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## DENNIS MILLER TO KEYNOTE WPMA CONVENTION



WPMA 2010-2011 President Rob Franklin is excited to announce Dennis Miller, “one of the premiere comedy talents in America today...” as the 2011 WPMA Convention keynote speaker. A man of many talents, Dennis Miller is a comedian, author, correspondent, host, political commentator, and a five-time Emmy award winner for his critically acclaimed HBO talk show “Dennis Miller Live”. He can currently be heard daily on “The Dennis Miller Show”, and in his frequent appearances on Fox News Channel’s “The O’Reilly Factor”. Come and join us at the WPMA Convention in February, and be sure to attend the Keynote session, featuring the irreverent and satirical humor of Dennis Miller.

### WPMA 2011 EARLY BIRD TOP SPONSORS

WPMA thanks our Early Bird Top Sponsors of the 2011 Western Petroleum Marketers Convention and Convenience Store Expo.



### SCHOLARSHIP TIME APPROACHES!

The time is fast approaching when the WPMA scholarship recipients for 2011 will be selected. March 1, 2011 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 scholarship 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 and are available to download at [www.wpma.com](http://www.wpma.com), under the Scholarship Foundation link (scroll to the bottom of the Scholarship page). Scholarship applications are also available from the WPMA office by e-mailing [kathym@wpma.com](mailto:kathym@wpma.com) and requesting an application. As a reminder, the WPMA scholarships pay \$500 per semester for up to eight semesters to the recipients, for a total of \$4,000. **Employers, please remind your employees to request or download an application right away, and give their students a chance for some extra financial help in college!**

### HOUSE COMMITTEE HEARINGS OVER EPA’S REGULATORY REACH

This week, the House Energy and Commerce Committee Subcommittee on Energy and Power summoned EPA Administrator Lisa Jackson to Capitol Hill to question her on EPA’s greenhouse gas emissions regulations. The new GOP controlled House has vowed to overrule EPA’s authority to regulate CO2 emissions. This issue along with cutting government spending programs is the GOP’s top two issues.

Other witnesses were: Greg Abbott, attorney general, state of Texas; Harry C. Alford, National Black Chamber of Commerce; Lonnie N. Carter, president and CEO, Santee Cooper; Steve Cousins, vice president, Lions Oil Company; Peter S. Glaser, partner, Troutman Sanders LLC; Fred T. Harnack, general manager of environmental affairs, U.S. Steel Corp.; Philip Nelson, president, Illinois Farm Bureau; James Pearce, director of manufacturing, FMC Corp.; Steve Rowlan, general manager of environmental affairs, Nucor Corp. and Margo Thorning, senior vice president and chief economist, American Council for Capital Formation.

Energy and Power Subcommittee Chairman Ed Whitfield (R-KY) and other Republican subcommittee members questioned whether the EPA has the authority to regulate CO2 emissions. Recently, House Energy and Commerce Committee Chairman Fred Upton (R-MI) and Rep. Whitfield introduced discussion draft legislation known as the “Energy Tax

Prevention Act of 2011” which would overturn the Supreme Court ruling that granted the EPA authority to regulate CO2 emissions. Steve Cousins of Lion Oil Company based in El Dorado, Arkansas urged the Committee to pass legislation to stop EPA from moving forward with its CO2 emissions program. He said that the uncertainty from cap-and-trade legislation and now EPA’s regulatory regime has cost jobs and economic output while foreign counterparts are expanding their facilities without regulatory hurdles to produce refined petroleum products.

Meanwhile, the House Appropriations Committee intends to slash EPA’s budget by \$1.8 billion which will likely limit EPA’s ability to implement its CO2 rules for stationary sources. EPA’s CO2 tailoring rule went into effect on January 2, 2011 which requires power plants, oil refineries and factories that emit more than 75,000 short tons per year of CO2 emissions must now use best available control technology (BACT) when they plan to expand or retool their facilities. Because too many facilities would have been regulated under a general rule, EPA “tailored” the rule for only big CO2 emitters so most refineries, if not all, would fall under EPA’s regulatory regime. PMAA believes that this additional regulation will result in increased motor fuels prices with little to no environmental benefit.

In related news, House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA) held a hearing on Thursday entitled "Regulatory Impediments to Job Creation." Recently, PMAA submitted a letter to Chairman Issa and Ranking Member Elijah Cummings (D-MD) to highlight a number of proposed rulemakings by the EPA (CO2 regulations, new national ambient air quality standards, E15, Stage II regulation), Department of Transportation (wetlines) and a host of other issues which may directly or indirectly impact petroleum marketers and retailers. Of course, PMAA is concerned that EPA's CO2 emissions and ozone regulations may result in higher prices at the pump.

