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WR-19-19

Record Number of Petroleum Marketers Attend PMAA's Day on the Hill

In an attendance record for PMAA, over 300 petroleum marketers participated in last week's highly successful PMAA Annual DC Conference and "Day on the Hill." This year's event occurred at a vital time in Washington with important industry changes sought by the Trump Administration and the GOP-controlled Senate, as well as the Democratic House of Representatives.

PMAA's opening speaker was Denton Cinquegrana, Chief Oil Analyst for Oil Price Information Service (OPIS) who addressed the group during the Opening Session, and on Friday attendees heard from U.S. Representative Greg Pence (IN) during the Board of Directors meeting.

PMAA marketers urged Members of Congress to cosponsor the "Fairness for Every Driver Act," S. 343 and H.R. 1027, which would eliminate the electric vehicle tax credit and ensure that alternative fuel vehicle drivers pay into the Highway Trust Fund.

Marketers also obtained lawmaker's signatures for the hours service (HOS) [letter](#) that Rep. Crawford (R-AR) is circulating that will be sent to the Federal Motor Carrier Safety Administration (FMCSA) early next week. PMAA worked with the congressman to urge the Department of Transportation (DOT) to consider additional changes to the HOS modifications that are already proposed. PMAA is urging FMCSA to also consider allowing drivers to count the time waiting at terminals to load product as off-duty time; and to extend the 100-mile air radius short-haul driver exception to 150 miles for CDL drivers to reflect the maximum distance most CDL drivers in the petroleum industry travel to load supply.

Furthermore, marketers focused their meetings on gaining cosponsors for the "Preventing Online Sales of E-Cigarettes to Children Act" (S. 1253) which would amend the "Prevent all Cigarette Trafficking Act (PACT Act)" to include e-cigarettes. Marketers also urged their lawmakers to cosponsor "The Food and Fuel Consumer Protection Act," (H.R. 2540) which would reduce the ethanol mandate to 9.7 percent of gasoline.

Other critical and active issues that were brought up in Hill meetings were: opposing rest area commercialization and reinstating the \$1 per gallon biodiesel blender's tax credit.

This year PMAA added two apps for the convenience of conference attendees. The conference app included networking, schedules and social media, while the Silent Auction app provided a

more efficient and inclusive way to bid for auction items. Both apps were a hit with the users throughout the conference.

PMAA looks forward to seeing everyone at our next conference at the Hyatt Regency Atlanta October 6-7.

Study: EV Tax Credit Extension Legislation Will Cost Taxpayers Nearly \$16 Billion
PMAA Joins Coalition in Sending Letter Opposing EV Tax Credit Extension

According to analysis on legislation introduced by Sen. Debbie Stabenow (D-MI) and Rep. Dan Kildee (D-MI), known as the “Driving America Forward Act,” the bill would cost taxpayers as much as \$15.7 billion. The legislation would expand the electric vehicle (EV) and hydrogen fuel cell tax credits. Specifically, the legislation would reduce the \$7,500 credit to \$7,000 and would lift the tax credit cap from 200,000 to 600,000. Under current law, the tax credit phases out on a per manufacturer basis once that company has sold 200,000 EVs total for use in the United States. The study was commissioned by American Fuel & Petrochemical Manufacturers (AFPM).

This week, PMAA joined AFPM, API, NACS and SIGMA in sending a letter to Senate Majority Leader Mitch McConnell (R-KY) opposing any extension or expansion of the EV tax credit. PMAA is concerned that expanding the EV tax credit places the burden on the poor and middle-class ratepayers who are subsidizing the wealthy’s luxury buying power to purchase expensive EVs. Click [here](#) to view the letter.

Despite the costs of EVs, some lawmakers continue to push for legislation that would expand EV infrastructure. This week, Sen. Martin Heinrich (D-NM) said that Democrats should prioritize adding electric vehicle chargers in an infrastructure package that Congressional leaders are working on with the White House. Democrats in both chambers also introduced legislation this week, led by Sen. Jeff Merkley (D-OR) and Rep. Mike Levin (D-CA), that is aimed at making all new car sales zero-emissions vehicles by 2040.

Specifically, the “Zero-Emission Vehicles Act of 2019” would require that by 2030, 50% of sales for new passenger vehicles are zero-emission vehicles, and ramp up 5% each year to 100% by 2040.

