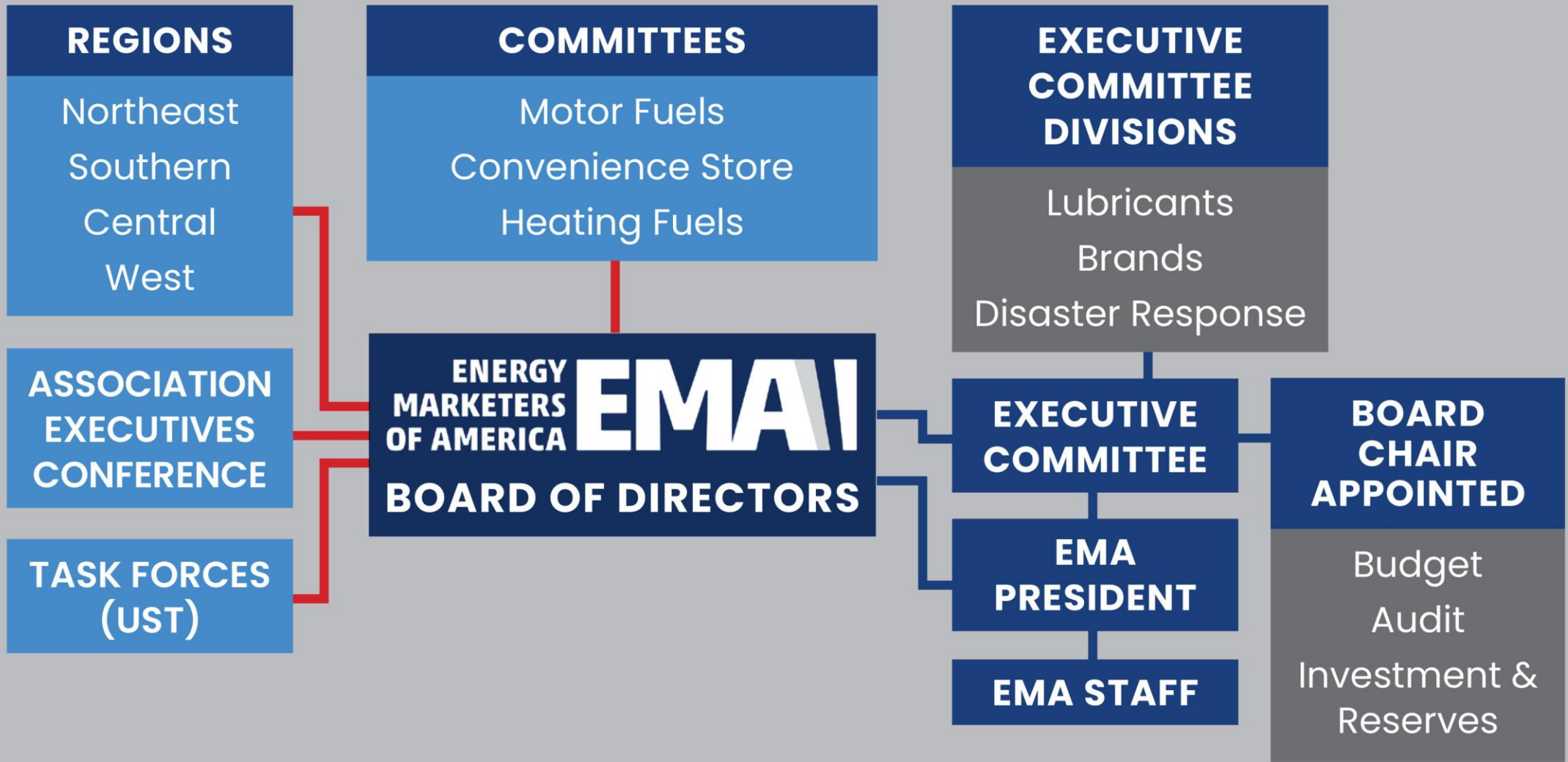




Arizona Petroleum Marketers Association  
Annual Meeting  
September 2023  
Rob Underwood

