

March 6, 2015

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WP-03-06-15

JUDITH WHITE TO RETIRE



After 20 years of service, Judith White, WPMA Trade Show Coordinator and Executive Assistant, has announced March 20, 2015 as her retirement date.

Judith first worked many years for WPMA as a part-time assistant at the WPMA state conventions. She officially joined the WPMA full-time staff in August, 1995. Judith has been a friend to all, and a wonderful, energetic member of the WPMA staff. Her trade show exhibitors all love Judith's warmth and friendliness, and many commented on how they missed her at the recent WPMA convention.

A special open house to honor Judith has been scheduled for Friday, March 20th, from 11:00 a.m. to 2:00 p.m. at the WPMA office, 4393 S Riverboat Rd, Suite 380, Taylorsville, Utah. WPMA members and friends are invited to come and visit with Judith on that day. A buffet lunch will be served. We would appreciate an RSVP with how many will be attending from anyone wishing to come and join us at the open house. Please contact Jamie Wood at 801-263-9762, or e-mail jamiew@wpma.com if you are planning to attend.

PMAA SUBMITS COMMENTS OPPOSING INCREASE IN FMCSA MINIMUM INSURANCE COVERAGE

PMAA submitted written comments this week opposing any increase by the Federal Motor Carrier Safety Administration (FMCSA) to raise the minimum level of financial responsibility (insurance coverage) for commercial trucks including petroleum cargo tank vehicles. FMCSA minimum financial responsibility (FR) applies to both intrastate and interstate petroleum transporters. The rule is important to petroleum marketers because it could raise the cost of cargo tank vehicle insurance coverage between 60 and 80 percent. The FMCSA currently requires petroleum marketers to show a minimum of five million dollars in FR for cargo tank vehicles. The FMCSA is concerned that the current FR requirements are outdated and no longer sufficient to cover total liability in the event of a catastrophic crash. The minimum FR could rise to \$10 million or more if the FMCSA moves forward. A recent federal report to Congress in 2014 found that less than one percent of crashes involving commercial motor vehicles result in damages that exceed minimum FR levels.

PMAA argued in written comments that the FMCSA could not justify an increase in minimum FR based on the less than one percent shortfall rate. PMAA pointed out that when fault is assigned to accidents cited in the report to Congress, only 22 out of a total 330,000 resulted in damages greater than minimum FR levels. PMAA also referenced data from the American Trucking Associations showing that there is only a 1.40 percent chance of a claim exceeding \$500,000, a 0.73 percent chance of a claim going over one million dollars and a 0.31 percent chance of a claim topping two million dollars. PMAA also pointed out that most petroleum marketers already carry more than the minimum FR, that the private insurance market is regulating coverage appropriately and increased coverage will place a significant cost burden on small business marketers and invite more lawsuits for damages by unscrupulous plaintiff attorneys.

PMAA will continue to oppose this issue as it moves through the regulatory process.

PMAA MEETS WITH CFTC COMMISSIONER

On Tuesday, PMAA and NEFI, Co-Chairs of the Commodity Markets Oversight Coalition (CMOC), met with CFTC Commissioner Christopher Giancarlo. Joining PMAA and NEFI was a CMOC member representing the Industrial Energy Consumers of America.

This introductory meeting allowed our industries to summarize CMOC's involvement with futures market reform and the CFTC's Energy and Environment Markets Advisory Commission. We also highlighted our concerns with the position limits proposed rule, particularly conditional spot month limits and inadequate CFTC funding.

PMAA and NEFI look forward to continuing the excellent rapport we have enjoyed with the Commission as futures market reform moves forward.

HOUSE ENERGY SUBCOMMITTEE EXAMINES OIL MARKETS

On Tuesday, the House Energy and Commerce Subcommittee on Energy and Power held a hearing titled, "21st Century Energy Markets: How the Changing Dynamics of World Energy Markets Impact our Economy and Energy Security." Testifying before the subcommittee were: Adam Sieminski, EIA; John Kingston, McGraw Hill Financial Global Institute;

Amy Jaffe, Energy and Sustainability, University of California, Davis; Scott Sheffield, Pioneer Natural Resources; Charles Drevna, American Fuel & Petrochemical Manufacturers; Graeme Burnett, Delta Airlines and Brad Markell, AFL-CIO.

