

June 26, 2009

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CLIMATE BILL VOTE SCHEDULED FOR TODAY

Over the past few months, PMAA has written several bulletins concerning the Waxman/Markey climate change cap and trade bill (H.R. 2998) and how it will severely harm our economy and the petroleum industry. Marketer calls to House members today can make a difference because the vote is very close. Please call 202-224-3121 and ask your Representative to vote no on H.R. 2998. The bill number was changed to reflect new amendments to the bill.

WETLINES PART OF SUBCOMMITTEE MARKUP

On Wednesday the Highways and Transit Subcommittee of the House Transportation and Infrastructure Committee marked up the "Surface Transportation Authorization Act of 2009" more commonly known as the "Highway Bill of 2009." The current authorization, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expires on September 30, 2009.

The legislation includes language which would prohibit any transport truck manufactured two years after the bill becomes law from carrying fuel in the wetlines and would prohibit all transport trucks from carrying fuel in the wetlines after December 31, 2020.

During the hearing Congressman Thomas Petri (R-WI) said that he has some concerns with the empty wetlines mandate. He said that the Committee should set a performance based standard instead of benefiting one company and also said that the mandate should have some flexibility. PMAA will be working with Congressman Petri and other Transportation Committee members over the next few weeks on opposing the empty wetlines mandate. Although Republicans offered several amendments to the "highway bill," they withdrew their amendments to speed up the process for a full committee markup after the July 4 recess.

It is critical that we continue to communicate to Members of the House Transportation Committee. Please reach out to any members that you have on the Full Committee by calling the Capitol Switchboard at 202-224-3121 or through the following web site: <http://capwiz.com/pmaa/home/>.

PMAA continues to work with the National Tank Truck Carriers Association and the American Trucking Associations to stop an empty wetlines mandate from becoming law.

REST AREA COMMERCIALIZATION OUT OF HIGHWAY BILL

In a positive development for petroleum retailers and truck stop operators, the 2009 Highway bill does not include language to permit commercial development of Interstate rest areas. PMAA joined a coalition in a letter this month opposing the language.

The House Transportation and Infrastructure Committee will markup the Highway bill after the July 4 recess. The Senate is expected to take up the bill next year. PMAA will alert you to any developments.

On another issue, Congressman Peter DeFazio (D-OR) recently introduced a proposal to tax oil speculators in order to raise nearly \$190 billion to fund a \$450 billion transportation bill this year. The plan is to tax crude oil futures at 0.02 percent and the premium of a crude oil option at 0.5 percent. Director of the National Economic Council, Larry Summers, authored a similar proposal years ago. The estimate includes a tax credit for legitimate hedgers.

PMAA will thoroughly review the proposal and will work with Congressman DeFazio's staff on obtaining further information.

WISCONSIN STATE LEGISLATURE REJECTS OIL FRANCHISE TAX

Earlier this year, Wisconsin Governor Jim Doyle proposed a three percent assessment on every gallon of fuel sold and prohibited oil companies from passing on the tax to consumers. If passed, the Oil Franchise Tax would have been legally challenged, created fuel supply issues and resulted in a new tax collection method to be implemented. The Wisconsin Petroleum Marketers and Convenience Stores Association staff educated legislators on the unintended consequences of this new tax and the legislature smartly rejected it. PMAA was concerned that had Wisconsin adopted the proposal, a dangerous precedent would have been set for other states throughout the country to attempt similar tax schemes. Congratulations to Matt Hauser, the WPMCA staff and members for an important win.

REPUBLICANS INTRODUCE ALTERNATIVE ENERGY BILLS

With House Democrats pushing forward with the “American Clean Energy and Security (ACES) Act of 2009,” (H.R. 2998) and the Senate Energy Committee passing its energy bill last week, House and Senate Republicans have introduced their own comprehensive energy package which aims to expand domestic energy production, promote clean energy sources, and remove environmental and regulatory barriers for domestic energy production. The House GOP introduced their bill known as the “American Energy Act” earlier this month while Senate Republicans introduced the “Clean, Affordable, Reliable Energy Act” this week.

