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HOUSE TO CONVENE ON DECEMBER 30

House Speaker John Boehner (R-OH) has told members of the House to return to Washington and be prepared to vote on Sunday, December 30, 2012 at 6:30pm. At this point only Boehner knows exactly what the House will be voting on and most lobbyists have grown pessimistic that it will be a deal to avert the "fiscal cliff". Senate Majority Leader Harry Reid (D-NV) said there may not be enough time to get a deal done and called on House leaders to jump start negotiations. At press time, it is being reported that the President and the four congressional leaders will be meeting this afternoon to explore options.

EPA ISSUES RULE ALLOWING USE OF 500-PPM DIESEL IN LOCOMOTIVE & MARINE ENGINES

The EPA has announced a new rule that will allow refiners to produce diesel fuel containing up to 500-ppm sulfur for use in older locomotive and marine engines nationwide for the foreseeable future. The rule was necessary to provide a pool for 500-ppm diesel fuel derived from pipeline transmix. Transmix is a blend of petroleum products that mix during transport in pipelines. Transmix can be distilled into diesel fuel, but only to a 500-ppm sulfur content or greater.

Under the EPA's ultra low sulfur diesel fuel program, the sulfur content of LM fuel was scheduled to be lowered to 15-ppm by the end of 2014. However, it was not until after the ULSD rule was adopted that EPA learned older locomotive and marine engines could not run on 15-ppm diesel fuel. The agency said it agreed with refiners and the railroad and marine industries that "access to the 500-ppm LM is critical due to the limited alternative markets for transmix distillate product and the need for such a market to maintain the flow of products through pipelines." The EPA initially planned for transmix to go into the heating oil pool since all other motor fuel distillates would be transitioned to a 15-ppm sulfur. The EPA however did not count on states adopting a 15-ppm heating oil standard, which essentially shuts transmix out of the heating oil pool. EPA said the final rule will provide "significant regulatory relief" for the petroleum distribution system as the industry transitions to ultra-low sulfur fuel of 15-ppm.

The 500 ppm fuel must be used in older locomotive and marine engines that do not require 15-ppm sulfur diesel fuel, according to the rule. Transmix may also enter the heating oil pool until a transition to 15ppm is made across the region. EPA said the 500-ppm LM diesel fuel will phase out as the older locomotive and marine fleets turn over and replaced with new equipment that is ULSD compatible.

EPA CHIEF RESIGNS

Yesterday, EPA Administrator Lisa Jackson announced that she will resign her cabinet-rank position after the State of the Union address which takes place on January 29. Jackson has been leading the EPA since President Obama took office and has presided over an EPA which has issued new stringent fuel economy standards and greenhouse gas regulations. Pending regulations including Tier 3 gasoline and new ozone regulations were delayed during her tenure, but will continue to be a politically hot topic once the next EPA administrator is confirmed.

It's unclear who will lead the EPA once Jackson departs. Potential candidates include: Bob Perciasepe, the current deputy EPA administrator, who will take over on an interim basis; and Kathleen McGinty, a former head of Pennsylvania's Department of Environmental Protection.

IOWA MARKETERS SEEK INTERCHANGE LEGISLATION

On behalf of the association's 2,000 member-owned business locations, the Petroleum Marketers & Convenience Stores of Iowa is actively supporting state legislation to exempt state excise and sales tax from interchange fees. The group is lobbying for a bill that would ban banks from charging fees on the part of the transaction that covers state taxes. Some state legislators believe the legislation would be difficult to enforce since some transactions are done with customers in different states. If the legislation were to be signed into law, advanced processing technology to separate and calculate the interchange fee before taxes would be necessary at the retail locations.

2013 FEDERAL MOTOR FUEL EXCISE TAX RATES

A list of federal motor fuel excise tax rates for 2013 was published in a Regulatory Report yesterday. The federal blender's credit for alcohol and biodiesel mixtures has not been reinstated. Any such mixtures must be taxed at the full applicable FET rate. Go to <http://pmaa.org/weeklyreview/attachments/FEDERALMOTORFUELEXCISETAXRATES2013.pdf> to view the list.



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.

Access the WPMA National Convention page by scanning the QR code on the left with your smart device.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2013

February 27, 2013 – Utah (UPMRA) Day on Capitol Hill - Utah Capitol Building - Salt Lake City, Utah

May 9-10, 2013 – NPM&CSA Big Dogs' Shootout – Red Rock Hotel & Casino – Las Vegas, Nevada

June 4-6, 2013 - Montana (MPMCSA) Convention - Holiday Inn Grand - Billings, Montana

June 17-20, 2013 - Washington (WOMA) Convention - Suncadia Lodge - Cle Elum, Washington

July 31-August 2, 2013 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, Idaho

August 27-28, 2013 – New Mexico (NMPMA) Convention – Albuquerque Marriott Pyramid North, Albuquerque, NM

September 12-13, 2013 - Utah (UPMRA) Convention - Zermatt Resort - Midway, UT

Petro Pete: “*I was thinking about making a New Year’s resolution, but what the heck – why tamper with perfection?*”

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