

December 4, 2009

Visit us online at www.wpma.com

WP-12-04-09

Lend a Hand to Fight Credit/Debit Card Swipe Fees

Put a petition in your stores today! For more details go to: www.nacsonline.com/fightswipefees



WPMA and NACS have teamed up to fight high Credit Card fees. We are asking our members to help with this fight and support our legislative effort by engaging your customers and having them sign a petition supporting this effort.

Our Plan:

Retailers will support the industry's legislative effort via a store-level petition drive that will educate and collect signatures from customers. The petition will urge Congress to pass credit card reform legislation that will provide relief from unfair credit and debit card swipe fees. Visit www.nacsonline.com/fightswipefees to download PDF versions of the following materials. You can print these materials out at your office and immediately display them in your retail locations to start collecting signatures. If you need additional information or help with the printing, please contact Jan at the WPMA office at 801-263-9762. You can order kits through WPMA. Go to www.wpma.com and click on the link in the lower right hand corner of the WPMA home page.

WPMA recommends you print the following materials for each retail site:

- Company instructions for executing petition campaign: Instruction sheet / concise talking points for store managers and associates
- 1 swipe fee petition booklet (24 pages)
- 1 promotional sign to attach to point of sale swipe device (1 page)
- 1 - 8.5" x 11" counter-top promotional piece
- 1 - 6" x 9" Counter Sign

Retailers should obtain appropriate tabletop cardholders to display the petition header and the promotional piece. In addition, a pen should be affixed to the petition book for customer convenience.

Our timeline for this project is as follows:

- December 15, 2009: Registration for online materials ends.
- December 15, 2009 – January 15, 2010: Place petition kits in stores and collect consumer signatures for one month.
- January 16, 2010: Remove petition kits from stores; assemble materials for delivery to NACS.
- February 15, 2010: Deadline for delivery of completed petitions to NACS.

WPMA would like to thank you in advance for all of your help on this endeavor. Our goal is to be able to present over 10 million signatures to Congress in February.

ENERGY TAX EXTENDERS BILL ON HOUSE AGENDA NEXT WEEK

Next Wednesday the House is expected to consider legislation that would extend for one year several expiring tax provisions totaling approximately \$30 billion. The tax extenders language is yet to be made public; however, initial reports are that it will include \$5 billion in individual tax relief; \$17 billion in business tax relief; \$1.2 billion to encourage charitable giving; \$2.6 billion for disaster tax relief provisions; and over \$1 billion to extend expiring energy tax provisions. Of particular importance to petroleum marketers, included in the tax extenders package is an extension of the one dollar per gallon tax incentive for biodiesel blending and the ten cent per gallon production tax credit for small biodiesel producers through December 31, 2010.

The House Ways and Means Committee is not expected to mark up the \$30 billion package in order to expedite passage of the legislation since the tax credits expire at the end of the year. Instead the bill will go straight to the House Floor on Wednesday, December 9.

There is some concern that the Senate may not get an energy tax extenders bill completed before the credit expires at the end of the year due to the current healthcare debate. Therefore, it is important that you reach out to your House

Representative and your Senators by calling the Capitol Hill switchboard at: (202) 225-3121. Urge your Members of Congress to pass a biodiesel tax credit extension before the end of the year.

HOUSE PASSES ESTATE TAX MEASURE

On Thursday, the House passed H.R. 4154 which would permanently “freeze” the estate tax, or the so called “death tax,” exemption and top estate tax margin rate at 2009 levels by a roll call vote of 225-200. The final vote had 26 Democratic votes against the bill and no Republicans voted for the bill. Prior to the vote on final passage, the House voted against the Republican motion to recommit, which would have repealed the estate tax for 2010 and 2011. The Republican motion to recommit failed by a vote of 187-233.

