

February 6, 2009

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WP-02-06-09

2009 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Please plan to attend the 2009 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 17-19, 2009. You may register online at www.wpma.com.

PLEASE SUPPORT THE WPMA SCHOLARSHIP FOUNDATION SILENT AUCTION

In 2009, the WPMA Scholarship Foundation will award \$32,000 in scholarships to graduating high school seniors. The Foundation receives a large portion of its working capital through income from the annual Scholarship Silent Auction held at the WPMA convention in February. Please support the Scholarship Foundation by donating an item to the 2009 Scholarship Silent Auction.

Past Silent Auction donations have included tickets to sporting events, vacation packages, decorator items, electronics, sports equipment, logo clothing, jewelry, tools, accessories, etc. If you would like to donate an item, please contact Kathy Michaelis at the WPMA office: 888-252-5550, or e-mail kathym@wpma.com.

ENTER TO WIN A 2009 ARCTIC CAT ATV AND SUPPORT THE SCHOLARSHIP FOUNDATION!

The WPMA Scholarship Foundation will be giving away a 2009 Arctic Cat ATV at the upcoming WPMA Convention in Las Vegas! The ATV is a limited edition sport utility model with a beefy 550 HI EFI engine. A 3000-pound winch, hand warmers, machined aluminum rims, and a 2" ball receiver hitch sweeten what is already an incredible package. To get a look at this stunning ATV, go to the Arctic Cat Web site: <http://www.arctic-cat.com/atv/dirt.asp?category=UTILITY&model=550H1EFILE>.

Raffle tickets for this ATV cost \$100 each. Only 250 tickets will be sold, so your chances of winning are great! Buy one or buy 10 to increase your chances! But hurry - tickets are expected to sell out. For more information on how you can purchase raffle tickets, contact the WPMA office: 801-263-9762, or toll-free (888) 252-5550.

Void where prohibited. Must be 21 or older to participate. You need not be present to win. Taxes and licensing not included. Shipping within the continental US will be provided.

MARKETERS MAKE CASE FOR INCREASED TRANSPARENCY AND ACCOUNTABILITY AT CFTC

This has been an important week in the futures market reform discussion. The House Agriculture Committee held a two-day hearing which included witnesses from financial institutions, petroleum marketers, farmers, and consumer groups. On Tuesday, PMAA Treasurer Sean Cota of Cota & Cota, Inc. testified on behalf of PMAA and NEFI before the House Agriculture Committee regarding draft legislation titled the "Derivatives Markets Transparency Act." Testifying before the committee on Tuesday were: Tom Buis, President, National Farmers Union; John Damgard, President, Futures Industry Association; Michael Greenberger, University of Maryland School of Law; Michael Gooch, Chairman and Chief Executive Officer, GFI Group Inc.; Terrance Duffy, Executive Chairman, CME Group Inc.; Daniel Roth, President and Chief Executive Officer, National Futures Association; and Tyson Slocum, Director, Public Citizen's Energy Program.

Cota urged the committee to immediately mandate aggregate speculative position limits on energy futures across all contract markets at the control or ownership level for contracts traded within the U.S. or by U.S. traders and to give the Commodity Futures Trading Commission (CFTC) authority to police over-the-counter markets. Cota went on to say that distinguishing between legitimate hedgers in the business of actually delivering the fuel to consumers, and those who are in the market for purely speculative purposes is a key factor in restoring integrity to the commodity markets.

During the hearing witnesses agreed with Cota that greater transparency and accountability for over-the-counter markets is essential to restore integrity to commodity markets. Gooch agreed that position limits and full transparency would restore fundamentals of supply and demand in commodity markets. However, John Damguard with the Futures Industry Association and Terrance Duffy of the CME Group, who did not support the draft legislation, argued that it would drain liquidity and hurt the American economy. They argued that requiring over-the-counter trades to settle and clear through a designated clearing organization would lead to market uncertainty. While they both agreed that transparency was essential to the futures market, they could not fully support commodity position limits.

The second day of the hearing included testimony from Michael Masters of Masters Capital Management, who advocated for aggregate position limits across all commodity markets and adequate transparency to prevent another commodities bubble. Masters highlighted that world oil supply was rising while world oil demand was falling during the first half of 2008 and the best and simplest explanation for the 2008 oil bubble was the flow of speculative money into and out of crude oil

futures.

