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SENATE CLIMATE BILL STALLED FOR NOW

The climate bill Senators John Kerry (D-MA), Lindsey Graham (R-SC) and Joe Lieberman (I-CT) have worked so long to craft remains stalled. The senators were set to introduce their bill last Monday but Graham dropped his support when it became apparent that Senate Majority Leader Harry Reid (D-NV) was preparing to move immigration reform legislation ahead of the Kerry-Graham-Lieberman (KGL) bill.

Since Monday, immigration reform and climate legislation moved back and forth in the legislative queue by the day. Leader Reid said earlier this week that the climate bill would move ahead of immigration because so much work had been done already, and then, days later the Senate has outlined a strategy to move immigration ahead of climate. In between, there was speculation that an energy-only bill sponsored by Senator Jeff Bingaman (D-NM) would move and language proposing carbon restrictions could be attached as an amendment if it could get the support of 60 senators.

The direction for getting a climate bill to the Senate Floor remains unclear. As it gets closer to Summer Recess and the mid-term elections move into full swing, it will be increasingly difficult for the Senate to vote on controversial legislation like climate.

PMAA's Climate Change Task Force is reviewing all legislative proposals under consideration.

IOMA AND MASSACHUSETTS LEGISLATURE URGE EPA TO DEFINE WIDESPREAD USE

Independent Oil Marketers Association of New England (IOMA) wrote a letter to Congressman Ed Markey (D-MA) seeking his assistance to urge the Environmental Protection Agency (EPA) to define "widespread use" of Onboard Refueling Vapor Recovery (ORVR) systems on automobiles following passage of a resolution by the Massachusetts House of Representatives calling on the agency to issue a definition. This is important because once EPA releases its definition, state agencies and marketers can plan for a future when Stage II will not be required.

Independent analysis has concluded that the incompatibility of the ORVR and Stage II systems can have negative environmental consequences; furthermore IOMA estimates that it costs as much as \$14,000 annually to maintain Stage II equipment.

PMAA continues to urge the EPA to define widespread use. We appreciate the efforts of IOMA and other state associations including Texas and Pennsylvania to seek assistance from their Members of Congress to urge EPA to issue a definition soon

FUTURES MARKET REFORM BILL CONTINUES MOVEMENT FORWARD

Yesterday, the Senate agreed by unanimous consent to adopt a substitute amendment to the "Restoring American Financial Stability Act of 2010," (S. 3217) which includes strong oil futures market reform provisions aimed at restoring the fundamentals of supply and demand.

PMAA strongly supported the substitute amendment derivatives language offered by Senate Agriculture Committee Chairwoman Blanche Lincoln (D-AR) and Senate Banking Committee Chairman Chris Dodd (D-CT) because it will require speculative traders to conduct trades on a regulated exchange or swap execution facility and clear their transactions through a clearinghouse as well as subject speculative traders to aggregate position limits. PMAA also supported the compromise language that exempts end-users like PMAA member companies from clearing and margin requirements if they are doing so for commercial purposes. The draft also grants the Commodity Futures Trading Commission (CFTC) the authority to regulate swaps, OTC, energy-related, and electronically-traded transactions by closing the so-called "Enron," "Swaps," and "London" or "Foreign Exchange" loopholes.

The Senate intends to start offering a number of amendments to the financial reform package starting next Tuesday, May 4. PMAA is aware that many amendments will be offered next week to try and weaken the bill. Some large end-user entities could undermine efforts by Congress to mitigate oil price volatility and prevent systemic risk by introducing amendments to provide broader exemptions to avoid clearing and margin requirements. We urge Senators to avoid the temptation to provide any type of broad end-user exemption that would allow Wall Street banks to exploit the legislation and cause unwarranted speculation in the futures market.

Speculation serves an important role for marketers to manage risk; however, it should be subject to full transparency and accountability to prevent excessive speculation. PMAA and NEFI have played lead roles in the effort to reform the derivatives market, and PMAA and NEFI members have played critical roles in encouraging their Senators to pass Senator Lincoln's derivatives reform substitute amendment. It will continue to be critical that Senators hear of your support for passage of the strong derivatives language in the final financial reform legislation.

In another related matter, the Senate Financial Services and General Government Appropriations Subcommittee Chairman Dick Durbin (D-IL) and Ranking Member Susan Collins (R-ME) said this week that the CFTC should be funded through the annual appropriations process rather than being self financed. Recently, there have been discussions to allow the agency to collect a fee on the firms they regulate. President Obama's 2011 fiscal budget calls for \$261 million for the CFTC, a 55 percent increase over last year if the financial reform legislation passes. The appropriation would help CFTC hire 214 full-time employees. PMAA supports the much needed funding for the CFTC to monitor the \$600 trillion derivatives market.

