

February 3, 2012

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2012 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA



Make your plans now to attend the 2012 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Our keynote speaker will be Ben Stein. Mark your calendars for February 21-23, 2012.

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

WPMA CONVENTION SMART PHONE APP ADVERTISING OPPORTUNITIES

WPMA is offering a unique way to give your company more visibility at the WPMA 2012 Convention and Convenience Store Expo, with an exclusive Smart Phone App sponsorship. For a \$3500 sponsorship fee, the smart phone app sponsor will receive a full-screen ad displayed for ten seconds every time the app is accessed. Included with this sponsorship is a scrolling banner ad, one of only ten ads that will scroll at the top of the screen when the WPMA convention app is in use.

The scrolling banner ad is a second advertising opportunity. Each banner ad will display on the smart phone for five seconds in random order while the WPMA convention app is in use. Only ten banners will be sold, so your name will be very visible to all who use the app. The WPMA Convention app received great reviews at the 2011 show, and we look forward to even more users this year.

For more information, to sponsor or to purchase a scrolling banner ad, please contact Jamie Wood at 801-263-9762, or e-mail jamiew@wpma.com.

SCHOLARSHIP APPLICATION DEADLINE APPROACHES!

The time is fast approaching when the WPMA scholarship recipients for 2012 will be selected. March 1, 2012 is the cut-off date for applications to be postmarked and mailed to the WPMA office. Usually, there are less than 20 applicants for each WPMA state and the associate member scholarship, which makes the chances of receiving a scholarship very good. Applicants must be graduating high school seniors, and the son or daughter of a full-time employee of a WPMA member or associate member company. Applicant qualification information and the scholarship applications are available to download at www.wpma.com, under the Scholarship link at the top of the home page. As a reminder, the WPMA scholarships pay \$500 per semester for up to eight semesters, for a total of \$4,000. **Employers, please remind your employees to download an application right away, and give their students a chance for some extra financial help in college!**

PLEASE SUPPORT THE SCHOLARSHIP FOUNDATION AND SILENT AUCTION!

In 2012, the WPMA Scholarship Foundation will award \$32,000 in scholarships to graduating high school seniors. The Foundation receives a large portion of its working capital through income from the annual Scholarship Silent Auction held at the WPMA convention in February. Please support the Scholarship Foundation by donating an item to the 2012 Scholarship Silent Auction.

Past Silent Auction donations have included tickets to sporting events, vacation packages, decorator items, electronics, sports equipment, logo clothing, jewelry, tools, accessories, etc. Silent Auction donation forms are available on the WPMA website, www.wpma.com, under the Scholarship link. Donations to the Foundation are tax deductible, and donors will receive recognition on convention signage and in the Expo program, in the Silent Auction brochure and next to the item in the auction.

If you have questions, please contact Kathy Michaelis at the WPMA office: 888-252-5550, or e-mail kathym@wpma.com.

HOUSE COMMITTEES TACKLE HIGHWAY REAUTHORIZATION BILL

Wetlines Study Included

Very early this morning, the House Transportation and Infrastructure Committee approved the "American Energy & Infrastructure Jobs Act" (H.R. 7) by a vote of 29 - 24. The five-year \$260 billion surface transportation bill would be paid by tapping royalties from oil and gas drilling on public lands and federal waters and would cut some transportation programs to pay for the reauthorization. However, oil and gas drilling is a contentious congressional issue and may not make it into the final bill when the House and Senate reconcile differences. The Congressional Budget Office (CBO) projected this week that the trust fund would be insolvent by 2013 assuming current spending levels.

Meanwhile, the House Ways and Means Committee also held a markup of their portion of the Highway reauthorization bill today. The bill entitled, the "American Energy and Infrastructure Jobs Financing Act of 2012, (H.R. 3864) would reauthorize through September 30, 2016 expenditure authority for the Highway Trust Fund (HTF) and the .001 cents-per-gallon leaking underground storage tank tax. Additionally, the current the 18.3 cents-per-gallon gasoline tax and the 24.4 cents-per-gallon diesel tax would be extended through September 30, 2018.

