

# P M A A W E E K L Y R E V I E W

May 3, 2019

WR-19-18

## **PMAA Files Comments with EPA on Proposed Year-Round Sale of E15 and RIN Market Reforms**

On Monday, PMAA filed comments on the EPA's proposed rule to allow the year-round sale of E15 blended gasoline and reform RFS RIN trading practices that aims to reduce volatility and increase transparency in the RIN market. Specifically, PMAA expressed opposition to the agency's proposal to extend the one-pound RVP waiver for E15 because it could potentially lead to an E15 mandate, which would harm the petroleum marketing industry. PMAA explained that most existing UST system components are only certified to E10 maximum blends. Typically, components other than the tank itself (piping, joints, connectors, gaskets, dispensers) are not compatible with E10 plus blends. Click [here](#) to read EPA's concerns with UST system compatibility. PMAA also expressed the opinion that only Congress through the legislative process can extend the waiver to E15 and not the EPA through rulemaking.

Meanwhile, PMAA wrote in support of the four proposed RIN reforms the agency is contemplating. Proposed RIN reforms include:

- Prohibiting certain parties from being able to purchase separated RINs,
- Requiring public disclosure when RIN holdings exceed specified thresholds,
- Limiting the length of time non-obligated parties can hold RINs, and
- Increasing the compliance frequency of the program from once annually to quarterly.

PMAA told the EPA that the reforms could provide for a level playing field in the motor fuels marketplace by banning Wall Street commodity brokers from participating in RINS trading. Also, requiring disclosure when a party exceeds specific RINs holding thresholds would bring transparency to RIN trading and expose attempted hoarding. Limiting the length of time separated RINs can be held and traded would spread RINS trading more evenly throughout the compliance year and prevent hoarding of RINS by traders until times of peak demand. The EPA is fast tracking the proposed rule to have it completed before the summer driving season. Click [here](#) to read PMAA's comments.

## **PMAA Submits Comments on FDA Draft Guidance Targeting Flavored E-Cigarette Sales**

This week, PMAA submitted comments in response to the Food and Drug Administration's (FDA) draft guidance issued in March that would effectively ban flavored e-cigarette sales in convenience stores. Under the draft guidance, stores would continue to be able to sell tobacco, mint and menthol flavored e-cigarette products but would not be able sell other flavored

products unless minors are prohibited from entering the stores or those products are sold in a separate section of the store that minors are prohibited from accessing. At the same time, however, vape shops and online retailers would continue to be allowed to sell these products. Additionally, the draft guidance would ban sales of many flavored cigars. PMAA strongly opposes the draft guidance and has asked the FDA to withdraw it.

Click [here](#) to read the comments.

The FDA will now begin reviewing all the comments and determine whether to proceed with finalizing the guidance. This review process could take several months for the agency to complete and issue any final decision on the guidance.

### **Senators Introduce Bipartisan Bill to Crack Down on Online Sales of E-Cigarettes to Minors**

This week, Sens. John Cornyn (R-TX), Diane Feinstein (D-CA) and Chris Van Hollen (D-MD) introduced the “Preventing Online Sales of E-Cigarettes to Children Act” (bill number not yet available) that would prohibit online sales of e-cigarettes to minors by applying the same safeguards already in place for regular cigarettes and smokeless tobacco products. The bill amends the “Prevent All Cigarette Trafficking Act (PACT Act)” to also include e-cigarettes in the definition that already includes cigarettes.

Specifically, the bill would require online retailers of e-cigarettes to:

- Verify the age of customers for all purchases.
- Require an adult with ID to be present for delivery.
- Label shipping packages to show they contain tobacco products.
- Comply with all state and local tobacco tax requirements.

PMAA fully supports this legislation.

### **Trump Appears to Reverse Course on Potentially Waiving the Jones Act for Natural Gas**

According to two senators present at an Oval Office meeting on infrastructure this week, President Trump indicated that he would not move forward with waiving the Jones Act which would have allowed foreign vessels to transport liquified natural gas (LNG) to Puerto Rico and the Northeast. The two Senators who argued in favor of maintaining the Jones Act were Sens. Dan Sullivan (R-AK) and Bill Cassidy (R-LA). Just last week, President Trump said he was considering granting the Jones Act waiver with Larry Kudlow, the director of the National Economic Council, arguing in favor while Trump trade adviser Peter Navarro and Transportation Secretary Elaine Chao arguing against the move.

