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New Government Spending Bill Does Not Include Tax Extenders

Although there was some discussion on Capitol Hill over the past few weeks about potentially attaching a tax extenders package to the spending bill to keep the government open, lawmakers decided to leave the extenders package out of the spending deal. The tax extenders package would likely have included a renewal of the \$1 per gallon biodiesel blender's tax credit and the oil spill liability tax (OSLT).

"There have been press reports stating that, if the extenders aren't part of the funding bill, they're dead — and I reject that conclusion," Grassley said yesterday. "Regardless of what happens on the bill to keep the government open, I will continue to fight to get the extenders enacted." There is still some hope that a tax reform "technical corrections," retirement fix and disaster relief package could emerge in the coming months which could provide the legislative vehicle for a tax extenders package to hitch a ride.

Last week, PMAA sent a letter to House and Senate leadership in support of a 2018 retroactive renewal and multi-year extension of the \$1 per gallon biodiesel blender's tax credit, which expired on December 31, 2017. Click [here](#) to view the biodiesel tax credit letter. Additionally, the extenders package would likely have included a renewal of the oil spill liability tax (OSLT). Last month, PMAA sent a letter urging Congress to oppose a retroactive renewal of the OSLT. Click [here](#) to view the OSLT letter.

Other credits that would likely have been part of the tax extenders package include: installation of qualified alternative fuel vehicle refueling property in a home or business; the Alternative Fuels Excise Tax Credit for the use of propane as a transportation fuel, known as the "propane autogas tax credit;" and the Section 25C tax credit for the installation of qualified high-efficiency residential HVAC systems and certain energy-saving home retrofits.

EPA Proposes WOTUS Rule that Narrows Federal Regulatory Authority Over Wetlands

This week, the EPA released for public comment a proposed rule narrowing the scope of waters subject to federal regulation under the Clean Water Act (waters of the United States - WOTUS). The proposed rule is important to petroleum marketers because it will remove development restrictions from qualifying parcels of land designated by the EPA as wetlands.

The issue of what qualifies as waters of the United States and thus subject to federal regulatory authority has been controversial because it was applied so broadly that dry drainage ditches, standing storm water, irrigation ditches along with large areas of adjacent dry uplands have been designated as navigable waters subject to federal authority. The EPA's proposed rule

reflects a recent series of Supreme Court rulings narrowing the reach of the Clean Water Act by requiring a hydrological connection between a wetland and a river, lake, marsh, or estuary, etc., before it can be designated as waters of the United States (WOTUS). In other words, there must be a perennial or intermittent flow of water between a designated wetland and larger body of water before it qualifies as waters of the United States subject to federal authority. This means that the definition of waters of the United States will be limited to waters within the ordinary meaning of the term such as oceans, rivers, streams, lakes, ponds and wetlands and that not all wetlands are subject to federal authority.

By narrowly defining such terms as “tributary,” “navigable waters,” “adjacent wetlands” and “abuts,” the proposed rule removes from federal authority ground water, water flows caused by precipitation, drainage ditches, irrigation canals, converted cropland, water filled depressions, stormwater control features, and artificial lakes and ponds in upland areas from designation as waters of the United States. Reverting these lands back to state and local authority will remove the current environmental restrictions imposed by the EPA and make the land available for development.

The EPA and Army Corps of Engineers recently announced that the public hearings will now be held on February 27 and February 28 in Kansas City. The hearings will provide interested parties the opportunity to present data, views or information concerning the proposed rule.

Refiners Threaten Litigation if One-Pound RVP Waiver is Extended to E15 Blends

The major refining groups sent a letter to Acting EPA Administrator Andrew Wheeler this week threatening litigation if the agency goes through a proposal to expand the sales of E15. Specifically, the refining groups told the Acting Administrator that the EPA does not have the authority under the Clean Air Act to grant an RVP waiver for E15 blends. Granting the RVP waiver would clear the way for year-round sales of E15.

Congress established the one-pound RVP waiver under the Clean Air Act but limited it solely to blends between nine and ten percent ethanol. Since Congress created the waiver, only Congress can change it. Currently, E15 can only be used during the winter driving season where it meets RVP limitations. However, during the summer driving season when gasoline volatility increases, E15 cannot be sold because it no longer meets federal RVP requirements without the one-pound waiver. The RVP waiver effectively limits E15 to boutique fuel status.

The Trump Administration promised to expand the RVP waiver to E15 as a consolation to farmers who have been hit hard by international trade barriers. In the event the EPA extends the RVP waiver to E15, opponents are expected to file an injunction to bar the agency from implementing the change until the federal courts decide whether it is within the agency’s authority to do so. It is still uncertain whether the upcoming EPA proposal will include RIN trading limitations designed to prevent credit speculation to stabilize the biofuel credit market. The EPA’s proposed rule is expected to be published later this month.