PMAA would also like to thank Jim Collura with the New England Fuel Institute (NEFI) for working with us on preparing testimony to the House Agriculture Committee.

In a related note, Gary Gensler, President Obama's nominee to head the CFTC, stated in a January 26 letter to Senator Carl Levin (D-MI) that he would extend position limits to certain OTC commodity markets and that OTC trading should be cleared through an exchange. Furthermore, the Government Accountability Office (GAO) issued a report on January 30, 2009, which reviewed 11 studies on the issue of speculation fueling commodity price spikes. The GAO did not do its own analysis on commodity speculation; however, it stated that "determining the actual amount of such [institutional and retail] investment is difficult, in part because no comprehensive data are available on all such investments."

PRESIDENT SIGNS LEGISLATION TO RAISE TOBACCO TAXES

On Wednesday President Obama signed the State Children's Health Insurance Program Reauthorization Act of 2009 (H.R. 2), which increases the federal excise on cigarettes by 62 cents-per-pack (to \$1.01 per pack) to fund the \$32.8 billion expansion of SCHIP. Before President Obama signed the bill, the House cleared the Senate-passed SCHIP version, 290 – 135 with 40 Republicans voting for the legislation.

Retailers should be aware that the legislation assesses a floor stocks tax on all manufacturers, wholesalers and retailers for tobacco products (except large cigars) in inventory on April 1, 2009 with the floor stocks payable by August 1, 2009. Each retailer will receive a \$500 credit toward the floor stocks tax. However, this is a \$500 credit per retail company not a \$500 credit per store.

Additionally, the legislation raises the tax (effective April 1, 2009) on large cigars up to 40.26 cents per cigar; little cigars to \$1.0066 per pack; pipe tobacco to \$2.8311 per pound; chewing tobacco to 50.33 cents per pound; snuff to \$1.51 per pound; RYO/cigar wrappers to \$24.78 per pound; cigarette paper to 3.15 cents per 50 papers; and cigarette tubes to 6.30 cents per 50 tubes.

The Senate roll call vote is available at

http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=1&vote=00031.

The House roll call vote is available at <http://clerk.house.gov/evs/2009/roll050.xml>.

SENATORS INCREASE FUNDING TO RETROFIT DIESEL ENGINES

There are no shortages of amendments to the Senate stimulus package. Among those introduced is a bipartisan amendment to include \$550 million for the Diesel Emission Retrofit Program to reduce emissions from diesel engines, more than double the amount in the House-approved package. Supporters argue the program will reduce greenhouse emissions and create 10,000 jobs.

The Diesel Emission Retrofit Program was enacted as part of the 2005 Energy bill with the goal of one billion dollars over five years for retrofits. However, between 2006 and 2008 only \$600 million was authorized, but only \$50 million was appropriated in 2006.

VALERO RENEWS LEADERSHIP PLEDGE FOR 2009

Petroleum marketers will again have an educational opportunity to enhance their leadership skills thanks to the generosity and commitment of Valero Energy Corporation. Valero has agreed to renew its primary sponsorship role for the 2009 Petroleum Marketers Leadership Institute (PMLI) scheduled for March 15-17, 2009 in Portland, Oregon.

"We are so fortunate to have the support of Valero. They are a great company who really care about their distributors and retailers," commented marketer Craig Eerkes, CEO, Sun Pacific Energy, Kennewick, WA, who also serves as PMLI Chairman. When renewing their support for 2009, Alan Cerwick, Valero's Manager of Wholesale Marketing said, "Valero is a company that understands the value of our industry's leadership and supporting petroleum marketer leadership training is a tangible way we can."

Since its inception in 2001, over 100 petroleum marketers from around the country have graduated from the Institute, whose goal is to build leaders for the petroleum marketing industry. Graduates are immediately able to apply the skills that are presented in the highly interactive retreat to leading their own businesses, as well as to the work they do on behalf of the industry at their state associations.

Generously supported by Valero and Federated Insurance, as well as by industry and state associations, the fast-paced, highly interactive sessions look at the leader within, leading others, and leading your company and your association. A recent graduate writes, "If you could measure personal growth, I feel I would be off the meter as a result of PMLI. I now have a better understanding of how I am perceived, and feel I am communicating better than ever with employees, suppliers and customers..."