### **PMAA JOINS AMICUS BRIEF TO BLOCK CARBON EMISSIONS SUITS**

PMAA joined a coalition of entities representing a cross-section of the American economy, both nationally and internationally, in filing an amicus brief on February 7, 2011 with the United States Supreme Court to reverse the Second Circuit decision in *AEP v Connecticut*. In that decision, the court held that the attorney generals of several states could sue companies for their carbon emissions claiming that the emissions amounted to a public nuisance. Under public nuisance law, the courts, not the political branches, can impose mandatory caps on carbon emissions. That lower court decision is alarming given its breadth and potential for retroactive liability against any carbon emitter. In its amicus brief, PMAA urges the Supreme Court to reverse the Second Circuit decision.

Along with Consumer Energy Alliance, American Trucking Associations, NATSO, Inc., Peabody Energy Corporation, and International Liquid Terminals Association, PMAA teamed up with Harvard Constitutional Law Scholar Laurence H. Tribe and appellate specialists Tristan L. Duncan with Kansas City-based Shook Hardy & Bacon LLP, and Jonathan Massey with the Washington, DC law firm, Massey & Gail, LLP, to submit a power-house brief arguing that the plaintiffs’ common law public nuisance claims present political questions, which the United States Constitution forbids from proceeding in federal court. Rather, separation of powers principles require that climate change policy be created by our representative branches not by unelected federal judges.

### **SENATE FINANCE CLEARS JET FUEL TAX INCREASE**

On Tuesday, the Senate Finance Committee approved by voice vote a 65 percent jet fuel tax increase from its current 22 cents per gallon to 36 cents per gallon. The tax hike is expected to raise \$400 million annually to modernize the nation’s air traffic control system known as Next Gen. The revenue will go into the depleting Airway Trust Fund which had a cash balance of \$7.3 billion in 2001 and now has a balance of \$770 million.

The legislation is the tax title of the Federal Aviation Administration (FAA) reauthorization bill (S. 223) which is currently being considered on the Senate floor. The Senate will likely attach the tax title to the FAA reauthorization bill next week. The measure also would classify “fractionals,” planes that are owned by multiple parties, as “general aviation” for tax purposes subjecting them to the 36 cents per gallon fuel tax, a major increase from the 4.4 cents per gallon they currently pay. It also includes a 14-cent-per-gallon surtax on fractional fuel.

The House has yet to introduce its own version to reauthorize the FAA. PMAA will continue to monitor the bill as it moves forward through the legislative process.

### **PMAA JOINS LETTER CALLING REPEAL OF 1099 REPORTING MANDATE**

On Wednesday, PMAA signed onto a [letter](#) from the “Coalition for Fairness in Tax Compliance” and the “Small Business Coalition for Affordable Healthcare” to House Ways and Means Committee Chairman Dave Camp (R-MI) and Ranking Member Sander Levin (D-MI). The letter urged lawmakers to immediately repeal Section 9006 of the “Patient Protection and Affordable Care Act” (Public Law 111-148 – Healthcare Reform law) which mandates businesses to send Form 1099s for every business-to-business transaction of \$600 or more for both property and services starting in 2012. The mandate will dramatically increase accounting costs, impose unjustified audits by the IRS, and subject more small businesses to the challenges of electronic filing. Additionally, Section 9006 requires the inclusion of a Taxpayer Identification Number (TIN) for the vendor a small business owner does business with, which will force small businesses to track down the number of each and every vendor requiring a Form 1099.

On Thursday, House Small Business Committee Chairman Sam Graves (R-MO) held a hearing titled "Buried in Paperwork:

A 1099 Update" in which Rep. Dan Lundgren (R-CA) testified on behalf of a bill he introduced earlier this year known as the "Small Business Paperwork Mandate Elimination Act of 2011" (H.R. 4). Similar legislation has been introduced in the Senate by Senators Mike Johanns (R-NE), Max Baucus (D-MT), and David Vitter (R-LA). Senator Johanns' "Small Business Paperwork Mandate Elimination Act" (S.18) already has 60 cosponsors which is enough to overcome a filibuster. In President Barack Obama's State of the Union Address, he specifically highlighted the 1099 reporting mandate and that he would support bipartisan efforts in the Congress to repeal the onerous reporting provision.

PMAA will continue to urge lawmakers to fully repeal the 1099 small business reporting provision as soon as possible.

### **HOUSE AGRICULTURE COMMITTEE HOLDS FUTURES MARKET OVERSIGHT HEARING**

On Thursday, the House Agriculture Committee held a hearing to review Title VII of the Dodd-Frank Wall Street Reform legislation that was signed into law in July 2010. Title VII addresses the futures/swaps marketplace. CFTC Chairman Gary Gensler was the key witness who offered insight into some of the agency's proposed rulemakings. Lawmakers had concerns that some of the CFTC's proposed rulemakings could place an undue burden on end-users as well as swaps dealers and major swap participants because of margin and capital requirements.

