

February 13, 2009

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WP-02-13-09

### **2009 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA**

Please plan to attend the 2009 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 17-19, 2009. You may register online at [www.wpma.com](http://www.wpma.com).

### **ENTER TO WIN A 2009 ARCTIC CAT ATV AND SUPPORT THE SCHOLARSHIP FOUNDATION!**

The WPMA Scholarship Foundation will be giving away a 2009 Arctic Cat ATV at the upcoming WPMA Convention in Las Vegas! The ATV is a limited edition sport utility model with a beefy 550 HI EFI engine. A 3000-pound winch, hand warmers, machined aluminum rims, and a 2" ball receiver hitch sweeten what is already an incredible package. To get a look at this stunning ATV, go to the Arctic Cat Web site: <http://www.arctic-cat.com/atv/dirt.asp?category=UTILITY&model=550H1EFILE>.

Raffle tickets for this ATV cost \$100 each. Only 250 tickets will be sold, so your chances of winning are great! Buy one or buy 10 to increase your chances! But hurry - tickets are expected to sell out. For more information on how you can purchase raffle tickets, contact the WPMA office: 801-263-9762, or toll-free (888) 252-5550.

Void where prohibited. Must be 21 or older to participate. You need not be present to win. Taxes and licensing not included. Shipping within the continental US will be provided.

### **STIMULUS BILL INCLUDES ITEMS IMPORTANT TO PMAA MEMBERS**

A final \$790 billion economic stimulus package was negotiated in a House-Senate conference last night and is expected to be passed in final votes today. The American Recovery and Reinvestment Act of 2009 includes \$37.5 billion for energy programs, approximately \$20 billion in energy tax incentives, \$11 billion for energy tax credits and more than \$30 billion in infrastructure. At a cost of \$4.3 billion, the agreement extends and modifies a credit for energy efficiency improvements in homes, increasing the credit to offset 30 percent, rather than 10 percent, of the cost of such improvements in 2009 and 2010 but capped at \$1,500 per home.

Of particular interest to PMAA members, the stimulus package includes: \$200 million in funding for leaking underground storage tank remediation; allows businesses to "carry back" operating losses for up to five years rather than the two years allowed under current law; five billion dollars for the Weatherization Assistance Program, which provides funds to cover some of the costs of insulating private residences. This amount is \$1.2 billion (19 percent) less than included in the House bill but \$2.1 billion more than in the Senate measure. It also increases the eligibility limit of the program to 200 percent of the federal poverty line from 150 percent, and increases the maximum amount allowed per residence to \$6,500, from \$2,500; \$6.3 billion for energy efficiency and conservation grants is included; and a payroll tax credit of \$400 per person or \$800 for married couples.

The recovery bill includes \$636 million for SBA small business loans. SBA would be authorized to guarantee up to 90 percent of certain qualifying 7(a) small business loans to refinance such loans, and an expedited approval process is included.

In regards to alternative fuels, the bill includes an alternative fuel dispenser tax credit that will allow marketers and retailers to claim a credit of up to 50 percent (capped at \$50,000) to help pay for the costs of the appropriate infrastructure. While PMAA supports E85 pump tax credits, we continue to have concerns that many retailers are unable to use tax credits because they do not have significant federal tax liability. Currently, the alternative refueling property credit allows gasoline station owners to claim a 30 percent tax credit (capped at \$30,000) which was included in the \$700 billion stimulus package that former President Bush signed into law last year.

Oilheat dealers will be disappointed that LIHEAP funding was not included in the final economic recovery package. Senate and House staffs who were pushing for additional funding say that many good programs were left out of the stimulus. Originally the House provided one billion dollars and the Senate did not provide any funds. Because full funding of \$5.1 billion was provided for LIHEAP this year, and because of tremendous pressure to cut costs, conferees went with the Senate language.

### **HOUSE AGRICULTURE COMMITTEE APPROVES FUTURES MARKET REFORM LEGISLATION**

On Thursday, PMAA scored a significant victory in its efforts to bring greater transparency and accountability to energy commodity markets. The House Agriculture Committee approved an amended version of the draft "Derivatives Markets Transparency and Accountability Act of 2009" (H.R. 977) designed to bring stability to energy futures markets by requiring

over-the-counter derivatives to clear on a central clearinghouse regulated by the Commodity Futures Trading Commission (CFTC).

