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

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OIL SPILL BILLS PULLED UNTIL SEPTEMBER

On Tuesday, Senate Majority Leader Harry Reid (D-NV) pulled from the Senate floor competing Democrat and Republican energy proposals to address the Gulf oil spill. Reid indicated that the Senate will take up both energy proposals after August recess. Both parties knew that their energy proposals were not likely to obtain the 60 votes necessary to move forward, arguing that politics got in the way. The Democratic proposal, known as the "Clean Energy Jobs and Oil Company Accountability Act of 2010" (S. 3663), would have eliminated the $75 million liability cap on economic damages caused by oil spills. Oil patch Democratic Senators Mark Begich (AK) and Mary Landrieu (LA) opposed Reid's bill due to the controversial elimination of the oil spill liability cap arguing that it would significantly limit an oil company's ability to obtain insurance and would destroy jobs and curtail future off-shore oil drilling. The Republican alternative, known as the "Oil Spill Response Improvement Act of 2010" (S. 3643), would end the six-month moratorium on deep-water drilling imposed by the Obama administration. S. 3643 would also allow the oil spill liability cap to be raised, but at the discretion of the President on a case-by-case basis.

Of particular importance to petroleum marketers and retailers, Senators Tom Harkin (D-IA) and Richard Lugar (R-IN) filed an amendment to the Democratic energy bill (S. 3663) which would mandate 50 percent of all vehicles manufactured after 2013 to be flexible-fuel vehicles (FFV) and increasing production of FFVs to 90 percent by 2015. More significantly, the amendment would require owners of more than 50 retail stations to install at least one blender pump at an increasing number of stations (10 percent by 2013, 35 percent by 2017 and 50 percent by 2019) and would authorize grants to retailers of up to 50 percent of the cost to install blender pumps and tanks. PMAA is opposed to any mandated infrastructure requirement and is further working with Sen. Harkin's staff to ensure that marketers' issues are addressed with regard to existing refueling infrastructure compatibility, legality and safety issues concerning ethanol blends above ten percent. Senator Jay Rockefeller (D-WV) still expects a floor vote on his bill that calls for a two-year timeout on EPA's authority to regulate greenhouse gas emissions. Senator Lisa Murkowski's (R-AK) resolution to remove the agency's authority to regulate GHGs failed earlier this year. Senator Rockefeller said his bill could move with another piece of legislation or on its own.

Additionally, Senators Tom Carper (D-DE) and Bob Casey (D-PA) are considering legislation that is similar to the EPA's tailoring rule – it would only apply to large emitters. The argument for the bill is if the EPA's tailoring rule is rejected by the courts, the Carper-Casey bill could offer legislative certainty, limiting the impact on small emitters.

ACTION DELAYED ON SMALL BUSINESS LENDING ACT AND BIODIESEL TAX CREDIT

This week, Senate Majority Leader Reid (D-NV) and Minority Leader McConnell (R-KY) again were unable to reach agreement on amendments allowed for consideration to the Small Business Lend Act of 2010 (H.R. 5297) which will delay action on the bill until September. Reid and McConnell agreed to consider Sen. Grassley's biodiesel blenders' tax credit amendment. However, other GOP amendments were limited, and no agreement was reached. H.R. 5297 and the extension of the biodiesel tax credit continue to be the victim of partisan politics.

FMANJ SENDS LETTER TO GOVERNOR OPPOSING REST STOP COMMERCIALIZATION

The Fuel Merchants Association of New Jersey (FMANJ) became the latest industry stakeholder to take a strong stand against commercialized rest areas last week, issuing a letter to Governor Chris Christie decrying calls to lease state rest areas to private companies offering food, fuel, and other services as a means of shoring up state budget gaps. In its letter, FMANJ said while it supports Gov. Christie's broad goal of finding ways to more efficiently deliver essential government services and save taxpayers money, commercialized rest areas monopolize travelers' business and starve small enterprises like truckstops, fuel retailers and restaurants that currently thrive near the Interstate exits.

FMANJ's battle to stop the commercialization of rest areas represents just one example in what is a quickly growing trend among states struggling to balance their budgets amid the weak economy. States like Arizona, Virginia, California, New Mexico and Washington increasingly are eyeing setting up businesses on the interstate right of way as a revenue generator.

Congress banned this practice, known as commercialization, in 1960 as a means of fostering community and business development along the Interstate highway system. In recent years, some 95,000 businesses thrive nationwide as a result of this ban, employing nearly 2.2 million people.

Although several states have sought waivers from the law banning commercialized rest areas, the Department of Transportation does not have the authority to grant such requests. Other states are seeking to overturn the law through the upcoming reauthorization of the highway funding bill. What these states fail to recognize, however, is that overturning the longstanding Federal law isn't a quick fix to short term economic woes.

A University of Maryland study shows commercializing rest areas devastate businesses and local communities. By operating at an unfair advantage directly along the Interstate right of way, commercial rest areas siphon customers from nearby businesses. Failing local businesses mean less jobs, while property and income taxes local municipalities use to fund schools, fire and police protection are transferred to state coffers.