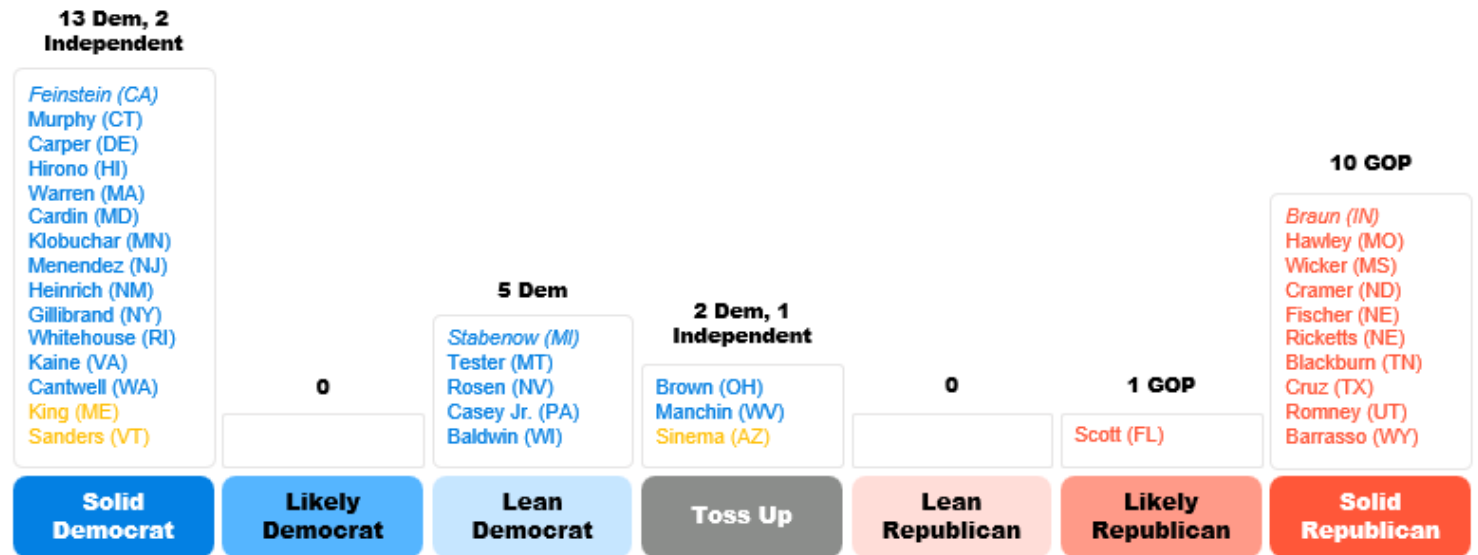
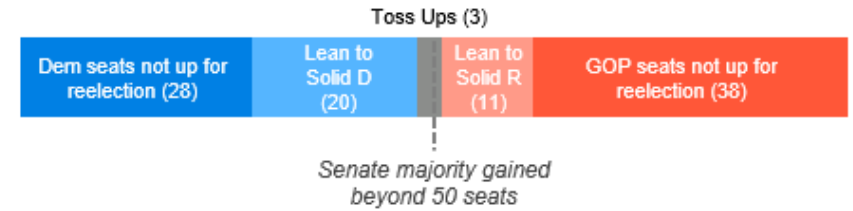


# 2024 Senate Map

- ▶ Of the 34 seats that are up for reelection in 2024
- ▶ Democrats are defending 23 – including the seats of three independents who caucus with Democrats.
- ▶ 3 of those seats are particularly ripe for the GOP, given they're in states that favored Trump by at least eight points in 2020: Montana, Ohio and West Virginia.

## Cook Political Report Race Ratings of 2024 Senate seats

Democrat-held seat  
 Republican-held seat  
 Independent-held seat\*  
 Incumbent not seeking reelection



# EMA Suing Biden Administration Over Emission Limits to Boost EV Sales

- ▶ EMA Joined Petitions for Review Before D.C. Circuit
  - ▶ Dec. 2021 Tailpipe Emissions Rule - EPA requires an average of 55 mpg by model year 2026, up from 38 mpg
  - ▶ April 2022 - EPA reinstated “California Waiver” for its Advanced Car Program
    - ▶ 17 States intend to follow California
- ▶ April 2023- EMA Joined as Amicus Curiae Challenge to NHTSA Fuel-Economy Standards
- ▶ May 2023 EPA proposes further emissions reductions for model years 2027-2032
- ▶ EMA’s Key Arguments Include:
  - ▶ “Major Questions Doctrine” — Supreme Court overturned EPA Clean Power Program and OSHA COVID vaccine mandate because of “vast economic or political significance”
  - ▶ EPA lacks clear statutory authority to use fleet wide averages to mandate EVs
  - ▶ EPA arbitrarily calculated the emissions of EVs
  - ▶ California does not need its clean car standards to meet climate-conditions in State

