

February 27, 2009

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WP-02-27-09

### **2009 WPMA CONVENTION AND CONVENIENCE STORE EXPO A SUCCESS**

February 17-19, WPMA hosted their annual convention and trade show exhibition, "Winning Together". The convention was very well attended and we had the pleasure of associating with many WPMA members and exhibitors. From our informative workshops to our outstanding keynote speaker, Sam Donaldson, our entertaining awards luncheon speaker, Peter Vidmar, and our exceptional trade show, it was fun, educational, and very rewarding for all who attended. Our management session speaker, Ross Shafer, was very enlightening and entertaining, and the PCI Compliance seminar was a big success. The WPMA annual convention is especially rewarding for our organization, as it is a time we can all come together, renew friendships and gain information that will help make our business more successful. We want to thank each of you for your participation in our convention.

WPMA would like to extend a special thank you to each of those who donated or purchased items from our silent auction and/or played golf in the WPMA Scholarship Open. All of the money raised at these events goes directly to our Scholarship Foundation, to fund the scholarships that we award each year. Once again, thanks to each of you for making our convention such a great success. Without you we couldn't do it.

### **AND THE WINNER IS...**

The WPMA Scholarship Foundation held a raffle for an ATV that was given away at the WPMA Convention's Grand Finale Awards Luncheon. Over \$20,000 was raised, and all proceeds go directly to the Scholarship Foundation. The Foundation awards a \$4,000 scholarship to a deserving student within each of the seven WPMA member states each year, and one to a student from an associate member company. Congratulations go to Bob Ogan of Wenatchee Petroleum in Wenatchee, Washington, who was the winner of the ATV.

### **WPMA SCHOLARSHIP DEADLINE IS MARCH 1<sup>ST</sup>!!**

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 must be postmarked on or before **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!

### **2009 WPMA POST-CONVENTION TOUR - HUBBARD GLACIER CRUISE**

Many have been asking where our next WPMA Travel Adventure will be. We have found an absolutely incredible cruise aboard Celebrity Cruise Line's ultra-luxurious ship Infinity, sailing from Seattle, Washington through the spectacular Inside Passage to Alaska, June 12-19, 2009.

Reservations must be made within the next 30 days, or as long as space lasts. WPMA has only a certain number of staterooms available on a first come-first serve basis. Call Chris Lambert at Destinations, Inc. at (801) 446-5000 or toll free at 1-800-748-4777 for more information and to book your reservations.

### **MARKETERS MEET WITH EXECUTIVE CHAIRMAN OF CME GROUP**

Yesterday, petroleum marketers along with PMAA and NEFI staff met with Terrence Duffy, Executive Chairman of CME Group in New York. Present at the meeting were PMAA Vice Chairman (and Futures Market Reform Task Force Chairman) Gerry Ramm; PMAA Treasurer Sean Cota; Peter Carini (Champion Energy); Jim Collura (NEFI); Sherri Cabrera (PMAA)

and Rob Underwood (PMAA). Peter Beutel, an energy risk manager with Cameron Hanover joined the meeting as well. Other CME Group staff included Charles Carey, Vice Chairman, CME Group; Sean Keating, Managing Director, NYMEX Operations; Howard Hopkins, Energy Products; Robert Levin, Managing Director, Energy Research & Product Development; and Thomas Holleran, Director, Energy Broker Relationships.

CME Group was formed by the 2007 merger of Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings Inc. CME Group is the world's largest futures exchange. CME Group exchanges offer benchmark futures and options products available on any exchange, covering all major asset classes, including interest rates, equities, FX, commodities, and alternative investments.

Previously, Mr. Duffy testified before the House Agriculture Committee on February 3 along with Sean Cota. After the hearing, Duffy invited Mr. Cota to visit NYMEX headquarters in New York to discuss futures market reform legislation. The meeting was very productive and lasted over three hours. All parties aim to work together where possible to bring greater transparency and accountability to energy commodity markets.

