying an excise tax to 2019 transactions that have already been processed and the associated products sold multiple times would create significant transactional concerns and potential legal implications within the entire fuel supply chain. Click [here](#) to read the letter.

The 9 cents per barrel Oil Spill Liability Tax (OSLT) expired at midnight December 31, 2018. The OSLT is imposed on crude oil at the refinery gate and the collections are used to support the Oil Spill Liability Trust Fund (OSLTF). The OSLT has no tax related impact on downstream marketers, it is simply a cost passed through on finished product. The OSLT is paid by the refiner upstream. Unfortunately, some terminals break out the OSLT as a separate line item on bills of lading and invoices. This practice causes confusion downstream because the tax is paid by refiners on crude oil. The OSLT is not imposed, remitted or refunded downstream. There are no OSLT floor stock taxes or OSLT tax exempt parties downstream. However, breaking out the OSLT as a separate line item gives it a perception of importance downstream. Some downstream wholesale petroleum marketers who break out the OSLT on invoices to their end user customers may need to adjust their accounting practices and software to reflect the recent expiration. However, there is no regulatory requirement to breakout the OSLT downstream of the terminal rack on invoices.

House Ways and Means Democrat Expected to Introduce Gas Tax Increase Soon

This week, Rep. Earl Blumenauer (D-OR), who currently sits on the House Ways and Means Committee, indicated that he plans to introduce legislation that calls for a five-cent gas tax increase per year starting in 2020. After 2023, the gas tax would go to 43.3 cpg and diesel at 49.3 cpg based on a draft bill circulating from his office. Details remain unclear at this time on whether the draft bill would tax all vehicles equally including electric vehicles. Introduction of the bill will likely serve as a marker for future transportation policy.

The current 18.4 cent-per-gallon federal gas tax has been the main source of transportation funding for decades and it has not been increased since 1993. If the gas tax were to have been indexed to inflation, drivers would be paying over 30 cpg for gasoline.

Last Congress, outgoing House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA), released draft legislation which called for phasing in a 15-cent gasoline and 20-cent diesel tax increase over three years to ensure that the Highway Trust Fund (HTF) stays solvent over the next decade. After three years, the taxes would be indexed to inflation. The draft legislation also included a 10 percent user fee on electric batteries and adult bicycle tires and would also eliminate full and partial fuel tax exemptions for public transit and intercity buses. Furthermore, the legislation would create a voluntary pilot program to test the feasibility of a vehicle miles traveled (VMT) to replace the federal motor fuels excise tax. Ways to track mileage would possibly include: phone apps, in-car diagnostic systems, etc. By having a VMT and/or the provision included in the draft bill that would tax electric vehicles (EVs), the legislation is a conversion starter to ensure that all highway users pay their fair share. Currently, EVs are exempted from paying any type of highway tax.

Mastercard Fined \$648 Million by European Union

The European Commission has fined Mastercard \$648.2 million for handcuffing retailers the benefit from seeking cheaper fee rates offered by banks outside the EU country where they are based. Click [here](#) to read more on the story.

Canadian Regulator Approves Winter Clearing Work for Portion of Keystone Pipeline

This week, Canada's National Energy Board (NEB) sent TransCanada, the company in charge of building the Keystone XL pipeline, a letter allowing the company to perform work like clearing trees and shrubs along the northern section of the pipeline.

The project has been delayed numerous times over the past few years and TransCanada hopes to begin construction on the pipeline soon, but it is currently waiting on a Montana court decision before it proceeds. Although the Obama Administration denied approval for the Keystone XL project, the Trump Administration approved the project in 2017. The 1,200-mile pipeline would ship crude oil from Canada to refineries along the Gulf Coast.

PMAA strongly supports development of the KXL Pipeline which has already had many years of debate and multiple environmental impact studies that have shown the pipeline would have no effect on climate change.

Celebrating States that Met Their 2018 Goal *Missouri Has Already Met Their 2019 Goal*

PMAA provides petroleum marketers across the country a unified, united voice in Washington D.C. One way that petroleum marketers can assist PMAA in carrying out our legislative and regulatory goals is to support the PMAA Small Business Committee PAC (PMAA SBC PAC).

