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WPMA ANNOUNCES 2014 KEYNOTE SPEAKER

Mike Walsh

Founder and CEO of Tomorrow, a consumer innovation research lab, Mike Walsh advises some of the world's leading brands and corporations on what's coming next in their industry. Author of the best seller *FUTURETAINMENT*, he is a leading authority on the intersection of emerging technologies, consumer behavior and fast growth markets. As a global nomad and consumer trend scout, Mike does live research, in the trenches, with big corporations and entrepreneurs all over the world bringing a truly global perspective to every event. He distills the most relevant insights into tailored keynotes that allow any audience to not only understand, but also start to influence the future direction of their industry. Rather than focusing on the distant future, Mike focuses on the next five years - scanning the near horizon for disruptive technologies and consumer innovations on the verge of hitting critical mass - then translating these into usable business strategies. His views have appeared in a wide range of international publications including *Business Week*, *Forbes* and *Wallpaper Magazine*.

Corporate Experience

Always in demand for his fresh insights and practical future-focused strategies, Mike has advised the CEOs and senior management teams at multinational companies including: the BBC, Fujifilm, Richemont, MSN, Star TV, Televisa, Philips, and HSBC.

Mike's personal manifesto: "Everything is changing. How we live, how we work and how we play. But to understand the future you need to focus on anthropology (the study of human beings) not technology. After all, as interesting as it is when things change, the real magic happens when people do."

HOUSE EXAMINES EPA'S ROLE IN THE RFS

On Wednesday, the Energy Policy, Health Care and Entitlements Subcommittee (Chairman Lankford, R-Okla.) of House Oversight and Government Reform Committee held a hearing titled "Up Against the Blend Wall: Examining EPA's Role in the Renewable Fuel Standard." Witnesses were Christopher Grundler, Office of Transportation and Air Quality; Jack Gerard, API; Lucian Pugliaresi, Energy Policy Research Foundation Inc.; Joel Brandenberger, National Turkey Federation; and Jeremy Martin, Union of Concerned Scientists.

Chairman Lankford noted that there is evidence that the RFS is not meeting the original bi-fold purpose: "to move the United States toward greater energy independence and security," and "to increase the production of clean renewable fuels." Further, Lankford points to the market change since 2005 and 2007, the current domestic energy boom and he stated that corn-based ethanol may not be any cleaner than gasoline and has other environmental consequences, such as using more water for producing corn-based energy than refining gasoline.

EPA's Christopher Grundler noted that as the volume requirements of the RFS program increase, additional volumes would need to be used in higher blend levels, such as E15 or E85. EPA is considering the potential impacts of the blend wall and the agency is reviewing comments submitted in response to its proposed rulemaking for the 2013 RFS volume standards.

API's Jack Gerard testified that the RFS is "irreparably broken and posed to do significant harm to consumers, the economy and the nation's fuel supply." While Lucian Pugliaresi stated that his organization's research found that near-term increases of blending over the blend wall would only be possible by encouraging consumers to buy E85 and shifting that cost onto E10, which would increase the cost of E10 by 36 cents per gallon by 2022.

American Fuel & Petrochemical Manufacturers (AFPM) President Charles T. Drevna released this about yesterday's hearing: "EPA needs to take an honest look at the marketplace and the nation's ability to consume the mandated volume of biofuels. Existing engine technologies, compatibility with fuel delivery infrastructure, and consumer impacts are real world circumstances that require EPA to reduce the 2013 Renewable Volume Obligations (RVOs) for all four renewable fuel categories to more realistic levels. If left unaddressed, this pernicious policy will continue to adversely impact consumers at the grocery store and at the pump, as well as threaten engines on everything from automobiles to boats and lawnmowers." Drevna noted further that even if the proposed renewable fuels RVOs were attainable, EPA acts in bad faith by continually missing the statutory deadline to set required levels for the following year.

In a statement about the hearing, Bob Dinneen, President and CEO of the Renewable Fuels Association, stated that the National Turkey Federation testimony that turkey production has decreased because of ethanol production is inaccurate. That, "According to numbers from the USDA, turkey production has increased, and ...It is flat out wrong that not a single representative from the ethanol industry was invited to speak or to present facts on the proven success of the RFS in reducing our dependence on foreign oil, lowering gas prices, improving the environment, or creating jobs and economic opportunities for rural America. This is a bit like asking a roomful of matadors if the bull should live."

LEGISLATION WOULD CHANGE LNG TAX

A gallon of CNG is taxed at the same rate as diesel, 24.3 cents per gallon (diesel is actually at 24.4 because of the addition of the one-tenth of a cent UST fund). New legislation would tax both based on energy equivalency as is already the case for CNG. One gallon of diesel creates the same amount of energy as 1.7 gallons of LNG. Therefore, equivalent BTUs cost buyers of LNG an extra 41 cpg.

Representatives Thornberry (R-TX) and Larson (D-CT) have introduced the "LNG Excise Tax Equalization Act of 2013" to base the federal tax of LNG on the BTU level equivalent to diesel. Companion legislation is expected in the Senate this Congress.

SENATE MAY CONSIDER KEYSTONE XL PIPELINE LEGISLATION

On Thursday, Senate Majority Leader Harry Reid (R-NV) indicated that the Senate may consider an amendment which would approve the Keystone XL pipeline when the Energy Savings and Industrial Competitiveness of 2013 (S. 761), commonly known as the "Shaheen-Portman" bill, hits the Senate floor this summer. Earlier this year, a non-binding amendment to approve the Keystone XL pipeline received 62 votes in the Senate. Reid and Senate Minority Leader Mitch McConnell (R-KY) will need to agree on the number of amendments to be considered before Shaheen-Portman reaches the floor. PMAA will be looking at opportunities to include National Oilheat Research Alliance (NORA) (S. 913) reauthorization legislation to the bill.

Meanwhile, the Canadian Association of Petroleum Producers' released a report which projected that Canadian oil production could more than double by 2030, from 3.2 million bpd in 2012 to 6.7 million bpd by 2030. Tight oil production in Alberta has led to a resurgence in production which will reduce crude oil imports and increase exports to new markets.



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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**.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2013

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: *“I have a condition that renders me unable to go on a diet... I get hungry.”*

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