Congressional Republicans tout their energy bill as an “all of the above” approach to tackle America’s dependence on foreign oil while promoting renewable energy and creating jobs. Specifically, the House and Senate GOP bills would: build 100 new nuclear reactors over the next 20 years; create a Renewable and Alternative Energy Trust Fund to provide funding for biomass, hydroelectric, clean coal, solar, wind, and geothermal energy; extend the credits for biodiesel and renewable diesel through 2020; encourage greater refinery capacity by streamlining and accelerating the refinery permitting process; extend the tax credit for new plug-in vehicles through 2020; extend tax credits for hydrogen and alternative fuel vehicle refueling properties through 2020; extends a tax credit for alternative fuel vehicles through 2020; and extend the tax credit for new energy efficient homes through 2020, among other clean energy provisions.

PRESIDENT SIGNS FDA REGULATION OF TOBACCO

Earlier this week, President Obama signed legislation granting the Food and Drug Administration (FDA) the authority to regulate tobacco products.

The legislation, known as the “Family Smoking Prevention and Tobacco Control Act,” (H.R. 1256) will create a new “Center for Tobacco Products” inside the FDA to regulate the production, marketing and sale of tobacco products. A twelve person panel of physicians and others, including three people from the tobacco industry, will advise the regulators. Unlike the other experts, the tobacco industry representatives will not have a vote on the panel. The new oversight will be paid for by user fees on tobacco companies and importers, which is likely to cause an increase in the price of cigarettes and other tobacco products. For 2009, the fees will be \$83 million, and over 10 years the fees would grow to total \$712 million annually.

The new Act allows the FDA to regulate sales of tobacco on Native American lands and regulate Internet tobacco sales but it will punish retailers if the packaging, labeling or advertising for tobacco products are found to be out of compliance with regulations that are to be determined by the FDA. Furthermore, the bill establishes graphic health color photos to cover half of every pack of cigarettes. Cigarette and smokeless tobacco products must have new warning labels which include statements like, “Smoking can kill you,” and “Tobacco smoke causes fatal lung disease in nonsmokers.” Most of the provisions in the tobacco bill will be issued one year after the date of enactment. PMAA will participate in FDA’s rulemaking process and issue comments on behalf of marketers and retailers.

Retailers will be protected from accidental sales of tobacco to minors by a “good faith” clause. A retailer will be protected if he/she adopted and enforced a written policy about sales to minors, informed employees of relevant laws, established punishments for employees who violate that law and required employees to verify a purchaser’s age using a government-issued photo ID or an electronic scanning device. Additionally, the legislation clarifies that a retailer cannot be held liable for a violation if a minor presents a false government ID.

NEW POLICY CHANGE ALLOWS REFINANCING OF SBA 504 GUARANTEED LOANS

The U.S. Small Business Administration (SBA) announced this week that borrowers can now obtain funding for expansion projects by refinancing their existing SBA guaranteed loans through the agency’s 504 loan program. Under the new program, authorized by the American Recovery and Reinvestment Act of 2009, small businesses can use 504 loans to refinance up to 50 percent of the debt incurred while purchasing land, real estate or other fixed assets as part of an expansion project. Refinancing at lower interest rates reduces payments and increases cash flow according to the SBA.

The 504 loan program provides small businesses with funds to purchase fixed assets. The loans are made by private lenders but are guaranteed by the SBA. In order to qualify, a business must have a net worth under \$7.5 million and a net income of no more than \$2.5 million after federal taxes. This is the most recent change to the SBA’s lending policies. In May, SBA temporarily raised the guarantee percentage for 7(a) loans to 90 percent and eliminated the fees for 7(a) and 504 loan programs.

EPA E-10 ENFORCEMENT EFFORT AIMED AT BLENDER PUMP SITES IN LIMBO

A high profile EPA enforcement effort launched last year to prevent ethanol blends greater than ten percent from being sold for use in conventional automobile engines has stalled since the agency began consideration of a waiver that would authorize the use of blends up to 15 percent ethanol. Under current federal law, only certified flex-fuel vehicles may use ethanol blends greater than ten percent. However, as blender pumps proliferate, consumers are selecting ethanol blends that exceed the federal E-10 limit.

