

February 17, 2012

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**WPMA OFFICES WILL BE CLOSED**

The WPMA offices will be closed the week of February 20 thru February 24 for our 2012 WPMA Convention and Convenience Store Expo. There will be no WPMA Weekly Update sent out on Friday, February 24. We hope to see you at the convention.

**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](http://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!**

## **U.S. EPA REGION 8 OIL PRODUCTION REGULATIONS AND SPCC PLAN WORKSHOPS - MARCH 2012**

The United States Environmental Protection Agency (EPA) Region 8 will hold two workshops in March 2012 on the oil pollution regulations and their requirements for Spill Prevention Control and Countermeasures (SPCC) Plan. Each of the workshops, which are identical, will be held at EPA Region 8 Headquarters, (1595 Wynkoop, Denver, CO 80202), on March 22 and March 23.

Pre-registration for attending a workshop is required. The size of each workshop is limited to 50 people. Individuals who have successfully registered for a workshop may sign-in beginning at 8:00 a.m. on the day of each workshop. Each workshop will begin at 9:00 a.m. and end at 4:00 p.m. Registrations for each workshop will end when there are 50 registrants or at the close of business on March 15 (in the event there are less than 50 people registered for a workshop). The Internet announcement and a link to the registration form may be found at:

<http://www.epa.gov/region8/opa/wkshop.html>

## **MOVEMENT BEGINS ON HIGHWAY BILL**

After first splitting the five year, \$260 billion transportation authorization back into three bills in order to move forward on Floor debate, Speaker Boehner decided to postpone the bulk of the debate on the authorization bill since he does not yet have the votes for the entire package. However, the House did pass an offset bill which includes provisions to open ANWR to drilling and to force approval of the Keystone XL pipeline. Further debate of the bill provisions will resume after next week's Presidents Day break.

In the meantime, House Leadership will work on modifying the bills until they have enough votes. Almost all Democrats oppose the bill, and Transportation Secretary Ray LaHood, a former Republican congressman, has called the legislation the worst transportation bill he has seen in 35 years of public service. President Obama threatened to veto the entire package, saying the highway portions raise safety concerns and he is opposed to the bill's inclusion of language mandating permitting of the Keystone XL pipeline.

There is also division within the Republican camp and that must be resolved before a bill can be completed. The Highway bill must be approved or extended by March 31. Majority Leader Harry Reid (D-NV) began debate Thursday as well, but didn't get far before being mired down in amendments. The Senate leadership is working on an acceptable list of amendments to consider for that chamber's two-year, \$109 billion transportation proposal (S 1813). Serious Senate floor work should begin February 27.

## **SENATOR MULLS LEGISLATION TO STREAMLINE REGULATIONS**

Although the House passed several bills last year aimed at limiting the executive branch's regulations that hinder small business job growth, none were signed into law. Senator Mark Warner (D-VA) testified before the House Oversight and Government Reform Committee regarding his anticipated legislation to require an economic impact analysis on all proposed rules that cost more than \$100 million and require federal bureaucracies to eliminate an existing rule for every new rule they propose.

Late last year, the House passed H.R. 3010, "the Regulatory Accountability Act," which would require federal agencies to publish an Advance Notice of Proposed Rulemaking (ANPR) for major rules that could cost the economy more than \$100 million. Additionally, the House approved the "Regulations from the Executive in Need of Scrutiny Act of 2011" or REINS Act (H.R. 10) which would give Congress 70 legislative days to take an up-or-down vote on any rule that would cost the U.S. economy more than a \$100 million. The Obama Administration opposed H.R. 3010 and H.R. 10 and will likely veto these bills if they make it to his desk. It's unclear whether the Obama Administration will support Senator Warner's proposed legislation.

## **2013 BUDGET PROPOSAL RELEASED**

This week, the Obama administration released its proposed \$3.80 trillion budget for FY 2013, up from an estimated \$3.79 trillion in fiscal 2012.

