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WPMA IS PLEASED TO ANNOUNCE BEN STEIN AS 2012 KEYNOTE SPEAKER



WPMA is excited to announce that Ben Stein, acclaimed actor, economist, author and pop culture icon, will be the keynote speaker at the 2012 WPMA Convention and Convenience Store Expo. Most people know Ben Stein from his wacky TV appearances – as host of Comedy Central's *Win Ben Stein's Money*, and the equally quirky talk show *Turn Ben Stein On*. As an actor, Stein is best known as the boring teacher in the movie *Ferris Bueller's Day Off*. A profoundly unique individual who has had the good fortune to have "been there and done that" in a myriad of professions that many of us only dream about, see on television, or read about in the news.

JOBBER/WHOLESALE 1099K RESPONSIBILITIES WERE NOT REPEALED

It is unfortunate that Congress enacted two separate and unrelated 1099 laws within similar time frames because it is creating some misunderstandings at a few petroleum marketer accounting departments.

It is important to note that most branded jobber/wholesalers will need to complete and file 1099K's in 2012 for credit and debit card disbursements to each of their dealers in 2011.

While Congress recently repealed the 2010 law requiring businesses to file 1099's (1099 Misc.) for payments to vendors exceeding \$600.00, Congress has not repealed the 2008 law requiring 1099K's which documents credit and debit card disbursements to retailers.

In the 2008 Housing Assistance Tax Act, Congress included a provision designed to require credit card companies to report to the IRS gross credit/debit card disbursements to retailers (and other businesses) annually. Congress believes tax collections will rise as the IRS will be better equipped to identify retailers who underreport income.

Branded jobber/wholesalers have likely been receiving 1099K compliance information from their suppliers since January 1, 2011. It is important to preserve this information so that the forms can be correctly issued in 2012 for 2011 activity. The IRS has now published instructions for filing 1099K's. Please visit <http://www.irs.gov/pub/irs-pdf/i1099k.pdf>.

Also, the IRS has published a draft of the 1099K form which can be viewed at <http://www.irs.gov/pub/irs-dft/f1099k--dft.pdf>.

PMAA MARKETER TESTIFIES ON HOURS OF SERVICE RULE

On Tuesday, Paul James, president of Rex Oil Company in Colorado, testified before the House Small Business Committee Subcommittee on Oversight, Investigations, and Regulations. The panel also included Mr. James Burg, President of James Burg Trucking Company on behalf of the American Trucking Associations; Rusty Rader of J.J. Kennedy, Inc. on behalf of the National Ready Mix Concrete Association; and J.D. Morrisette, Senior Vice President of Interstate Van Lines Operations on behalf of the American Moving and Storage Association.

Congressman Mike Coffman, chairman of the subcommittee, convened the hearing to explore the Federal Motor Carrier Safety Administration's (FMCSA) proposed new Hours of Service rule that would reduce the daily maximum driving limit, decrease the maximum on-duty time limit, require mandatory breaks, and change the current 34-hour restart provision.

"Ensuring that truckers remain safe, as well as other motorists, on the road is vitally important. However, we must find a balance between maintaining safety and an effective transportation system without crippling small businesses with more mandates," Coffman said.

James, a constituent of Coffman's, said not only would the changes harm small businesses, but also would decrease safety by forcing businesses to put more inexperienced drivers on the road.

"Short haul petroleum drivers are largely paid at an hourly rate. Reducing their maximum daily drive time would also reduce their paychecks," James said.

“With fewer hours to drive each day, many companies would be forced to hire additional drivers or delay deliveries to the following day,” James said. “Moreover, given the chronic shortage of experienced drivers, small business petroleum transporters who already operate on very small margins will be forced to hire less experienced drivers at lower hourly rates. The daily reduction in driving hours would thus decrease overall safety by putting less experienced drivers on the road.”

James pointed out to the committee that drivers in the petroleum industry do not experience long periods of driving like long haul drivers. He suggested that the new Hours of Service rules should not apply to the petroleum industry.

JUSTICE DEPARTMENT TAKES ACTION AGAINST VISA AND MASTERCARD

On Tuesday, the U.S. Department of Justice Antitrust Division submitted a final consent decree in its enforcement action against Visa and MasterCard to address some of the anti-competitive practices related to credit cards. Petroleum retailers across the country applaud the Department of Justice for recognizing Visa and MasterCard’s anti-competitive actions and moving forward with its litigation. The initial consent decree released in October and yesterday’s settlement reinforce Congress’ efforts to rein in the anti-competitive fees and provide a useful complement to the pending swipe fee reforms that address debit cards. While the Congressional reforms address debit cards, this much-needed action is an important first step towards correcting anti-competitive practices in the credit card market.

Unfortunately, based on past experience, retailers expect that Visa and MasterCard will continue doing everything possible to hide their prices, prevent full competition and continue the bad acts that drew antitrust action in the first place—regardless of the terms of the settlement. American Express takes the cake in its affront to Main Street as it fights in court to prevent Americans from getting discounts at the register.