H.R. 4154 sets the top rate at 45 percent and the individual exemption at \$3.5 million. Unfortunately, it does not index the exemption for inflation. Furthermore, the bill would repeal the enactment of carryover rules that would require many heirs to pay additional taxes on the built-in gains of property inherited starting in 2010. The bill will now move to the Senate where it is still unclear how the Senate plans to move forward with the bill. If the Senate passes H.R. 4154, the freeze would take effect at the end of this year and there would not be a one-year repeal for 2010.

H.R. 4154 included previously passed statutory pay-go (or pay-as-you-go) budget rules. Essentially, pay-go requires new tax cuts or mandatory spending to be offset. Earlier this year, the fiscally conservative House Blue Dogs arrived at an agreement with the House leadership under the terms of which they would let the budget resolution move forward provided the House leadership brought a statutory pay-go bill to the floor (H.R. 2920).

PMAA continues to strongly support the efforts of the Small Business Legislative Council (SBLC) who is asking for a higher exemption and a lower rate.

DERIVATIVES LEGISLATION TAKES CENTER STAGE

This week, House Financial Services Committee Chairman Barney Frank (D-MA) announced that a package of financial reform bills would come to the House floor Wednesday, December 9th. Chairman Frank expects three days of floor debate, with lawmakers considering amendments section by section on the legislation designed to bring transparency and accountability to the estimated \$600 trillion over-the-counter (OTC) derivatives market. PMAA supports efforts to bring reforms to the commodity futures market and continues to work with Congressional Leadership to ensure that our concerns are included in the final regulatory package.

Additionally, multiple hearings on derivatives regulation took place this week on Capitol Hill. Commodity Futures Trading Commission (CFTC) Chairman Gary Gensler stated before the House Committee on Energy and Commerce, Subcommittee on Energy and the Environment that, “A \$50 gasoline fill-up at the pumps could have as much as \$1,000 in derivatives behind it on average... the total value of derivatives traded in the United States is based on a dollar amount nearly 20 times the size of our economy.” The Joint Economic Committee, chaired by Congresswoman Carolyn Maloney (D-NY), also held a hearing on the proposals to regulate financial markets. The star witness of the panel was Brooksley Born, the former Chair of the CFTC, who warned the Clinton Administration and Congress in the 1990s that derivatives could potentially wreak havoc on the American economy and they should be effectively regulated.

The Senate Agriculture Committee held its second hearing on derivatives, summoning U.S. Treasury Secretary Timothy Geithner; CME Group Executive Chairman, Terry Duffy; Intercontinental Exchange (ICE) Senior VP, Jonathan Short; The Depository Trust & Clearing Organization (DTCC) Managing Director, Peter Axilrod; JPMorgan Chase & Co. representative, Blythe Masters; and Reval.com, Inc. CEO, Jiro Okochi.

Secretary Geithner highlighted four segments of over-the-counter (OTC) derivatives reform: that all standardized contracts must trade on exchanges which will increase transparency and promote price discovery; all customized contracts that cannot be exchange traded or cleared must be reported to a trade repository; data on OTC derivatives transactions (both customized and standardized) should be aggregated and made available to the public; and stringent recordkeeping and reporting requirements should be established. Geithner said that bona-fide end-users should be granted exemptions as long as those exemptions do not pose systemic risk. PMAA agrees with the Secretary that if Congress decides to exempt end-users from mandatory clearing, exemptions should be narrowly defined to include only bona-fide hedgers that use swaps to manage actual business risks. This will ensure that investment banks and other financial entities are unable to by-pass position limits as well as clearing and mandatory exchange traded requirements which will mitigate excessive speculation in commodities.

Finally, Geithner warned Committee members that they should withstand efforts from the financial lobbying community which aim to weaken the legislative reform proposals. Geithner said, “We have a lot at stake and we have an obligation to the American people to prevent another systemic failure.” Geithner also said that markets can eventually “innovate” around any federal regulation and that it is important to ensure that the federal regulatory system is strong. This can be accomplished by imposing margin and capital requirements on standardized and customized OTC derivatives which will act as “shock absorbers” to ensure that no financial institution can take on too much leverage and cause market failure.