PMAA along with the Commodity Markets Oversight Coalition (CMOC) supports the Commission's proposed rulemakings on aggregate position limits, clearing of over-the-counter (OTC) swaps and registration of unregulated exchanges which will reduce leverage in the marketplace that will benefit end-users like PMAA member companies and other market users from excessive price volatility and extreme price increases at the rack. Chairman Gensler said that the proposed rulemakings will give end-users better price information because it will force swaps dealers to real-time reporting which will bring competition to the swaps markets.

Currently, the five largest banks essentially hold a monopoly in the derivatives marketplace and many end-users complain that they are not being offered competitive prices to manage their risk. Because the swaps market isn't transparent, banks can be highly leveraged which can impact oil prices and lead to extreme price volatility at the rack.

PMAA continues to urge CFTC Commissioners to bring full transparency to the OTC market.

### **PMAA COORDINATES LETTER URGING CFTC FUNDING**

Letters were sent this week to the [House](#) and [Senate](#) Budget, Appropriations and Authorizing Committees urging Congress to fully fund the Commodity Futures Trading Commission (CFTC). PMAA and NEFI coordinated obtaining over 40 association inclusions on the letters. Continued strong communication to the Hill is particularly critical now as Wall Street bank lobbyists are pressing the new GOP House majority to underfund CFTC so that the new Dodd-Frank Derivatives title (Pub.L.111-203) cannot be fully implemented. CFTC Chairman Gary Gensler needs to double his staff in order to implement the new transparency and position limit requirements.

The two associations are also coordinating efforts to level the playing field for petroleum marketers who are physical hedgers. Senator Ron Wyden's' (D-OR) STOP Commodity Speculation Act would tax all profits earned on the energy commodities futures market at the same ordinary income tax rate as physical hedgers. Under current law, non-commercial speculators pay lower capital gains rates on their profits, and tax-exempt investors, such as pension funds and university endowments, pay no taxes. Tax-exempt investors would be required to pay unrelated business income tax on energy commodity investments. The bill would tax everyone who directly purchases oil and natural gas or indirectly through futures, commodity index funds, ETFs, as if they were commercial traders. The STOP Act is designed to minimize the tax incentives for excessive speculation in oil markets.

### **2011 PETROLEUM MARKETERS LEADERSHIP INSTITUTE (PMLI)**

The 2011 Petroleum Marketers Leadership Institute will be held at the Madison Hotel located downtown in Memphis, TN April 10 -12, 2011. In preparation for the 2011 Petroleum Marketers Leadership Institute, we need you to begin thinking of petroleum marketers who are active in your association who have "the right stuff". These are marketers who you can count on to support the industry and your state association. They are the ones who give of themselves and are often natural leaders. **PMAA relies heavily on state association executives to identify nominees/candidates for PMLI.** The value in PMLI is the cadre of leaders it is creating for our future. You can never have too many knowledgeable and dedicated leaders. State associations that have sent emerging leaders to the Institute the past seven years have already begun to reap its rewards.

As state associations, you are not obligated to pay anything for candidates to attend. Some states assist with travel related and tuition costs for their candidates but that varies from state to state. The most important thing is to make sure you give us a few names of marketers to invite. The tuition this year will be the same as last year \$425.00 per person and that includes meals and curriculum. When you compare this with other leadership programs of similar length, you'll find that the \$425.00 is a fraction of what other programs cost. From 2001 to 2010 we have had over 150 marketers go through PMLI and all of them have expressed very favorable comments about the program.

For more information please contact your state executive or the WPMA offices.

## CRAIG ADAMSON DIES IN FUEL-TRUCK EXPLOSION

Craig Adamson of Adamson Inc. fuel and oil company of Carey, Idaho was killed in a fuel-truck explosion while he and another employee were transferring fuel between two trucks. Adamson's family owns not only Adamson's Inc., but a convenience store and fuel station in downtown Carey, Idaho. Adamson is survived by his wife, Betty, and their seven children. The funeral service for Adamson was held on Monday, Feb. 7. WPMA and IPM&CSA express our condolences to the Adamson family.

## FOLLOW US ON FACEBOOK AND TWITTER

WPMA has now joined the Facebook and Twitter communities! Please visit us and become a fan, and stay on top of the latest updates, events and announcements from WPMA and the WPMA state associations.

To follow us on Twitter, go to [twitter.com/WPMA\\_NOW](https://twitter.com/WPMA_NOW).

**Petro Pete:** *"It is better to ask a stupid question than fix a stupid mistake."*

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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](mailto:janr@wpma.com). Thanks.

## Classified Ads

### For Sale:

- 2009 Almac 2800 Gal Tank & Equip
- DOT 406 MC
- 1400 X 2 Comp
- Rear hose reel
- 2 ½ Pump with PTO
- Pro Tec Box & Rear bumper
- \$16,000.00 OBO

Contact Marty Hull – 360-520-3275 (cell) 360-736-2821