

August 9, 2019

WR-19-30

Reminder! Shipping Paper Hazmat Sequencing Change

PMAA has learned that roadside inspections violations for improper hazardous material notice sequencing on product transfer documents (PTD) remains a frequent occurrence. The order in which hazardous material information must appear on PTDs changed six years ago. The U.S. DOT issued a final rule on December 29, 2006 that implemented a change to hazardous materials shipping papers beginning January 1, 2013. However, some petroleum marketers remain unaware of these important changes. The DOT’s final rule harmonized federal hazardous material regulations (HMR) with international standards but applies to domestic shipments as well.

The rule is important to petroleum marketers because it changed the way shipping papers for hazardous materials are prepared. Specifically, the final rule changed the sequence of hazardous material product description that must be placed on shipping papers for petroleum products. Under the new requirement, the hazardous material identification number must be entered first, followed by the product shipping name. Until now, the HMR required that the product shipping name be entered first, followed by the hazard class then the hazardous material identification number. The U.S. DOT allowed for voluntary compliance with the new hazardous material sequencing beginning January 1, 2007 but it became mandatory in 2013. The following is a comparison of the old and new hazardous material product information sequence for shipping papers (Note: bold type face used for purposes of illustration only):

INCORRECT SEQUENCING

CORRECT SEQUENCING

Diesel Fuel, 3, NA1993, PG III

NA1993, Diesel Fuel, 3, PG III

Fuel Oil, (No. 1,2,4,5 or 6) 3, NA1993, PG III

NA1993, Fuel Oil (1,2,4,5 or 6), 3, PG III

Gasoline, 3, UN1203, PG II

UN1203, Gasoline, 3, PG II

Kerosene, 3, UN1223, PG III

UN1223, Kerosene, 3, PG III

E-10

Gasoline, 3, UN1203, PG II

UN1203, Gasoline, 3, PG II

Ethanol blends over E-10 including E-85

*Ethanol and Gasoline Mixture, 3, UN3475, PG II
Mixture, 3, PG II*

UN3475 Ethanol and Gasoline

(Remember all product sequences must be preceded or followed by quantity ex: "1 cargo tank truck" or "500 gals", etc.)

Debt Limit Deal Signed into Law What This Means for Tax Extenders

Before Congress left for its annual August recess, it passed a two-year budget framework and debt ceiling deal. Under the deal, spending caps would be raised by nearly \$324 billion over two years and the government would be able to keep borrowing. The budget framework serves as a blueprint for the actual appropriation process which means that Congress will still need to approve a government spending bill later this year. Although the bill was signed into law, many conservatives, and some Democrats, were not pleased with the bill due to the lack of financial offsets. The Trump Administration and Speaker of the House Nancy Pelosi (D-CA) had been rushing to reach a deal before the end of July to ensure a bill could be voted on before the August recess.

Unfortunately, the bill does not include the tax extenders package as some were expecting. The good news is that Congress will have another bite at the apple to attach tax extenders when it will need to approve a government spending bill later this year. The spending bill could include tax extenders, retirement fixes and technical fixes to the GOP's Tax Cuts and Jobs Act.

If a tax extenders package moves forward before the end of this year, it is likely to include:

- A retroactive extension of the \$1 per gallon biodiesel tax credit through 2019 and/or 2020 that expired at the end of 2017.
- A prospective renewal of the Oil Spill Liability Tax (OSLT) through at least 2019. In June, PMAA sent a letter to the Senate Finance Committee to reiterate its support for the biodiesel blender's tax credit and to oppose a retroactive extension of the OSLT.

Urge Congress to Extend the Biodiesel Blender's Tax Credit

Given that lawmakers are back home in their districts during August recess, continue to remind them to extend the \$1 per gallon biodiesel blender's tax credit. PMAA supports legislation introduced by Rep. Abby Finkenauer (D-IA) (H.R. 2089), known as the "Biodiesel Tax Credit Extension Act," that would extend the biodiesel credit for 2018 and 2019. Similar legislation has also been introduced in the Senate, S. 617.

Since 2005, there has been a \$1 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 before the end of this year 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/S. 617 to renew the tax credit.