PMAA continues to urge Congress and Federal regulators to impose sensible margin and capital requirements which will limit volatility and bring stability to the commodity futures market. The Senate Agriculture Committee Chairwoman Blanche Lincoln (D-AR) reaffirmed today that her Committee will craft a bipartisan OTC derivatives bill that will strike the right balance for end-users and financial institutions to manage risk.

PMAA and NEFI have made great progress in our fight to bring fairness and integrity to the futures market. We urge you to reach out to members of Congress once again by calling the Capitol Hill switchboard at: (202) 225-3121. Tell your representatives to vote in support of Chairman Peterson's language to reform the commodities futures market (new bill number is not yet available). Peterson's language will be brought up as an amendment to the much larger financial reform bill, the "Wall Street Reform and Consumer Protection Act." Even if your representative does not plan to vote in favor of the Wall Street Reform bill, we still need that representative to vote in support of Peterson's amendment on futures market reform. A vote in support of Peterson's amendment is a vote in support of consumers, petroleum marketers and the economy. Also, please visit <http://www.capwiz.com/pmaa/issues/alert/?alertid=14330006> to send a letter or fax to Congress informing them how important futures market reform is to your small business.

TRANSPORTATION FUNDING TO BE INCLUDED IN JOBS BILL EARLY NEXT YEAR

While House and Senate leadership are working on a targeted "jobs bill," which would address the nation's national unemployment rate that has now reached above 10 percent for the first time in decades, Senate Environment and Public Works Chairwoman Barbara Boxer (D-CA) and House Transportation and Infrastructure Chairman James Oberstar (D-MN) have requested that the bill include \$70 billion for transportation projects. They both cited a report from the American Association of State Highway and Transportation Officials which found that states have more than \$69 billion in highway, transit and airport projects that could begin within 120 days. However, Boxer and Oberstar must find a way to pay for the legislation because it will likely be subject to House "pay-go" rules. Boxer indicated that the proposal could be funded by bailout money that has been paid back from the financial industry.

Both Committee leaders said that the "jobs bill" will be separate from the multi-year highway bill that Congress must deal with down the road. Oberstar's Transportation Committee has passed a six-year, \$500 billion highway bill. However, the House Ways and Means Committee has yet to find a way to pay for it and Boxer and the Administration oppose a gasoline tax hike during a recession. It is likely that Boxer and Oberstar will compromise on a six-month extension to avoid another stop-gap funding measure which is set to expire December 18.

Ski Sun Valley and Support the WPMA Scholarship Foundation!

You can support the Scholarship Foundation while enjoying a great day of skiing on the slopes of Sun Valley Resort in Sun Valley, Idaho! Two adult one-day ski passes to Sun Valley Resort's Bald Mountain have been donated to the Foundation. The passes are good for the 2009-2010 regular ski season - December 14 - 25, 2009 & January 3 - March 29, 2010 (retail value \$82 each, expire May 7, 2010). The Foundation is offering these passes to the highest bidder. To make a bid on the passes, e-mail kathym@wpma.com with your contact information and bid amount. The bidding will be cut off at 5:00 p.m. MST on Thursday, December 9th, and the bid winner will be announced in the Update on Friday, December 11th.

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.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

June 8-10, 2010 – MPMCSA Convention – Billings Hotel and Convention Center – Billings, Montana

June 22-24, 2010 – WOMA Convention – Suncadia Lodge – Cle Elum, Washington

August 4-6, 2010 – IPM&CSA Convention – Schweitzer Mountain Resort – Sandpoint, Idaho

August 31-September 1, 2010 – NMPMA Convention – TBA

September 22-24, 2010 – UPMRA Convention – Park City Marriott – Park City, Utah

Petro Pete: "Don't be irreplaceable; if you can't be replaced, you can't be promoted."

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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.