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PMAA AND MPMCSA REQUEST ADJUSTMENT TO CARBON EMISSION ALLOWANCES

In a letter sent today to Senate Finance Chairman Max Baucus (D-MT), PMAA and the Montana Petroleum Marketers and Convenience Store Association (MPMCSA) urged the Senator to revise the carbon emission allowances in the Waxman-Markey bill and balance the cost burdens more fairly between rural and urban consumers.

The emission allowances to electric utility companies in the Waxman-Markey bill would lower electricity rates for a short time however consumers would experience a dramatic and immediate increase in the price of gasoline, diesel and heating oil. The greatest burden would fall to consumers in rural areas who must commute to work and depend on their vehicles to meet their other daily needs.

CFTC HOLDS FINAL ENERGY FUTURES MARKET HEARING

On Wednesday, the Commodity Futures Trading Commission (CFTC) held its final hearing on setting position limits for energy commodities. Witnesses were: John Hyland, Chief Investment Officer, United States Commodity Funds LLC; Paul Cicio, Industrial Energy Consumers of America; Steven Graham, American Trucking Associations; John D. Arnold, Managing Partner, Centaurus Advisors, LLC; Elliot Chambers, Chesapeake Energy Corporation's Corporate Finance Manager; Philip K. Verleger, Jr., Haskayne School of Management, University of Calgary; Michael W. Masters, Mark D. Young, Kirkland & Ellis LLP and Michael Greenberger, Law School Professor, University of Maryland School of Law. Last week, PMAA Treasurer, Sean Cota of Cota & Cota, Inc. in Bellow Falls, Vermont, testified before the CFTC in its first hearing. Cota testified on behalf of PMAA and NEFI.

CFTC Chairman Gary Gensler said that under the Commodity Exchange Act (CEA), the CFTC has the authority to set position limits on non-commercial traders in order to ensure market integrity and efficiency. Additionally, Commissioner Michael Dunn said the CFTC must begin a review to determine if proper barriers between research, reporting and trading divisions at financial institutions are in place, if they are adequate, and whether oversight is necessary. Essentially, Dunn and other Commissioners are concerned with investment bank's commodity research arms which stated last summer that oil would reach \$200 while their trading desks next door were engaging in futures trading.

Hedge fund manager Michael Masters, Professor Michael Greenberger, Paul Cicio and Steven Graham argued that passive investment in the futures markets such as exchange traded funds (ETFs) have influenced energy commodity prices, destroyed price discovery, and should be limited in size of their actual holdings as a percentage of open interest on futures exchanges. Masters put the level at five percent for any individual to hold futures/swaps of the total open interest on exchanges. Overall, Masters said that non-commercial investment should not go beyond 40 percent of the total open interest on futures exchanges.

CFTC is reviewing their statutory authority to issue new rules on commodity trading and considering whether to impose hard position limits on energy commodities in order to restore market integrity and efficiency. Commissioner Dunn noted that the CFTC will need additional authority from Congress to enforce speculative position limits on all trading terminals, specifically OTC and foreign boards of trade (FBOT).

CONGRESS ADJOURNS FOR AUGUST RECESS

While the House adjourned last week for August recess, the Senate was in session through this week to confirm Supreme Court Justice nominee, Sonia Sotomayor, and to continue to try to work out a deal on healthcare reform. When Congress returns next month, healthcare and appropriation bills will dominate both chambers agendas.

Reid has given Senator Barbara Boxer (D-CA), chairwoman of the Environment and Public Works Committee, and other committee chairs with jurisdiction a Sept. 28 deadline to complete their work on the climate change bill, but yesterday, Majority Whip Richard Durbin (D-IL) said the Senate may not have time to pass global climate change legislation this year. Boxer plans to introduce the Senate version's cap-and-trade bill in early September. Furthermore, House and Senate leadership have indicated that they hope to pass financial and commodity futures market reform legislation by the end of the year.

PMAA'S "SOS" WEBSITE MERGES WITH AIRLINES "SOSNOW" CAMPAIGN

This week PMAA and the Air Transport Association merged efforts to curb excessive speculation in the oil futures markets. PMAA's "StopOilSpeculators" ("SOS") website has been merged with the high traffic "StopOilSpeculationNow," website which is managed by the Air Transport Association (ATA). Now, when you visit www.stopoilspeculators.com, the website will redirect you to the "SOSNow" website.

FTC RELEASES PETROLEUM MARKET MANIPULATION RULE

Yesterday, the Federal Trade Commission issued a final rule to prohibit market manipulation in the petroleum industry. PMAA is reviewing the rule closely. At first glance, it is what we expected – there are not any surprises.

In issuing the final rule, the Commission is exercising authority provided by the Energy Independence and Security Act of 2007 (EISA) enacted in December 2007. The rulemaking process began with the publication of an Advance Notice of Proposed Rulemaking (ANPR) on May 1, 2008. PMAA General Counsel Bob Bassman submitted comments on behalf of PMAA throughout the rulemaking process.

The rule prohibits anyone from engaging in fraud or deceit in wholesale petroleum markets or misleading any person by omitting important information from statements that might distort petroleum markets because of the omission.

PMAA will report more on this later after further review of the final rule.

BIODIESEL PRODUCTION TAX CREDIT LEGISLATION INTRODUCED

Today, Senator Maria Cantwell (D-WA), Chair of the Energy Committee's Energy Subcommittee, introduced the "Biodiesel Tax Incentive Reform and Extension Act of 2009" which follows through on her pledge to introduce legislation before August recess. The legislation would replace the one dollar biodiesel blenders tax credit with a new biodiesel production tax credit.

The biodiesel production tax credit would expire in five years allowing the biodiesel industry to invest "with confidence" in new facilities. The current biodiesel tax credit expires at the end of this year. Sen. Cantwell's legislation would:
Create a biodiesel production tax credit (rather than blenders credit) for five years. The producers would theoretically pass the one dollar biodiesel credit downstream to marketers.

Give small producers an extra ten cents biodiesel production tax credit for five years (\$1.10 a gallon).
Have B100 or B99 production become a taxable fuel requiring the producer to collect the 24.4 cents per gallon tax from a marketer when sold outside of a registered terminal. Fuel not subject to excise tax will be dyed by producers.
Still allow blenders to own the RINS, but they would not be eligible to collect the \$1 tax credit.
Effectively track biodiesel if the producer transfers it to another registered biodiesel terminal.
PMAA's Alternative Fuels Task Force is closely reviewing the legislation and will have some revisions to recommend to Sen. Cantwell.

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

August 24, 2009 – ID PAC Golf Event – Headwaters Club at Teton Springs - Victor, ID
August 30-31, 2009 – NMPMA Convention and Golf Tournament – Embassy Suites, Albuquerque, NM
September 2, 2009 – ID PAC Golf Event – Falcon Crest Golf Course – Kuna, ID
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: "99 percent of lawyers give the rest a bad name."

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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

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1995 Ford CF7000 fuel delivery truck

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FOR SALE



2000 Freightliner with Cat engine and six speed trans. The BEALL Trailer is 4200 Gallons and 4-Compartment. The pumping equipment is all hydraulic and the Meters have ticket printers. The truck has approximately 68,000 miles and the pumping equipment has less than 100 hours.

Call 406-543-7621 and ask for Frank

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 tanks
- 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