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PMAA SEEKS GRASSROOTS ACTION ON CREDIT CARD FEES

PMAA has initiated a grassroots call to action to member state associations who have Senators serving on the Senate Banking Committee. Chairman Christopher Dodd (D-CT) has scheduled a markup next week on S. 414 the **Credit Card Accountability Responsibility and Disclosure Act of 2009** and it might be an opportunity for interchange legislation to be included.

PMAA TESTIFIES BEFORE THE SENATE SUBCOMMITTEE ON ENERGY

PMAA Vice Chairman Gerry Ramm of Inland Oil Company in Ephrata, WA testified once again before Congress regarding the impact of excessive speculation in the energy commodity markets on petroleum and heating oil marketers. Gerry testified before the Senate Energy and Natural Resources Committee Subcommittee on Energy on proposed draft legislation titled, "Energy Markets Transparency Act of 2009," which aims to enhance transparency to energy futures markets.

In Gerry's comments to the Subcommittee, he addressed Wall Street's argument that for every buyer there is a seller to justify that there is a market for any price. Gerry stated, "Even though that is true, oftentimes the buyer and the seller are both speculators who set the commodity price determined by the enthusiasm of the buyer compared to the enthusiasm of the seller. Unfortunately for jobbers, retailers and consumers, they have to buy fuel at today's price driven by speculators playing a futures game."

Gerry also urged Congress to immediately pass commodity futures market reform legislation in order to prevent another excessively leverage speculative bubble like marketers and consumers had to endure for most of last year. In Gerry's oral remarks to the Subcommittee, he said that PMAA supported the intent of the Subcommittee's legislation to bring transparency to help eliminate excess speculation in the energy futures markets. However, he argued if reporting is required on the amount of commercially held oil that is held, there should be a minimum threshold for reporting, and that heating oil contracts should not be included in the reporting requirements. Finally, Ramm reminded the committee that commodity markets were not designed as an investment class – they were set up for price discovery, and for physical hedgers to manage risk by entering into a futures contract to lock in a price for future delivery.

Other witnesses included Dr. Howard Gruenspecht, Acting Administrator, Energy Information Administration; Anna Cochrane, Acting Director, Office of Enforcement, Federal Energy Regulatory Commission; and Robert McCullough, Managing Partner, McCullough Research. Robert McCullough agreed with Gerry Ramm that consumers were paying a speculative premium for energy last year. McCullough and Ramm both urged Congress to close all loopholes which have allowed speculators to circumvent federal law in order to take huge positions in commodity futures markets.

CONTROVERSIAL CARBON CAP-AND-TRADE PROGRAM NOT INCLUDED IN BOTH CHAMBERS' BUDGET RESOLUTIONS

Next week, the House and Senate are expected to take up their budget resolutions for fiscal year (FY) 2010, the first step in the budget process. The budget resolution is Congress' blueprint which sets the overall level of discretionary spending for the upcoming fiscal year. It is not submitted to the president and does not carry the force of law.

PMAA was concerned that the budget resolution would include a controversial cap-and-trade program; however, it is absent from either congressional budget resolution. Instead both resolutions say Congress can reserve funds for any future bill to address climate change provided that it is deficit neutral. The President's budget blueprint, released last month, assumed \$646 billion in new revenue from cap-and-trade program over 10 years for renewable fuels research and payroll tax cuts for individuals and couples.

The House Budget Committee approved its version late Wednesday. Several Republican amendments on energy policy, including an amendment to open portions of Alaska's Arctic National Wildlife Refuge, were voted down. On Thursday, the Senate Budget Committee is expected to approve its budget resolution which calls for \$525 billion for non-defense programs, which would be \$15 billion less than the president has requested.

Because the House and Senate budget resolutions did not include reconciliation instructions for a cap-and-trade program, the Senate will need 60 votes to avoid a filibuster rather than obtaining only a simple majority (51 votes) under the reconciliation process in order to pass a controversial cap-and-trade proposal. Essentially, the debate over whether to

include a cap-and-trade program in the budget reconciliation process has alarmed Republicans and moderate Democrats who argue that controversial policies should move through regular order so it can be thoroughly vetted in House and Senate committees.

House Energy and Commerce Committee Chairman Henry Waxman (D-CA) intends to mark up a global climate change and energy bill by Memorial Day while the Senate Energy and Natural Resources Committee plans to only move forward with an energy bill. Senate Majority Leader Harry Reid (D-NV) has indicated that he intends to bring a joint climate and energy bill to the Senate floor by the summer. Speaker Nancy Pelosi (D-CA) has similar ambitions for the House of Representatives.