As the data below shows, 20 states have meet or exceeded their 2018 state goals:

- Alabama/Bart Fletcher raised \$10,901 or 162%.
- California/Jimm Cross & Ryan Hanretty raised \$11,020 or 110%.
- Colorado/Brian Haldorson & Grier Bailey raised \$3,855 or 100%.
- Hawaii/Steve Wetter & Gene Inglesby raised \$600 or 111%.
- Idaho/Mike Jensen & Suzanne Budge raised \$3,200 or 146%.
- Michigan/David Coyne & Mark Griffin raised \$7,160 or 100%.
- Minnesota/Jay Cattoor & Holly Werner raised \$8,810 or 176%.
- Mississippi/Rex Gillis & Philip Chamblee raised \$5,370 or 100%.
- Missouri/Wayne Baker & Ron Leone raised \$10,450 or 207%.
- Montana/Wes Burley & Brad Longcake raised \$2,350 or 101%.
- Nevada/Robert Flippo & Peter Krueger raised \$2,300 or 117%.
- NECSEMA/Jon Shaer raised \$3,750 or 112%.
- New Jersey/Larry Ray & Eric DeGesero raised \$15,350 or 130%.
- New Mexico/Ruben Baca raised \$2,300 or 109%.
- North Dakota/Mike Rud raised \$4,550 or 147%.
- South Carolina/Michael Fields raised \$7,751 or 126%.
- Utah/Larry Hansen & John Hill raised \$3,250 or 133%.
- Virginia/Mike O'Connor raised \$4,565 or 100%.
- Washington/Steve Clark & Lea McCullough raised \$4,400 or 148%.
- Wyoming/Jay Schneiders & Grier Bailey raised \$1,840 or 100%.

Congratulations to all who made their goal. PAC co-chairs Brad Bell and Tim Keigher hope that more states will exceed their goals in 2019. In fact, Missouri has already contributed \$11,400, or 238 percent of their 2019 PMAA Small Business Committee (SBC PAC) goal of \$4,782! SBC PAC chairs Brad Bell and Tim Keigher send their deep appreciation to Missouri marketers and to Missouri Petroleum Marketers & Convenience Store Association (MPCA) executive director Ron Leone. In particular, Brad and Tim wish to thank Wayne Baker, PMAA SBC PAC delegate and MPCA Past President, for his leadership and dedication to ensuring that PMAA has the resources to advance and protect our industry's legislative and regulatory agenda in Washington, D.C.

For more than 16 years in a row, MPCA has exceeded and, for the past 12 years, has more than doubled their annual PMAA SBC PAC goal as follows:

In 2008 MPCA raised \$8,200, or 202 percent of their annual goal. In 2009 MPCA raised \$8,738, or 226 percent of their annual goal. In 2010 MPCA raised \$9,337, or 252 percent of their annual goal. In 2011 MPCA raised \$9,850, or 280 percent of their annual goal. In 2012 MPCA raised \$11,320, or 338 percent of their annual goal. In 2013, MPCA raised \$11,650, or 320 percent of their annual goal. In 2014, MPCA raised \$11,250, or 304 percent of their annual goal. In 2015, MPCA raised \$11,275, or 295 percent of their annual goal. In 2016, MPCA raised \$11,450, or 228 percent of their annual goal (annual goals increased). In 2017, MPCA raised \$12,200, or 251 percent of their annual goal. In 2018, MPCA raised \$10,450, or 207 percent of their annual goal.

Outstanding job Ron and Wayne - you lead the way and set the bar high for the rest of us!

If Brad or Tim can be of any assistance in helping you raise PAC dollars for PMAA, please give them a call. Also consider contacting Ron or Wayne as they have a successful fundraising formula or contact any of the state executives who met or exceeded their 2018 goal.

Please Reserve your Rooms NOW for PMAA's Washington Conference 2019

PMAA's annual Washington Conference and Day on the Hill will be held in our Nation's Capital of Washington, DC from May 8-10. Our industry continues to have dozens of important legislative and regulatory issues to discuss and the Day on the Hill continues to be the primary focus of this conference.

The meeting will begin with an Opening Session / Issues Briefing and Region meetings during the afternoon of May 8. Our welcome reception, including our fun and popular PAC silent auction fundraiser, concludes the day! On the morning of May 9, marketers will head to Capitol Hill for visits with their Congressional delegations after a buffet breakfast and issues briefing for those who were not able to attend the opening session. ***It is not too early to make your Congressional appointments.*** There will be a hospitality suite and luncheon on the Hill. On the evening of May 9, we will honor our 2019 PMAA Chair Sharon Peterson. Our conference will conclude after the PMAA Board of Directors meet on May 10 following a buffet breakfast and committee meetings.

