

update

Michael J. O'Connor, President

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Line 25 Discussions Continue

Solutions Elusive

As we enter our third month of discussions on the fate of Colonial Pipeline's Line 25, we have seen the pace of discussions increase, but unfortunately have little tangible progress to report.

Last Thursday, Lewis Wall and Mike O'Connor met in the US Capitol with Congressmen Bob Goodlatte, Morgan Griffith and Neil Chatterjee, the new Chairman of the Federal Energy Regulatory Commission who was appointed to that position by President Trump in July.



We had a full discussion of the issues surrounding the planned pipeline closure, but learned that petroleum pipeline tariffs are regulated by FERC, but closure is not, except for proper notification requirements. FERC leadership did offer to assist us in determining what, if any, excess capacity can be found in other sources, and we will be following up with them in the

coming days.

Yesterday the VPCGA Board of Directors again met with Gerald Beck, COO of Colonial.



Mr. Beck emphasized that the closing of Line 25 was not something they desire, but are required to do for safety reasons. He further stated that Colonial continues in confidential discussions with several interested parties over the continued operation of the line, but could not predict how those discussions would end. Several board members pointed out that some suppliers had already announced their intention to move to alternate supply sources in the near term, and consensus was that if Line 25 is to continue to operate, plans would need to be developed early in 2018 to be successful.

Today it is more apparent than ever that there will be widespread economic disruption across many constituencies in Southwest and Southside if Line 25 is turned off forever next August. At the same time it is now clear that this decision is not going to be changed solely through the efforts of Virginia's petroleum marketing and distribution industry.

New Electronic Log Book Requirement for Recording Drivers Hours of Service (HOS)

From PMAA

The Federal Motor Carrier Safety Administration's (FMCSA) deadline for compliance with electronic logging device (ELD) requirements for recording driver's daily hours of service (HOS) is December 16, 2017. The ELD rule was mandated by Congress as part of the 2012 transportation authorization and funding law known as Moving Ahead for Progress in the 21st

Century Act (MAP-21). The law directs the FMCSA to require all CDL drivers who currently keeping written hours of service log books to switch to electronic recording devices. The FMCSA promulgated a final rule implementing the ELD mandate back in 2015. Efforts by industry stakeholders to rescind or delay the ELD mandate have failed thus far, including an appeal to the U.S. Supreme Court. PMAA is currently requesting an expansion of the 100-air mile radius exemption from keeping written log books to a 300 air-mile radius. This would expand the exemption from using ELDs to a larger class of short haul drivers. The final rule contains many exemptions to the ELD requirement and provides an extended compliance deadline of December 16, 2019 for those drivers already using automatic onboard recording devices (AOBRDS) to log hours of service.

There is a lot of conflicting information circulating around the industry from a variety of sources that is incomplete, inaccurate, and even misleading. It is important for petroleum marketers to fully understand the requirements of the EDL rule, including the exemptions and the flexibility it provides to make compliance less onerous in terms of both time and money.

[Click here](#) for PMAA's Regulatory Counsel Mark Morgan's detailed analysis on the ELD mandate.

Southeast Petro-Food Expo Registration Open

March 7-8, 2018

Join us for the 37th year of the Southeast Petro-Food Marketing Expo being held March 7-8, 2018 in Myrtle Beach, SC. It is still the largest regional petroleum & convenience store show in the nation and is the only convenience/petroleum tradeshow endorsed by your Association. VPCGA's Industry Partners will again host a hospitality suite reception on Wednesday, March 7th after the show for all members. Exhibit space is still available so [click here](#) for more information on exhibiting. [Click here](#) for information about attending the show, registration and hotel reservations. Badge Registration is now open for attendees. Vendors must exhibit or sponsor to attend the show.