ENERGY MARKETERS OF AMERICA EMA

March 24, 2021

The Honorable Tom Carper, Chairman
Committee on Environment and Public Works
United States Senate
456 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Shelley Moore Capito, Ranking Member
Committee on Environment and Public Works
United States Senate
410 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Carper and Ranking Member Capito:

As you consider an upcoming surface transportation reauthorization bill and a potential infrastructure package, the Energy Marketers of America (EMA) would appreciate your attention to our transportation and infrastructure priorities. Formerly the Petroleum Marketers Association of America, EMA is a federation of 47 state and regional trade associations representing energy marketers throughout the United States. As a vital link in the motor and heating fuels distribution chain, EMA members supply 80 percent of all finished motor and heating fuel products sold nationwide. These products include hydrocarbon biofuels, gasoline, diesel fuel, biofuels, heating fuel, jet fuel, kerosene, racing fuel and lubricating oils. Moreover, EMA member companies are largely independent, family-owned, and operated businesses representing approximately 60,000 retail motor fuel stations nationwide and supplying heating fuel to more than 5 million homes and businesses.

EMA believes that policies and funding to reduce carbon emissions should be spread over all carbon sources and be applied to all fuels and energy sources equally, accounting for both improvements in the fuel and in the vehicle or appliance. EMA supports funding specifically for research into renewable hydrocarbon biofuels also called "green" or drop-in biofuels, advanced biofuels, and high octane and low carbon fuels, as well as internal combustion engine efficiency. With that said, EMA understands a market for alternative energy sources will develop overtime and we urge Congress to provide proper support for small business energy marketers and discourage policies that would impact their ability to compete in the marketplace.

Small Business Support in the Alternative Energy Grant Program

As you are aware, the past year presented significant challenges for small business. EMA members are resilient but often face significant barriers in accessing federal grant funds. Congress recognized this reality when establishing the Paycheck Protection Program to benefit business with fewer than 500 employees. As Congress considers infrastructure and clean energy legislation, our request is that safeguards are created to ensure small businesses can access vital federal funds to advance alternative energy goals.

Specifically, we request explicit support for small businesses should Congress enact the Alternative Energy Grant Program. A provision included in S. 674, Clean Corridors Act of 2019, and H.R. 2, MOVING Forward Act (116th Congress) – the Alternative Energy Grant Program – proposed the creation of a grant program for states to deploy electric vehicle (EV) charging stations along designated alternative fuel corridors. While we applaud Congressional intent, we are concerned that grant funds may be consumed by large corporations before small businesses have an opportunity to apply. Should this provision be included in future legislation, we request that the program be energy neutral and reserve at least one-third of total funding for small business energy marketers, with fewer than five hundred employees, located along designated alternative fuel corridors.

Utilities and non-utilities, including private businesses, should be on a level playing field when building Alternative Energy Infrastructure

EMA is also concerned that the Alternative Energy Grant Program could permit utilities to double dip – meaning they could place the financial burden on rate paying consumers to finance EV infrastructure expansion, while also taking grant funds to subsidize the same projects. In fact, utilities have requested permission from state public utility commissions (PUCs) to raise rates on all customers. The rationale for the rate increase is, in part, to offset costs for installing EV infrastructure and charging networks. Unfortunately, these actions penalize not only ratepayers (who are unlikely to purchase an EV given cost limitations) but will also discourage small business energy marketers from investing in EV charging infrastructure. Ultimately, absent adjustments to this program, utilities will have an unfair competitive advantage over small business energy marketers who must justify economic risk associated with installing new EV charging and other alternative energy infrastructure. Elimination of potential loopholes will support competition, which will ensure consumers pay a competitive price for EV charging and other alternative energy sources.

Support the Drive-Safe Act

Though 49 states and the District of Columbia allow individuals to obtain a commercial driver's license (CDL) at the age 18, federal law currently prohibits those operators from moving goods from state to state until they are 21. The DRIVE-Safe Act establishes an apprenticeship program that would allow for the legal operation of a commercial motor vehicle in interstate commerce by CDL holders under the age of 21. The bill would not apply to hazardous materials endorsement (HME) since drivers must be 21. Although this legislation is not under the Committee's jurisdiction, we urge you to include in a comprehensive surface transportation package because it would expand the pool of CDL drivers overall, some of whom may choose to obtain a HME when they turn 21.

Interstate Rest Area Commercialization

To the detriment of retail motor fuel stations across the country, a provision in last year's House surface transportation reauthorization would allow EV charging options at rest areas. This provision is certain to undermine the significant investments small business energy marketers have made in communities and real estate directly off the U.S. Interstate System. Allowing EV chargers at rest areas will also discourage energy marketers located along highway exits from investing in charging infrastructure because they cannot compete with an on-highway option. When Congress created the Interstate Highway System in 1956, Congress and community leaders feared that local businesses, jobs, and tax bases would shrink as motorists and truck drivers bypassed their cities and towns. For this reason, Congress prohibited new Interstate rest areas from offering commercial services, such as food and convenience items offered at businesses along the highway exits. For over six decades, this prohibition on rest area commercialization has led to a thriving and competitive business environment. These businesses provide jobs, serve as economic drivers in the community, and make continued investments to provide consumers the best available products.

Bottom Line

EMA members have invested billions to comply with complex regulatory requirements and provide a safe and efficient infrastructure for liquid fuels. An approach that includes investment in liquid fuels and related infrastructure is essential for an orderly and efficient transition to alternative energy sources, but this cannot be at the detriment of small businesses. As Congress sets forth proposals to address societal and environmental changes, we urge leaders, like you, to consider long-term economic impacts when providing a path forward for cleaner liquid fuels.

On behalf of energy marketers nationwide, we stand ready to work with you. We will remain in contact with you and your staff but please reach out should you have questions or would like to discuss EMA's policy priorities in detail.

Sincerely,

Rob Underwood
President
Energy Marketers of America

CC: Senate Environment and Public Works Committee Members