In a letter sent out to industry representatives last July, the EPA reminded retailers about the E-10 limit and expressed concern that consumers with conventional fueled vehicles were filling up with higher ethanol blends primarily at locations with blender pumps. The EPA recommended that blender pumps carry a new consumer warning label explaining the E-10 limit and warned it would initiate enforcement actions against retailers who knowingly allowed such illegal sales. Since that time, however, no notice of violation has been issued for the sale of blends greater than E-10 for use in conventional fueled vehicles. The fizzled enforcement effort is due largely to the fact that the EPA itself will likely authorize E-15 use in conventional fueled vehicles later this year as the result of a waiver application submitted by ethanol supporters. Despite the likely go ahead for an E-15 blend, petroleum equipment compatibility issues loom large as the threat of liability for releases that would otherwise be covered by tank funds and insurance policies for E-10 product grows.

DEADLINE FOR RENEWAL OF EXPIRING U.S. DOT HAZMAT REGISTRATION IS JULY 1

The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee each year by July 1 in return for a certificate of operation. Since registration is allowed for one, two or three years, it is important that petroleum marketers check their registration certificate for the expiration year. A current registration certificate is required for petroleum marketers who operate cargo tank vehicles. Marketers should have received a 2009-2010 registration form from the U.S. DOT last month.

Since the July 1 deadline is less than a week away, the only alternative for those whose certificates expire this year, but have not mailed in their application form is to register online. On line registration allows applicants to fill out the form electronically, pay with a credit card and immediately download a current registration certificate. The registration site also allows applicants to check the year their current certificate expires. A photocopy of a current certificate must be kept in the cab of each cargo tank vehicle. Enforcement personnel often check HAZMAT registration status during roadside inspections. Expired certificates will result in the vehicle being pulled from service.

Online HAZMAT registration is available at <http://hazmat.dot.gov/regs/register/register.htm>.

LUST FUNDING

The Senate Appropriations Subcommittee has approved \$114.1 million for the Leaking Underground Storage Tank (LUST) program. This is one million dollars above the President's request and the amount appropriated in the House bill. Petroleum marketers have now paid over three billion dollars into the LUST fund and continue to pay \$140 million each year. To a great extent, the LUST tax has just become another federal tax used to support the overall EPA budget.

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.

REGISTER NOW FOR THESE UPCOMING EVENTS IN 2009

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
October 22, 2009 - Nevada Petro Cup Kart Race - Fast Lap Indoor Kart Track - Las Vegas, Nevada

Petro Pete: “The best way to appreciate your job is to imagine yourself without one.”

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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.

CLASSIFIED ADS

FOR SALE...SHORT AND SWEET



1995 Ford CF7000 fuel delivery truck

- 190 HP diesel
- 6-speed
- Air
- 113" WB
- 1450 gal 2-comp tank
- Blackmer pump
- Can pump out through delivery hose, great for pumpouts, Stove oil, Tight quarters
- Well maintained
- Looks good,
- Runs well
- \$19,995.00

Acme Fuel Co. Olympia, WA 360-943-1133

FOR SALE BY OWNER

Soldier Summit, Utah - Mountain Convenience Store



Newly remodeled one-of-a-kind, profitable business - located on top of Soldier Summit, with full exposure to busy Highway 6 (located in-between Spanish Fork and Price). Located across from the newly offered Soldier Summit Mountain Estates with over 154 premier multi acre cabin lots. Summit Station is the hub to many outdoor activities.

For Sale by Owner

- 2-Acres of Real Estate
- 475-feet of highway frontage
- Full exposure to busy highway 6
- Recently completely remodeled 2008
- Includes 100-year jailhouse building
- Many upgrades
- Two Brand new Wayne Ovations pumps
- Two AST's 8,000 fuel tank
- One AST 10,000-fuel tank
- Currently Tesoro Brand
- Approved 1,200-foot building addition with plans
- An additional 3.15-acres with approximately 600-feet of highway frontage
- Many possibilities!

Sale Price - \$598,000

Owner Agent
801-885-3838

BOBTAIL FOR SALE

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

- 9282.3 miles
- 515.3 hours
- 2500 gallon aluminum tank with 4 compartments of 800, 700, 500 and 500 gallons that is designed for top loading.
- Blackmer pump and 150 feet of hose.
- 250 horse Caterpillar engine.

Let us know if you want us to send you a detailed breakdown of the entire package.

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