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API AND NPRA CHALLENGE RFS2 COMPLIANCE DEADLINE

On Monday the American Petroleum Institute (API) and the National Petrochemical and Refiners Association (NPRA) filed suit against the Environmental Protection Agency (EPA), challenging the timeframe refiners have to comply with the revised Renewable Fuel Standard known as RFS2.

The total renewable fuel requirement for 2010 is 12.95 billion gallons but the rule combines 2009 and 2010 standards giving refiners until spring 2011 to blend 1.15 billion gallons of biodiesel or face more than \$32,000 per day in fines. API and NPRA argue that they do not have enough time to meet the mandate and, if the EPA had kept to the schedule set in the 2007 energy bill, EPA would not have to combine the 2009 and 2010 standards. Greg Scott of NPRA said, "For the last two and half years, soy biodiesel has been virtually shutdown, and now, according to the EPA, we are supposed to ramp up production. Obligated parties are supposed to blend two years' worth of soy biodiesel or another substitute in a nine-month period."

According to the National Biodiesel Board (NBB), the industry produced 575 million gallons of biodiesel in 2009, down from the 700 million gallons produced in 2008 and far from the 1.15 billion gallons required by the EPA. NBB has said; however, that the industry can meet the higher requirements.

PRESIDENT SIGNS PACT ACT

Yesterday, President Obama signed the Prevent All Cigarette Trafficking (PACT) Act which passed the Senate by voice vote earlier this month. The PACT Act will significantly strengthen existing federal law and impose new restrictions on Internet cigarette and smokeless tobacco sales to prevent tobacco smuggling and limit tobacco tax evasion tactics. Last year, the House of Representatives overwhelmingly approved the PACT Act, H.R. 1676, and the Senate followed suit.

PMAA appreciates the calls and emails to Senators and Congressmen expressing support for the bill.

GILBARCO CERTIFIES ITS DISPENSERS FOR E15

On Wednesday, Gilbarco Veeder-Root announced that it upgraded the warranty on its standard fuel dispensers for E15 use. These dispensers are currently Underwriters Laboratories (UL) approved to handle up to E10 under the UL 87 standard. Models include the Gilbarco Encore ® and Legacy ® series dispensers as well as the Gasboy ® Atlas ® product line. While PMAA welcomes this announcement, it will ultimately be left to UL and federal officials to decide whether existing legacy equipment will be certified to handle E15. Marketers need regulatory and legal certainty to sell E15 in legacy equipment. Until UL can certify existing underground storage tanks, piping, gaskets and dispensers, marketers will have no choice but to avoid selling E15.

PMAA expects the Environmental Protection Agency (EPA) to approve an E15 fuel by this summer for car model years 2001 to present. If a retailer wishes to sell E15, he/she will be able to do so, but they will assume all liability since no dispensers and USTs are certified to handle E15 by UL. EPA cannot require retailers to sell a fuel through non-compatible and non-certified equipment. PMAA continues to work with EPA and Congress to provide regulatory and legal certainty that will allow marketers sell mid-level ethanol blends.

PMAA JOINS LETTER TO SENATE AGRICULTURE COMMITTEE LEADERS

Last week, the Commodity Markets Oversight Coalition (CMOC) of which PMAA is a co-founding member sent a letter to Senate Agriculture Committee Chairwoman Blanche Lincoln (D-AR) and Ranking Member Saxby Chambliss (R-GA) thanking them for their efforts to introduce derivatives market reform draft legislation next month. PMAA and NEFI formed CMOC in 2007. The Coalition is an informal alliance of industry groups, consumer advocates and academics representing commodity producers, processors, distributors, retailers, and residential, commercial and industrial end-users.

Earlier this week, the Senate Banking Committee passed its comprehensive financial reform overall draft bill which includes futures market reform legislation along a party line vote, 13 – 10. Senate Banking Committee member Bob Corker (R-TN), who has been negotiating with Banking Committee Chairman Christopher Dodd (D-CT), said on Thursday that the financial reform bill would pass the Senate this year. Senate Agriculture Committee staff are finalizing their bill and plan to work with PMAA and NEFI on amendments once Chairwoman Lincoln's bill begins to move. Ultimately Chairman Dodd and Chairwoman Lincoln will merge their bills. Considering that the House has passed its financial reform legislation, it is becoming very likely that a financial reform bill will be signed into law this year.

PMAA and NEFI continue to urge lawmakers to withstand efforts by Wall Street to water down the comprehensive derivatives market reform legislation and pass sensible reform legislation that will rid the futures market of excessive speculation and allow the market to reflect supply and demand fundamentals rather than investment flows in commodities.

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](http://www.pmaa.org/userfiles/file/Washington%20Conference/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](http://www.pmaa.org/userfiles/file/Washington%20Conference/2010/Conference%20Schedule.pdf)) and Hotel Information ([http://www.pmaa.org/userfiles/file/Washington Conference/2010/Hotel Information Rev 3.pdf](http://www.pmaa.org/userfiles/file/Washington%20Conference/2010/Hotel%20Information%20Rev%203.pdf)) is available to you. Please make your plans now to attend this important and productive forum to meet with your members of Congress!

PMAA SUMMARY OF HEALTH CARE LEGISLATION

Yesterday PMAA sent out its summary of the health care legislation President Obama signed into law. The summary can be found at [http://pmaa.org/userfiles/file/Legislative/2010/PMAA HEALTH CARE LEGISLATION REPORT - March 31, 2010.pdf](http://pmaa.org/userfiles/file/Legislative/2010/PMAA_HEALTH_CARE_LEGISLATION_REPORT_-_March_31,_2010.pdf) and will be available on PMAA's website at <http://pmaa.org/govtregaffairs/legislative.asp>.

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 early bird may get the worm, but the second mouse gets the cheese."

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Contact Marty – 360-520-3275 360-736-2821

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