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MULTIPLE RFS BILLS FILED

Several RFS bills were introduced this week, including an amendment filed to the Farm bill by Senators Barrasso (R-WY) and Toomey (R-FL) which would repeal the RFS. Another amendment was filed by Senator Inhofe (R-OK) that would permit states to opt out of the RFS.

Senators Corker (R-TN) and Manchin (D-WV) introduced the "Foreign Fuels Reduction Act" which would require a reduction to the volume of cellulosic biofuel to also result in a pro rata reduction to the total volume of renewable fuel and advanced biofuels.

An amendment filed by Sen. David Vitter (R-LA), ranking member of the Environment and Public Works Committee, would prohibit EPA from approving gasoline that contains more than ten percent ethanol.

Also, last week the Domestic Alternative Fuels Act of 2013 (H.R. 1959) was introduced by Rep. Olsen (R-TX) to allow ethanol produced from natural gas to qualify as a renewable fuel under the RFS.

NORA LEGISLATION INTRODUCED IN HOUSE

Last week, Rep. Leonard Lance (R-NJ) introduced the "Oilheat Efficiency, Renewable Fuel Research and Jobs Training Act," (H.R. 1985) which reauthorizes the National Oilheat Research Alliance Act (NORA). Established in 2000, NORA is funded by a check-off program that allows the industry to support and fund critical initiatives for oilheat businesses, technicians, and consumers at no cost to local, state and the federal government. Without Congressional reauthorization, the oilheat industry will lose its ability to work cooperatively to provide efficient technologies that benefit consumers and to stay competitive in the marketplace. The program has already provided tremendous benefits to the industry and its consumers by reducing oilheat consumption by 30 percent over the last decade – nearly \$600 in annual savings per customer.

Unfortunately, NORA expired in February 2010. H.R. 1985 would reauthorize the NORA program through 2020 and redirect more funds for research, development and deployment of new ultra-efficient oilheating technologies such as biofuel-blended product. H.R. 1985 has already garnered 14 cosponsors including six from the conservative Republican Study Committee. Earlier this month, Senators Jeanne Shaheen (D-NH) and Susan Collins (R-ME) introduced identical legislation (S. 913) which has garnered nine cosponsors.

SENATE APPROVES SPCC EXEMPTION FOR FARMERS

Last week, the Senate approved the Water Resources Development Act (WRDA) which included an amendment, introduced by Senators Mark Pryor (D-AR) and Jim Inhofe (R-OK), which would increase threshold sizes for Aboveground Storage Tank (AST) regulation at the farm level, and allow more farms to self-certify spill plans. The bill now heads to the House for consideration where the lower chamber could amend the legislation with its own SPCC tank threshold exemption levels or pass the bill unchanged. If the Pryor-Inhofe amendment passes the House and is ultimately signed into law, then farmers will be granted the tank threshold exemptions and the amendment to delay EPA's SPCC regulations until September 30, 2013 will be moot.

The Pryor-Inhofe amendment would:

- Increase the farm exemption threshold with up to 6,000 gallons aggregate of aboveground oil storage pending the completion of a study looking at a permanent exemption for farms with 2,500 to 6,000 gallons.
- Permit farms to self-certify their spill prevention plans if their aggregate aboveground oil storage is between 6,000 and 20,000 gallons with no individual tank greater than 10,000 gallons and no history of oil spills.
- A professional engineer must certify the plan if the farm has an individual storage tank greater than 10,000 gallons, an aggregate aboveground oil storage greater than or equal to 20,000 gallons, or a reportable oil discharge history.

Please note: EPA's SPCC rule went into effect on May 10, 2013. The rule requires farmers to hire a certified professional engineer to design a SPCC plan and have secondary containment installed. As petroleum marketers well know, the SPCC rule is applicable to any facility, including farms, with an aggregate aboveground oil storage capacity of 1,320 gallons in tanks of 55 gallons or greater. However, whether the rule will be enforced now is unclear.