# California Car Mandate and the RFS

- **EMA supports H.R. 1435**, "The Preserving Choice in Vehicle Purchases Act," which would prevent the EPA from issuing waivers for new regulations that would ban the sale of internal combustion engines. Preserving consumer choice is crucial for maintaining competition in the automotive market and ensuring all Americans have access to reliable, clean, and affordable vehicles.
- **HR. 1435 to be voted on later this week.**
- EPA finalized RFS proposed renewable volume obligations (RVOs). Specifically, the final rule set the ethanol mandate at 15 billion gallons across all three years, a reduction from the proposed rule that sought 15.25 billion gallons of ethanol in 2024 and 2025.
- The good news is that EPA did not include an eRIN proposal which would allow automakers to generate eRINs based on the EVs they sell by establishing contracts with parties that produce electricity from qualifying biogas.
- Unfortunately, the final rule finalized moderate increases in the biomass-based diesel and overall advanced biofuels for each year, leaving in place the proposed biomass-based diesel volumes of 2.82 billion gallons for 2023. EMA supported an increase in RVOs for biomass-based diesel and overall advanced biofuel volumes given that there is room for growth in that segment.
- Urge Congress to allocate over \$1 billion to help small and medium-sized companies upgrade their underground storage tank (UST) systems to sell higher ethanol blends

# Proposal to Restrict State Hours of Service Waivers

- ▶ Under current federal regulations, when a president, governor, or the Federal Motor Carrier Safety Administration (FMCSA) issues a declaration of emergency, a 30-day exemption from FMCSA regulations is automatically created for drivers providing direct assistance to state and local emergency relief efforts.
- ▶ Those sections include driver: hours of service; medical qualifications including medical exams; CDL licensure and renewal; vehicle inspections, repair and maintenance and training.
- ▶ Under the proposed rule, the FMCSA is seeking to narrow the automatic applicability to driver hours-of-service only (reducing the duration of emergency waivers issued by state governors from 30 days to just 5 days.)
- ▶ Return to normal inventories could take up to three weeks after the emergency period is over, plus marketers need a waiver at least 5 days before a disaster hits.
- ▶ Unfortunately, a shorter 5-day state waiver period could also encourage consumer fuel hoarding and long lines at the pump, further limiting supply.
- ▶ **U.S. Reps. Greg Pence (R-IN), Rick Crawford (R-AR) and 25 Members of Congress sent a letter to FMCSA highlighting EMA's concerns with the proposed rule.**

# Tired of Delayed IRS Tax Refunds?

- ▶ EMA has endorsed, ThinkTrade, an IRS e-filing provider which offers EMA member companies a 15 percent discount off ThinkTrade's e-filing services.
- ▶ ThinkTrade/EMA's dedicated landing page will prepare, file and pay federal excise tax returns on IRS Forms 720, 8849 and 2290.
- ▶ For more information about ThinkTrade and EMA's landing page to file taxes, please visit <https://taxexcise.com/ema/>



**thinktrade**

Thoughts have no boundaries



# EPA Gasoline Bulk Plant Vapor Recovery

- ▶ EPA proposed rule would reduce the compliance threshold for small gasoline bulk plants from 20,000 gallons per day of actual throughput, to just 4,000 gallons of daily maximum design capacity throughput. Every single gasoline bulk plant likely impacted.
- ▶ The vapor balancing equipment would be required for tanks, loading racks and cargo tank vehicles loading and unloading at these facilities.
- ▶ Unfortunately, the EPA significantly underestimated the economic impact of the proposed rule on small business energy marketers and on the availability of gasoline in rural areas.
- ▶ Cost to upgrade a small gasoline bulk plant to a vapor balance system for both transport unloading and tank vehicle loading will be in excess of \$120,000 per facility.
- ▶ **Over 84 lawmakers sent a Bipartisan/Bicameral letter** led by Senator Kevin Cramer (R-ND) and Rep. John Joyce (R-PA) to the EPA.
- ▶ **EPA has verbally offered 4k daily throughput averaged over 365 days (if under 1.46 million gallons per year, you're exempted) instead of 4k design throughput capacity. EMA currently weighing its options.**