Signed into law by President Woodrow Wilson in 1920, the Jones Act regulates maritime commerce in U.S. waters and between U.S. ports. This nearly 100-year-old law requires that all goods transported between U.S. ports be carried in U.S. owned ships, built and registered in the

U.S., and manned by U.S. citizens. The Jones Act was temporarily waived from September 1 to September 19, 2005 following Hurricane Katrina's landfall which allowed foreign vessels to carry crude oil between U.S. ports. In the summer of 2011, President Barack Obama waived the Jones Act to accelerate crude oil and refined product shipments to the U.S. due to the Libyan uprising causing the loss of over two million barrels of crude oil supply. In 2017, President Trump issued a 10-day waiver to the Jones Act for Puerto Rico in order to speed recovery following Hurricane Maria, as he did for Texas and Florida following the devastation caused by Hurricanes Harvey and Irma.

PMAA has supported efforts in the past to repeal the Jones Act which could bring more competitively priced refined products to consumers. However, waiving the Jones Act only for natural gas would lead to an unlevel playing field in the marketplace. PMAA argues that if the Jones Act is waived, it should include petroleum and refined petroleum products.

### **Labor Secretary Opposes Federal Minimum Wage Increase**

On Wednesday, Labor Secretary Alexander Acosta told House Education and Labor Committee Chairman Bobby Scott (D-VA) that a federal minimum wage increase would burden states that haven't increased their minimums above the federally mandated floor of \$7.25 an hour. "Three-fifths of the states have passed a minimum wage that exceeds the federal level," Acosta said in testimony to the Committee. "It's our view that a federal minimum wage would be those three-fifths of the states imposing a cost structure on the remaining two-fifths of states that have chosen not to increase the minimum wage above the federal level." Asked whether he opposes the concept federal minimum wage altogether, Acosta said, "We do not support a change to the federal minimum wage at this time."

Acosta's comments follow the Congressional Budget Office (CBO) analysis regarding Rep. Bobby Scott's \$15 minimum wage "Raise the Wage Act," which shows the Act would cost private businesses \$48 billion a year and that state and local governments would have to pay an additional \$3 billion to workers each year.

Twenty-nine states and Washington, D.C. have minimum wages higher than the federal \$7.25.

### **President Trump Meets with Democratic Leaders to Discuss Infrastructure**

On Tuesday, Senate Minority Leader Chuck Schumer (D-NY) and Speaker of the House Nancy Pelosi (D-CA) met with President Trump at the White House to discuss infrastructure. Apparently, both sides agreed to spend \$2 trillion to fix the nation's crumbling infrastructure. But the big question that was not answered was how to pay for it.

In advance of the meeting, Schumer said that he wouldn't consider raising the gas tax unless President Trump were to agree to repeal parts of the 2017 tax overhaul legislation. This is a non-starter with the GOP. President Trump hasn't publicly backed a gas tax increase, but he has said that he would be open to a gas tax increase of up to 25 cents per gallon behind closed

doors. PMAA has argued that all vehicle owners and operators, no matter what fuel type they choose, including electric vehicles, should pay their fair share for road maintenance and repair.

In other infrastructure news, NATSO, PMAA and like-minded associations sent a letter to the House Committee on Transportation and Infrastructure on Tuesday to oppose efforts to commercialize Interstate rest areas as they consider infrastructure legislation this year. In the letter, the groups said that while they understand the budget challenges that many states face and the need for more infrastructure revenue, proposals that would allow the private sector to operate interstate rest areas are counter-productive. The letter underscores the negative affect that commercial rest areas would have on small businesses located off interstate highways.

Click [here](#) to read the letter.

### **SNAP Online Purchasing Pilot**

Under a new two-year test pilot that was launched recently in New York State, SNAP participants will be able to select and pay for their groceries online. Online retailers will be limited to delivery in the pilot areas in New York only. SNAP participants will be able to use their benefits to purchase eligible food items but will not be able to use SNAP benefits to pay for service or delivery charges.

