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WR-19-20

Lawmakers Urge FMCSA to Extend Short-Haul Exception from 100 to 150 Air-Miles

Yesterday, Rep. Crawford (R-AR), along with several other GOP lawmakers, sent a letter to the Federal Motor Carrier Safety Administration (FMCSA) to consider additional changes to hours of service modifications designed to increase driver availability and scheduling efficiency for petroleum marketers. Specifically, Crawford's letter urges FMCSA to extend the 100-mile radius short haul driver exception to 150 miles to reflect the maximum distance most CDL drivers in the petroleum industry travel to load supply. Extending the short haul exception would also exempt CDL drivers from the electronic logging device (ELD) mandate if they stay within 150 air miles. PMAA fully supported Rep. Crawford's letter and made this an important issue during PMAA's DC Conference and "Day on the Hill." Click [here](#) to read the letter.

Last year, FMCSA issued an advanced notice of proposed rulemaking which included several proposals to reduce compliance cost burdens on the regulated community and could alleviate the driver shortage.

Specifically, PMAA strongly supported FMCSA's considerations to:

- Increase the number of daily on-duty hours from 12 to 14 for drivers operating under the exemption;
- Extend the current 14 hour on-duty limitation to allow for a three consecutive hour break (to allow for loading and unloading);
- Extend the current 14 hour on-duty limitation by up to two hours when a truck driver encounters adverse driving conditions;
- Eliminate the 30-minute rest break for drivers not qualified for the 100 air-mile short-haul exception but who return to the worksite at the end of each daily shift.

Senators Introduce Legislation Raising the Federal Tobacco Age to 21

Remind Senators to Cosponsor Bipartisan Legislation to Crack Down on Online Sales of E-Cigarettes to Minors

This week, Senate Majority Leader Mitch McConnell (R-KY) and Sen. Tim Kaine (D-VA) introduced bipartisan legislation that would raise the federal minimum age to buy tobacco products from 18 to 21. The bill, known as the "Tobacco-Free Youth Act," includes cigarettes, smokeless tobacco, e-cigarettes and vaping devices. The bill would also allow states to enact stricter laws if they would like. The measure comes in response to regulators recently deeming teen vaping a national epidemic.

Last month, Rep. Robert Aderholt (R-AL) introduced similar legislation called the “Stopping Consumption of Tobacco by Teens (SCOTT Act)” (H.R. 2084) that would raise the legal age to purchase tobacco and e-cigarette products from 18 to 21 across all states and territories. Currently, 14 states and at least 450 localities have raised the legal age to purchase tobacco and e-cigarette products to 21. Altria and Juul recently announced their support for raising the federal smoking age to 21.

The PMAA Board of Directors voted recently to not take a position on raising the federal tobacco buying age to 21 and will defer to each state association to develop its own position.

Importantly, PMAA asks you to remind Senators to cosponsor the “Preventing Online Sales of E-Cigarettes to Children Act” (S. 1253) 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, which is sponsored by Sens. John Cornyn (R-TX), Diane Feinstein (D-CA) and Chris Van Hollen’s (D-MD), would amend the “Prevent All Cigarette Trafficking Act (PACT Act)” to also include e-cigarettes in the definition that already includes cigarettes.

Click [here](#) to write your Senators to cosponsor this important legislation.

RFS Reset Rule Coming Soon

On Monday, the EPA sent its proposed RFS reset rule for 2020-2022 renewable volume obligations (RVOs) for cellulosic, advanced and total renewable fuels to the Office of Management and Budget (OMB) for review. Once OMB completes its review, it will be sent back to the EPA and then released for public comment. Given that EPA missed specific requirements for biofuel blending by 20 percent or more for two years in a row, the agency can set requirements without reference to the law next year which is known as the reset provision. Under the statutory provisions governing the RFS program, EPA is required to modify, or “reset” the applicable annual volume targets specified in the statute for future years if waivers of those volumes in past years met certain specified thresholds. As a result, EPA is likely to propose a rulemaking that will modify the applicable volumes targets for cellulosic biofuel, advanced biofuel, and total renewable fuel for the years 2020 - 2022.