Included in passage of the continuing resolution (CR), which was signed into law in March, is language which delays SPCC compliance deadlines for farmers through September 30, 2013. The amendment prevents funds from being used through

Fiscal Year 2013 to implement requirements of EPA's SPCC rule. Please see PMAA's SPCC [Regulatory Report](http://pmaa.org/regulatoryreport/archives/2013/rr_05_03_13.html) (http://pmaa.org/regulatoryreport/archives/2013/rr_05_03_13.html) for more information. .

SWAPS PARTICIPANTS MUST OBTAIN CICI

An outcome of the transparency requirements of the Dodd-Frank Derivatives Reform Act is for any entity involved in potentially risky financial transactions, including non-financial counterparties to a swap (commercial hedgers) to obtain a universal Legal Entity Identifier (LEI). CFTC is referring to the identifier as a CFTC Interim Compliant Identifier (CICI).

All swaps market participants must obtain a CICI which can be done via an online compliance portal and by submitting a \$200 fee. Some swaps dealers are doing this for their customers and then, as required by CFTC regulations, are providing the CICI compliance information to their clients. Otherwise clients are required to obtain the CICI and then notify the dealer of their identifier information. Although hedgers are responsible for compiling with the new requirements and must also maintain records of their CICI information for five years, ultimately, the dealer is liable for non-compliance.

The compliance date for non-financial entities was April 10, 2013, however, CFTC has set an "in good faith" enforcement deadline of October 31, 2013. Hedgers should have heard already from their dealers, but if not, contact the company that provides you with hedging services for guidance on obtaining a CICI. Go to <https://www.ciciutility.org/> in order to obtain a CICI or for the CFTC advisory.

HOUSE APPROVES KEYSTONE XL PIPELINE

On Wednesday, the House approved legislation (H.R. 3) which would move the construction of the Keystone XL pipeline forward without the President's consent and limit litigation aimed to delay the construction process by a bipartisan vote of 241 – 175. Specifically, the bill would grant exclusive jurisdiction to the U.S. Court of Appeals for the District of Columbia Circuit in which plaintiffs would have 60 days after the date of Keystone approval to file suit. Now, H.R. 3 heads to the Senate where it's unlikely Senate Majority Leader Harry Reid (D-NV) will allow the legislation to be considered.

In March, the Senate approved a non-binding amendment to support the Keystone XL pipeline by a bipartisan vote of 62 – 37, but the amendment was largely symbolic and didn't have the force of law. All Republicans voted in favor of the amendment. The Democrats who supported the measure were Sens. Max Baucus (MT), Mark Begich (AK), Michael Bennet (CO), Tom Carper (DE), Bob Casey (PA), Chris Coons (DE), Joe Donnelly (IN), Kay Hagan (NC), Heidi Heitkamp (ND), Tim Johnson (SD), Mary Landrieu (LA), Joe Manchin (WV), Claire McCaskill (MO), Bill Nelson (FL), Mark Pryor (AR), Jon Tester (MT) and Mark Warner (VA).

A decision by the Obama Administration is expected later this year.

OSHA HAZARD COMMUNICATION STANDARDS

OSHA has adopted the Globally Harmonized System (GHS) of Classification and Labeling of Chemicals as the new standard for hazard communication. Effective December 1, 2013, employers must ensure that employees are trained on the new labeling elements and Safety Data Sheet formats. Training should include

- What is GHS?
- Understanding GHS labels
- Safety Data Sheets (formerly MSDS)

Please read article in its entirety [here](http://pmaa.org/weeklyreview/attachments/Federated's_OSHA_Hazard_Standards.pdf)

(http://pmaa.org/weeklyreview/attachments/Federated's_OSHA_Hazard_Standards.pdf). For direct access to helpful HAZCOM materials, Federated client members are encouraged to log on to [Federated's Shield Network](https://www.federatedinsurance.com/ws/fi/InsuranceProducts/RiskManagement/hazcom) (<https://www.federatedinsurance.com/ws/fi/InsuranceProducts/RiskManagement/hazcom>). Petroleum marketers may also tap into the expertise of our RMRC consultants for additional guidance and more information about the resource materials available. Call 1-888-FED-4949.