The 2014 Farm Bill authorized USDA to conduct and evaluate a pilot for online purchasing prior to national implementation. The pilot phase is intended to ensure online transactions are processed safely and securely. USDA anticipates all eligible and interested retailers who can meet the requirements to process online SNAP transactions will eventually be able to take part, though the timeline is dependent on the progress of the pilot and any regulations which may need to be issued.

Amazon, Walmart and ShopRite will participate in the initial pilot. ShopRite and Amazon are providing service to the New York City area and Walmart is providing online service in upstate New York locations.

The convenience store industry could be impacted by this pilot program since SNAP recipients may be enticed to purchase necessities online. According to NACS, the c-store industry represents 45 percent of all retail outlets authorized to accept SNAP benefits which are traditionally the only establishments easily accessible by walk-in or public transport in low-income areas.

### **The Mobile App for PMAA Washington Conference 2019 is Available!**

PMAA Washington Conference 2019 is mobile with an event app! We teamed up with CrowdCompass to build an app that will make this years' experience a lot more valuable for our attendees. This app will include networking, schedules, social media and much more at the palm of your hand.

All registered attendees will be receiving an email on how to download the app. **Watch your inbox – more info is on the way. Stay tuned for the app release details and more info on how you can use the app to enhance your event experience.** We would encourage you to download it prior to you arriving in Washington, DC as there will be limited internet access at the conference.

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

The Petroleum Marketers Association of America (PMAA) has announced that the exclusive PMAA Buyers' Guide(the "Guide") — the premier resource of relevant products and services for petroleum professionals — is now available at the [PMAA website](#).

PMAA partnered with Overland Park, Kansas-based Strategic Value Media, a leading nationwide provider of print and digital media solutions for national, state and local trade and membership associations, to produce the Guide. PMAA is proud to provide its members with this useful and easily accessible year-round resource.

"This comprehensive Guide offers access to a vast network of industry suppliers," said Rob Underwood, President of PMAA. "We are very pleased with the fine work SVM has done with this Guide, which we anticipate will now greatly assist industry professionals in making educated purchasing decisions throughout the year. The response to this Guide by the industry has been nothing short of outstanding."

The 2019 version of the [Guide](#) features updated and expanded company and product listings, in addition to other valuable information relating to the petroleum industry. The Guide provides PMAA members and other industry professionals with an efficient way to browse for goods and services. The Guide also offers petroleum suppliers and companies exceptional visibility by showcasing their products and services to a targeted, industry-specific buyer group.

If your company or business has not yet taken advantage of this exceptional opportunity to highlight your products and services in the Guide, it is not too late! To learn more about advertising your products or services in this exclusive Guide, please [email](#).

### **PMAA Corporate Platinum Partner Spotlight Featuring: Renewable Energy Group, Inc. *Fuel Forward with Cleaner Blends from REG***

Many heating oil and diesel sellers who were doing business at the turn of the 21st century remember how biodiesel was perceived when our industry first began making inroads with petroleum suppliers. Some thought of our future fuel blends as a “utopian vision.” Some might have even called it a “pipe dream.”

Now, as more diesel and heating oil sellers look to build upon biofuel’s success stories, REG is here to help with everything from blending and storage to regulatory consulting and financial

incentives. To see how you too can “fuel forward,” watch the [video](#).

For additional information about Renewable Energy Group, Inc., please [visit](#) or contact [Troy Shoen](#). [Renewable Energy Group is a PMAA Corporate Platinum Partner](#).

### **PMAA PAC Silent Auction is Open for Pre-Bidding!**

We are excited that our silent auction items are available for remote pre-bidding on your mobile phone! Our Silent is now open and will close at 8:30am Friday, May 10. This will be our first year with C2Auctions. They will be organizing the PMAA Small Business Committee (SBC) PAC Silent Auction and the Raffle during our PMAA Day on the Hill Conference. All PMAA members will be eligible to participate from anywhere in the U.S. as long as they download the Text2Bid platform on their mobile phone.

The purpose of mobile bidding is to make the PMAA SBC PAC Silent Auction more competitive and fun by notifying bidders the instant they are outbid. A notification informs the bidder that they are no longer winning, and to increase their bid or begin bidding on a new item.