GOP Senators Threaten to Hold Up EPA Administrator Nominee Over Biofuel Concerns *Environmental Groups Sue EPA Over Boost of Biofuel Quotas*

On Monday, five Republican senators sent a letter to President Trump's nominee to lead the EPA, Andrew Wheeler. The letter, led by Sen. Ted Cruz (R-TX), is also signed by senators from other states with oil refining interests, including Pat Toomey (R-PA), Mike Lee (R-UT), John Kennedy (R-LA) and Bill Cassidy (R-LA). Click [here](#) to read the letter.

The letter addressed to Wheeler states, "As we continue to evaluate your nomination to be Administrator, it is important that we have a better understanding of your views and approach to administering the RFS and the agency actions you believe could alleviate costs." The letter warns Wheeler that their support for his nomination could depend on whether he will take steps to help oil refiners forced to blend biofuel into gasoline, saying, "Without an adequate proposal to meaningfully lower the regulatory burden, we will have serious concerns with your nomination."

In the letter, the senators ask Wheeler if the EPA is looking to adjust biofuel blending targets as part of an upcoming reset of the RFS program and they ask Wheeler to affirm that under a recent court ruling, EPA is not required to redistribute waived biofuel quotas to non-exempted refineries. Furthermore, the letter asks Wheeler if he would continue to grant small refinery exemptions where warranted and if the EPA is considering reforms to the Renewable Identification Number (RIN) market that could prevent market speculation and manipulation.

In other RFS news, the National Wildlife Federation (NWF) filed a lawsuit against the EPA for violating federal laws by boosting biofuel-blending quotas they say are driving farmers to convert prairies and wetlands into cropland. The suit also claims that the EPA failed to properly consult with other federal agencies on potential impacts to threatened and endangered species. The Gulf Restoration Network and Sierra Club joined NWF in the lawsuit.

In an NWF press release, the environmental group alleges that the EPA "illegally approved expanded volume production of largely corn- and soy-based biofuels despite evidence that such production destroys habitat, degrades water quality and increases harmful greenhouse gas emissions." NWF said that the conversion to cropland has "instigated the loss of vital habitat, massive nutrient pollution runoff into waters, and released up to 131 million metric tons of carbon into the atmosphere from the soil and lost vegetation."

PMAA Urges Congress to Oppose Rest Area Commercialization

Last week, PMAA and a coalition of other groups, sent a letter urging Congress to protect the ban on privatizing and commercializing interstate rest areas. The letter was sent to House leadership and to committee members and staff with jurisdiction over transportation policy. Click [here](#) to view the letter.

The ban on the commercialization of rest areas has resulted in a strong, competitive economic

environment with over 60,000 businesses developing along U.S. interstate highways. Prohibiting publicly-run rest areas from competing with private sector businesses has been an undeniable success, resulting in industries that provide valuable services such as gas stations, travel plazas, truck stops, restaurants and hotels.

McConnell to Schedule Vote on Green New Deal

Senate Majority Leader Mitch McConnell (R-KY) announced Tuesday that he will schedule a vote on the Green New Deal (GND) to provide an opportunity for Senators to go on the record about the proposal which Republicans consider absurd and a proposal that hides its real costs.

Rep. Alexandria Ocasio-Cortez (D-NY) and Sen. Ed Markey (D-MA) released the GND last week. The resolution calls for a “10-year plan to mobilize every aspect of American society at a scale not seen since World War 2 to achieve 100 percent net-zero greenhouse gas emissions and create economic prosperity for all.” The GND backers offer hardly any details on how to achieve these goals other than investment of public money.

There is also an effort in the House to have a vote on the bill. Rep. Ted Budd (R-NC) is gathering signatures for a letter to Speaker Nancy Pelosi urging her to schedule a vote, however, Pelosi is not planning to bring the GND resolution to a vote. Speaker Nancy Pelosi (D-CA) also has not voiced her support for the GND.

Meanwhile, the House Science Committee held a hearing on the “most recent climate science” this week, which is to be the first of many climate change hearings according to Science Committee Chairwoman Eddie Bernice Johnson (D-TX). During the hearing, Ranking Member Frank Lucas (R-OK) said that, “We know the climate's changing and that global industrial activity has played a role in this phenomenon.” Some Republicans have changed their view about climate change. Polling by Monmouth University in November found 64 percent of Republicans believe the science, up 15 percentage points from three years ago. Furthermore, 51 percent of Republican voters support the government doing more to address the causes of climate change.