EV Batteries Would Lead to Large Expansion of Mining and Increased Waste

In an opinion piece in the Wall Street Journal, Mark Mills, a senior fellow at the Manhattan Institute, writes that electric vehicle batteries are made up of nonrenewable materials that must be mined, which will inevitably lead to a massive amount of waste. Mills states, "A single electric-car battery weighs about 1,000 pounds. Fabricating one requires digging up, moving and processing more than 500,000 pounds of raw materials somewhere on the planet. The alternative? Use gasoline and extract one-tenth as much total tonnage to deliver the same number of vehicle-miles over the battery's seven-year life."

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

Faster, Real-Time Payments Service Planned by the Federal Reserve

Following another significant recent announcement (July 31 one quarter cut in interest rate), this week the Federal Reserve Board announced that the Federal Reserve Banks will develop a payment and settlement service, called the FedNowSM Service, to support real-time payments, 24-7, in the U.S.

Currently, card payments and direct deposits transactions are settled en masse three times a day and only during business hours. When a buyer sends money to a seller through a debit card or a check, it goes through a clearing agency that records the transaction for the banks. The money for that transaction is kept in limbo until the Reserve settles it at a later time. FedNow would eliminate the clearing process and go straight to automatic settlement, increasing the speed of transactions.

Since its founding more than a century ago, the Federal Reserve has provided payment and settlement services, alongside the private sector, as part of its core function of promoting an accessible, safe, and efficient U.S. payment system. The Federal Reserve has established over its

history a broad reach as a provider of payment and settlement services to the more than 10,000 financial institutions across the country. That reach will help the FedNow Service support a nationwide infrastructure on which the financial services industry may develop innovative faster payment services.

Last year, the Board requested public comment on potential services that could be developed by the Federal Reserve to support faster payments. Of the more than 350 comments that took a position on whether the Federal Reserve should develop a new service for faster payments, over 90 percent supported the Federal Reserve operating a round-the-clock real-time payment and settlement service alongside services provided by the private sector. Not surprisingly, however, big banks are fighting the effort, asserting that real-time payments could derail the private bank network.

The Board is now requesting comment on how the new service might be designed to most effectively support the full set of payment system stakeholders and the functioning of the broader U.S. payment system.

FedNow is expected to be available in 2023 or 2024.

In addition, the Board intends to explore the expansion of Fedwire Funds Service and National Settlement Service hours, up to 24x7x365, to facilitate liquidity management in private-sector real-time gross settlement services for faster payments and to support a wide range of payment activities, beyond those related to faster payments.

The Board's *Federal Register* notice and a list of frequently asked questions are [here](#).

Democratic Senators Urge More Automakers to Join Deal with California *NHTSA Could Begin Investigation into Tesla's Autopilot System*

On Tuesday, 30 Senate Democrats sent a letter to General Motors, the nation's largest automaker, and thirteen other major automakers encouraging them to join four other large automakers who recently struck a deal with California on auto emissions standards, otherwise known as Corporate Average Fuel Economy (CAFE) standards. Copies of the letter were also sent to Aston Martin, Fiat Chrysler, Hyundai, Jaguar, Kia, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Porsche, Subaru, Toyota and Volvo.

In the letter, the Senators stated, "As representatives of states that signed the Nation's Clean Car Promise, we believe that General Motors joining this agreement would save consumers money, reduce emissions, and provide regulatory certainty to the auto industry." Click [here](#) to view the letter.

Last week, Ford Motor Company, BMW AG, Volkswagen AG and Honda Motor Company, reached an agreement with California on CAFE standards. Under the terms of the deal between the California Air Resources Board (CARB) and Ford, VW, Honda and BMW, the automakers

would increase the average fuel economy of their fleets to around 50 miles per gallon by the end of the 2026. GM did not take a position on the agreement, and Fiat Chrysler indicated that it wasn't invited to the discussion. In response to the deal, EPA quickly dismissed the move and said the Trump Administration would not be changing course on the issue.

Last August, the EPA and National Highway and Transportation Safety Administration (NHTSA) issued a proposed rule, known as "The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks," that would freeze CAFE standards and corresponding greenhouse gas standards at 2020 levels and revoke the rights of individual states to adopt more stringent emissions standards. In October, PMAA submitted comments in support of the Trump Administration's proposed rule. PMAA highlighted numerous reasons why current CAFE standards could harm petroleum marketers and how important the Trump Administration's proposed rule is needed. Click [here](#) to read the comments.

