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### **RENEWABLE FUELS PROPOSED RULE CLEARS OMB**

PMAA will be anxious to review a new EPA proposed rule governing renewable fuels. The Office of Management and Budget has given EPA the green light to move forward and seek public comments. The proposal is expected to include an analysis, which has been opposed by the ethanol industry, of greenhouse gas emissions produced indirectly by land-use changes that result from the use of corn to produce ethanol. PMAA is also interested to examine how biodiesel RINS will be regulated.

EPA would not say when the proposal will be published by the agency. To qualify as renewable, a fuel must result in a 20 percent reduction in greenhouse gas emissions from gasoline over the lifetime of the fuel from production through use. As part of its review of life-cycle emissions, EPA compiled an analysis of emissions from indirect land-use changes that may result from the production of renewable fuels.

According to an environmental group analysis, the use of corn for ethanol production raises worldwide food prices, encouraging farmers to clear tropical rain forests releasing carbon dioxide into the atmosphere.

According to the ethanol industry, indirect land-use analysis has questionable scientific merit, and could cripple the ethanol industry.

### **FDA TOBACCO BILL DELAYED IN SENATE**

Although Majority Leader Harry Reid (D-NV) made the FDA regulation of tobacco bill a priority for the April and May work period and put it on the calendar, recently Reid announced that the Health, Education, Labor and Pensions (HELP) Committee would not be able to have the House bill (H.R. 1256) marked up in time to get the bill before the full Senate by Memorial Day. The legislation, passed by the House on April 2, could come up during a future work period, perhaps after Congress returns in June.

The legislation has been a major priority for HELP Chairman Edward Kennedy (D-MA), but it has been subject to filibuster threats by tobacco-state lawmaker Richard Burr (R-NC). His threats would likely force the Senate to burn up to a week's worth of time with procedural motions. Obama is likely to sign the legislation once it reaches his desk since he cosponsored tobacco regulation legislation when he was in the Senate.

PMAA is continuing to oppose FDA regulation of tobacco retailers.

### **HOUSE PASSES CONSUMER CREDIT CARD BILL**

On Thursday, the House passed the "Credit Cardholders' Bill of Rights Act of 2009" (H.R. 627) by a wide margin of 357 – 70, which would protect consumers from abusive credit card practices. The bill would bar credit card companies from raising interest rates on existing balances with an exception for promotional offers and late payments by consumers. It would also enhance consumer disclosures and protect college students.

PMAA States and the Merchants Payments Coalition (MPC) worked with members of Congress to include an amendment to address the broad reaching and serious retailer and consumer issue of excessive interchange fees. However, the interchange fee amendment was ruled non-germane by the House Rules Committee so it was not offered on the House Floor when the consumer credit card bill was considered. PMAA would like to thank those who supported the interchange fee amendment which was originally cosponsored by Representatives Peter Welch (D-VT), Bill Shuster (R-PA), and Kathy Dahlkemper (D-PA).

The final list of supporters for the Welch-Shuster-Dahlkemper interchange amendment were:

Rep. John Barrow (D-GA)  
Rep. Christopher Carney (D-PA)  
Rep. Peter Hoekstra (R-MI)  
Rep. Steve Kagen (D-WI)  
Rep. Zoe Lofgren (D-CA)  
Rep. Todd Platts (R-PA)

Please thank these members who supported the interchange fee amendment. Although the interchange fee legislation was not taken up by the full House, the issue is at its height and will be a major topic of discussion in the coming weeks and months.

PMAA will continue to urge members of Congress to pass interchange fee legislation.

### **GAS TAX INCREASE NOT IN OBAMA PLANS...YET**

Many transportation experts were predicting last year that an Obama Administration would quickly support a national gasoline and diesel tax increase. Maybe the latest rhetoric is only political positioning. However, DOT Secretary Ray LaHood said yesterday that the Administration opposes a gas tax increase. While acknowledging budget shortfall concerns about the Highway Trust Fund, LaHood says that other approaches are needed.

Speaking at the annual conference of the American Council of Engineering Companies, LaHood said that a national infrastructure bank, public-private partnerships, and tolling are all options to help increase spending on transportation and other infrastructure.

“One avenue we are exploring is the creation of a national infrastructure bank, which would oversee investments in merit-based projects without earmarks,” LaHood said. “We’ve got to find new and creative approaches to making these investments a reality.”

Ideas such as an infrastructure bank, which has been offered by Senate Banking Chairman Christopher Dodd (D-CT), are among the proposals to increase funding for infrastructure projects as the Highway Trust Fund, the main source of transportation spending, faces another looming bankruptcy. The trust fund required an eight billion dollar transfer from the general fund in September 2008, and road builders expect a similar transfer will be necessary again this summer.

It is generally agreed that the fund will need some amount of financial assistance this year, but they are unsure of how much or when it would be necessary.