Much of the hearing focused on the current U.S. policy that bans oil exports. Mr. Drevna said that AFPM is not opposed to lifting the ban, however, the focus should be on a broader view that removes all barriers so that oil markets function in the best interests for consumers. He highlighted an anti-free market policy – the Jones Act. The outdated Jones Act law requires cargo shipped between two U.S. ports be transported on a U.S. built ship as well as crewed and owned by U.S. citizens. AFPM represents 98 percent of refining capacity in the United States and generally agrees with PMAA's position calling for reform to ensure that crude oil and refined products are being shipped at competitive prices between U.S. ports. It currently costs less to ship oil from the Gulf of Mexico to Canada's refineries than it is to ship to Mid-Atlantic refineries due to the Jones Act. Drevna contends that the shipping industry cannot hide behind the national security argument anymore since the U.S. allows international companies to build and operate military equipment and civilian aircraft, and thus, the shipbuilding industry should not be treated any different. Drevna also said that refining capacity is there to meet the growing crude oil production boom.

Currently, the price of the Brent crude oil contract is \$10 more than the West Texas Intermediate (WTI) crude oil contract. Refiners are concerned that this Brent-WTI differential would disappear if Congress repeals the crude oil export ban. Other witnesses argued that ending the crude oil ban would lower worldwide crude oil prices and diminish OPEC's market share. Subcommittee Chairman Ed Whitfield (R-KY) said that Congress would thoroughly review all options and suggested House Republicans are in no hurry to end the crude oil export ban. Recently, U.S. oil production reached 9.3 million barrels per day, its highest level since the early 1970s while crude inventories reached 444 million barrels, its highest level in 80 years according to a Bloomberg analysis.

PMAA is neutral on ending the crude oil export ban.

SENATE FAILS TO OVERRIDE PRESIDENT'S KEYSTONE XL PIPELINE VETO

This week, the Senate failed to override President Obama's veto of the Keystone XL pipeline approval bill by a vote of 62 - 37. Sixty-seven votes were needed to override the President. All Republicans voted for the bill along with eight Senate Democrats which included: Michael Bennet of Colorado, Tom Carper of Delaware, Bob Casey of Pennsylvania, Heidi Heitkamp of North Dakota, Joe Manchin of West Virginia, Claire McCaskill of Missouri, Jon Tester of Montana and Mark Warner of Virginia. Even if the Senate garnered the necessary 67 votes to override the President, it faced an uncertain future in the House since the bill needed 290 votes.

The House attracted 270 votes in favor of approving the pipeline earlier this year. Following the failed attempt, the GOP-controlled Senate said it would likely try to attach the bill to future bills that the President may not want to veto such as the highway bill reauthorization, raising the debt ceiling or a spending bill later this year.

President Obama has said he wants to wait until the State Department review is completed before deciding on whether to approve construction of the pipeline. The State Department should give its recommendation anytime now.

PMAA fully supports the immediate approval of the Keystone XL pipeline.

CLAUDE BAIRD PASSES

Retired Idaho petroleum marketer and WPMA member Claude A. Baird, 88, passed away peacefully at home on Feb. 27, 2015, in Boise, Idaho. Claude and his wife Geraldine first lived in Blackfoot, Idaho, where Claude managed a farm co-op and owned a Massey-Ferguson Farm Implement Dealership for many years. In 1967 he purchased a small petroleum dealership in Boise. Before his retirement he had grown Baird Oil Company into one of the largest privately owned businesses in Idaho. He was a successful businessman and association member, and was admired for his warm genuine personality, his great attitude and his positive outlook on life.

A private family service took place on Thursday, March 5, with a celebration of his life held immediately after at Hillcrest Country Club in Boise, for all friends and family. Claude's obituary may be viewed at:
<http://www.legacy.com/obituaries/hjnews/obituary.aspx?n=claud-baird&pid=174295034#sthash.4xFsaMUJ.dpuf>

MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 16 – 18, 2016 - WPMA Convention & Expo – Mirage Hotel, Las Vegas, Nevada

May 14 – 15, 2015 - Nevada (NPM&CSA) BIG DOGS 4 – JW Marriott Las Vegas Resort & Spa, Nevada

June 2 – 4, 2015 - Montana (MPMCSA) Convention – Northern Hotel, Billings, Montana

June 22 – 25, 2015 - Washington (WOMA) Convention – Suncadia Resort, Cle Elum, Washington

August 5 – 7, 2015 - Idaho (IPM&CSA) Convention - Sun Valley Lodge - Sun Valley, Idaho

August 17-19, 2015 – New Mexico (NMPMA) - Marriott Pyramid North – Albuquerque, New Mexico

September 15-17, 2015 - Utah (UPMRA) Convention - Park City Marriott - Park City, Utah

August 3 – 5, 2016 - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort - Coeur d'Alene, Idaho

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Petro Pete: "I can't figure out if life is passing me by or trying to run me over."

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