In other news, a former National Highway Traffic Safety Administration (NHTSA) official has warned that the agency may be preparing to investigate Tesla's driver-assistance system Autopilot. Since April 2018, the agency has issued at least five subpoenas to obtain information regarding crashes of Tesla vehicles. The agency also requested information from Tesla regarding test results of the Tesla Model 3's automatic emergency braking system, as well as the number of sales of vehicles sold with and without the Autopilot system since 2016.

NOAA Increases Odds of Above-Normal Hurricane Season

This week, the National Oceanic and Atmospheric Administration (NOAA) updated its forecast and now predicts an above-normal hurricane season. In its report, NOAA said that "forecasters monitoring oceanic and atmospheric patterns say conditions are now more favorable for above-normal hurricane activity since El Nino has now ended. Two named storms have formed so far this year and the peak months of the hurricane season, August through October, are now underway."

The likelihood of an above-normal Atlantic hurricane season has increased to 45 percent (up from 30 percent from the outlook issued in May). The likelihood of near-normal activity is now at 35 percent, and the chance of below-normal activity has dropped to 20 percent. The number of predicted storms has also increased with NOAA now expecting 10-17 named storms (winds of 39 mph or greater), of which 5-9 will become hurricanes (winds of 74 mph or greater), including 2-4 major hurricanes (winds of 111 mph or greater).

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

Anti-Idling Technology Could Cut Fuel Consumption by 20 Percent

According to a recent report from the North American Council for Freight Efficiency (NACFE), anti-idling technologies, which are more prevalent than ever, could cut fuel consumption significantly. Mike Roeth, Executive Director of NACFE, stated that "by investing in technologies

and practices, fleets can reduce idle to well below 20 percent. The challenge is figuring out which set of technologies are best for you and being diligent in making it work.”

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

Please Make Your Hotel Reservations and Register Now for PMAA’s Fall Meeting at the NACS Show in September

PMAA will hold its Fall Meeting in conjunction with the NACS Show on September 30-October 1 at the Hyatt Regency Atlanta located in the heart of downtown Atlanta. It is an excellent opportunity to meet your fellow marketers to discuss and learn more about our industry, while also enjoying all the great activities and restaurants that Atlanta has to offer.

The PMAA meeting will begin with a New Attendee Orientation mid-afternoon on September 30 followed by the Federal Legislative Update and fill you in on everything happening in Washington. A welcome reception with NACS to State Association Leaders (All PMAA members are welcome) will follow at Georgia World Congress Center. PMAA will provide round-trip shuttle service. On the morning of October 1, there will be a Buffet Breakfast followed by Region and Committee Meetings. The PMAA Board of Directors meeting is scheduled after the Distinguished Service Award Luncheon sponsored by PMAA’s [Corporate Platinum Partner](#) Federated Insurance. New Mexico Marketer Benny Hodges is this year’s recipient of PMAA’s highest honor.

Click [here](#) for our **event website** for all details including registration with secure event payment processing through Cvent. If you have attended a PMAA Conference in the past, you will be receiving an invitation soon. Responding to this event email is the recommended method to register or decline.

Please note that the [NACS Show registration](#) is separate from the PMAA Meeting Registration.

July 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 July 1-31, 2019 time frame:

Connecticut: Peter Aziz, David Daniels, Samuel Gault, Donald Mitchell, Matthew Mitchell, Stephen Rosentel, Peter Russell, Edward Ryan, Gary Sippin, Craig Snyder

Louisiana: Derek Breaux, Grady Gaubert, Shawn King

Kentucky: Elizabeth McCarty, Robert Riley Jr.