# Credit Card Competition Act

- ▶ Senators Richard Durbin (D-IL), Roger Marshall (R-KS), Peter Welch (D-VT) and J.D. Vance (R-OH) and Representatives Lance Gooden (R-TX), Zoe Lofgren (D-CA), Tom Tiffany (R-WI) and Jeff Van Drew (R-NJ) introduced the bipartisan The Credit Card Competition Act of 2023 (S.1838; H.R. 3881).
- ▶ Requires credit cards issued by the largest U.S. banks have at least two unaffiliated card payment networks available to process transactions and exempts banks with under \$100 billion in assets, only 32 of the largest banks and one credit union are above that threshold. The biggest banks issue 85% of credit cards.
- ▶ Credit cards won't need to be reissued and free checking won't go away!
- ▶ The bill prohibits any network from entering the U.S. market if it threatens security – ensuring that it would block China Union Pay, or any network sponsored or funded by a foreign government.
- ▶ **Unfortunately, Senate champions were unable to secure a vote on the CCCAct as an amendment to the National Defense Authorization Act (NDAA), however, they have been assured from Senate leadership that they would receive a vote on their bill later this year.**
- ▶ **The banks are using every single tool possible to prevent this important legislation from getting to the floor and threatening that credit card rewards will disappear.**

# CDL Driver Shortage

- **DOT issued final rule in the Spring that will allow oral fluid drug testing as an alternative to urine testing.**
- EMA supported the final rule because it is inexpensive and keeps unsafe drivers off the road, provide employers with flexibility in test method selection, lower test costs and reduces the ability of employees to subvert testing.
- **Last Congress, 67 Congressional Members urged DOT to streamline the TSA Security Threat enrollment process that would allow CDL Drivers to enroll in more than one program** - Transportation Worker Identification Credential (“TWIC”), HAZMAT, and TSA Pre Check and establish industry specific training and testing regulations for petroleum drivers seeking to renew their HME.
- Currently, the HME renewal tests include questions unrelated to the petroleum industry, such as transporting nuclear material and explosives.
- EMA is working with Rep. Troy Balderson (R-OH) to continue our dialogue with the Department of Transportation. He is not new to this issue, having questioned Secretary Buttigieg about it in a hearing last year.

# Industry Standards Organizations We Cover

- ▶ National Conference on Weights & Measures – Handbook 44 Specifications, Tolerances for Weighing and Measuring Devices: Fuel Dispensers
- ▶ ASTM E50 Committee on Environmental Assessment and Risk & Corrective Action - Storage Tanks
- ▶ ASTM D02 Committee on Petroleum Products & Liquid Fuels- Petroleum and Petroleum Additive Standards
- ▶ PEI RP-1200 - Overfill, Release Detection & Release Prevention Equipment Testing Committee
- ▶ PEI RP-900 - UST Inspection & Maintenance Committee
- ▶ National Fire Protection Association – NFPA 30: Flammable and Combustible Liquids Code, NFPA 30A Code for Motor Fuel Dispensing Facilities
- ▶ Underwriters Laboratories (UL) – Flammable and Combustible Fluids Equipment Certification
- ▶ **U.S. REGULATORY AGENCIES**
- ▶ EPA Office of Underground Storage Tanks
- ▶ EPA Office of Transportation and Air Quality – Mobile Source Emissions
- ▶ EPA Office of Emergency Management – Above Ground Tank SPCC Planning
- ▶ Treasury Department – Office of Chief Counsel, Passthrough and Special Industries – Motor Fuel Excise Taxes, Refunds and Credits
- ▶ DOT - Federal Motor Carrier Safety Administration: CDL and Commercial Motor Vehicle Regulation and Emergency Waivers
- ▶ DOT – Pipeline and Hazardous Material Safety Administration: Transportation of Hazardous Materials, Hazardous Material Endorsements and Cargo Tank Specifications, Special Permits
- ▶ Transportation Security Administration – Driver Security Background Check
- ▶ Small Business Administration – Small Business Regulatory Advocate, Small Business Size Codes
- ▶ OSHA – Workplace Safety Regulations for Petroleum Facilities, Loading Racks and C-stores
- ▶ Federal Trade Commission – Octane Rating, Dispenser Labelling

