



FUELLINE

JULY 2009

Montana Petroleum Marketers & Convenience Store Association Newsletter

Volume 36, Issue 1

MPMCSA FUEL LINE

BOARD OF DIRECTORS

Dave Sutey, **President**
Sutey Oil/Thriftway Stores, Butte

Doug Klotthor, **Vice-President**
Rocky Mountain Supply,
Belgrade/Townsend

Lary Poulton, **PMAA Director**
Ezzie's Wholesale, Malta

Ronna Alexander, **Executive Director**
MPMCSA, Helena

Kary Tonjum, **Director**
CityServiceValcon, Kalispell

Greg Tabish, **Director**
Great Western Petroleum, Missoula

Bary Moore, **Director**
Moore Oil Co., Thompson Falls

Valeria Jeffries, **Director**
Holiday Stores, Billings

Jim Kenneally, **Director**
Town Pump, Inc., Butte

Mykel Stockton, **Director**
Stockton Oil Co., Billings

Todd Fickler, **Director**
Fickler Oil Co., Deer Lodge

Doug McCracken, **Director**
EZ Mart, Harlem

Burl French, **Associate Board Member**
Northwest Fuel Systems, Kalispell

EDITOR'S BYLINE

Summer greetings!

It's time we talked Association "Biz" as July marks the beginning of a new Association year and brings changes to the elected officers and directors who spend their volunteer time managing the affairs of the organization. Before we introduce these new individuals we must first extend our sincere thanks to a couple of outgoing directors that have served you so well! First is Buck Pandis who spent several years as a director, two years as Vice-President, two years as President, and most recently two years as the Association's national director to the Petroleum Marketers of America. Buck is a dear friend and we will miss him on the Board. We also thank Dick Clark of Kwik Way Stores in Billings for his years of service from our retail membership.

Elections conducted at the annual meeting in June included Dave Sutey of Thriftway Stores in Butte taking over the position of President, and we welcome Doug Klotthor of Rocky Mountain Supply in Belgrade as the in-coming Vice-President. Also elected is new director Greg Tabish of Great Western Petroleum in Butte with Mykel Stockton of Stockton Oil in Billings, and Val Jeffries with Holiday Stores-Billings being elected to a second term on the Board. Lary Poulton has just completed his two-year term as President and will now move into the national directorship for PMAA. Finally, last spring the Board amended the by-laws to provide a seat on the Board for the Associate membership category; we welcome Burl French of Northwest Fuel Systems in that appointed position. Thank you to these individuals for being willing to serve the Association!

As mentioned, the annual convention was held at the Hilton Garden Inn in Missoula a few weeks ago, and while we did see a decline in attendance, we believe the attendees enjoyed themselves and gained useful information from the sessions. The silent auction was a success, generating \$3,435 for the scholarship fund. We thank those of you who contributed items and made purchases at the event! Sixty-four golfers took to the course at the Missoula Country Club with the team of Gerry Ramm, Inland Oil in WA, Mark Baker, Altria Group in Helena, Don Lloyd of Glacier Bancorp in Kalispell and WMI's own Jim Leigh, Salt Lake City garnering first place honors. Finally, thanks to the many sponsors who supported the event; the annual meeting will once again show a profit.



2009 LEGISLATIVE REVIEW

The 61st Legislative Session adjourned April 28th (the 90th and final day) with a balanced budget, a bill to allocate the federal stimulus funds and a bill to mitigate the effects of property re-appraisal. While much debating went on in budget, federal funding and tax arenas, the 61st presented far fewer challenges than normal for the wholesale and retail motor fuels industry. Having said that, there were several bills the Association worked on, a few that make significant changes in certain programs. The following is a review of the important highlights of those bills.