The Institute begins Sunday afternoon and concludes before lunch on Tuesday to minimize time away from the office. Space is limited and nominations are being accepted at PMAA. For more information or to nominate an emerging leader from your company or your state association, contact Arlene Bellfield by email at abellfield@pmaa.org.

PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL SCHEDULED FOR MAY

PMAA's 2009 annual Washington Conference and Day on the Hill will be held in Washington, DC from May 13-15. With a new administration, many changes in members of Congress and numerous legislative issues important to petroleum marketers across the country, this forum will certainly be productive and timely.

The meeting will begin with an issues briefing and issues groups on the afternoon of May 13 followed by a welcome reception including our PAC silent auction fundraiser. On the morning of May 14th, there will be another issues briefing if you did not arrive in time for the first one. Marketers and association executives will then head to Capitol Hill for visits with their Congressional delegations. There will be a hospitality suite and luncheon in the Rayburn Building. On the evening of May 14, we will honor our new PMAA Chair, Matt Bjornson. The PMAA Board of Directors will meet on May 15th followed by our Distinguished Service Award luncheon.

A complete conference schedule, hotel information is available at <http://www.pmaa.org/index.asp> and registration form is available at <http://www.pmaa.org/meetings/pmaa.asp>. Please make your plans now to attend. See you in DC in the spring!

THERE'S STILL TIME TO APPLY FOR THE WPMA SCHOLARSHIP!

If you or your full-time employees have children who are high school seniors graduating this spring, those children are eligible for the WPMA \$4,000 scholarship. But hurry – the application deadline is **March 1st!**

The WPMA Merit Scholarship program provides for eight \$4,000.00 scholarships to be awarded each year, one in each of the WPMA member states, to children of marketer members or their full-time employees who live in the WPMA state where the association membership resides. One Associate at Large scholarship is also awarded each year to a son or daughter of a WPMA Associate Member or their full-time employees.

Scholarship applications are now available for download from the WPMA website, www.wpma.com, under the "Scholarship Info" link on the home page.

If you have questions or requests, contact Kathy Michaelis at 1-888-252-5550, or e-mail kathym@wpma.com. We hope you take advantage of this opportunity for your students to get some extra help with their education!

SAVE THE DATES FOR THESE UPCOMING EVENTS IN 2009

June 9-11, 2009 – MPMCSA Convention, Trade Show & Golf – Hilton Garden Inn, Missoula, MT
June 18, 2009 – UPMRA Golf Classic – Wasatch Mountain State Park, Midway, UT
June 23-25, 2009 – WOMA Convention and Golf Tournament – Suncadia Resort, Cle Elum, WA
July 29-30, 2009 – IPM&CSA Convention and Golf Tournament – Sun Valley Resort, Sun Valley, ID
August 30-31, 2009 – NMPMA Convention and Golf Tournament – Embassy Suites, Albuquerque, NM
September 20-22, 2009 – UPMRA Convention and Golf Tournament – Courtyard Marriott, St. George, UT

Petro Pete: "A boy, frustrated with all the rules he had to follow, asked his father, "Dad, how soon will I be old enough to do as I please?" The father answered immediately, "I don't know. Nobody has lived that long yet."

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If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: janr@wpma.com. Thanks.

CLASSIFIED ADS

BOBTAIL FOR SALE

Polk Oil Company is selling a 2007 Kenworth T 300 Bobtail truck.

- 9282.3 miles
- 515.3 hours
- 2500 gallon aluminum tank with 4 compartments of 800, 700, 500 and 500 gallons that is designed for top loading.
- Blackmer pump and 150 feet of hose.
- 250 horse Caterpillar engine.

Let us know if you want us to send you a detailed breakdown of the entire package.
Contact JW Sellers at 505-660-3791 or Don McTeigue at 505-603-7611.

FOR SALE

- 1 – Shell pectin complete with can
- 10'X10' with panoflex faces
- 1 – Shell 8'X8' 3 product price sign with can
- 1 – Shell 2'X8' diesel single product with can
- 1 – Shell 2'X8' blanks with can

All signs are crated and ready for shipment. Price is very negotiable. Picture is available.

Brewer Oil Co.
Gene Atencio
505-884-2040 X3009