### **EPA PROPOSES TO REQUIRE EMISSION CONTROLS ON STATIONARY ENGINES**

The Environmental Protection Agency released a proposed rule this week that would require stationary engines fueled by diesel and gasoline to reduce emissions by 13,000 tons annually. Diesel engines exceeding 300 horsepower would be required to use ULSD. The use of aftertreatment or emission control devices would also be required to meet the goal. Diesel engines would comply with the proposed rule by installing afterburners or special filters, which are shown to reduce emissions. Gasoline engines could comply with the installation of non-catalytic reduction technology. Finally, the EPA would require stationary engine tests to demonstrate performance and compliance with the rule.

### **SENATE AGRICULTURE COMMITTEE HOLDS NOMINATION HEARING FOR CFTC NOMINEE**

Earlier this week the Senate Agriculture Committee held a confirmation hearing for Commodity Futures Trading Commission (CFTC) Chairman nominee Gary Gensler of Maryland. Testifying before the committee were Maryland Senators Barbara Mikulski (D) and Ben Cardin (D) and former Maryland Senator Paul Sarbanes (D) (1977 – 2007) who all supported Gensler's nomination to head the CFTC.

Agriculture Committee Chairman Tom Harkin (D-IA) grilled Mr. Gensler on a number of issues particularly regarding his tenure at the U.S. Treasury from 1997 – 2001 in which Gensler helped negotiate the Commodity Futures Modernization Act of 2000 (P.L. 106 – 554) that exempted swaps from regulation. Gensler reassured the chairman that his views from the deregulatory past have evolved and he is ready to hit the ground running on bringing greater transparency and accountability to all commodity markets especially energy.

Specifically, Gensler added that excessive speculation in commodity markets can drive prices and hurt physical hedgers, and he addressed the price of oil particularly the spike of last summer and said that position limits could prevent a similar spike. Gensler advocated for applying position limits across all markets on all futures contracts to prevent excessive speculation; reviewing all CFTC hedge exemptions put in place over the years; requiring that over-the-counter (OTC) derivatives clear through a regulated clearinghouse, and finally he would work with international regulators to prevent excessive speculation and manipulation by "applying across the globe position limits." Gensler also said that he would support bringing "the whole over-the-counter derivatives market into a regulatory regime," and that he would only support a CFTC/SEC merger if it improves market transparency and prevents systemic risk.

PMAA's letter in support of Gensler was submitted to the Senate Agriculture Committee for the record. The Senate is expected to confirm Mr. Gensler next week. PMAA looks forward to having an open dialogue with Mr. Gensler and will continue to urge Congress and the CFTC to apply aggregate position limits across all energy trading markets.

### **HOUSE APPROVES NEW LUST APPROPRIATIONS IN FY 2009 SPENDING BILL**

This week the House voted 245-178 to approve the Fiscal Year 2009 Omnibus Appropriations bill (H.R. 1105) that would fund nine of the 12 annual spending bills providing \$410 billion in overall discretionary spending. The government is currently being funded mostly at fiscal 2008 levels by a continuing resolution (CR) that expires March 6, 2009.

Of particular interest to PMAA is funding for the Leaking Underground Storage Tank (LUST) program. Included in the bill is \$115,577,000 for the LUST Program of which \$77 million will provide the traditional LUST funding to state agencies. This \$77 million is similar to recent years and would not enable meaningful increased funding for states. However, as reported last week, the economic stimulus package included \$200 million in funding for leaking underground storage tank remediation to help state environmental efforts. Additionally, \$35.5 million in LUST funding is available for State and Tribal Assistance Grants commonly called STAG grants. These grants can be provided to state agencies for LUST related

purposes.

Petroleum marketers have now paid over three billion dollars into the LUST fund and continue to pay \$140 million each year. To a great extent, the LUST tax has just become another federal tax used to support the overall EPA budget.

### **2010 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA**

Start planning now to attend the 2010 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 16-18, 2010.

### **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 budget is just a method of worrying before you spend money, as well as afterward.”**

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## **CLASSIFIED ADS**

### **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
- 1 – Shell 2'X8' blanks with can

All signs are crated and ready for shipment. Price is very negotiable. Picture is available.

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