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SENATE PASSES PACT ACT

Late Thursday evening the U.S. Senate passed, by non-recorded voice vote, S. 1147, the "Prevent All Cigarette Trafficking Act" (PACT Act). S. 1147 would significantly strengthen existing federal and impose new restrictions on Internet cigarette and smokeless tobacco sales. Specifically, S. 1147 would curb the illegal sales of tobacco products via Internet, mail delivery and over the phone. The bill would require tobacco sellers to verify the age of buyers who purchase products over the Internet and the phone, and require online tobacco sellers and other entities to keep delivery sales records. The bill would also treat tobacco products as non-mailable and prohibit them from being deposited in or carried through the United States Postal Service and would ensure that Internet, mail delivery and phone tobacco sellers pay federal excise taxes.

Sellers of tobacco via the Internet, postal service and phone can easily avoid paying excise taxes on tobacco which put retailers at a competitive disadvantage. Additionally, state governments lose revenue each year and minors are able to illegally purchase tobacco products from the marketing of tobacco via the Internet. Given the recent 62 cent cigarette tax increase, PMAA is concerned that sellers of tobacco via Internet, mail delivery and phone will increase as consumers look for ways to avoid paying state excise taxes on tobacco products.

The House of Representatives overwhelmingly approved H.R. 1676 companion legislation last year. The Senate bill differs slightly from the House bill, so the House will have to approve the Senate passed version.

PMAA would like to thank all members who made calls to Senate offices asking for a vote on the PACT Act.

FINANCIAL REFORM LEGISLATION LIKELY TO BE INTRODUCED MONDAY

On Monday, Senate Banking Committee Chairman Christopher Dodd (D-CT) intends to introduce comprehensive financial reform legislation, which will include necessary reforms to the commodity futures market. It could also include interchange fee reform measures. The Merchants Payments Coalition is working with Senate Banking staff to include interchange fee reform as part of Dodd's bill as it moves through the legislative process.

Chairman Dodd plans to convene a markup the week of March 22, and hopes to bring a bill to the Floor following Easter recess. Negotiations between Chairman Dodd and Banking Committee member Bob Corker (R-TN) fell apart on Wednesday because they could not reach agreement on the consumer protection provisions in the sweeping financial reform bill. Senate Agriculture Committee Chairwoman Blanche Lincoln (D-AR) plans to introduce a derivatives bill soon and her bill language will need to be reconciled with Dodd's.

As the House and Senate push forward with healthcare legislation, Senator Dodd did not want the financial reform bill to be consumed by the healthcare debate. Republicans vow to have a floor fight on healthcare legislation which will likely stall other important pieces of legislation this spring. Last month, Senate leadership vowed to pass a financial reform bill before taking up healthcare legislation. Dodd's decision to move forward without Republican support on financial reform legislation may allow the bill to move before the Senate takes up healthcare legislation.

SENATE APPROVES BIODIESEL TAX CREDIT

On Wednesday, the Senate passed Jobs bill II, the "American Workers, State and Business Relief Act," as a substitute amendment to H.R. 4213, the Tax Extenders Act of 2009, by a vote of 62 – 36. Included in Jobs bill II is the vital one year extension of the one dollar per gallon biodiesel blender's tax credit. The credit will also be available retroactively for biodiesel produced during the credit's lapse. The biodiesel tax credit expired Dec. 31, 2009.

Unfortunately, the one year extension of the National Oilheat Research Alliance (NORA) authorization was not included in Jobs II. PMAA members communicated extensively to key Senate staff and urged Senators to include the one year NORA extension as an amendment to Jobs bill II/Tax Extenders bill. The Jobs II/Tax Extenders bill will now head back to the House for approval.

House leadership has not indicated if the chamber will clear the Senate passed Jobs Bill II without changes (the House also passed the biodiesel tax credit extension late last year). In order for a bill to become law, both chambers have to pass identical legislation. If the House approves the Senate Jobs bill without modifications, it will be sent to the President for his signature.

PMAA continues to seek opportunities to pass NORA language.

PMAA SEEKS MARKETER INPUT ON ULSD SURVEY

PMAA is urging petroleum marketers to participate in a national survey designed to expand industry understanding of issues involving the storage of Ultra Low Sulfur Diesel (ULSD). The Petroleum Equipment Institute (PEI) announced the implementation of a brief online survey that will help identify marketers who have concerns about ULSD storage. Concerns might include accelerated corrosion (rust), unexpected operational problems, gasket or seal problems, and/or premature failure of equipment and parts. Please take the short survey even if you have not had any experience with problems listed above.

Your answers will provide the petroleum industry important information to determine how the industry should respond. Please take a moment to answer the five question survey at your earliest convenience.

Please go to <http://www.ulsdsurvey.com/> for the survey. The deadline is April 6.

PLEASE TAKE THE TIME TO REGISTER NOW FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL

PMAA's annual Washington Conference and Day on the Hill will be held in our Nation's Capitol of Washington, DC from May 12-14. This forum unites marketers, state association executives and suppliers from across the country to openly discuss all the issues facing the petroleum marketing industry with their members of Congress and find solutions together. The meeting will begin with an issues briefing and issues groups on the afternoon of May 12 followed by a welcome reception including our PAC silent auction fundraiser. On the morning of May 13, marketers and association executives will then head to Capitol Hill for visits with their Congressional delegations. There will be a hospitality suite and a luncheon on Capitol Hill. On the evening of May 13, we will honor our new PMAA Chair, Gerry Ramm. The PMAA Board of Directors will meet on May 14 followed by our Distinguished Service Award luncheon.

For those who have hotel reservations or other arrangements, please be sure to complete a Registration Form at http://www.pmaa.org/userfiles/file/Washington_Conference/2010/PMAA_WashingtonConference_Registration_2010_-_2.pdf at your earliest convenience. Additional instructions for the form are on our Meetings page at <http://www.pmaa.org/pmaameetings/upcomingmeetings.asp>. A complete Conference Schedule (http://www.pmaa.org/userfiles/file/Washington_Conference/2010/Conference_Schedule.pdf) and Hotel Information (http://www.pmaa.org/userfiles/file/Washington_Conference/2010/Hotel_Information_Rev_3.pdf) is available to you. Please make your plans now to attend this important and productive forum to meet with your members of Congress!

2011 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2011 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 22-24, 2011.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

June 8-10, 2010 – MPMCSA Convention – Billings Hotel and Convention Center – Billings, Montana

June 22-24, 2010 – WOMA Convention – Suncadia Lodge – Cle Elum, Washington

August 4-6, 2010 – IPM&CSA Convention – Schweitzer Mountain Resort – Sandpoint, Idaho

August 31-September 1, 2010 – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico

September 8-10, 2010 – UPMRA Convention – Park City Marriott – Park City, Utah

Petro Pete: "The only substitute for good manners is fast reflexes."

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