Two weeks ago, House Agriculture Committee Chairman Collin Peterson (D-MN) circulated discussion draft legislation and then held two days of hearings which allowed stakeholders to comment on the draft legislation. PMAA Treasurer Sean Cota of Cota & Cota Inc. testified on behalf of PMAA and NEFI before the House Agriculture Committee. This was the fourth hearing where Cota has testified and the tenth opportunity for PMAA to give testimony to Congress on excessive speculation.

H.R. 977 accomplishes many PMAA objectives. It requires foreign boards of trade that provides services to U.S. participants to adopt, for each of its contracts, position limits or position accountability standards for speculators, requires large trader reporting, requires the CFTC to classify index traders and swap dealers that would bring transparency to commodity markets, requires most over-the-counter (OTC) transactions to strict reporting requirements, increases staff at the CFTC, and finally, the legislation requires that most OTC transactions be settled and cleared through a CFTC regulated derivatives clearing organization (DCO).

Before the House Agriculture Committee held its markup of H.R. 977, the committee deleted crucial provisions in a section which would have required all OTC trades to clear through a CFTC regulated clearinghouse. However, after extensive lobbying efforts by PMAA and other industry groups, the section was inserted back into H.R. 977 by Congressman Leonard Boswell (D-IA). Additionally, an amendment was adopted by voice vote to require diversified board of directors for boards of trade. Furthermore, House Agriculture Committee Ranking Member Frank Lucas (R-OK) introduced an amendment - opposed by PMAA - that would have required the CFTC to impose position limits for the spot month (not all months or aggregate limits) for physical commodities. The amendment failed on a vote of 16 – 27.

Overall, H.R. 977 isn't a perfect bill; however, the House Agriculture Committee accomplished an important step in the legislative process to move a futures market reform bill closer to enactment. PMAA will continue to work with members of Congress to strengthen the bill which must include aggregate position limits and an energy position limit advisory group consisting mostly of commercial interests. The bill will now go to the House Financial Services Committee chaired by Congressman Barney Frank (D-MA). Frank is pressing for a complete overhaul of the nation's financial regulatory system. PMAA continues to meet with House Financial Services Committee staff to make certain the final bill will resolve the tremendous problem of excessive speculation in the energy commodity markets.

### **SENATORS SEEK MEETING WITH OBAMA ON FINANCIAL SERVICES REFORM**

A new informal group of democratic Senators Byron Dorgan (ND), Carl Levin (MI), Tom Harkin (IA), Dianne Feinstein (CA), Maria Cantwell (WA) and Jim Webb (VA) along with Bernard Sanders (I-VT), recently sent a letter to President Obama to discuss options for overhauling financial industry regulations as they develop proposals to strengthen the policing of Wall Street. "We have been concerned about the direction of financial regulation for many years," and "We are requesting a meeting with you to share our ideas about financial reform and to offer our help to ensure that strong regulatory reforms are put in place," the Senators wrote to Obama. It is important to note that all of these Senators have supported PMAA efforts to advance futures market reform.

### **CANTWELL TO CHAIR SENATE ENERGY SUBCOMMITTEE**

Senator Maria Cantwell (D-WA), a champion on futures market reform legislation, will replace Senator Byron Dorgan (D-ND) as chair of the Energy Subcommittee on the Senate Energy and Natural Resources Committee. Dorgan will continue to chair the Energy and Water Development Appropriations Subcommittee which provides funding to Energy Subcommittee programs.

Cantwell's top energy priorities include: renewable energy and energy market regulation. Cantwell has been a strong and vocal advocate for reform of the energy commodities market. The Energy Subcommittee holds jurisdiction over fossil fuels, renewable energy, the Energy Information Administration and the strategic petroleum reserve. PMAA congratulates Senator Cantwell and looks forward to continued work with her on energy policy.

### **PMAA PARTICIPATES IN NATIONAL LIHEAP DAY ON THE HILL**

On Wednesday, PMAA participated in the National Fuel Funds Network's (NFFN), "LIHEAP Action Day," in which more than 180 NFFN members and Low Income Home Energy Assistance Program (LIHEAP) supporters came to Washington to urge members of Congress to fully fund LIHEAP. PMAA along with the New England Fuel Institute and the Massachusetts Oilheat Council (MOC) visited several Northeast Congressional offices. During the meetings, PMAA urged members of Congress to include additional weatherization and LIHEAP funding to the economic stimulus package, and most importantly, pass legislation to bring greater transparency and accountability to energy commodity markets. PMAA highlighted to members of Congress that passing futures market reform legislation will ultimately bring stability to volatile energy prices and, most importantly, assist LIHEAP recipients.