Nebraska: Matt Lippincott

Nevada: Craig Allison, Jeremy Bautista, Mike Belcher, Jon Bell, Kevin Bench, Ren Bevell, Brett Bottenberg, Jim Brown, Michael Callahan, David Campbell, Dennis Campo, Christi Carano Case, Jason Case, Bill Cawley, Kathy Chadey, David Crawford, Jeff Davidson, Michael DeMark, Melinda Farias, Rob Flippo, Tom Freeman, Kevin Goodwin, Tiffany Hanks, Larry Hansen, Gene Inglesby, Michael Katz, Kathy Kinsinger, Janet Koniuck, Peter Krueger, Ron Ludlow, Mark Lytle, Joe McGinley, Bob Michaelis, Fred Miller, Carol Pillard, Bob Prary, Ben Roberts, Steve Schafer, Caitlin Scherr, Ryan Scherr, Alex Schmanski, Carter Shaw, Sam Steoger, Keith Stewart, Ferando Trujillo, Philip Vejarano

NEFI: Peter Aziz

South Carolina: Jeremy Balliew, Stuart Marcus

Federated Mutual, Life Company named 2019 Ward Group® Top Performers

Federated Mutual Group was recently named to the top 50 U.S.-based property and casualty companies and Federated Life Company was named to the top 50 U.S.-based life insurance companies.

Headquartered in Cincinnati, Ohio, insurance industry analyst Ward Group annually recognizes 50 companies that have excelled at balancing financial safety, consistency, and performance during the past five years. They conducted separate analyses on nearly 3,000 property and casualty companies and 700 life-health companies.

“Our continued commitment to financial strength has once again resulted in this acknowledgement from Ward Group,” Chairman and CEO Jeff Fetters said. “Their industry benchmarking reaffirms Federated’s ability to fulfill its responsibilities to policyholders and association partners.”

Founded in 1904, Federated Insurance is a national insurance and risk management organization that serves the property, casualty, and life insurance needs of clients in select industries. The organization has more than 500 recommendations from state, regional, and national associations and buying groups and is rated A+ (Superior) by industry analyst A.M. Best®.

At Federated Insurance, It’s Our Business to Protect Yours.®

PMAA MDF Contributors for July 2019

PMAA’s Marketer Defense Fund wants to thank the following individuals for their contributions during the July 1- 31 timeframe:

Arizona: Arizona Petroleum Marketers Association

California: Matt Cullen

Colorado: Colorado-Wyoming Petroleum Marketers & Convenience Store Association

Illinois: Leon Russell

Missouri: Missouri Petroleum Marketers & Convenience Store Association

Oklahoma: Oklahoma Petroleum Marketers & Convenience Store Association

New Mexico: New Mexico Petroleum Marketers Association

Oregon: Oregon Fuels Association

Washington: Washington Oil Marketers Association

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.

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: **Injured at Another Job – Covered Under FMLA?**

We have an employee who was hurt on the job at their other part time job. The employee is asking about FMLA and I'm not sure if that is something that applies here. Please let me know if they run concurrently. 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.](#)

PMAA Corporate Platinum Partner Spotlight Featuring: Renewable Energy Group, Inc. *Biofuel & Conservation Go Hand-in-Hand*

On June 27, we announced in conjunction with the Iowa Renewable Fuels Association the establishment of a "Monarch Fueling Station" at our plant near Newton, IA.

"What exactly is a Monarch Fueling Station?" you might ask.

As monarch butterfly pollination is critical to the same agriculture industry that drives biofuel production, the Monarch Fueling Station project calls for ethanol and biodiesel producers to establish habitats for the species on green spaces around biofuel plants. The latest will be at our Newton biorefinery, which produces approximately 30 million gallons of biodiesel per year.

"Creating our Monarch Fueling Station is a great project that REG Newton is proud to be adding to our facility," said Plant Manager Phil Abels. "Protecting the environment is what REG does every day and providing habitat for pollinators is something all of us at REG Newton can get excited about and participate in. This effort is a great way to make an immediate impact on preserving the longevity of Iowa's wildlife."

The location and size of the plot was decided in consultation with Kevin Reynolds, the Iowa Renewable Fuels Association's (IRFA) Habitat Establishment Coordinator.

"Phil and his team at REG Newton are passionate about this project," Reynolds said. "I look forward to seeing their Monarch Fueling Station grow and make a difference for the monarch butterfly."

Butterflies and biodiesel thriving side by side: just another example of how renewable energy and environmental conservation are truly inextricable.

Click [here](#) to read the press release. For additional information about Renewable Energy Group, Inc., please [visit](#) or contact [Troy Shoen](#). [Renewable Energy Group is a PMAA Corporate Platinum Partner.](#)