REMINDER! CHANGES TO DRIVER HOURS OF SERVICE RULE EFFECTIVE JULY 1, 2013

The U.S. DOT's Federal Motor Carrier Safety Administration (FMCSA) issued a final rule in December 2011 that amends CDL/HAZMAT driver hours of service (HOS) regulations. The 11-hour maximum daily driving period remains in place but requires a 30-minute rest period. The 14-hour driving window remains unchanged. However, restrictions and limitations on the use of the 34-hour restart provision, the mechanism used by driver's to restart their work week, significantly reduces scheduling flexibility and pares down from 82 to 70 the maximum number of hours a driver can work in the week subsequent to the week that the restart provision was used. The compliance deadline for the new provisions in the HOS regulations is **July 1, 2013**. The five new or changed HOS provisions that affect petroleum marketers are explained in detail below:

1) Maximum 11-Hour Daily Driving Period:

The maximum 11-hour daily driving period remains unchanged under the new rule. The U.S. DOT had proposed to reduce the number of hours a driver could drive in a day to 10 but decided not to adopt the change due to opposition from industry

groups including PMAA. Drivers may drive up to 11-hours within a daily 14-hour driving "window".

Example: A driver has had 10 consecutive hours off, comes to work at 6:00 a.m. and drives from 7:00 a.m. until 2:00 p.m. (seven hours driving). The driver must take a 30-minute break to meet the new hours-of-service requirements (after July 1, 2013), and then he or she can drive for another four hours until 6:30 p.m. After 6:30 p.m., the driver must not drive again until having at least 10 consecutive hours off duty. The driver may do other work after 6:30 p.m., but cannot drive a commercial motor vehicle on a public road.

2) Mandatory 30- Minute Rest Period:

Under the new HOS rule beginning July 1, 2013, a driver must take a 30-minute break if more than eight consecutive hours have passed since the last off-duty period. Drivers may not drive after the eighth hour without taking the 30-minute. The new 30-minute break provision reduces the 14-hour driving window to just 13.5 hours per day (if the driver is driving after the eighth hour on duty). Meal breaks or any other off-duty time of at least 30 minutes qualifies as a break.

Example: If a driver starts driving immediately after coming on duty, he or she could drive for eight consecutive hours, take a half-hour break, and then drive another three hours for a total of 11 hours. In another example, this driver could drive for three hours, take a half-hour break, and then drive another eight hours for a total of 11 hours.

3) Maximum 14-Hour Daily On-Duty Period:

The maximum 14-hour daily "driving window" formerly called the driver's "on duty period" is effectively reduced to 13½ hours due to the new 30-minute mandatory rest period requirement. A driver can drive the maximum 11 hours per day only within the 14-hour driving window after which 10 consecutive off duty hours is required before the driver may return to driving a CMV.

Example: A driver has 10 continuous hours off and comes to work at 6:00 a.m. The driver must not drive after 8:00 p.m. that evening, which is 14 hours later. The driver may do other work after 8:00 p.m., but cannot do any more driving until taking at least 10 consecutive hours off.

4) Mandatory 34-Hour Rest Period to Restart Driver's Work Week:

The new rule limits when and how often a driver can "restart" the work week. The 34-hour restart provision is maintained in the new rule but significantly limited. The new HOS rule now requires the 34-hour restart period to include two periods between 1:00 a.m. to 5:00 a.m. to allow drivers the opportunity to sleep according to their natural circadian rhythms. The two 1:00 a.m. to 5:00 a.m. periods need not be consecutive. This change will likely force drivers who work overnight to be off duty for longer than 34-hours in order to get a valid restart. The new rule also limits the use of the restart period to once during any 168-hour period. Finally, if the driver has multiple 34-hour periods off within a seven-day period, the driver must indicate in log book or on time records which one of the 34-hour periods is being counted as the official restart. The new restart limitations effectively reduce the maximum number of hours a truck driver can drive during a work week from 82 hours to 70 hours.