## NFPA 30A EV Charging

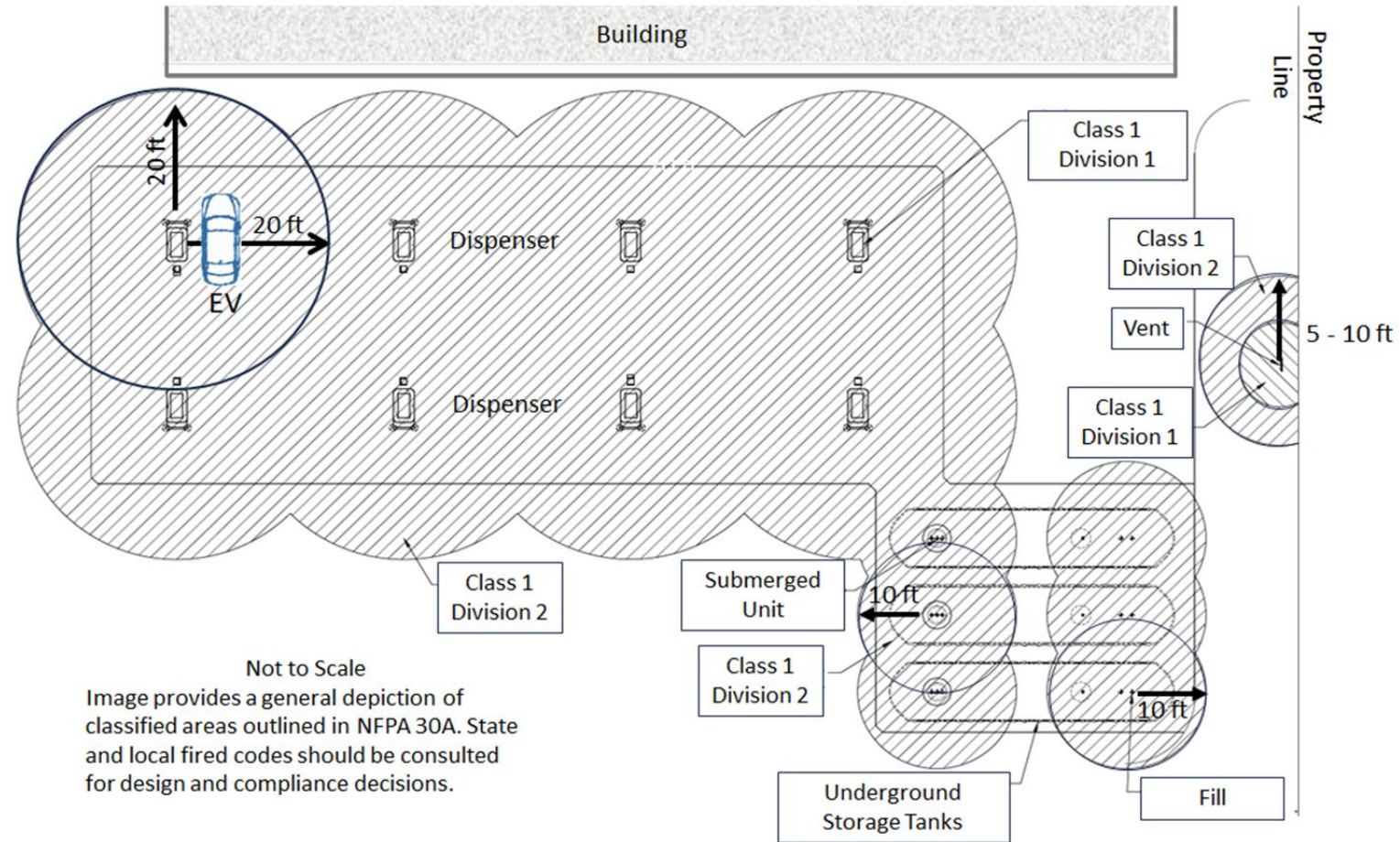
- All fire codes related to classified areas that define the design and installation of electrical wiring and electrical utilization equipment within proximity to Class 1 liquids (gasoline) including EV charging equipment.

- Dispenser - Up to 18 in. above grade level, extending 20 ft horizontally in all directions from the dispenser enclosure

- Remote Pump - Within 3 ft of any edge of the pump, extending horizontally in all directions and up to 18 in. above grade level, extending 10 ft horizontally in all directions from any edge of the pump.

- Fill - Up to 18 in. above grade level, extending 5 ft horizontally in all directions from any tight-fill connection and extending 10 ft horizontally in all directions from any loose-fill connection.

- Vent - Between 5 ft and 10 ft from open end of vent, extending in all directions.



# Special EMA Members Code for NACS Show 2023 Registration Oct. 3 - 6

▶ Code rewards EMA with \$100 for every retailer or jobber paid registration.

▶ EMA encourages EMA state execs to promote and share with your state association's member companies. *\*\*Please note that EMA State Execs are comped for NACS Show Registration. Additionally, the NACS Show registration is separate from EMA's Fall Meeting registration.*

▶ Questions registering? Contact NACS Show registration customer service at [nacs@maritz.com](mailto:nacs@maritz.com) or 469-513-9489, Monday-Friday, 9:00 a.m. – 5:00 p.m. EST, for assistance.

***EMA Registration  
Code***

**EMANS2023**

# EMA PAC Update (personal funds only)

- Use this QR Code to contribute!
- The password is your state name (Arizona)
- <https://fuelmatters.org/>
- <https://www.energymarketersofamerica.org/>

#FUELMATTERS