Wetlines

PMAA and a few coalition members were successful in including a wetlines study and cost benefit analysis which would require the Secretary of Transportation to coordinate with an independent non-partisan organization before the Department of Transportation's (DOT) proposed wetlines rule can be finalized. Late last year, PMAA and coalition members met with House Transportation Committee members expressing our concerns with DOT's proposed wetlines rule and urged committee members to include language in the Highway reauthorization bill that would require an independent study on wetlines including a cost benefit analysis. PMAA argued that the DOT failed to justify the need for wetlines retrofit because DOT used incorrect incident data which resulted in a seriously flawed regulatory cost benefit analysis. Although this is good news for petroleum marketers, the fight is not over. The House will need to reconcile differences with the Senate, and there is no guarantee that the highway reauthorization bill will be signed into law this year.

Commercialization of Rest Areas

PMAA also continues to urge Congress to oppose any attempt to commercialize rest stops. There is some language in H.R. 7 that would allow expanded tourism advertising, ATM placements, lottery machine access and corporate sponsorships at rest areas. PMAA is working with the Partnership to Save Highway Communities to ensure that food and fuel cannot be sold at rest areas when the House and Senate meet to reconcile differences.

Hours-of-Service

Included in H.R. 7 is a section which would require an Hours-of-Service (HOS) study to be completed by March 31, 2013.

Until the study is completed, the 2008 HOS rule would remain in effect which would void the recent HOS rule from Dec. 27, 2011 that requires a thirty minute break period for drivers, restricts and limits the 34-hour restart provision, and imposes new fines for violations.

Truck Weight Limits

H.R. 7 also included a provision that would increase the weight of trucks allowed on interstate highways from 80,000 to 97,000 pounds. The provision essentially eliminated an inequitable government regulation permitting six-axle trucks weighing up to 97,000 pounds to travel on some states' interstate highways and not others. In 27 states, trucks up to 100,000 pounds can travel on interstate highways, but in some states, trucks weighing more than 80,000 pounds must either unload cargo or travel through secondary roads across small towns. While the measure was included in the initial legislation, an amendment by Rep. Lou Barletta (R-PA) that was approved by the Transportation Committee repealed the truck weight limit provision and now calls for a DOT study on the issue.

Funding Mechanism Could Potentially Impact Marketers in the Senate Proposal

Meanwhile, the Senate Environment and Public Works Committee's highway bill would reauthorize programs for two years and totals \$109 billion. Portions of the Senate version were passed by the Banking Committee earlier in the week while the Senate Finance Committee is scheduled to meet next week to find at least \$13 billion to close the funding gap between the bill's cost and the projected revenue from motor fuels excise taxes. One of the proposals to close the funding gap includes a transfer of \$3 billion from the Leaking Underground Storage Tank (LUST) Trust Fund to help finance the highway infrastructure bill. While PMAA agrees that Congress needs to fund a long-term extension of highway infrastructure programs, PMAA adamantly opposes any proposal to remove vital funds which support important UST related programs.

Last month, PMAA [wrote](#) to Senate Finance Committee Chairman Max Baucus (D-MT) urging him to find other ways to pay for the highway bill without raiding the LUST fund. PMAA argues that the LUST Fund should be used solely to support UST leak prevention and remediation programs. The transfer of \$3 billion from the fund would cripple important programs and ultimately harm marketing companies who have paid the tax and built the fund over the past 25 years.

Senate Majority Leader Harry Reid (D-NV) indicated that the Senate will start debating the transportation bill late next week and extend the debate into the following week. Since the differences between the House and Senate vary greatly regarding highway bill reauthorization, it's unclear whether a comprehensive bill will emerge before March 31, 2012 when the current highway law expires.

SENATOR INTRODUCES LEGISLATION TO EXPEDITE KEYSTONE XL PIPELINE

On Monday Senator John Hoeven (R-ND) introduced legislation which would expedite the construction of the Keystone XL pipeline by granting Congress the authority to move the project forward without the President's consent. Citing Congress's authority enumerated in the Commerce Clause of the U.S. Constitution, Article 1, Section 8, Senator Hoeven, along with Senators David Vitter (R-LA), Richard Lugar (R-IN) and 42 other Senators introduced the legislation to allow work to begin immediately on the pipeline. Senator Joe Manchin (D-WV), was the lone democrat who signed onto the bill. The legislation will give the Nebraska state government time to find an alternative route through the state.

Meanwhile, Rep. Ted Poe (R-TX) introduced a pro-Keystone bill last week. Rep. Poe's bill is similar to Senator Hoeven's bill. H.R. 3811, "The Keystone for A Secure Tomorrow Act (K-FAST)," has 54 House cosponsors. While H.R. 3811 is likely to pass the House, it faces an uncertain future in the Senate. Speaker John Boehner (R-OH) has indicated that he's open to attaching the pro-Keystone bill to the Highway reauthorization bill which Congress will consider this month.