Lastly, there are doubts surrounding the minerals used in making the batteries for EVs. Industry analysts recently highlighted concerns with the challenges the U.S. faces in creating its own EV supply chain due to the uncertainty of the extent of the country’s metal reserves and the existence of only a few facilities to process minerals and produce batteries. It is also hard to know how much cobalt and other important minerals used to make EVs are actually in the U.S., as there has not been a national survey to accurately make those measurements. Earlier this month, Tesla announced that it is expecting a global shortage of key minerals used in the production of EV batteries. Click [here](#) to view the article.

House Democrats Introduce Infrastructure Bill that Would Drive the Electrification of Transportation

On Wednesday, all 31 Democratic members of the Energy and Commerce Committee introduced a broad infrastructure package that would cost tens of billions of dollars. The “Leading Infrastructure for Tomorrow’s America Act,” or LIFT America Act, includes boosting “clean energy” and strengthening the power grid, as well as expanding broadband access and building healthcare infrastructure.

Click [here](#) to view what is included in the LIFT Act that is of relevance for petroleum marketers. The bill also contains language that may affect the heating oil industry. PMAA is carefully reviewing the language and will send a more detailed summary soon.

A section-by-section of the bill is available [here](#), and the text of the bill is available [here](#).

Although this version of infrastructure legislation is unlikely to move, elements of this package are likely to be included in a final infrastructure bill. PMAA is particularly alarmed by the sentiment shared by many policymakers that electricity is the solution to lowering carbon emissions. The electrification of transportation is the latest trend among state and federal policymakers, and it lacks hard data and sound logic.

Urge Lawmakers to Reduce the Ethanol Mandate

Last week, Reps. Bill Flores (R-TX) and Peter Welch (D-VT) introduced bipartisan legislation known as “The Food and Fuel Consumer Protection Act,” (H.R. 2540) which would cap the ethanol mandate at 9.7 percent of projected gasoline demand. PMAA highlighted its support for this important legislation at its annual DC Conference and “Day on the Hill” last Thursday. The legislation was introduced just as the EPA sent its proposed 2020 renewable volume blending targets to the Office of Management and Budget (OMB) for review. The EPA is required by law to issue its annual 2020 renewable volume obligations (RVOs) for the following year by November 30th. It is expected that a final 2020 RFS rule will be in place before the November 30th deadline.

The RFS is important to petroleum marketers because it ultimately determines whether E15 gasoline is mandated to meet annual refiner blending mandates. The existing RFS ethanol blending mandates have already pushed E10 blends into virtually every gasoline market in the country. Any significant increase in the ethanol blending standard will force refiners to move to E15 blends unless gasoline demand rises to offset new blending mandates. Currently, there is no viable way for UST system operators to demonstrate that existing equipment is compatible with gasoline blends over E10.

Click [here](#) to urge your House lawmakers to cosponsor the legislation.

FMCSA Seeks Input on Younger CMV Drivers in Interstate Commerce

The Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA) announced Tuesday that it is seeking public comment on a potential pilot program that would allow drivers ages 18-20 to operate commercial motor vehicles (CMVs) in interstate commerce.

Drivers ages 18-20 may currently only operate CMVs in intrastate commerce. In July 2018, DOT announced the [details](#) of the Commercial Driver Pilot Program required under the Fixing America's Surface Transportation (FAST) Act, which allows certain 18- to 20-year-olds with military training to operate CMVs in interstate commerce.

Now FMCSA is requesting comments on a second pilot program to allow non-military drivers ages 18-20 to operate CMVs in interstate commerce. FMCSA requests comments on the training, qualifications, driving limitations, and vehicle safety systems that FMCSA should consider in developing options or approaches for a second pilot program for younger drivers. "We want input from the public on efforts that offer the potential to create more jobs in the commercial motor vehicle industry, while maintaining the highest level of safety. We encourage all CMV stakeholders to submit comments on a potential interstate pilot program for younger drivers," said FMCSA Administrator Raymond P. Martinez.

PMAA will submit comments prior to the July 15, 2019 deadline. The Federal Register Notice, including how to submit comments, is available [here](#).

THANK YOU to our GENEROUS Washington Conference Sponsors!

