MESSAGE FROM THE NATIONAL CHAIR,
TRACY HALUBKA

Hello FTA Friends.
I am struggling to find any appropriate words for this update. As we move through these uncertain times, I would like to express my most heartfelt words of encouragement and hope that you and your loved ones are healthy and well.

Only time will tell what we will look like on the other side of this pandemic, but please be optimistic of our future. Change is inevitable; however, I have no doubt this group will rise to the challenge.

Take care and be well. You can call or email me at 406-444-0806 or thealubka@mt.gov.

MESSAGE FROM THE UNIFORMITY COMMITTEE
STATE CO-CHAIR, EDIE MARTIN

I hope everyone is doing well! I never imagined we would be dealing with a pandemic. COVID-19 has created many challenges for the fuel industry and government. Many of us are working from home or sporadically in the office. Some states are under stay-at-home orders. Extensions for return/payment filing may or may not have been implemented, which is why our cooperative group efforts are important and needed. As we face these current and future challenges, there is no better time for us to work together to resolve issues and create additional best practices for all to utilize. I am grateful to be able to use the Contact Lists developed through the FTA Uniformity Committee, to reach out to others as needed. Networking = Success!

Even though we are not able to meet face-to-face in June, 2020, I look forward to continued discussions regarding Electronic BOL’s, On-site Fueling and Related Maintenance, Alternative Fuels, Taxation of Electric Vehicles/Electricity and must more!

If you have topics for presentations or discussion at future meetings, please contact me! Thank You, Take Care and Be Safe! My contact information is edie.martin@ks.gov or 785-296-5327.

Mark your calendar

All 2020 Motor Fuel meetings are cancelled

2021 Meetings

Uniformity Meeting
January 8 - 9, 2021
Orlando, Florida

Uniformity Meeting
March 26 - 27, 2021
Boise, Idaho

Midwestern Region
April 11 - 13, 2021
Fargo, North Dakota

Pacific Region
April 25 - 27, 2021
Tucson, Arizona

Northeast Region
May 16 - 18, 2021
Annapolis, Maryland

Southern Region
June 20 - 22, 2021
Charleston, West Virginia

Uniformity Meeting
September 24 - 25, 2021
Stowe, Vermont

Motor Fuel Annual Meeting
September 26 – 29, 2021
Stowe, Vermont

THE UNIFORMER

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MESSAGE FROM THE UNIFORMITY COMMITTEE
INDUSTRY CO-CHAIR, SCOTT LOUIE

Greeting all! Since the last time we published the Uniformer, just about everything in the world has dramatically changed. From cautious warnings of staying healthy in February to an almost complete national shut down by the end of March, we all have been affected in almost all facets of our lives.

The petroleum industry has been hit particularly hard with the shutdown of the country. All finished fuel products have seen a dramatic demand drop off which in turn creates a log jam in the entire supply chain all the way back to crude oil. I’m sure you have all seen images of full anger vessels sitting idle off the cots of major ports or in moorings within bays.

The industry has many bring, intelligent people on the front lines of the business creatively finding opportunities to meet these sudden challenges and move the supply chain forward. We, as their tax support, remain ever vigilant to these trying times.

I hope everyone is doing well and remaining safe. Hope to see everyone in person in September.

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The FTA Motor Fuel Tax Section Uniformity Committee met at the Sheraton Myrtle Beach Convention Center, Myrtle Beach, South Carolina. Edie Martin (KS) Uniformity State Chair called the meeting to order. 55 were in attendance.

Minutes
The minutes of the September 14, 2019 Uniformity Committee meeting in Louisville, Kentucky were approved.

Presentations
Wilda Ice gave a presentation titled “Motor Fuel Trends… things to think about”. This presentation included the following:

❖ Synthetic Ethanol-How it is made?
❖ Synthetic Gas-used primarily to generate electricity
❖ Synthetic Ethanol-chemically identical to bio-ethanol, coal-derived ethanol is currently being used in South Africa as a 12% blend with gasoline, most of the world’s ethanol is synthetic ethanol produced from natural gas
❖ Tax Implications - Would your state tax synthetic ethanol? Would credits be given for synthetic ethanol used in highway blends?
❖ Methanol-The Other Alcohol-Few Methanol

Facts-straight methanol can be used directly in an alcohol engine, methanol can be used in spark ignition engines as a blended fuel, flex vehicles could use M85 and methanol commonly used in manufacture of biodiesel-most biodiesel has about 10% methanol.
❖ Methanol of the Future- methanol can be used in fuel cells. Fuel cell is a devise designed to harness electrical energy generated by fuel. Methanol can be remanufactured into conventional gasoline. Use portable production units to capture stranded gas. Also use for farmers to convert animal waste to methanol
❖ The Future is Here! Renewable diesel, renewable gasoline, renewable propane, renewable jet fuel and renewable chemicals.
SUBCOMMITTEE REPORT