#### **To access the bidding platform:**

- Text the word PMAA to 71760
- Click the text message link you will receive by reply
- Follow instructions to complete your registration

Once you have accessed your account, browse by category or item name to begin bidding. On each item, you will see various options:

- **Bid:** Bid at the pre-assigned increment
- **Watch:** Clicking "Watch" will put this item in your "My Items" box in the menu for easy access
- **Set Auto-Bid:** Allows you to set a maximum bid. As others bid on this item, the system will automatically increase your bid, up to your maximum bid limit.

As you enter a winning bid or are outbid, you will receive a message alerting you of your status. You will be notified at the end of the Silent Auction if you are a winning bidder! C2Auctions will be on-site between 8:30am and 10:00am for checkout on Friday, May 10 for those that can pick-up up their items in person.

### **April 2019 PMAA Small Business Committee (SBC) PAC Contributions**

PAC Co-Chairs Brad Bell and Tim Keigher are grateful for the PMAA Small Business Committee (SBC) PAC contributions from the following individuals during the April 1-30, 2019 time frame:

**Connecticut:** David Foster

**Louisiana:** Justin Alford, Darrell Amar Jr., Brett Broussard, Jack Casanova, Wes Loflin, Les Lowery Jr., Frank Marcello, Ali Momenzadeh, Hugh Raetzsch, Nick St. Romain, Eric Teasley, Al Waguespack, Allie Waguespack, Andree Waguespack, Danny Wright

**Maine:** Mike Estes

**Michigan:** Larry Galgoci, Craig Hoppen, Kelly Lappinga, Scott Miller, Dennis McCarthy, William McCarthy, Daniel Pohl, Paul Schmuckal, Jon Shaer, Scott Vandersea

**Mississippi:** Matt Bogue, David Burns, Stanley Roberts

**NECSEMA:** Russell Barton, Steven Charron, Thomas Frawley, Raymond Leather, John R. Nelson, Edward Rachins, Christopher Riley, Jon Shaer, Scott Vandersea, Alexander Weatherall, Mark Yiatras

**NEFI:** Mike Estes

**South Carolina:** Dennis Curtis Sr., Matthew Greene

**Utah:** Blain Boelter, Brad Randall

**Wisconsin:** Paul Bhardwaj, Tim Cullen, Michael Davis, Meredith Hager, Ryan Harrigan, Cory Kuchenbert, Brian Saunders, Sarah Sklamberg, Tim Stephen, Phil Wittman

### **Federated Insurance Employment Practices Network HR Question of the Month**

Federated Insurance's HR Question of the Month focuses on employment-related practices liability issues. This month's question is: **Establish Workplace Safety/Weapons Policy?**

Our company does not have a specific safety in the workplace or weapons policy; is it advisable that we establish one? Please click [here](#) to read the response.

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.**

### **2019 PMAA Marketers Defense Fund (MDF) Raffle**

***Purchase Your Tickets for an Opportunity to Own A Ring Video Doorbell 2.***

Get your PMAA Marketer Defense Fund (MDF) raffle tickets now for a chance to win a Ring Video Doorbell 2, security and protection for any home. Never miss another visitor when you can watch over your home and answer the door from your phone, tablet and PC. It includes Lifetime Theft Protection.

**(A Ring Protection subscription is required to access stored videos. A free 30-day trial of Ring Protect is included – Ring Protect plans start at only \$3 a month after trial ends).**

The MDF will hold a raffle during the Day on the Hill Washington, DC May 8-10 conference and the raffle winner will be identified during the PMAA board meeting on May 10. The winner does not have to be present to win. If you are not attending the conference, you will be notified the week following the May drawing if you are the owner of the Ring Video Doorbell 2.

Click [here](#) for more information on the MDF and how to contribute.

Tickets are \$25 each or five for \$100. Advanced tickets are available until May 7. Ticket sales will continue at PMAA's conference in Washington, DC until the drawing on May 10. Tickets can be purchased with personal or corporate funds by MasterCard, VISA, American Express, cash or check (checks should be made out to the PMAA Marketer Defense Fund). To purchase tickets before May 7, please contact [Susan Isard](#) or 703-351-8000.