### **MILEAGE-DRIVEN TAX GAINS NEW SUPPORT**

Due to declining revenues in the Highway Trust Fund, House Transportation Secretary James Oberstar (D-MN) urged members of Congress to move quickly on legislation to tax drivers on the amount of miles driven, commonly referred to as a vehicle-miles-travelled tax or VMT. The proposal has become a major topic of discussion this year. Last month, the House Budget Committee heard testimony regarding a VMT plan and several lawmakers support the idea.

The National Surface Transportation Infrastructure Financing Commission supports the VMT system to become the dominant funding measure for the Highway Trust Fund by 2020. Drivers would be charged an average of two cents per mile under the plan forcing them to confront the true cost of using our nation’s highways. If a VMT is implemented, some experts say that Americans would drive less which would ease congested areas and benefit the environment. However, several lawmakers are concerned that privacy issues could result from the onboard device that would tally the VMT. The onboard device would ultimately allow the government to know the driver’s location. Furthermore, a flat VMT would affect rural Americans who typically drive longer distances to work.

Oberstar has indicated that the VMT system could possibly be included in the upcoming highway and transit reauthorization bill that he hopes to have on the House floor by June. He also said raising gasoline taxes may be a necessary short-term fix to fund the Highway Trust Fund. This is at odds with the Obama Administration which has reiterated its opposition to a VMT nation-wide system and raising fuel taxes during a recession.

### **GOUGING LEGISLATION INTRODUCED; TOBACCO TRAFFICKING BILL PASSES COMMITTEE**

Once again, federal gas gouging legislation (H.R. 2129) has been introduced this year by Congressman Bart Stupak (D-MI). H.R. 2129 has 31 cosponsors and was referred to the House Energy and Commerce Committee. PMAA has yet to see the bill’s language, but we believe that this year’s bill is similar to the bill that passed in 2007 (H.R. 1252).

PMAA has repeatedly demonstrated that price controls during emergencies will harm consumers not help them. This fact was demonstrated last year in Georgia when some retailers bagged their pumps after Hurricane Ike. Those retailers felt the state law gave them no choice but to close up for fear of prosecution. Gasoline and diesel shortages were made worse in Georgia because of the state gouging law. The Federal Trade Commission (FTC) performed an extensive review of price gouging allegations following Hurricane Katrina and determined that gouging is mostly a myth. If Stupak’s legislation becomes federal law, suppliers will be reluctant to send product to an affected area for fear of running afoul of the statute. It is too early to determine how the legislation will progress in this new Congress, but certainly PMAA will be active in the process.

In other news, the House Judiciary Committee approved the “Prevent All Cigarette Trafficking (PACT) Act of 2009” by voice vote. H.R. 1676 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 over the phone. It would also require Internet 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 over the phone tobacco sellers pay federal excise taxes.

Sellers of tobacco via the Internet, postal service and over the 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 and other methods. Given the recent 62 cent cigarette tax increase, PMAA is concerned that sellers of tobacco via Internet, mail delivery and over the phone will increase in order to avoid paying federal excise taxes on tobacco products.

PMAA will continue to support H.R. 1676.

### **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 13-15. 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 members of Congress and find solutions together.

The meeting will begin with a welcome reception including PAC silent auction on the evening of May 13th. On the morning of May 14th, marketers will head to Capitol Hill for visits with their Congressional delegations. The PMAA Board of Directors will meet on May 15th. The Distinguished Service Award luncheon honoring Jim Buhmaster of New York 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 as soon as possible. A complete conference schedule is available for planning purposes at [http://www.pmaa.org/userfiles/file/Washington Conference/2009/Conference Schedule 2\(1\).pdf](http://www.pmaa.org/userfiles/file/Washington%20Conference/2009/Conference%20Schedule%202(1).pdf). Please contact Susan Isard at 703.351.8000 with any additional questions. We look forward to seeing many of you in our Nation's Capital!

### **2009 WPMA POST-CONVENTION TOUR - HUBBARD GLACIER CRUISE**

Many have been asking where our next WPMA Travel Adventure will be. We have found an absolutely incredible cruise aboard Celebrity Cruise Line's ultra-luxurious ship Infinity, sailing from Seattle, Washington through the spectacular Inside Passage to Alaska, June 12-19, 2009.

Reservations must be made within the next 30 days, or as long as space lasts. WPMA has only a certain number of staterooms available on a first come-first serve basis. Call Chris Lambert at Destinations, Inc. at (801) 446-5000 or toll free at 1-800-748-4777 for more information and to book your reservations.

### **2010 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA**

Start planning now to attend the 2010 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 16-18, 2010.

### **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 flying saucer was low on fuel, so it landed by a gas station on a lonely country road. On its side were the letters "UFO." The gas station attendant was stunned, but his curiosity got the best of him. "Does that stand for Unidentified Flying Object?" he asked. "No," one of the other-worldly travelers responds, "It stands for "Unleaded Fuel Only."**

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### **BULK & OIL LUBE JOBBER FOR SALE**

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### **BOBTAIL FOR SALE**

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

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Contact JW Sellers at 505-660-3791 or Don McTeigue at 505-603-7611.