Example: If a driver is following the 70-hour/eight-day limit and works 14 hours per day for five days in a row, the driver will have been on duty for 70 hours. The driver would not be able drive again until he or she drops below 70 hours worked in an eight-day period. However, if the driver's employer allows use of the 34-hour restart provision, he or she would have driving time available immediately after 34 consecutive hours off duty. The driver would then begin a new period of eight consecutive days and have 70 hours available. However, effective July 1, 2013, the hours of service regulations limit the use of the 34-hour restart provision to once every 168 hours (once a week) and require that anyone using the 34-hour restart provision have as part of the restart two off-duty periods that include 1:00 a.m. to 5:00 a.m.

5) New Definition of "Egregious" Violations:

Companies and drivers that commit egregious violations of the rule could face the maximum penalties for each offense. Trucking companies that allow drivers to exceed the 11-hour driving limit by three or more hours could be fined \$11,000 per offense, and the drivers themselves could face civil penalties of up to \$2,750 for each offense. This rule allows, but does not require, the agency to treat these violations as egregious. An "egregious" offense negatively impacts carrier safety rating scores.

For additional information, please [visit](http://www.fmcsa.dot.gov/rules-regulations/topics/hos/index.htm) (<http://www.fmcsa.dot.gov/rules-regulations/topics/hos/index.htm>).



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The Western Petroleum Marketers Association (WPMA) is pleased to announce that we have recently partnered with MultiView, Inc., an Irving, TX, publisher of Digital Buyer's Guides and E-News Briefs, to launch the *Petroleum Marketers Supply Guide*.

About the Petroleum Marketers Supply Guide

Our online vendor search is designed specifically for petroleum marketers, refiners, and c-store operators. Easily accessible from a link on the WPMA Web site home page (www.wpma.com) the marketplace enables users to conveniently perform targeted searches for industry-related products and services using either a user-defined keyword search, or an alphabetized category and sub-category directory search.

Unlike traditional search engine results that can generate numerous irrelevant results - and slow down your procurement process - the *Petroleum Marketers Supply Guide* is filled with industry-specific suppliers and service providers.

We feel confident you will find the *Petroleum Marketers Supply Guide* a valuable tool for researching, selecting and purchasing the resources you're looking for. Please click [here](http://petroleummarketersupplyguide.com/) (<http://petroleummarketersupplyguide.com/>) to visit the guide to see how it can work for you.

If you are a supplier or service provider, a listing in the *Petroleum Marketers Supply Guide* will ensure that your company's brand and message are easily accessible to the buyers who matter most to you. If you are interested in learning more about how to feature your company in the marketplace, please contact MultiView at 800-816-6710 or by email at wpma@multiview.com.

2014 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA



Start planning now to attend the 2014 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for **February 18-20, 2014**.

Access the WPMA National Convention page by scanning the QR code on the left with your smart device.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2013

June 4-6, 2013 - Montana (MPMCSA) Convention - Holiday Inn Grand - Billings, Montana

June 17-20, 2013 - Washington (WOMA) Convention - Suncadia Lodge - Cle Elum, Washington

June 20, 2013 – UPMRA Summer Golf Classic – South Mountain Golf Course – Draper, Utah

July 31-August 2, 2013 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, Idaho

August 27-29, 2013 – New Mexico (NMPMA) Convention – Albuquerque Marriott Pyramid North, Albuquerque, NM

September 12-13, 2013 - Utah (UPMRA) Convention - Zermatt Resort - Midway, UT

Petro Pete: *“Don’t rush me. I’m waiting for the last minute.”*

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