On Tuesday, the House Natural Resources Committee Subcommittee on Energy and Mineral Resources held a hearing entitled, “Climate Change: Preparing for the Energy Transition.” In his opening statement, Subcommittee Ranking Member Paul Gosar (R-AZ) criticized the GND, calling the resolution that “calls for net zero emissions in the next ten years through federal mandates, 100 percent clean and renewable energy and a phaseout of plane travel” a “socialist fairytale.” Rep. Liz Cheney (R-WY) also spoke about her concerns with the Green New Deal as it relates to future air travel, saying that it is going to be important for lawmakers to understand that when the U.S. government “outlaws plane travel, outlaws gasoline and outlaws cars... that we are able to explain to our constituents and to people all across this country what that really means.” In a sharp criticism of the resolution, Cheney added that since the GND could allow the government to decide where people can and cannot fly within the next ten years, she assumed

that would mean her “colleagues from California would be riding their bicycles back home to their constituents.”

Committee Approves Bill Authorizing Government to Sue OPEC for Price Fixing

The House Judiciary Committee unanimously approved a bill (H.R. 948) last week that would allow the Justice Department to sue the OPEC oil cartel under antitrust laws. Versions of the “No Oil Producing and Exporting Cartels Act” (NOPEC) have been proposed for decades. The committee approved a version in 2018 but the bill never received a vote in the full House. Democrats and Republicans want to move the bill this year as they believe President Trump may support the Act.

NOPEC was introduced by Rep. Steve Chabot (R-OH) and co-sponsored by Judiciary Committee Chairman Jerry Nadler (D-NY). A similar bill was introduced in the Senate by Chuck Grassley (R-IA).

The NOPEC bill would explicitly authorize the Justice Department to bring lawsuits against oil cartel members for antitrust violations. It would clarify that neither sovereign immunity nor the “Act of State” doctrine prevents a court from ruling on antitrust charges brought against foreign governments for engaging in illegal pricing, production and distribution of petroleum products.

Appropriations Subcommittee Holds Weatherization Assistance Program Oversight Hearing

On Wednesday, the House Committee on Appropriations Subcommittee on Energy and Water Development, and Related Agencies held an oversight hearing on the Department of Energy’s (DOE) Weatherization Assistance Program (WAP). Hearing witnesses included: Michael Furze, Assistant Director, Energy Division, Washington State Department of Commerce; Annamaria Garcia, Director, Weatherization and Intergovernmental Programs Office, U.S. Department of Energy; Terry Jacobs, Housing and Energy Director, Great Lakes Community Action Partnership; Amy Klusmeier, Weatherization Assistance Program Director, National Association for State Community Services Program. Witnesses discussed the successes, challenges and innovations of the DOE’s Weatherization Assistance Program.

WAP works to ensure the health and safety of low-income and middle-class households by increasing the energy efficiency of their homes and reducing energy costs. Through DOE funding, WAP provides weatherization services to 35,000 homes each year and supports 8,500 jobs. Through weatherization improvements and upgrades, households save on average \$283 or more every year. Since the program began in 1976, WAP has helped improve the lives of more than seven million families through weatherization services.

“Today’s oversight hearing could not have come at a more critical time for the tens of thousands of Americans who rely on DOE’s Weatherization Assistance Program each year,” said Chairwoman Marcy Kaptur (D-OH). “Last week, it was colder in parts of the Midwest than it was in Antarctica, and if it weren’t for WAP, many low-income and middle-class Americans would

not have been able to sufficiently weatherize their homes and keep themselves and their families safe. The WAP mission is about more than helping Americans cut down on the cost of energy, it is about saving lives. Despite misguided attempts to gut the program, WAP has successfully accomplished their vital mission for over 40 years. It is our job to ensure that WAP remains strong for the next 40 years.”

PMAA supports the WAP as it works with the Low Income Home Energy Assistance Program (LIHEAP) and leads to greater efficiencies for home heating. 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.

Federated Insurance Risk Management AcademySM 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.

This seminar’s objective is to help your risk manager learn the exposures specific to the petroleum industry, connect with peers from across the country and apply these best practices within your business.

“Attending this training is one of the best investments you can make to help protect your business and its bottom line!” 2018 RMA Attendee

You can learn more by viewing a brief [video](#) about the Risk Management Academy. To [reserve your spot](#) in the upcoming session or for more information, please contact [Royetta Spurgeon](#) or 800.533.0472 Ext. 455-5604, or visit [Federated's website](#). **Federated is a PMAA Corporate Platinum Partner.**

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Registration is Open for PMAA's Washington Conference and Day on the Hill Scheduled for May

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. **Please make your Congressional appointments NOW!** 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.

Please click [here](#) for our *event website* for all details and registration with secure event payment processing through Cvent. Invitations were sent out yesterday morning to members who have attended PMAA Conferences in the past.

Please make all of 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: It's Your Life Resolutions for the New Year

The beginning of a new year brings excitement and anticipation about all the things you want to accomplish over the next 12 months. New Year's resolutions are one way to document your goals for yourself — whether it's saving more, or spending more time with family, or losing those last 10 pounds before summer — and make a plan to achieve them. Do you have any New Year's resolutions for your business?

To consider some of these ideas to help get your business off on the right foot in 2019, 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.**