

March 22, 2013

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BIPARTISAN BILL FILED TO EASE MENU LABELING PROPOSAL

Yesterday, bipartisan legislation, known as the "Commonsense Nutrition Disclosure Act" (H.R. 1249), was introduced by Rep. Cathy McMorris Rodgers (R-WA) and Loretta Sanchez (D-CA). H.R. 1249 would ease some of the regulatory burdens attributable to Section 4205 – Menu Labeling – of the 2010 healthcare law.

Section 4205 requires restaurants and convenience store owners with 20 or more locations to list content information for standard menu items, such as posting calorie information on menus and menu-boards. Retailers must also provide additional nutrition information to be made available in writing upon request. On April 6, 2011, the FDA proposed a rule which would define a "covered entity" as any retailer where more than 50 percent of the store's floor area is devoted to selling food. The caveat is that FDA also included pre-packaged food that is already required to include nutritional information on its packaging which would capture most c-stores.

H.R. 1249 would limit the Section 4205's menu labeling provisions in the health care law to establishments that derive 50 percent or more of their revenue from food for immediate consumption and/or prepared and processed on-site. Prepackaged food would not be considered in this equation. PMAA believes H.R. 1249 would bring a common sense solution to a regulation which will unfairly burden small business convenience store owners and we urge lawmakers to cosponsor.

CONGRESS AVERTS GOVERNMENT SHUTDOWN**Farmers Secure Four Month SPCC Delay**

This week, the House and Senate averted a government shutdown by approving a continuing resolution (CR) which funds the federal government through October 1, 2013. The bill passed 318 – 109 and the President is expected to sign the CR.

Although there were nearly 100 Senate amendments pending to the CR, only a few were considered and approved. One amendment, adopted by voice vote, will delay SPCC compliance deadlines for farmers. The amendment prevents funds from being used through Fiscal Year 2013 to implement requirements of EPA's SPCC rule slated to go into effect on May 10, 2013 for farmers. The rule requires them to hire a certified professional engineer to design a SPCC plan and have secondary containment installed. As petroleum marketers well know, the SPCC rule is applicable to any facility, including farms, with an aggregate above-ground oil storage capacity of 1,320 gallons in tanks of 55 gallons or greater.

PMAA SUPPORT FOR ESTATE TAX REPEAL AND HEALTH INSURANCE TAX REPEAL

PMAA joined the NFIB Family Business Estate Tax Coalition (FBETC) in support of language by Senator Thune (R-SD) to permanently repeal the estate tax. PMAA has supported efforts to permanently extend the five million dollar estate tax exemption, indexed for inflation, preserving a lower applicable rate as well as permanently providing for spousal transfer and stepped-up basis. We are relieved that these provisions were included in the "American Taxpayer Relief Act of 2012." However, PMAA and the FBETC continue to believe that repeal is the best solution to protect all family-owned businesses from the estate tax.

PMAA also joined the NFIB's Stop the HIT Coalition in a letter of support to Senators Barrasso (R-WY) and Hatch (R-UT) for introducing "The Jobs and Premium Protection Act" to repeal the health insurance tax (HIT) provision enacted as part of Obamacare. The Congressional Budget Office (CBO) has confirmed that the HIT "would be largely passed through to consumers (small and family-owned businesses) in the form of higher premiums for private coverage."

Messaged as an insurance fee, the HIT is actually a hidden tax on small business. By assessing a tax on all health insurance companies based on their net premiums written, the tax will raise eight billion dollars in 2014, and more in later years. The amount of the HIT that the insurance company is responsible for is roughly equal to the percent of the market subject to the tax that the insurance company covers. The larger the insurance company's market-share, the higher their annual HIT.

Insurers and economists have consistently agreed that new taxes on insurers inevitably mean new costs passed along to customers.

DOMESTIC FUELS ACT REINTRODUCED

Last week, Rep. John Shimkus (R-IL), Chairman of the House Subcommittee on Environment and the Economy, introduced the "Domestic Fuels Act of 2013" (H.R. 1214), which is designed to provide more legal and regulatory certainty to retailers wanting to sell EPA-approved fuels including E15. H.R. 1214 is similar to legislation introduced last Congress.

The legislation would give the EPA Administrator the authority to issue guidelines to determine whether new and existing underground storage tanks and dispensing equipment are compatible with EPA-approved fuels. It also provides misfueling protection for retailers who abide by EPA's E15 labeling requirements. For instance, if a motorist ignores the labels and fuels a 2000 model year or older vehicle with E15, the retailer would not be held liable if he/she correctly has the E15 label in place. The legislation satisfies this concern, so that retailers can offer E15 with more confidence. Secondly, a retailer storing and dispensing E15 in equipment that satisfies EPA's compatibility requirements will have additional confidence that the infrastructure will perform satisfactorily.

Senate legislation hasn't been introduced this Congress, but is expected later this year. Until H.R. 1214 is signed into law, PMAA believes E15 sales will be minimal due to the potential legal and regulatory consequences.

FDA DROPS GRAPHIC WARNING REQUIREMENT FOR CIGARETTE PACKAGES

The Food and Drug Administration (FDA) decided this week to abandon its legal fight to require tobacco companies to place large graphic labels on cigarette packages warning of the dangers of smoking. The graphic warning labels, depicting grotesque images designed to shock smokers into quitting, were part of a larger rulemaking imposing a variety of new point of sale restrictions.