EPA SEEKS COMMENTS ON CURBING LEAD IN AIRCRAFT EMISSIONS

The Environmental Protection Agency (EPA) announced an Advance Notice of Proposed Rulemaking (ANPR) in response to a petition from the Friends of the Earth (FOE) organization urging the agency to use its authority under the Clean Air Act (CAA) to determine if, in the judgment of the Administrator, that exposure to lead from aircraft emissions is a threat to the public health.

The EPA has a long history of addressing exposure to lead. Under the Clean Air Act (CAA), the EPA has the statutory authority to regulate emissions from aircraft. Comments must be received by June 28, 2010.

The ANPR outlines the existing information that is currently available, the information that the EPA will use to determine the effect of lead emissions on public health, and seek comment on the information that is currently being collected that could be used to make decisions in the future.

This is an early step in the rulemaking process. PMAA will report as the process moves forward.

CALIFORNIA DIESEL FUEL FILTER RULE EFFECTIVE TODAY COSTS TRUCKERS

A California air quality regulation is costing truck drivers more than they expected. Drivers that haul cargo at California ports must have special filters installed on their trucks to meet strict air quality standards. The regulation took effect at the start of the year but was extended until today to meet the demand for the new filters. Many drivers have older trucks that require extensive upgrades before the special filters can be installed.

Under the rule, trucks with an engine manufactured before 1994 are prohibited from California ports. Today's deadline applies to engines manufactured from 1994-2003. The expensive filter helps achieve the goal of curbing diesel particulate emissions by 85 percent. Trucks with engines manufactured from 2004-2006 still have time to comply with the rule and trucks with engines manufactured since 2007 are compliant.

Without grants from local, state, or federal governments and non-profits, the cost of a filter to remove diesel particulate could exceed \$20,000. A combination of government grants offered \$50,000 toward the purchase of a new truck that met the air quality standard or the full cost of the filter. However, drivers with the new filter are making more trips to have it cleaned, which can cost \$50 per trip and take the truck out of service for up to eight hours.

PMAA WASHINGTON CONFERENCE AND DAY ON THE HILL IS ALMOST HERE!

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. Our industry continues to have several hot legislative and regulatory issues to discuss with members of Congress and the Day on the Hill continues to be the primary focus of this conference.

The meeting will begin with a welcome reception including PAC silent auction on the evening of May 12th. On the morning of May 13th, marketers will head to Capitol Hill for visits with their Congressional delegations. The PMAA Board of Directors will meet on May 14th. The Distinguished Service Award luncheon honoring Jim Garrett of Massachusetts will conclude the conference.

If you have not registered to attend the meeting, now is the time to do so! Please be sure to complete a registration form ([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)) as soon as possible so we may have a name badge for you and to include you in our guarantees. The final conference schedule is available at [http://www.pmaa.org/userfiles/file/Washington Conference/2010/Conference Schedule including Rooms.pdf](http://www.pmaa.org/userfiles/file/Washington%20Conference/2010/Conference%20Schedule%20including%20Rooms.pdf). Please contact Susan Isard by email at sisard@pmaa.org or by phone at 703.351.8000 with any additional questions and if you still need a hotel room. We look forward to seeing many of you in our Nation's Capital!

SAVE THE DATE – RFS2 WEBINAR MAY 5TH

PMAA is pleased to announce a webinar May 5, sponsored by PMAA and the RINAlliance, on the Environmental Protection Agency's (EPA) revised Renewable Fuel Standard rule, commonly known as RFS2. The webinar will be moderated by Jeff Hove, Vice-President of the Petroleum Marketers & Convenience Stores of Iowa. Mark S. Morgan, PMAA's regulatory counsel will also participate.

The rule requires additional gallons of renewable fuel to be blended into the national gasoline distribution stream and sets new compliance requirements. The webinar will explain what these changes mean for petroleum marketers and how best to meet the new requirements. Impact of the new EPA Moderated Transaction System (July 1st deadline) and profiting from RINs will be discussed in detail.

Registration information is below.

EPA's RFS2 Rules and New Moderated Transaction System: Understanding Your Options

Wednesday, May 5, 2010
10:00 am, Central Daylight Time

To join the webinar go to:

<https://pmcofiowa.webex.com/pmcofiowa/j.php?ED=135436082&UID=485556617&PW=NY2QxN2I4MjNk&RT=MiM3>

Audio Call-in toll number (US/Canada): +1-408-600-3600
Access code: 802 852 505

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 1-3, 2010 – IPM&CSA Convention – Coeur d'Alene Resort – Coeur d'Alene, 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: “After the government takes enough to balance the budget, the taxpayer has the job of budgeting the balance.”

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Thanks.

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

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5 Speed Manual Trans
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