Corn ethanol proponents have urged the EPA to account for the biofuel gallons lost due to small refinery waivers by increasing the ethanol mandate as part of the upcoming reset of the RFS. Biofuel groups have argued that the numerous refinery waivers from 2016-2017 have indirectly reduced the ethanol mandate which have driven down RIN values and, therefore, weakened the market for E15. This week Senator Tammy Duckworth (D-Ill.) asked the EPA’s Office of Inspector General to investigate why the agency vastly expanded its use of waivers to exempt small refineries from the nation’s biofuel law.

Meanwhile, 15 GOP Senators have urged the EPA to use its reset authority to reduce the corn ethanol mandate to 14.2 billion gallons to reflect current market realities. When the RFS was signed into law in 2007, EIA projected that gasoline consumption would rise to over 170 billion

gallons in 2020. Consequently, gasoline consumption has remained around 140 billion gallons which has led to an unlevel playing field in the motor fuels marketplace.

The RFS reset proposed rule serves as an opening to reduce RVO corn ethanol requirements for future years and PMAA will be submitting comments to that regard. The EPA aims to have the RFS reset rule finalized by the end of the year.

Remind Lawmakers to Cosponsor Legislation to Reduce the Ethanol Mandate

PMAA continues to remind lawmakers to cosponsor Reps. Bill Flores (R-TX) and Peter Welch's (D-VT) 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. 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.

Urge Congress to Extend the Biodiesel Blender's Tax Credit

As reported in previous PMAA Weekly Reviews, Rep. Abby Finkenauer (D-IA) introduced bipartisan legislation (H.R. 2089) known as the "Biodiesel Tax Credit Extension Act" that would extend the biodiesel blender's tax credit for 2018 and 2019. PMAA supports this important legislation.

Since 2005, there has been a \$1.00 per gallon biodiesel and renewable diesel blenders' tax credit which was created to stimulate production and consumption of biodiesel and renewable diesel. The biodiesel blender's credit has worked successfully to build a strong incentive for downstream fuel marketers to blend renewable fuel into the fuel supply which has lowered prices for motorists and heating fuels for consumers. As a result, the U.S. biodiesel and renewable diesel market has grown from roughly 100 million gallons in 2005 to nearly 2.6 billion gallons in 2017.

Unfortunately, the tax credit expired on December 31, 2017 and has been in limbo since. Congress must act now to retroactively extend the credit for calendar year 2018 and through at least 2019.

Click [here](#) to urge your members of Congress to cosponsor H.R. 2089 to renew the tax credit.

Senior Tax Committee Member Introduces Gas Tax Increase Bill

On Wednesday, Congressman Earl Blumenauer (D-OR), a senior member of the Ways and Means Committee introduced the "Rebuild America Act of 2019," which would increase the federal gasoline and diesel taxes. This legislation would raise the fuels tax by five cents a year over five years and would index the taxes to inflation. Unfortunately, the legislation falls short of ensuring that all vehicle owners and operators, no matter what fuel type they choose, including electric vehicles, pay their fair share for road maintenance and repair.

"The gas tax was last raised more than 25 years ago, which means we are paying for our 2019 infrastructure needs with 1993 dollars," said Rep. Blumenauer. The U.S. faces the largest infrastructure funding gap in the world. The sector with the greatest shortfall is surface transportation, which the American Society of Civil Engineers estimates needs more than \$1.1 trillion of investment by 2025. Since 2010, 35 states with legislatures controlled by both parties have voted to raise their gas taxes.

The bill is supported by the Chamber of Commerce and the American Trucking Associations. "Truckers see that roads and bridges are deteriorating more each year, and the traffic and congestion that impacts people's daily lives must be solved." Americans for Prosperity, a conservative advocacy group, is launching an ad campaign to urge lawmakers on key committees, including Blumenthal, not to consider raising the gas tax.