PMAA opposed the graphic warning requirement because it is overly aggressive and offensive to customers. Shortly after the rule was issued in 2011, several tobacco companies sued the FDA saying the graphic warnings were too broad and violated their First Amendment rights. A federal district court judge ruled in favor of the tobacco companies in 2012 and a federal appeals court later upheld the lower court's decision. The dispute was headed to the U.S. Supreme Court when the U.S. Department of Justice decided to drop the suit and abandon the graphic warning label requirement altogether, handing tobacco manufacturers and retailers an important victory.

The FDA said it would go back to the drawing board to find alternative ways to reduce smoking nationwide.

OIL REGULATIONS WORKSHOPS TO BE HELD

EPA's Oil Program staff will conduct two free workshops on the oil pollution regulations and the requirements for a Spill Prevention Control and Countermeasure (SPCC) Plan. SPCC plans must be prepared and implemented by facilities which store, process, transfer, distribute, use, consume, drill, produce, gather, or refine oil or oil products. The term "oil" is defined as petroleum oils, including gasoline, asphalt, kerosene, motor oil, etc.; animal and fish oils; vegetable oils; synthetic oils; and any other kind of oil.

The workshops will be held on Monday March 25, 2013. The first one is scheduled from 9:00 AM until 12:00 PM, and the second is scheduled from 1:00 PM until 4:00 PM. Each workshop will cover the requirements for oil and gas production and non-production facilities subject to the SPCC rule, and an update on the status of EPA's revisions to the regulatory requirements for subject facilities.

The workshops are identical. These workshops are free of charge, but you must register to attend. Both workshops will be held at the U.S. EPA Region 8 Office located at 1595 Wynkoop St. Denver, CO 80202.

WORKSHOP PARTICIPANTS MAY SIGN IN AT THE EPA CONFERENCE CENTER BEGINNING AT 8:00 AM. A PHOTO ID AND PRE-REGISTRATION ARE REQUIRED FOR ADMISSION.

If you would like to register for one of the SPCC workshops, please complete the [online registration form](http://www.epa.gov/region8/opa/registration.html) at <http://www.epa.gov/region8/opa/registration.html> or call 303-312-6801 with your name, the name of your organization, your organization's address, and your daytime phone number. These workshops will be limited to the first 100 registrants because of space limitations.

JOIN THE FUN IN NAPA VALLEY!

The Napa Valley, California PMAA event is just two weeks away, but there are still seats available!

PMAA Small Business Committee (SBC) PAC Co-Chairs Gerry Ramm and Michael Fields invite you to attend the April 8-9 event which will include a reception and "Wine Tasting 101", a full day of winery tours and a picnic lunch, and a dinner at Brix Restaurant & Gardens which has spectacular views of the Mayacamas mountains. Cost is \$500 per primary registrant and \$400 per secondary (spouse/guest). This is a tremendous opportunity for you to support the industry and develop and strengthen your business relationships.

We thank our generous sponsors Federated Insurance, the Washington Oil Marketers Association and Craig Eerkes, Sun Pacific Energy.

To participate, go to http://pmaa.org/pdfs/PAC_NAPA_Registration_2013.pdf to fill out the registration form. To become a sponsor of the event, please contact [Sherri Stone](mailto:ssone@pmaa.org) at ssone@pmaa.org.

R.H. "BOB" SMITH PASSES AWAY

WPMA expresses condolences to the family of R.H. "Bob" Smith age 92 of Grandview, WA. who passed away on Saturday, March 16, 2013 in Sunnyside, WA. He attended Harvard Business School for the Army and when his military service ended he went on to the University of Washington for the next 3 years. Just a semester shy of graduation he left school when the opportunity came up to buy a small oil business in Grandview. He was involved in many business ventures including founding R.H. Smith Distributing Company Inc. Bob officially retired in 1985 as his sons took over but he continued to be a part of the business as it grew to include the Smitty's convenience store chain. He is survived by his loving wife of 60 years Betty Jean Smith of Sunnyside, WA, sons Rod Smith of West Richland, WA, Doug (Sue) Smith of Grandview, WA and Rick (Cheryl) Smith of Selah, WA.

For those wishing to, Memorials may be made to the Grandview Rotary Scholarship Fund or to Lower Valley Hospice. A Graveside service will be held on Friday, March 22, 2013 at 12:30 PM at the Grandview Cemetery, Grandview, WA. with a Memorial Service to follow at 2:00 PM at the Bethany Presbyterian Church in Grandview, WA. Those wishing to sign Bob's online memorial book may do so at www.funeralhomesmith.com Smith Funeral Homes Ltd. in charge of arrangements.

2014 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA



Start planning now to attend the 2014 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 18-20, 2014.

Access the WPMA National Convention page by scanning the QR code on the left with your smart device.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2013

May 9-10, 2013 – NPM&CSA Big Dogs' Shootout – Red Rock Hotel & Casino – Las Vegas, Nevada

June 4-6, 2013 - Montana (MPMCSA) Convention - Holiday Inn Grand - Billings, Montana

June 17-20, 2013 - Washington (WOMA) Convention - Suncadia Lodge - Cle Elum, Washington

June 20, 2013 – UPMRA Summer Golf Classic – South Mountain Golf Course – Draper, Utah

July 31-August 2, 2013 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, Idaho

August 27-29, 2013 – New Mexico (NMPMA) Convention – Embassy Suites Hotel , Albuquerque, NM

September 12-13, 2013 - Utah (UPMRA) Convention - Zermatt Resort - Midway, UT

Petro Pete: ***"I always wanted to be somebody, but now I realize I should have been more specific."***

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