### **The List of Silent Auction Items is Growing!**

PMAA Small Business Committee (SBC) PAC Co-Chairs Brad Bell and Tim Keigher thank Peter Kreuger and the Nevada Petroleum Marketers & CSA, Gene Inglesby and the Western Petroleum Marketers Association, Kris DeLair and the Empire State Energy Association, Inc., Brian Clark and the Kentucky Petroleum Marketers Association (KPMA) for another donation, Emily LeRoy and the Tennessee Fuel & Convenience Store Association (TFCA), Paul Hardin and the Texas Food and Fuel Association for donating to the 2019 PMAA SBC PAC Silent Auction!

Brian Clark and KPMA donated two additional items for the auction this week! This week they donated a Woodford Reserve Lamp & an Elmer T. Cigar ashtray which are a great idea for the bourbon and cigar enthusiast alike. The Woodford lamp is handmade, one of a kind item and the Elmer T. Lee Bourbon ashtray is cut from a reclaimed Elmer T. Lee Bourbon bottle, these items are sure to complement any area where cigars are enjoyed.

Emily LeRoy and TFCA donated Judith Bright Cleo Chrysoprase Hoop earrings. Bright's mission is to produce beautiful handmade jewelry with a soul. Her passion is to create pieces that women will love and joyfully wear every day. This beautiful handmade chrysoprase hoop earrings are 14 karat gold-filled and they are made to be worn with almost anything.

Paul Hardin and the Texas Food and Fuel Association donated a dash cam video recorder for cars. The dash cam has a 170-degree wide angle lens that allows a larger viewing angle to be recorded, and includes night vision and motion detection. The camera recorder can provide insurance claims to prevent dispute and the most reliable, safest and best dash cam experience when driving.

Kris DeLair and the Empire State Energy Association donated a Bose SoundLink Revolve. The SoundLink is one of the best performing portable Bluetooth speakers yet. It delivers true 360-degree sound for consistent, uniform coverage. Bose has a set standard for excellence, and you will experience a level of performance that will keep you listening all day. It's meant to go where you go.

Peter Kreuger and the Nevada Petroleum Marketers & CSA donated a Coach Hobo Bag and a Coach wallet. The bag is made of refined pebble leather, with inside cell phone and multifunction pockets, zip-top closure, fabric lining, outside zip pocket, handle with 8 3/4" drip, and detachable strap with 15 1/4" drop for shoulder wear. The Coach leather wallet is made of cross-grain leather, with twelve credit card and multifunction pockets, a full-length bill compartment zip coin pocket, outside open pocket, and zip-around closure.

Gene Inglesby and the Western Petroleum Marketers Association donated a \$300 gift card to Maui Jim Stores or website to purchase sunglasses, accessories or apparel. Maui Jim roots started in 1980 when Jim Richards a fisherman began selling sunglasses on the beaches of Maui, Hawaii.

The Auction will take place next week in conjunction with PMAA's Washington Conference on May 8 during the welcome reception. If you have items that you would like to contribute for the Silent Auction, please contact Sabrina Pitcher at 703-351-8000.

#### **April 2019 Contributors to PMAA MDF**

PMAA's Marketer Defense Fund wants to thank the following individuals for their Marketer Defense Fund (MDF) contributions during the April 1- 30, 2019 timeframe:

**California:** Steven Lansdowne

**Indiana:** Trout Moser

**Maryland:** Kent Ferrell, Richard Phelps

**Michigan:** Robert Hohn

**Minnesota:** John Derichs, Brian Johnson, Vern Kelley

**Mississippi:** Rex Gillis, Eric Prince, Stanley Roberts, Howard Waring

**Missouri:** Missouri Petroleum Marketers and Convenience Store Association

**New Mexico:** New Mexico Petroleum Marketers Association

**North Carolina:** John Fuquay, Bill Tome

**North Dakota:** Matt Bjornson, North Dakota Petroleum Marketers Association

**Oklahoma:** Oklahoma Petroleum Marketers and Convenience Store Association

**Washington:** Washington Oil Marketers Association

**Wisconsin:** John Baltus

Corporate donations are acceptable. MDF funds have been used for various studies, litigation and disaster relief dedicated to strengthening our lobbying efforts on Capitol Hill. Click [here](#) to donate to the PMAA MDF.