Use of Legalized Marijuana or CBD Oil Strictly Prohibited Under U.S. DOT Drug Testing Regulations

The U. S. Department of Transportation (DOT) recently clarified the agency's drug and alcohol policy concerning the legalized use under state laws of CBD oil and marijuana by CDL drivers. The policy is important to petroleum marketers because it addresses how the legalized use of CBD oil and marijuana for medical and recreation purposes under state law is treated under U.S. DOT drug testing requirements for CDL drivers (49 CFR Part 40).

[Click here to read the full PMAA Regulatory Alert.](#) Please contact [Mark S. Morgan](#), Regulatory Counsel, with any questions.

Nationwide DOT Roadside Inspection Blitz Scheduled for June 4-6

The Commercial Vehicle Safety Alliance's (CVSA) Roadcheck 2019 nationwide roadside inspection blitz will take place June 4-6. Over the 72-hour period, commercial motor vehicle inspectors in jurisdictions throughout the country will conduct roadside inspections on commercial motor vehicles and drivers. Although roadside inspections will be thorough and cover many driver and vehicle compliance requirements, special emphasis this year will be on steering and suspension systems.

[Click here to read the full PMAA Regulatory Alert.](#) Please contact [Mark S. Morgan](#), Regulatory Counsel, with any questions.

FEMA Senior Leader Toolkit for Incident Response

The Federal Emergency Management Agency's (FEMA) National Integration Center has released a Senior Leader Toolkit, a resource that both emergency management and senior leaders can use to discuss roles and responsibilities during incidents. FEMA and PMAA supports the mission of strengthening the security and resilience of the nation by working to improve the ability of all to manage incidents, events, and emergencies.

Senior leaders and policy makers play a critical role in incident management. This role varies widely across the nation according to local laws and authorities. Stakeholders have asked for assistance developing materials for their senior leaders; however, FEMA understands that local personnel best understand the specific roles and responsibilities within their jurisdiction. For this reason, FEMA is releasing these documents as customizable templates, so that local emergency managers can revise them according to their local authorities and procedures. The templates in the toolkit include an Elected Officials/Senior Executives Quick Reference Guide, a Department Head Quick Reference Guide, and a National Incident Management System (NIMS) Senior Leader Briefing Template. The toolkit is available [here](#).

Further, download the FEMA App to locate and get directions to open shelters across the state, and receive weather alerts from the National Weather Service for up to five different locations anywhere in the United States. Follow FEMA online at www.fema.gov/blog, www.twitter.com/fema, www.facebook.com/fema and www.youtube.com/fema.

Fuel Retailer Groups Send Letter to House Leadership Regarding EV Infrastructure

This week, PMAA joined the National Association of Convenience Stores (NACS), National Association of Truck Stop Operators (NATSO) and Society of Independent Gasoline Marketers of America (SIGMA) in sending a letter to House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) and Ranking Member Greg Walden (R-OR) supporting private investment in electric vehicle (EV) charging infrastructure and opposing a provision in the "Leading Infrastructure for Tomorrow's (LIFT) America Act" (H.R.2741) that would allow public utility companies to use their rate base to pay for EV charging infrastructure expansion.

The groups argued that allowing utility companies to fund EV charging stations from their rate base will extend their monopoly to EV charging infrastructure. This will give them an unfair competitive advantage over petroleum marketers who must economically justify at risk investments in new equipment such as EV charging stations and could ultimately put small business petroleum marketers out of business. Furthermore, low-income Americans will be faced with the burden of paying for EV charging infrastructure even though they are not able to afford to purchase an EV.

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

Federated Insurance: It's Your Life
Valuation Methods for Buy-Sell Agreements

A buy-sell agreement can help a business owner lock in the value of their business by using a valuation formula. The goal should be to establish a value that will give the owner or his/her heirs a fair price in the event of a sale. Does your valuation formula establish fair market value?

To read more about the three valuation methods, 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.**