The Compliance Subcommittee
Rae Takai (Motiva) reported there were 43 in attendance. The committee discussed:

Training Schedule Update
The 2020 Basic Training class is scheduled August 2 – 6, 2020 in Kansas City, MO

Dyed Diesel Stats/Issues-Jeremy Neeck (MN)
Distributed and reviewed 2019 stats

Roundtable Discussion – “Electric Vehicles” – Cindy Mongold (KS)
There were no updates

Discussion Items:
❖ States in attendance (17); AL, FL, IA, NC, NV, OR, SC, VA and VT reported upcoming new and/or potential legislation and other updates of interest/significance
❖ No updates to report for KS, KY, MD, MN, MT, NE, TX and WV

Industry Issues
❖ Federal Oil Spill has been reinstated
❖ Do states require amendments on credit card credits? Most states stated that an amendment needed to occur
❖ States that are or have begun initiatives to implement or expand local MVF taxes
❖ Discussion of TCI (Transportation Climate Initiative)
❖ Possible bonded Jet Fuel loophole
❖ Oregon gross receipt tax proposal
❖ Florida to move to require the reporting of fraction gallons in 1/10ths instead of rounding
❖ Ruling in Texas where supplier was not required to be an aviation dealer

Article of Interest
❖ Could this very odd-looking electric car convince you to ditch your SVU
❖ New soy-based motor oil now available for vehicles
❖ States are doing it. So why hasn’t Congress increased the federal gas tax?

Old Business
❖ None

New Business
The Forms Management Subcommittee
Doug Kleeb (Oregon) and Jessica McInerny (Cargill) reported that this committee met with Electronic Commerce. There were 52 in attendance. The subcommittee discussed the following:

Uniformity Book Subschedule Updates.
Catherine Mitchell from West Virginia provided an update on the Uniformity Book Schedule update project. Several schedules are no longer being used by States and there are 8 states that did not respond. Catherine and Jessica will reach out to the remaining States to get an
update and then will provide Christy Dixon with the updates, so that the Fall 2020 Uniformity Guide will be up to date.

**Vermont Forms Review**
The State of Vermont is working with FAST to update their motor fuel tax forms and they have asked for assistance from the Uniformity Forms Committee to ensure the changes they make will be considered uniform. A subcommittee consisting of Doug Kleeb, Peter Steffens, Lee Gonzalez, and David Hernandez is working with James Vigeant from the State of Vermont and Evan Moore (FAST) in this endeavor. The committee noted two changes that needed to be made regarding “net” gallons on the distributor return, as well as #7 on the Vermont Fuel Tax Application for type of legal organization. It was recommended by the committee that Vermont add an “other” box that will enable LLC’s, LLP’s, SCorps, etc. to be able to apply for a fuel license. James is to inquire on net versus gross, as well as adding an “other” box to the fuel application.

**Alternative Jet Fuel**
Wilda Ice (North Carolina) drafted a paper on “What is Sustainable Alternative Jet Fuel (SAJF)?” to help educate the committee on the difference between sustainable alternative jet fuel and renewable jet fuel.

**Electronic Bill of Ladings**
Discussion on the use of Electronic Bill of Ladings was held as the industry is moving more towards the use of them Edie Martin and Jessica McInerny will reach out to DTN or some other electronic bill of lading company to request a presentation for our June 2020 meeting in Boise, Idaho. Additionally, it was determined that a white paper document should be done on the topic; therefore, this project has been moved to the Communication & Coordination subcommittee.

**Product Code Request**
The State of Michigan has requested a product code for their Diesel #5, #6, Bunker C and Navy Special. Doug Kleeb will reach out to Michigan to better understand their request.

YOSHI App was discussed, which is a mobile fuel service in addition to other service items; State were informed so that they can detect any potential impacts/issues for compliance.

Scott Fitzgerald updated us on the E-Commerce survey. Several changes were identified, and Cindy Anders-Robb will inform Doug Arndt of those changes. The full committee approved the changes and the finalization of the survey for 2020.

**The Electronic Commerce Subcommittee**
In the absence of Mike Hanson (CA), Gene Holland (P66) reported there were 12 in attendance. The subcommittee discussed the following:

**Fuels XML Schema Changes**
The XML schema changes approved by the committee were incorporated into version 4.0 of the schema. Version 4.0 and prior versions can be downloaded from https://www.statemef.com/mf_new.shtml.

**XML Guide and Schema for Vermont**
The State of Vermont submitted their schema for review. It was found to be substantially compliant.
XML Guide and Schema for Tennessee
The State of Tennessee requested a review of their schema. The Blender Report was found to be not substantially compliant. They were informed that they could contact the Forms Subcommittee to discuss the possibility of adding fields to the Blender Report.