PMAA will continue to work with MPC to reform the credit card market.

HOUSE SLASHES CFTC FUNDING

On Thursday, the House of Representatives slashed FY 2012 funding for the Commodity Futures Trading Commission (CFTC) to \$172 million from its current level of \$202 million. The \$172 million appropriated for the CFTC is 15 percent less than 2011 levels, and 44 percent less than the Administrations’ budget request. The 2012 Agriculture Appropriations bill which funds the Department of Agriculture, the Food and Drug Administration, the Farm Credit Administration and the CFTC passed by a party-line vote of 217 – 203. House Republicans rejected a Democratic motion to recommit that would have boosted CFTC funding by \$11.8 million, but the motion failed by a vote of 185-233.

Passed by Congress in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act gave the CFTC new authorities to regulate the \$600 trillion derivatives markets, a portion being made up of oil derivatives. Yesterday, Representative Jack Kingston (R-GA), chairman of the House Appropriations Subcommittee on Agriculture, argued that Wall Street oil speculators have nothing to do with the unwarranted oil price volatility and higher energy prices. He argued that Wall Street is doing the commercial end-users a favor by bringing liquidity to the market and actually keeping prices lower. In April of this year, Goldman Sachs, the world’s largest commodity trader admitted that [speculation was to blame for high oil prices](#), telling its clients that speculation had added as much as \$27 to the price of a barrel of oil, and this is on the low end. Rex Tillerson, the CEO of Exxon Mobil, recently said that if prices reflected supply and demand, the price of a barrel of oil should be about \$60 or \$70 per barrel. It’s unfortunate when people who don’t use oil for their business risk management needs, buy oil and hold it off the market so they can sell it when the price goes up and make a profit, while small business petroleum marketers and motorists are left with higher prices at the pump.

Additionally, Congressman Scott Garrett (R-NJ) was able to attach an amendment to the Agriculture spending bill to delay oversight of the \$600 trillion over-the-counter (OTC) swaps market for at least a year. The amendment requires the CFTC to have all of the data available on swap transactions before moving forward with regulations on large swaps traders. Earlier in the week, the CFTC recognized that it did not have all the information on the swaps market and announced that it would delay many rules until the end of 2011. The Garrett amendment would bar the CFTC from effectively overseeing the unregulated and highly leveraged swaps market until the summer of 2012. Given the current energy crisis, delay is not an option.

Although CFTC funding was significantly reduced in the House Agriculture spending bill, the CFTC will likely receive a significant boost in the Senate appropriations bill. PMAA, NEFI and members of the Commodity Markets Oversight Coalition (CMOC) continue to press Congress for the full 2012 funding level of \$308 million.

SENATORS COBURN AND FEINSTEIN AGAIN ATTEMPT TO REPEAL ETHANOL TAX CREDIT

On Thursday, Senator Majority Leader Harry Reid (D-NV) allowed two votes on ethanol related amendments to an underlying bill on the Senate floor, an identical measure Senator Coburn (R-OK) introduced on Tuesday and another amendment by Senator John McCain (R-AZ). Senator Diane Feinstein (D-CA) and Tom Coburn’s amendment to repeal the ethanol blender’s tax credit through an economic development bill, S. 782, was [approved by a vote](#) of (73 yeas – 27 nays). The amendment needed 60 votes to pass. The amendment would repeal the ethanol tax credit and the 54 cents-per-gallon ethanol tariff on June 30, 2011. Although the amendment passed, it faces an uncertain future because S. 782 still needs to pass the House and be signed by President. The House may use its Constitutional exclusive authority to blue slip the bill because any revenue raising proposal must originate in the House, not the Senate. Earlier in the week Coburn attempted to repeal the ethanol tax credit but the effort failed on procedural grounds.

Additionally, Senator John McCain (R-AZ) introduced another ethanol related amendment to the economic development bill which would bar USDA funding for ethanol blender pumps. The amendment failed by a vote of (41 yeas – 59 nays). Yesterday’s vote to repeal the ethanol tax credit, which costs six billion dollars per year, sent Midwestern lawmakers a message to find a way to preserve the ethanol tax credit. Two proposals have been introduced to scale back the 45 cent-per-gallon credit and tie it to the price of oil.

Senator Chuck Grassley (R-IA) and Kent Conrad (D-ND) introduced the “Domestic Energy Promotion Act of 2011”. S. 884 would extend the 45 cent-per-gallon ethanol blender’s tax credit for two years (falls to 20 cents-per-gallon in 2012 and 15 cents in 2013). After 2013, the credit would be linked to the price of oil. (See chart below). S. 884 would also extend the alternative refueling infrastructure tax credits through 2016 and amends the dual-use issue with IRS. Currently, blender pumps only qualify for a portion of the refueling property tax credit. Under S. 884, the legislation would allow blender pumps to qualify for 100 percent of the alternative refueling tax credit. Finally, S. 884 would extend the ethanol import tariff through 2016, reducing to 20 cents for 2012 and 15 cents for 2013 through 2016. PMAA Motor Fuels Committee supports S. 884.