Approval of the Keystone XL pipeline would greatly enhance America's energy security. According to experts, the proposed pipeline could bring up to four million barrels of Canadian crude oil per day by 2020 which is twice what the U.S. is currently importing from the Persian Gulf. Most labor unions, along with API and the U.S. Chamber of Commerce, support the Keystone XL Pipeline.

PMAA was disappointed in the President's recent decision to deny the permit and will continue to support efforts in the House and Senate to have the pipeline approved as soon as possible. Senator Hoeven and Rep. Poe's bill will help create thousands of jobs and will bring needed oil supplies to the Gulf of Mexico.

EPA EXCLUDES PALM OIL FROM RFS

Last week, the U.S. EPA omitted palm oil from the renewable fuel standard (RFS) citing its findings that palm oil did not meet the minimum 20 percent lifecycle CO2 reduction threshold needed to qualify as renewable fuel under the RFS program. Palm oil is used to produce biodiesel and renewable diesel and most notably comes from Malaysia and Indonesia. EPA found that the lifecycle CO2 emissions reductions for biodiesel produced from palm oil had a 17 percent CO2 reduction and renewable diesel had an 11 percent reduction compared to the baseline petroleum diesel fuel they replace. The agency's findings were based on a study in conjunction with Iowa State University.

FDA AGREES TO INCLUDE TIME OF INSPECTION

According to a letter dated February 1, 2012, which was sent to National Association of Tobacco Outlets (NATO), the FDA's Center for Tobacco Products will begin including in Warning Letters the time of day when retail compliance check inspections occur. On January 16, 2012, NATO sent a letter to the FDA's Center for Tobacco Products requesting that Warning Letters include the time of day that retail compliance inspections take place. This information will be helpful to retailers in determining which employees were working at the time of the inspection.

REGISTRATION IS NOW OPEN FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL SCHEDULED FOR MAY

PMAA's 2012 annual Washington Conference and Day on the Hill will be held in Washington, DC from May 16-18. Our industry continues to have dozens of important legislative and regulatory issues to discuss with members of Congress and the Day on the Hill continues to be the primary focus of this conference.

The meeting will begin with an issues briefing and committee meetings on the afternoon of May 16th followed by a welcome reception including our PAC silent auction fundraiser. On the morning of May 17th, there will be another issues briefing if you did not arrive in time for the first one. Marketers and association executives will then head to Capitol Hill for visits with their Congressional delegations. Please be sure to make these appointments at your earliest convenience. There will be a hospitality suite and luncheon on the Hill. On the evening of May 18th, we will honor our new PMAA Chair, Stanley Roberts. Our conference will conclude after the PMAA Board of Directors meet on May 18th following regional meetings.

If you plan on attending PMAA's Annual Washington Conference and Day on the Hill, now is the time to make your room reservation as we are nearly sold out. We have two hundred members who have reserved rooms in our block on our peak night! Please note that we will have an overflow hotel option once we are completely sold out at The Washington Court.

IDAHO PETROLEUM MARKETERS TO MEET WITH DEQ AND EPA TO DISCUSS UNDERGROUND STORAGE RULES

On February 7th at 1:30 pm the Idaho Petroleum Marketers and Convenience Store Association will be meeting with the DEQ and EPA to discuss the newly proposed Underground Storage rules. This compliance and informational meeting will be held at DEQ in Boise. All who are interested in knowing more are invited to attend.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2012

May 9-10, 2012– Nevada - NPM&CSA Convention – Las Vegas, Nevada

June 5-7, 2012 – Montana - MPMCSA Convention – Billings Hotel and Convention Center – Billings, Montana

June 18-21, 2012 – Washington - WOMA Convention – Suncadia Lodge – Cle Elum, Washington

June 19, 2012 – Idaho-IPM&CSA 1:30 pm Annual DEQ/UST Compliance and Informational Meeting with DEQ staff at DEQ

June 21, 2012 – Utah - UPMRA Summer Golf Classic – Old Mill Golf Course – Draper, UT

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 (tentative), Midway, UT

August 27-29, 2012 – New Mexico - NMPMA Convention and Trade Show – Embassy Suites – Albuquerque, New Mexico

Petro Pete: "I get enough exercise just pushing my luck."

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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.

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