We are excited that over 190 members and guests have made hotel reservations at our Headquarter Hotel with more than two dozen additional members at our overflow hotels. The Marriott at Metro Center is sold out. Please call A Room With A View at [800.780.4343](tel:800.780.4343) for information on several PMAA overflow hotel options and rates of your choice. Should cancellations occur at The Marriott at Metro Center, A Room With A View will contact attendees **in the order in which reservations were booked** to transfer attendees to The Marriott at Metro Center. ***This will serve as PMAA's official waitlist.*** You can find all available details for Washington Conference and Day on the Hill [here](#). We will post on our website and announce in this Weekly Review when our Cvent website is ready and registration is open.

Please make your plans **now** to attend this important and productive forum to meet with your members of Congress and network with other marketers from across the country! See you in DC in the spring!

Federated Insurance: Risk Management Corner Cyber Security

Data breaches at major corporations may capture the big headlines, but small and mid-sized businesses also face significant financial, operational, and reputational risks from cyberattacks. Unfortunately, many business owners believe a data breach won't happen to them, either because they think they have adequate protection in place or because they feel the information isn't worth stealing. In reality, hackers often see these businesses as prime targets. Without the

proper safeguards in place, your business could suffer a data breach that exposes sensitive information, disrupts operations and opens the door to an expensive lawsuit.

To read more about ways to lower your risk, please click [here](#). For additional information or to discuss further, please contact your [Federated](#) regional representative or PMAA's National Account Executive [Jerry Leemkuil](#) at [800.533.0472](tel:800.533.0472). [Federated is a PMAA Corporate Platinum Partner](#).

Have You Considered Marketing Your Product or Service in PMAA Online Buyers' Guide?

PMAA is proud to provide its members with this exclusive, easily accessible, year-round, valuable resource! The PMAA Buyer's Guide (the "Guide") features updated and expanded company and product listings, in addition to other valuable information relating to the petroleum marketing industry. The *Guide* provides users with an efficient way to browse for goods and services and offers petroleum marketing suppliers and companies exceptional visibility by showcasing their products and services to a targeted, industry-specific buyer group.

PMAA has partnered with Overland Park, Kansas-based Strategic Value Media, a leading nationwide provider of print and digital media solutions to national, state and local trade and membership associations, as the exclusive publisher and advertising sales agent for the PMAA Buyers' Guide.

"This comprehensive *Guide* offers access to a vast network of industry suppliers," said Rob Underwood, President of PMAA. "We're pleased to offer such a needed resource, which will greatly assist industry professionals in making educated purchasing decisions throughout the year."

The *Guide* has been accessible on the [Home Page](#) of the PMAA website since its launch in the spring. We encourage you to take advantage of this exceptional opportunity to highlight your products and services. To learn more about advertising your products or services in the *Guide*, please email [Strategic Value Media](#).

PMAA Platinum Partner Spotlight Featuring: Meridian Associates, Inc. *Metrics for Operational Excellence by Betsi Bixby*

Most family businesses are trying to achieve greater operational efficiency, but the only way they measure their company's progress is by financial statement trends — sales, costs and expenses. By confining their tracking and analysis to financial statement data, they miss out on valuable metrics that could help their companies boost productivity and profits.

If every family business in the country could track just two or three metrics each month to achieve maximum return on investment and profits, more companies would be using metrics. Each company, however, has its own operational strengths and weaknesses with no one formula generically correct for all companies.

Please read the article in its entirety about key efficiency metrics by clicking [here](#).

To learn more about **PMAA's Corporate Platinum Partner, Meridian Associates**, please visit or contact them at [800.728.9005](tel:800.728.9005).

Skimming Best Practices from Worldpay

Skimming equipment can be very sophisticated, and difficult to identify, and petroleum merchants are first in the line of fire. Worldpay highly recommends that petroleum merchants become familiar with these best practices for skimming.

Please take the time to these [Skimming Best Practices Tips](#).

Should you have any questions or you want to request to make an update to the shutoff amount, please reach out to your designated Worldpay Account Manager or PMAA's Worldpay Enterprise Relationship Manager, [Glenda Preen](#) at [972.325.1801](tel:972.325.1801). **Worldpay is a PMAA Corporate Silver Partner.**