SENATE BILL 97 makes several changes to the management of the Petroleum Tank Release Cleanup Fund:

- a) Eliminated the incentive for installation of double wall tanks that allowed tank owners experiencing a leak to incur no deductible if eligible to the Fund. With the enactment of the Federal Energy Act that requires new or upgraded facilities to install double wall tanks, the incentive was rendered useless.
- b) Creates an insurance incentive by allowing any eligible costs paid by a private insurer to count towards the tank owner's 50% share of the Funds deductible (\$35,000).
- c) Conversely, disallows reimbursement for costs which an owner/operator has received reimbursement or payment for from a private insurer.
- d) Creates a statute of limitations for contesting a Board decision. Owners/operators must now submit a written request for a hearing within 120 days of a Board determination. The Board is required to inform the O/O of the 120-day deadline and is required to serve a second notice by certified mail not less than 50 days after the original notice.

HOUSE BILL 331 affects the convenience store's food purveyors license by raising the fee from \$90 to \$115 for businesses that employ more than two people at a time. The fee will be \$85 for businesses that employ two or fewer people. The bill was initially drafted to remove the statutory fee language and allow the fees to be set by the various county agencies through rule-making. Several Associations, including the MPMCSA, opposed the bill and negotiated the fee increase in lieu of the original intent. It also establishes a food safety task force that must approve any further regulatory changes to the licensing/inspection process.

HOUSE BILL 400 increases the allowable amount of alcohol in malt beverages that qualify as "beer" from 7% to 8.75% by volume. These beverages can now be sold in convenience stores.

HOUSE BILL 416 allows individuals who make/produce less than 2500 gallons of bio-diesel to be exempt from the fuel tax. These individuals must register with the Department of Transportation and file an annual report stating the amount of bio they have "cooked".

SENATE BILL 427, entitled the "MT Contaminated Property Compensation & Restoration Act," addresses the significant liability to tank owners created by the 2005 Supreme Court decision, *Sunburst vs. Texaco* and may be the most important piece of legislation for the industry. *Sunburst vs. Texaco* allows civil lawsuits to occur that could result in huge "restoration" damage awards over and above compensatory and punitive damages. SB427 mitigates that application of law by creating a definition for "special use" property that could be considered for restoration damages such as historical sites. It also states that a court must allow evidence of cleanup action taken (and dollars spent) at such a site by the direction of the DEQ. The bill initially was written to ALL types of contamination and industries but was ultimately limited to petroleum storage tanks (including mobile tanks) and of a specific size ... While complicated and hard to apply to daily life, the legislation was a huge win for the industry.



Working with Government





2009 MPMCSA SCHOLARSHIP

Graham DeMars

The DeMars family of Dutton, Montana has secured its place in the WPMA scholarship records, as Graham DeMars, the 2009 recipient for the state of Montana, becomes the second DeMars child to receive the WPMA Scholarship! Graham's sister Jessa won the WPMA Scholarship in 2003. Graham is the son of Thomas and Kathleen DeMars, and he

applied for the WPMA Scholarship through Mountain View Co-op, where Thomas works as a manager.

Graham graduated in May from Dutton/Brady High School, ranked #1 in his class of 13. He feels that this small school helped him develop his academic strengths, as he learned to be a strong leader, work well under pressure, accept any assignment he was given, participate favorably in individual and group settings, and always finish every task he began. During his high school years, Graham participated in Family Career and Community Leaders of America, was a member of the Principal's Cup Academic team, the Academic Challenge Team, the Economic Challenge Team, the National Honor Society, and the Student Council. He especially enjoyed competing in Agronomy and Crops contests through his membership in Future Farmers of America.

Graham plans to attend the Montana Tech department of the University of Montana in Butte, because of its good reputation in the fields of science and mathematics. He plans to major in biology, and sees a degree in biology as a step towards his goal to become a physician's assistant. In his free time, Graham enjoys running, lifting weights, listening to music, and going to the movies.

With all of his talents and abilities, Graham is well qualified to begin his college experience. The Western Petroleum Marketers Scholarship Foundation looks forward to watching Graham's progress as he goes on to Montana Tech, for he is set to achieve any goal he sets. Good luck, Graham!