In 2009, New Jersey was home to 1,867 exit-based businesses. Of these, more than 60 percent would directly compete with the state's rest areas. According to the University of Maryland study, these competing businesses employ more than 19,500 people and contribute more than $14 million in local property taxes.

FEDERATED INSURANCE RECOGIZED AS A TOP PERFORMER

The Ward Group, a consulting firm specializing in the insurance industry, named Federated Mutual Insurance Company and Federated Life Insurance Company to its list of the 50 top performing insurance companies in the United States. Federated is only one of two insurance companies that have affiliated companies named to Ward's list for property-casualty and life-health insurance companies since 2001. Each year the Ward Group recognizes 50 insurance companies from approximately 3,000 that have achieved outstanding financial results in the areas of safety, consistency and performance over a five-year period, most recently 2005-2009.

LABELING DEADLINE FOR DIESEL PUMPS

The EPA won't enforce new diesel pump labeling changes downstream until Oct. 1 to Dec. 1.

The four decals that must be attached to diesel pumps are for labeling pumps dispensing ULSD Highway fuel (15 ppm), ULSD non-highway fuel (15 ppm), LS non-highway
fuel (500 ppm) and LS Locomotive and Marine Diesel Fuel (500 ppm).

To view the EPA pump labeling regulations and to read the required wording, go to:
http://email.ucgmessaging.com/ct/4244849:6325204675:m:1:179278473:A195A8ED73232AD44BA3ACDD3333676D

The latest set of diesel regulations require that refiners and importers produce and import only 15 ppm non-road diesel in the Northeast Mid-Atlantic area (NEMA) beginning
on June 1. Outside of the NEMA, 500 ppm off-road diesel is allowed.

Terminals have until Aug. 1 to change over to the new fuels required in their area; wholesale purchaser consumers, by Oct. 1; and end users, by Dec. 1.

Note: federal pump labeling requirements do not apply in California, where only ULSD is sold.
--Mary Welge, mwelge@opisnet.com

Make sure your dispensers are clearly marked with the most up-to-date pump labels - including the 4 revised labels that contain EPA-approved language. All petroleum retailers, fleets and other wholesale purchaser-consumers of on-road and off-road diesel need to have the revised decals affixed to their dispensers by October 1, 2010.

You can purchase these new pump decals from OPIS for as little as $1.29/decal (depending on quantity ordered). Remember, violators can be fined up to $37,500 per day
per violation. To order your pump decals please call 1-877-210-4287 or order online now go to:
http://email.ucgmessaging.com/ct/4244849:6325204675:m:1:179278473:A195A8ED73232AD44BA3ACDD3333676D

2011 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2011 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 22-24, 2011.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

August 31-September 1, 2010 – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico
September 8-10, 2010 – UPMRA Convention – Park City Marriott – Park City, Utah
September 22, 2010 – NPM&CSA Petro Cup Challenge – Ultimate Rush Park, Reno, Nevada

Petro Pete: "Do not walk behind me, for I may not lead. Do not walk ahead of me, for I may not follow. Do not walk beside me, either. Just leave me alone."

Classified Ads

FOR SALE

1985 KENWORTH CONVENTIONAL CAB

- 13 SPEED FULLER TRANSMISSION
- 400 CUMMINS ENGINE
- TRUCK COMPARTMENTS: 2400 GAL, 2600 GAL (BEALL)
- PUMP OFF ABILITY
- ONE OWNER, LESS THAN 410,000 ACTUAL MILES
- EXCELLENT CONDITION
- 1972 BEAL TRAILER – 2 AXLE
- TRAILER COMPARTMENTS: 2500 GAL, 2500 GAL (BEALL)
- EXCELLENT CONDITION
- TRUCK AND TRAILER SOLD TOGETHER
- $45,000

BAIRD OIL COMPANY (208) 375-7767

TANKER TRAILER FOR SALE

- 2008 Heil 11,000 gallon
- 3 axle trailer with lift able rear axle
- 4 compartments 4500-2100-1400-3000
- Street side/curbside unloads
- 6 hose tubes and large box for fittings
- All Tests and Certs are current
- Trailer located in Ogden, Utah
- Trailer Available July 2010
- Pictures Available upon request

Asking $85,000.00 of Best Offer

Ryan Murdock
Kellerstrass Oil Company
801-392-9516 ext 26

TANKWAGON FOR SALE

- 2003 Freightliner M2106 with 160,000 miles
- 3126 Cat Motor with Eaton Fuller 7 speed transmission
- 2003 Almac Tank 2700 gallons
- 5 compartments 700-600-500-500-400
- Dual Pumping system with 3 reels
- All Test and Certs are current
- Truck is located in Ogden, Utah
- Pictures available upon request

Asking $60,000.00 or Best Offer

Ryan Murdock
Kellerstrass Oil Company
801-392-9516 ext 26