WPMA
Western Petroleum Marketers Association
News and Information for the Petroleum Marketers Industry
weekly update

August 3, 2012 Visit us online at **www.wpma.com** WP-08-03-12

ETHANOL MANDATE REDUCTION SOUGHT

Yesterday 156 members of the House led by Representative Goodlatte (R-VA) urged EPA to reduce the 2012 ethanol RFS mandate to help offset the drought stricken corn harvest this year. Corn prices have risen 50 percent since June and the lawmakers believe a waiver of the mandate would diminish future price spikes. Livestock groups also filed a petition with EPA asking for up to a one-year waiver of the corn ethanol mandate this week.

The Renewable Fuels Association and Growth Energy responded to the request from Congress stating that the drought and high oil costs are to blame for corn prices, not ethanol. The Senate and some Governors are considering a similar letter campaign to urge EPA to waive the mandate. Agriculture Secretary Tom Vislack has indicated that the Obama Administration is firmly opposed to easing the ethanol mandate.

EPA PUTS OFF DESIGNATION OF NEW NON-ATTAINMENT AREAS UNTIL JUNE 2013

In what is likely a not so well disguised effort to put off controversial regulations until after the 2012 presidential elections, the EPA announced this week that it is extending the deadline for designation of new non-attainment areas for 2010 sulfur dioxide standards until June 13, 2013. The delay is important to petroleum marketers because non-attainment designation sometime affects fuel formulations in areas that are found to be in “severe” non attainment with air pollution standards. Combustion of high sulfur fuels such as marine locomotive and heating oil is one source of sulfur dioxide emissions though coal burning electric plants that account for more than 75% of sulfur dioxide emissions. The Clean Air Act (CAA) requires EPA to designate non-attainment areas within two years of issuing new air quality standards. In this case, the EPA was due to designate new non-attainment areas by June 3, 2012. Instead, EPA decided to take advantage of a provision in the CAA that allows a third year if the agency has insufficient data to promulgate the designations. The agency had intended to base non-attainment designations on both air quality monitoring information and modeling data. However, EPA received public comments questioning the modeling data and determination of area boundaries and identification of pollution contributed from nearby areas. EPA officials say it remains uncertain at this point on how to change the modeling formula to produce reliable data upon which to base non-attainment designations.

SENATE EXTENDERS BILL INCLUDES BIODIESEL CREDIT

Yesterday, the Senate Finance Committee approved by 19-5 a tax extenders package that includes a two year extension (retroactive to December 31, 2011) of the biodiesel tax credit, a two year extension of the 30 percent tax credit for alternative fuel refueling property, and a one year extension of the cellulosic biofuel producers tax credit.

The ethanol tax credit is not included in the $205 billion package of tax cuts, and the committee accepted Sen. Kyl’s (R-AZ) amendment adjusting credits that are generally 50 cents per gallon for alternative fuels such as compressed or liquefied natural gas. The amendment eliminated language that makes the credits refundable, therefore no one would be able to claim credits in excess of their tax liability. Committee members also unanimously approved Sen. Thune’s (R-SD) amendment expressing the committee’s desire to embark on comprehensive tax reform aimed at reducing overall tax rates by eliminating targeted incentives, particularly energy tax expenditures, which should be “responsibly phased out”.

The Family and Business Tax Cut Certainty Act is expected to move to the Senate floor in September, but the House Ways and Means Committee will not act on its version of the package until after the November elections. The measure will face significant opposition in the House but it is possible that a compromise measure could be adopted in the lameduck session of Congress.

FARMERS SPCC CLARIFICATION MOVING IN HOUSE

Yesterday the House approved H.R. 3158, the “Farmers Undertake Environmental Land Stewardship (FUELS) Act”. The bill, introduced by Rick Crawford (R-AR), would bring clarity to farmers on the requirements of the EPA’s Spill Prevention, Control, and Countermeasure (SPCC) rule, it would provide threshold sizes for tank regulation at the farm level, and allow more farms to self-certify.

As petroleum marketers well know, the SPCC rule is applicable to any facility, including farms, with an aggregate above-ground oil storage capacity of 1,320 gallons in tanks of 55 gallons or greater. H.R. 3158 would create three classes of farms for SPCC purposes:

- Farms with individual tanks with storage capacity greater than 10,000 gallons, aggregate storage capacity of at least 42,000 gallons or spill histories would need professional engineers to certify their SPCC plans.

- Farms with aggregate storage capacity greater than 10,000 gallons but less than 42,000 gallons and no history of spills could be self-certified by the farms' owners or operators.
- Farms with aggregate storage capacity less than 10,000 gallons and no history of spills would be exempt from requirements.

The bill would also exclude all containers on separate parcels that have a capacity less than 1,320 gallons from the aggregate storage capacity of a farm.

The measure faces significant opposition in the Senate and is not likely to be adopted without pro-environment changes. Senators Inhofe (R-OK) and Sessions (R-AL) tried to attach an SPCC amendment to the Farm bill, but their amendment was not included in the final Senate agreement.

FINAL RULE ON DEBIT FRAUD ADJUSTMENT

Friday, July 27 the Federal Reserve Board issued a final rule that is in line with the interim rule on fraud adjustment provisions of debit card fee reforms. Effective October 1, 2012, the amount an issuer can collect for the adjustment remains at a maximum of 1 cent per transaction. PMAA and the Merchants Payment Coalition (MPC) strongly oppose the ruling as it only requires banks to "self-certify" that they meet fraud prevention standards while burdening merchants with paying one cent on debit transactions in addition to the .7 percent fee already included in the interchange fee to pay for the banks fraud prevention.

Therefore, the Fed requires merchants to pay fees that cover 100 percent of fraud-prevention costs incurred by issuing banks (as long as they "self-determine") yet the Fed will not actually ensure that banks are actually reducing fraud through their programs before allowing them to collect the additional one cent.

WPMA
WESTERN PETROLEUM MARKETERS ASSOCIATION
2013 National Convention & Convenience Store Expo
SPONSORS
ALON
FEDERATED INSURANCE
SHELL

2013 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2013 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 19-21, 2013.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2012

August 1-3, 2012 – Idaho - IPM&CSA Convention – Coeur d'Alene Resort, Coeur d'Alene, Idaho
August 15-16, 2012 – Utah - UPMRA Convention – Zermatt Resort, Midway, UT
August 27-29, 2012 – New Mexico - NMPMA Convention and Trade Show – Embassy Suites – Albuquerque, New Mexico

Petro Pete: "***It takes 43 muscles to frown, and yet it's still not an Olympic event.***"

© 2011 Western Petroleum Marketers Association - All rights reserved. No part of this work may be reproduced or copied in any form or by any means - graphic, electronic, or mechanical, including photocopying, recording, or otherwise. The information herein is also intended for the sole purpose of members of the Western Petroleum Marketers Association (WPMA). Any other use is strictly prohibited without the express written consent of the WPMA.

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:
2003 T-800 Kenworth 4 axle truck
- 475 ISX Cummins
- 13 Speed
- All Alum. Wheels
- 248" WB 590,000 miles Tires 95%
- Well maintained, excellent condition.

Call Mark (208) 664-2188

FOR SALE:

Horizontal Tanks	Vertical Tanks
3-2000	2-10,000
3-3000	2-12,000
3-3000	
1-4000	
1-10,00	

Call Mark (208) 664-2188