

PMAA Update on Trump Administration Regulatory Freeze Regulatory Freeze:

The regulatory freeze is temporary and expires on March 21. The freeze only applies to rules that are either in the works, finalized but not published in the Federal Register, and to rules already published but which have not reached their effective dates. Under the administrative directive, rules that have not been published in the federal register are to be withdrawn. Rules already published in the Federal register with an effective date of January 20 or later will be frozen and reviewed by the administration for further action.

The freeze does not apply to any regulations that have already been published in the Federal Register with an effective date before January 20, 2017, such as the 2015 underground storage tank amendments. The EPA UST rule cannot be changed without a full blown rulemaking process including public notice and comment period. Rules that have already been published in the Federal Register cannot be withdrawn by executive order. Instead, any changes to published regulations must be made through the lengthy public notice and comment period established by the Administrative Procedures Act.

The only pending regulation of interest to marketers that fits this criteria is the 2017 Renewable Fuels Standard which sets obligated blending volumes for refiners. The rule was published in the Federal Register on December 12, 2016 with an effective date of February 10, 2017. PMAA will be meeting with the Administration in the coming weeks to urge them to lower the 15 billion gallon corn ethanol mandate in order to resolve UST compatibility concerns with E10 plus blends, and more importantly, reduce RIN prices which will result in lower prices at the rack and preserve the ability for position holders at the rack to blend.

Freeze on EPA Grants and Contracts.

The Executive Order freezing EPA grants and contracts is not likely to affect FY 2017 grants by the Office of Underground Storage tanks (OUST) that help fund state underground storage tank programs nationwide. These grants are funded by the Leaking Underground Storage Tank trust fund and represent a significant share of state UST program funding. According to the EPA, the freeze on OUST grants for state program funding will likely be lifted later this week. No state program funding has been delayed or affected due to the freeze since annual disbursements cannot be made until the EPA's annual appropriation is passed by Congress. The EPA is currently operating under a continuing resolution extending last year's funding through April only.

Thanks,

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