Senators Reed (D-RI) and Collins (R-ME) are pushing to bring LIHEAP funding for fiscal year 2010 up to the authorized

level of \$5.2 billion. Additionally, Senator Sanders has sponsored language to add one billion in additional funding for LIHEAP this year.

### **CFTC CHAIRMAN-DESIGNATE VISITS PMAA OFFICE**

Earlier this week, Mr. Gary Gensler, President Obama's nominee to lead the Commodity Futures Trading Commission (CFTC), visited the PMAA office in Arlington, Virginia, to meet with a variety of association representatives active on CFTC reform.

Participating in the meeting were representatives from NEFI; National Farmers Union; Agricultural Retailers Association; Air Transport Association; National Association of Shell Marketers; and Food & Water Watch.

PMAA urged Gensler, if confirmed, to enforce aggregate position limits on non-commercial players in the commodity futures market to prevent excessive speculation and manipulation and to close all loopholes in current law. PMAA also urged Gensler to include more industry and consumer representatives on the CFTC Energy Market Advisory Committee while others urged Gensler to ensure that the CFTC remains the primary regulator of commodity futures trading.

Gensler agreed with the recommendations of the group and he said that regulators need to adjust to what has been learned since the passage of the Commodities Futures Modernization Act of 2000. Gensler supports a broad regulatory regime for over the counter (OTC) trading, including an aggregation of those trades at the control entity, as long as the contracts being considered do not reach too far into the future (contracts that reach out beyond one year).

Overall, the groups present appreciated that Gensler took the time to meet in advance of his nomination hearing which has not yet been scheduled.

### **THERE'S STILL TIME TO APPLY FOR THE WPMA SCHOLARSHIP!**

If you or your full-time employees have children who are high school seniors graduating this spring, those children are eligible for the WPMA \$4,000 scholarship. But hurry – the application deadline is **March 1st!**

The WPMA Merit Scholarship program provides for eight \$4,000.00 scholarships to be awarded each year, one in each of the WPMA member states, to children of marketer members or their full-time employees who live in the WPMA state where the association membership resides. One Associate at Large scholarship is also awarded each year to a son or daughter of a WPMA Associate Member or their full-time employees.

Scholarship applications are now available for download from the WPMA website, [www.wpma.com](http://www.wpma.com), under the "Scholarship Info" link on the home page.

If you have questions or requests, contact Kathy Michaelis at 1-888-252-5550, or e-mail [kathym@wpma.com](mailto:kathym@wpma.com). We hope you take advantage of this opportunity for your students to get some extra help with their education!

### **WPMA OFFICES WILL BE CLOSED FEBRUARY 16 – 20 FOR THE WPMA NATIONAL CONVENTION. THERE WILL BE NO WEEKLY UPDATE NEXT FRIDAY, FEBRUARY 20, 2009.**

### **SAVE THE DATES FOR THESE UPCOMING EVENTS IN 2009**

June 9-11, 2009 – MPMCSA Convention, Trade Show & Golf – Hilton Garden Inn, Missoula, MT

June 18, 2009 – UPMRA Golf Classic – Wasatch Mountain State Park, Midway, UT

June 23-25, 2009 – WOMA Convention and Golf Tournament – Suncadia Resort, Cle Elum, WA

July 29-30, 2009 – IPM&CSA Convention and Golf Tournament – Sun Valley Resort, Sun Valley, ID

August 30-31, 2009 – NMPMA Convention and Golf Tournament – Embassy Suites, Albuquerque, NM

September 20-22, 2009 – UPMRA Convention and Golf Tournament – Courtyard Marriott, St. George, UT

**Petro Pete: "A banker is someone who lends you an umbrella when the sun is shining, and who asks for it back when it starts to rain."**

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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

### **BOBTAIL FOR SALE**

Polk Oil Company is selling a 2007 Kenworth T 300 Bobtail truck.

- 9282.3 miles
- 515.3 hours
- 2500 gallon aluminum tank with 4 compartments of 800, 700, 500 and 500 gallons that is designed for top loading.
- Blackmer pump and 150 feet of hose.
- 250 horse Caterpillar engine.

Let us know if you want us to send you a detailed breakdown of the entire package.  
Contact JW Sellers at 505-660-3791 or Don McTeigue at 505-603-7611.

### **FOR SALE**

- 1 – Shell pectin complete with can
- 10'X10' with panoflex faces
- 1 – Shell 8'X8' 3 product price sign with can
- 1 – Shell 2'X8' diesel single product with can
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All signs are crated and ready for shipment. Price is very negotiable. Picture is available.

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