Areas of interest to petroleum marketers include \$104.1 million for the Leaking Underground Storage Tank (LUST) program. \$10.1 million is proposed for the Northeast Home Heating Oil Reserve (NEHHOR). In FY 2011, the NEHHOR completed the sale of high sulfur heating oil in commercial storage and awarded new contracts for commercial storage leases for one million barrels of ultra-low sulfur distillate (ULSD). The FY 2013 budget continues operation of the Reserve, including the extension of the lease of commercial storage space, and proposes cancellation of six million dollars in prior year unobligated balances.

EPA's budget of \$8.3 billion represents a 1.2 percent cut, or \$105 million, from the FY 2012 budget. Obama's FY 2013 budget also targets the Diesel Emissions Reduction Grant Program (DERGP) which would be cut from \$30 million to \$15 million. The Diesel Emissions Reduction Act (DERAct) of 2010 was signed into law in December 2010 which reauthorized for five years funding for a voluntary EPA program established under the Energy Policy Act of 2005 which provides grants and low-cost revolving loans to help businesses invest in newer model diesel trucks, such as those that use SCR

technology to reduce NOx emissions and other pollutants. The law authorized \$100 million per year from FY 2012 – FY 2016, however, it is important to note that while these funds will be authorized, they may or may not be funded by appropriators.

The budget would adequately provide \$308 million for the Commodity Futures Trading Commission (CFTC) which is identical to the Administration's 2012 budget request. This funding level is essential to sufficiently implement the Wall Street Reform Act law (futures market reform Title VII) which is vital for decreasing volatility in the commodities market which directly impacts the price of fuel. PMAA supports the \$308 million request. However, House leadership has expressed their willingness to significantly cut CFTC funding to prevent the Wall Street Reform Act law from being implemented. The budget would cut the Low Income Home Energy Assistance Program (LIHEAP) program 50 percent down to three billion dollars.

Most of the President's funding requests will be subject to hearings and negotiations. The President's proposed budget is merely the first step in the long and sometimes contentious budgeting process which is very unlikely to pass this Congress given the current political climate.

### **SENATE BILL WOULD REQUIRE APPROVAL OF PIPELINE BEFORE TAPPING SPR**

Earlier this week, White House spokesman Jay Carney said that President Obama is following gasoline prices and that the President would not rule out tapping the Strategic Petroleum Reserve (SPR) to counter the increase cost of gasoline.

Senate Republicans recently introduced legislation that would require the President to first approve the Keystone XL pipeline before tapping the SPR. The legislation is sponsored by Senators David Vitter (R-LA), Richard Lugar (R-IN), and John Hoeven (R-ND). Senators Vitter and Lugar are also cosponsors of Senator Hoeven's amendment that authorizes Congress to approve the Keystone XL pipeline.

Congressional proponents of the pipeline are looking for every opportunity to approve its construction. It's unlikely the legislation would become law.

### **EPA PROPOSES OZONE COMPLIANCE DATES**

This week the Environmental Protection Agency (EPA) issued a proposed [rule](#) that would give most ozone nonattainment areas until December 31, 2015 to meet the revised standards for ozone. Compliance would be based on air quality data from the three most recent ozone seasons. That means compliance for most areas would be based on air quality from 2013, 2014, and 2015.

The proposed rule also includes thresholds at which areas would be designated as being in marginal, moderate, serious, severe or extreme nonattainment of the ozone standard.

In regards to transportation conformity, EPA also proposes to revoke the less-stringent ozone standard set in 1997. EPA in 2008 set the primary, national ambient air quality standard for ozone at 0.075 part per million. The agency put the 2008 standard on hold while it reconsidered the rule with the goal of setting a more stringent standard. The Obama Administration stopped the reconsideration process in September 2011, and the agency now is implementing the 2008 standard.

EPA intends to make determinations as to which areas are in attainment or nonattainment by May 31, 2012. In most states with nonattainment areas, PMAA member state associations will be working with state agencies to address gasoline supply related concerns resulting from the new standard.

### **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.

## **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: “Hallmark Card: "I'm so miserable without you, it's almost like you're still here.”**

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