Similar legislation has been introduced by Senators John Thune (R-SD) and Amy Klobuchar (D-MN) known as the “Ethanol Reform and Deficit Reduction Act” (S. 1185) in which the tax credit (below) would be tied to the price of West Texas Intermediate crude oil. The credit would be structured as below in 2011 with all credit rates decreasing by two cents/gallon in each subsequent year. This safeguard would expire at the end of 2014.

S. 1185 and S. 884 have the same variable ethanol tax credit chart as shown below.

Price of Oil	Value of VEETC
\$90 +	0 cents/gal
\$80-\$90	6 cents/gal
\$70-\$80	12 cents/gal
\$60-\$70	18 cents/gal
\$50-\$60	24 cents/gal
\$50 - \$1	30 cents/gal

S. 1185 would end the blenders’ credit on July 1, 2011, and allocate one billion dollars to deficit reduction and invest \$1.5 billion in blender pump infrastructure. Specifically, the bill would expand the existing alternative refueling station tax credit to include blender pumps and extend the credit through 2016 or until the Secretary of Treasury has certified 53,000 blender pumps nationwide. S. 1185 now has 17 cosponsors.

EPA'S PROPOSAL FOR IMPROVED UST DATA COLLECTION MAY LEAD TO NEW TANK UPGRADES

The U.S. EPA is considering a key change in state UST program reporting requirements for underground storage tanks that could lead to more stringent regulations in the future. Under current cooperative program agreements with the EPA, state administrators must provide the agency with comprehensive annual data on tank leaks, response, clean-up and closure. In return for this information, states are allowed to run their own approved UST programs and receive grant money from the federal Leaking Underground Storage Tank (LUST) trust fund.

The EPA said it may require state program administrators to provide data that distinguishes between new leaks occurring since promulgation of the 1998 UST upgrade regulations, including leak detection and leak prevention measures, from leaks recently discovered but occurring before the federal UST regulations became effective. No such distinction is currently made between old and new leaks in current state UST reports. Differentiating between new and pre-regulatory releases will provide the EPA with a means to evaluate how well existing leak prevention and leak detection requirements are working. This data could be used by the EPA to justify an overhaul of all or part of existing UST requirements over the next decade. Insurance companies will likely use the data to draft more comprehensive conditions for policy coverage.

It is not clear how state program administrators will react to the proposed changes, how soon the new data will be required or how difficult and costly it will be to collect it.

WPMA CANADA AND NEW ENGLAND CRUISE

Join us October 15 – 22nd on a 7-day Canada and New England Fall Colors cruise! Destinations, Inc. has put together a great trip, which will enable us all to enjoy our rich American history and the grandeur of the autumn foliage aboard Royal Caribbean’s Jewel of the Seas. One of Royal Caribbean’s newest cruise ships, Jewel of the Seas offers the ultimate “at sea” experience by combining speed, added comfort, greater space, sweeping ocean vistas and an exceptional staff committed to serving your every whim.

We will be leaving from Boston, Massachusetts, and have port stops at Portland, Maine; Halifax Nova Scotia; St John, New Brunswick; and Bar Harbor, Maine. Optional pre-cruise tours of Boston are available for those arriving a day or two before the cruise departs.

You may access information on the WPMA Fall Colors Cruise by visiting the web site:

<http://www.groupsandincentives.com/wpma>.

Destinations, Inc. is now taking deposits of \$300 per person, and full payment is due by July 2nd. If you have any questions, please give me a call at (888) 252-5550, or you can call Destinations, Inc. at (801) 446-5000.

2012 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2012 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 21-23, 2012.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2011

July 19, 2011 – IPM&CSA Golf Tournament – Clear Lake Country Club – Buhl, Idaho

June 20-23, 2011 – WOMA Convention – Suncadia Lodge – Cle Elum, Washington

June 23, 2011 – UPMRA Summer Golf – Stonebridge Golf Course – West Valley City, Utah

August 3-5, 2011 – IPM&CSA Convention – Sun Valley Resort – Sun Valley, Idaho

August 30-31, 2011 – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico

September 12, 2011 – IPM&CSA Convention – Teton Springs-Headwater Golf Course – Victor, Idaho

September 14-16, 2011 – UPMRA Convention – Rainbow Hotel and Casino – Wendover, NV

September 21, 2011 – NPM&CSA – Tanker Yanker – Reno, NV

Petro Pete: “A bus station is where a bus stops. A train station is where a train stops. On my desk, I have a work station...”

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If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: janr@wpma.com. Thanks.

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