WPMA
Scholarship Foundation, Inc

NOTE: WPMA awards a merit scholarship of \$4,000 to a deserving student within Montana each year. MPMCSA applicants are graduating high school seniors and the son or daughter of a full-time employee of a MPMCSA marketer company, whose primary residence is located within the state of Montana, where the association membership resides. Applicants for the "Associate-at-Large" scholarship are graduating high school seniors and the son or daughter of a full-time employee of an associate member company. Applications are due **MARCH 1ST** of each year. Donations to the WPMA Scholarship Foundation, Inc. can provide tax benefits for WPMA members.

NEW MEMBERS:

We welcome these new associate members to the MPMCSA:

Terry Smith of Steel Smith Tank & Equipment in Missoula and

Pete Ridgeway of Stieg & Associates in Missoula.



BULLETIN: "REPORTING OF SUSPECTED RELEASES"

In December of last year the Department of Environmental Quality proposed new rules regarding the reporting of suspected releases. The new rules focused on adding the reporting requirement for the activation of a leak detection equipment monitoring alarm, or activation of flow restriction mode for a mechanical line leak detector unless:

(i) within 24 hours of the occurrence of the condition, the condition is investigated, the cause of the condition is discovered, corrected, and a release to the environment or to secondary containment has not occurred:

(ii) the leak detection system is returned to a fully operational condition within 24 hours.

The second part of the new rule would have required records documenting the cause of the condition and the investigative and corrective actions undertaken in response to the condition to be maintained for a three-year

period at the facility, or at a readily available alternative site, where the records could be provided for inspection by the department upon request. The Association provided comments to the rules, vigorously opposing the section that would have required three-year maintenance of records.

We believed this to be overly burdensome to tank owners and inconsistent with other release detection rules that require tank owners to maintain monthly monitoring record keeping for a period of one year. The new rules were adopted this spring and we are happy to report that the Department accepted our comments and revised the proposed rule to a one-year record keeping requirement.



**Montana Petroleum Marketers
& Convenience Store Association**
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2009
SUMMER



PMAA PAC

JULY 29, 2009

Dear MPMCSA Member:

I am writing to you as a strong supporter of the petroleum marketing industry to encourage you to contribute to the PMAA Political Action Committee (PAC). I have been selected to be your trustee for the State of Montana on the PMAA Small Business Committee. As you know, the Petroleum Marketers Association of America (PMAA) is our national organization that represents us on all federal issues, including leading the effort to end excess speculation in the energy commodity market, working to end onerous credit card interchange fees, preventing retail temperature compensation mandates, renewable fuel infrastructure mandates and protection from FDA tobacco retail restrictions. As part of that representation, PMAA has an active, but under-funded, PAC.

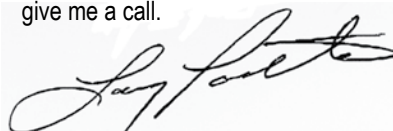
Being from Montana, we all know the challenges of making a difference on the national scene. That is the huge advantage of supporting the PMAA and the PAC. There is a very dedicated staff in Washington, D.C. working for YOU on matters of national interest to fuel marketers, as it is your organization. As a united front, much more can be accomplished and in many cases onerous regulations can be prevented.

The PAC contributions are made to candidates who are strongly supportive of the industry or who are in leadership positions where decisions

important to the industry are made. PMAA is making every effort to make certain that marketers' voices are heard in Washington.

Please note that the PMAA Small Business Committee can only accept personal (not corporate) contributions. Please help me in my efforts to grow our federal PAC and ensure that marketers are a key part of what happens in Washington. MPMCSA has a brochure that provides an overview of the levels of PMAA PAC participation, goals of the PMAA PAC and what the money is needed for. Please send personal check to the address below or fill out the MPMCSA brochure (found on-line at www.wpma.com/Montana) for credit card payment. If we all pay \$100 minimum, we CAN make a difference.

Thank you for your support and if you have any questions, feel free to give me a call.



Lary Poulton, PMAA Director

PMAA PAC
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