XML Schedule Transloader
Discussed and reviewed initial schema for a Transloader Operator Report. Further review is required before the schema is sent to E-Standards for final approval.

IRS Move to XML
No action taken – The group will continue to monitor and be ready to provide support to IRS on this pending project. The proposed project is to move from IRS 4030 X12 map to XML for ExSTARS reporting.

Emerging Technologies
Block chain was discussed as means for reporting fuel transaction. It continues to be the most likely emerging technology to impact our industry. Will continue to Monitor and report to the Uniformity Committee on emerging technologies that could be utilized in motor fuel filings.

Best Practices Document-XML Implementation
The best practices document for electronic filing will be discussed at the next meeting.

XPath Document
Was not discussed at this meeting.

XML Schema Export Data
Was not discussed at this meeting.

Electronic Commerce Survey
There were no changes to the Electronic Commerce survey questions or format. The survey will be emailed to the States in October 2019.

New Business
An element may be added to the schema if the Forms Subcommittee adds a field for reporting exemption number.

The Communication and Coordination Subcommittee
In the absence of Christy Dixon (OK) and Lauren Branch (ExxonMobil) reported there were 42 in attendance. The subcommittee discussed the following and the January 2020 Uniformer was distributed.

2020 Motor Fuel Tax Information by State Book
Revisions/Additions to the 2020 Motor Fuel Information by State Book were discussed. No revisions or additions were brought forward.
Model Legislation
Wilda Ice discussed the revised draft of Model Legislation for Transload Activities. The following discussion points were brought up:

**Question:** How would portable transloader locations be licensed?
**Response:** State by state decision

**Question:** Does transloading include barge/lightering modes of transportation?
**Response:** Not the intent of the transloading definition, the definition was specific to track rail car activity. Transloading into a tank doesn’t meet the definition of translating product from one mode of transportation to another. Discussion whether this is a gap with a definition? What if it’s a bulk plan, how is information made available?

The consensus was that it may be difficult to have a definition for all known scenarios. This discussion will continue at the June 2020 meeting.

Definitions
Subcommittee members Donna Alderman, Lauren Branch, Brittany Davis, Lee Gonzalez, Emilda Santiesteban and Tina Whitehead drafted 30 product code definitions. 30 product code definitions were reviewed/discussed, 28 were approved with revisions; Waste Oil and Crude Oil were tabled. There was a total of 57 product codes without definitions, the remaining definitions will be discussed at the meeting in June 2020. See below for the approved definitions.

David Hernandez mentioned reference should be made to product codes that are not to be in the United States. David will define/identify products that are not used in the United States. Jonathan Puryear mentioned that consideration should be taken about how the IRS defines blending components. These items will be discussed at the June 2020 meeting.

Synthetic Ethanol and Isobutanol
Wilda Ice gave a presentation on new products - Synthetic Ethanol and Isobutanol. At this time no further discussion was had, but it was mentioned that consideration will need to be given as to whether there will be a need for new product codes or not.

Old Business
At the September 2019 meeting there were concerns regarding Product Authorizations in Missouri and South Dakota. No additional comments or concerns were brought forward during this meeting, but it was mentioned that South Dakota will release a new publication that may address the Product Authorization concerns. This topic will remain on the agenda for discussion in June 2020.

New Business
Wilda Ice led a discussion concerning Electronic BOLs (eBOLs). During this discussion it was mentioned that DTN is a company that facilitates eBOLs. The committee would like to get more information about eBOLs, Edie Martin will reach out to DTN or a similar company to request that a representative attend one of the Uniformity meetings to provide an overview of eBOLs. A team was put together to draft a white paper document for eBOLs: Lauren Branch, Verna Carrier, Wilda Ice, Edie Martin, John Panza, Emilda Santiesteban and Rae Takai.
Approved by the Full Committee

Definitions
Reference sources for the product definitions; EIA, state statutes, FHWA, IRS Publication 510, and the dictionary.

Additive Gasoline - A product that is added or mixed in small concentration with accountable product. The additives then become part of the accountable product. Additives are used at the rates of 1-300 parts per million.

Alcohol - Family Group of organic chemical compounds composed of carbon hydrogen and oxygen. They are hydrocarbon plus a hydroxyl group. Common fuel alcohols are methanol, ethanol, butanol and propanol.

Asphalt - A thick, sticky, dark-brown mixture of petroleum tars that is found in natural beds and is also obtained as a residue in petroleum refining and that consists chiefly of hydrocarbons; used in paving, roofing and waterproofing.

Aviation Gasoline - A complex mixture of relatively volatile hydrocarbons with or without small quantities of additives, blended to form a fuel suitable for use in aviation reciprocating engines. Fuel specifications are provided in ASTM Specification D 910 and Military Specification MIL-G-5572.