SWITCH OF CRUCIAL VOTE FOR CARD CHECK LEGISLATION

Tuesday Senator Arlen Specter (R-PA) announced during a floor speech that he will oppose the Employee Free Choice Act delivering a major blow to a top labor union priority. Specter was the only Republican to support the “card check” legislation last Congress and he was considered to be the crucial vote giving Democrats the necessary 60 votes needed to move forward.

The Employee Free Choice Act (EFCA) was passed by the House last year. It would have removed the secret-balloting process for workers voting whether to unionize. Instead, workers would be forced to vote publicly in front of a union representative leaving workers open to coercion and intimidation. Another harmful provision is if a newly recognized union and employer fail to agree on a contract within 120 days, there would be binding arbitration to determine the contract. With union membership sliding, unions see bill enactment of card check as the most important step toward reversing their loss of power.

Specter represents a heavily unionized state but he is also likely to face a tough primary challenge next year and cannot afford to isolate the right wing of the Pennsylvania Republican party.

PMAA continues to oppose card check legislation.

CFTC APPROVES FINAL RULES IN ORDER TO CLOSE THE “ENRON LOOPHOLE”

Recently, the Commodity Futures Trading Commission (CFTC) approved final rules that enhance the Commission’s oversight over contracts traded on exempt commercial markets (ECMs) which perform a significant price discovery function. Specifically, electronic trading platforms such as those that engage in energy futures trading would be required to audit and maintain records of electronic trades, monitor trades for evidence of market manipulation and impose limits on futures speculation. The new rules become effective on April 22, 2009.

When Congress passed the 2008 Farm Bill (Public Law 110-234), Title XIII of the bill included language aimed at closing the “Enron Loophole.” PMAA strongly supported efforts to close the “Enron Loophole” which has allowed noncommercial traders to circumvent position limits and accountability levels on unregulated markets. Although the CFTC has approved final rules on SPDCs, the Commission has not yet made a determination on accountability levels for uncleared trades.

The Commission intends to issue a separate rulemaking proposal for uncleared trades in the coming months.

NORTH CAROLINA SENATORS INTRODUCE THEIR OWN TOBACCO REGULATION BILL

Recently Senators Richard Burr (R-NC) and Kay Hagan (D-NC) introduced legislation (S. 579) to create a new federal agency, known as the Tobacco Regulatory Agency, within the Department of Health and Human Services to regulate tobacco products. The legislation is an alternative to the bill (H.R. 1256) that the House Energy and Commerce Committee approved that would give the Food and Drug Administration (FDA) the authority to regulate tobacco.

The major difference between the House passed FDA tobacco regulation bill and the Burr-Hagan tobacco bill is that the Burr – Hagan bill would not give the Tobacco Regulatory Agency the authority to regulate nicotine levels in cigarettes. The Tobacco Regulatory Agency could only test for nicotine levels in products and order them to be labeled accordingly. Senators Burr and Hagan argue that given the FDA’s ineffectiveness to regulate food and drug products, it is not a good idea to expand FDA’s authority to tobacco.

Senators Burr and Hagan are both members of the Senate Committee on Health, Education, Labor and Pensions which holds jurisdiction over tobacco regulation. It is likely that Senate Health, Education, Labor and Pensions Committee Chairman Ted Kennedy (D-MA) will continue to pursue FDA Tobacco regulation.

PMAA remains opposed to FDA regulation of tobacco legislation.

RESERVE YOUR ROOMS NOW FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL

PMAA's annual Washington Conference and Day on the Hill will be held in our Nation's Capitol of Washington, DC from May 13-15. The meeting will begin with a welcome reception including PAC silent auction on the evening of May 13th. On the morning of May 14th, marketers will head to Capitol Hill for visits with their Congressional delegations. The PMAA Board of Directors will meet on May 15th.

If you plan on attending PMAA's Annual Washington Conference and Day on the Hill, now is the time to make your room reservation. The Washington Court Hotel is currently sold out; however, please note that we have secured other options for you: Room With a View at 1.800.780.4343. Please notify Susan Isard at sisard@pmaa.org if you have already made a reservation at The Washington Court Hotel but no longer need it as she is keeping a wait list.

For those who have hotel reservations, please be sure to complete a registration form at <http://www.pmaa.org/meetings/pmaa.asp> at your earliest convenience. Complete conference schedule ([http://www.pmaa.org/userfiles/file/Washington Conference/2009/Conference Schedule 2\(1\).pdf](http://www.pmaa.org/userfiles/file/Washington%20Conference/2009/Conference%20Schedule%202(1).pdf)) and hotel information ([http://www.pmaa.org/userfiles/file/Washington Conference/2009/Hotel Information 2.pdf](http://www.pmaa.org/userfiles/file/Washington%20Conference/2009/Hotel%20Information%202.pdf)) is available for planning purposes. Please make your plans now to attend this productive forum to meet with your members of Congress!

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.

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 computer is almost human - except that it does not blame its mistakes on another computer."

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