PMAA wants to give an immense THANK YOU to our Washington Conference 2019 Partner Sponsors: Federated Insurance, Renewable Energy Group, RAI Trade Marketing Services Company, Spirit® Petroleum, Oil Price Information Services (OPIS), Worldpay and Altria Client Services!

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We appreciate the loyalty and support of each of our PMAA Corporate Partners and their continuous commitment to the petroleum industry. For more information on our Partner Programs, please contact [Susan Isard](#).

Federated Insurance Risk Management Academy Webinar
Screening, Hiring, and Retaining Employees: Tuesday, May 21, 2019, 1:00 p.m. CT

A company's hiring and employee retention practices communicate a lot about its culture. Many employers agree that bringing qualified applicants into their business is one of their primary challenges, and today's competitive employment market can make it even harder to land top talent. This discussion focuses on ways to find quality applicants in your industry, establish strong and consistent hiring practices, and reinforces the value of continuous recruiting and employee retention to distinguish you as an "employer of choice."

What you will learn:

- Differences in the generations in the workplace
- Strong pre-hire screening practices
- Resources available to manage current employees
- Best practices to become an employer of choice

[Advance registration](#) is required for this 45-minute webinar.

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.**

NACS Show Housing and Registration Now Open!
Atlanta: October 1-4, 2019

Housing and Registration are opened for the NACS Show. The Early Bird rate deadline is May 24, 2019. **Please note that the NACS Show registration is separate from the PMAA Meeting Registration.** PMAA's Fall Meeting at the NACS Show will be held on September 30-October 1 at the Hyatt Regency Atlanta. Please view our Conference Schedule and PMAA's NACS Housing Link [here](#).

The NACS Show provides the most comprehensive representation of products and services for the convenience and fuel retailing industry. Retailers come to the NACS Show to discover proven ideas and strategies that enable them to increase sales, attract new customers, build their brand and improve their bottom line. Suppliers exhibit at the Show to establish a presence in the convenience channel, obtain sales leads, increase product exposure and introduce new products. Last year, over 25,000 people attended the NACS Show from almost 70 countries and more than 1,200 companies exhibited. For more information, [explore this year's NACS Show](#).

The Opening General Session will take place on Tuesday, October 1 from 3:45 pm – 5:00 pm at Georgia World Congress Center. The Closing General Session will take place on Friday, October 4 from 8:00 am – 9:00 am at Georgia World Congress Center. Speaker information for the 2019 NACS Show will be available at a later date.

PMAA Platinum Partner Spotlight Featuring: Meridian Associates, Inc.

5 Ways to Keep Your Unique Family Values Alive in Today's Petro Marketplace by Betsi Bixby

As I write this article for you, I'm just returning home from a major refiner association meeting where I spoke on combining Culture and Strategy as necessary elements to win in today's marketplace. I asked each marketer in the room to help me by writing down the burning question they had about the topic. The most frequently submitted question was "How can I keep my family values strong with the petro marketplace changing so rapidly?" And a few added comments about the multi-generational workforce making it even harder.

I love that question and it dovetailed nicely with my focus for the past few years coaching petroleum company leaders to do exactly that –keep their family values strong. To find out the five bits of my secret sauce to address how to do that, please click [here](#).

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

Federated Insurance: Risk Management Corner

Spring Weather: Protect What Matters Most

Winter has passed, along with its associated hazards. Even though the sun has started shining longer and the birds are chirping, now isn't the time to let your guard down. Spring comes with its own set of risks.

Threats to homes and businesses vary depending on location, but storms are a threat to every region of the country. Lightning can cause power outages or start fires. Heavy rainfall can inundate waterways and drainage systems, resulting in flash flooding. Tornadoes can rip through communities, injuring or killing people, and causing severe damage to property.

To read more about preparing for weather related threats, 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. **Federated is a PMAA Corporate Platinum Partner.**

PMAA Journal is Online

Our [Spring Issue](#) is available now! We are now offering you our *PMAA Journal* in another feature-packed format. In addition to its printed version, PMAA Journal is available in an improved digital format! Now the magazine can be easily viewed on any device, whether

smartphone, tablet or computer screen. Scroll vertically through all the content in the magazine and easily select individual articles to read or share via the buttons at the top.

Want to see past issues? They can be found on the left side of your browser screen (or the top of your mobile device's window) - just one click and they're at your fingertips! Additionally, the flipping-page digital version is still available and easily accessible through the menu bar in the upper left corner.

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