Benzene - Benzene is a clear, colorless, highly flammable and volatile, liquid aromatic hydrocarbon with a gasoline-like odor. Benzene is found in crude oils and as a by-product of oil-refining processes.

Biodiesel - dyed (percentage of) - Diesel fuel blended with up to 99% biodiesel and injected with a dye of a type and concentration level approved by the IRS. The numerical values following the D represents the percentage of biodiesel present in the fuel.

Biodiesel - dyed (may contain up to 5% biodiesel) - Diesel fuel blended with up to 5% biodiesel and injected with dye of a type and concentration level approved by the IRS.

Blending Components - Component blends that can be used without further processing in the production of finished gasoline.

Butane, including butane - propane mix - Butane is a gaseous fuel derived from petroleum. Butane is blended with propane and commercially sold as LPG. Some common uses for butane include refrigeration, heating and fuel for lighters. Butane is a gasoline blending component defined by the IRS.
**Butylene** - A series of alkenes with the general formula C4H8. May refer to any of the individual compounds, or to a mixture of them. They are colorless gases that are present in crude oil as a minor constituent in quantities that are too small for viable extraction.

**ETBE (Ethyl Tertiary Butyl Ether)** - An oxygenate blend stock formed by the catalytic etherification of isobutylene with ethanol. ETBE is a gasoline blending component recognized by the IRS.

**Ethane** - A straight-chain saturated (paraffinic) hydrocarbon extracted predominantly from the natural gas stream, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of -127 degrees Fahrenheit.

**Ethanol (100%)** - An ethyl alcohol that is a colorless, flammable liquid produced by fermentation of sugars that can be denatured for fuel use. Fuel ethanol is used principally for blending in low concentrations with motor gasoline as an oxygenate or octane enhancer. In high concentrations, it is used in alternative-fuel vehicles specifically designed for its use.

**Ethylene** - An olefinic hydrocarbon recovered from refinery or petrochemical processes, which is gaseous at standard temperature and pressure. Ethylene is used as a petrochemical feedstock for many chemical applications and the production of consumer goods.

**High Sulfur Diesel - dyed** - Diesel fuel with a sulfur content level greater than 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

**Isobutane** - A branch-chain saturated (paraffinic) hydrocarbon extracted from both natural gas and refinery gas streams, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of 11 degrees Fahrenheit.

**Low Sulfur Diesel - dyed** - Diesel fuel with a sulfur content level between 15 ppm and 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

**Methane** - A colorless odorless flammable gaseous hydrocarbon CH4 that is a product of biological decomposition of organic matter and of the carbonization of coal. Methane is used as a fuel and as a starting material in chemical synthesis and is the simplest of the alkanes.

**Metanol (100%)** - A methyl alcohol that is a toxic, colorless, volatile flammable liquid alcohol primarily used as a solvent, antifreeze, or denaturant.
MTBE (Methyl Tertiary Butyl Ether) - An ether intended for gasoline blending to increase the amount of oxygen. MTBE is a gasoline blending component recognized by the IRS.

Naptha - A flammable oil containing various hydrocarbons, obtained by the dry distillation of organic substances such as coal, shale, or petroleum. Naptha is a gasoline blending component recognized by the IRS.

Pentanes, including isopentanes - A volatile, colorless liquid hydrocarbon with a characteristic gasoline-like odor that can be burned as a fuel that is similar to butane and hexane. Pentane is a gasoline blending component recognized by the IRS.

Propylene - A colorless, flammable gas, of the olefin series.

Raffinate - A low-octane mixture that remains after aromatics extraction from reformate. Raffiante is a gasoline blending component recognized by the IRS.

TAME (Tert-Amyl Methyl Ether) - is an ether used as a fuel oxygenate. An oxygenate blend stock formed by the catalytic etherification of isoamylene with methanol. TAME is a gasoline blending component recognized by the IRS.

Toluene - Colorless liquid of the aromatic group of petroleum hydrocarbons, made by the catalytic reforming of petroleum naphthas containing methyl cyclohexane. A high-octane gasoline-blending agent, solvent, and chemical intermediate. Toluene is a gasoline blending component recognized by the IRS.

Ultra-Low Sulfur Diesel - dyed - Diesel fuel with a sulfur content level less than or equal to 15 ppm that was injected with dye of a type and concentration level approved by the IRS.

Xylene - Colorless liquid of the aromatic group of hydrocarbons made from the catalytic reforming of certain naphthenic petroleum fractions. Used as high-octane motor and aviation gasoline blending agents, solvents, chemical intermediates. Xylene is a gasoline blending component recognized by the IRS.

Canadian Update
No updated given

New and Old Business
None