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### **HAWAII MARKETERS JOIN PMAA**

The Hawaii Petroleum Marketers Association (HPMA) Board of Directors has voted to become the 48th industry association to join PMAA. "While we are nearly 5,000 miles from Washington DC, new federal laws and regulations often have equal impact on Hawaii marketers as they do on marketers on M street in Georgetown" said HPMA President Mark Leong. "We value the legislative and regulatory expertise PMAA offers and we want to get more directly involved," he said.

"The Hawaii congressional delegation has significant clout in Congress and we welcome having Hawaii marketers helping us get things done on the hill" said PMAA Chairman Sean Cota. "For example, Senator Inouye chairs the powerful Senate Appropriations Committee and we are hoping HPMA members will meet with him in May during the PMAA "Day On The Hill" and update him on our important issues," he said.

PMAA now has a member association lobbying in every state capitol except for Juneau, Alaska, where a state petroleum marketers association is not known to exist.

### **FED TAKES EXTRA TIME TO CONSIDER SWIPE COMMENTS**

This week Federal Reserve Chairman Ben Bernanke sent a letter to the House Financial Services Committee and the Senate Banking Committee indicating that the Fed will need a few more weeks to thoughtfully consider the tens of thousands of comments received on its proposed debit swipe fee rule. In his letter, Chairman Bernanke said that it will meet the July 21 deadline to implement the rule.

Following the announcement from Chairman Bernanke, Senator Jon Tester (D-MT) offered his bill to delay the Fed's rule by two years as an amendment to legislation the Senate is considering. There are a several procedural hurdles the Senator would have to clear before the amendment was voted on. PMAA and MPC are monitoring these developments very closely and will alert our members should the Senate take up Tester's amendment.

### **PRESIDENT OUTLINES ENERGY PLAN AND CONGRESS RESPONDS**

As far back as President Nixon, Presidents have declared that the U.S. must rely less on imported oil, and President Obama did so again in a speech on Wednesday. Obama's plan is designed to reduce oil imports by a third over a decade through increased domestic drilling, energy efficiency and renewable energy development. Further, by 2035, 80 percent of our electricity should come from wind, solar, nuclear, natural gas, and clean coal.

The Obama plan would include incentives to encourage energy companies to drill for oil and natural gas on public lands and federal waters that have been leased but not developed. He plans to push for more natural gas-fueled city buses, cars and trucks and the President announced plans for regulators to finalize stricter energy efficiency standards for heavy-duty trucks. The Government would build four new cellulosic ethanol or advanced biofuels manufacturing plants that would convert agricultural waste, rather than corn or sugar cane, to ethanol.

In response to Obama's proposed plan, Budget Committee Chairman Kent Conrad (D-ND) and Sen. Saxby Chambliss (R-GA) reconvened talks that would achieve some of the same goals along with an increase in domestic drilling, with remaining members of the so-called "Gang of 10" from 2008. Republicans John Thune (SD), Lindsey Graham (SC), Susan Collins (ME) and Lamar Alexander (TN) joined Democrats Mary Landrieu (LA), Amy Klobuchar (MN) and Mark Pryor (AR) for the talks. Energy Committee Chairman Jeff Bingaman (D-NM) welcomes the multiple discussions and he hopes to move a bill outlining the President's proposal in his committee.

In the House, Tim Murphy (R-PA) and a bipartisan group of moderate House lawmakers announced they are aiming to develop language that meets the President's goal to reduce oil imports by one-third by 2025. The House Energy Working Group will reintroduce H.R. 2227 from last congress. Their bill would provide funding for development of alternative energy through offshore oil and gas production royalties and codify a George W. Bush-era proposal to expand federal leasing into the Atlantic and Pacific coasts and deeper into the eastern Gulf of Mexico. In the meantime, Speaker John Boehner (R-OH) said he is baffled as to why the President would call for a reduction in oil imports just days after pledging to buy more oil during a speech in Brazil.

The House GOP plan, the "American Energy Initiative," would speed up oil and gas permitting in the Gulf of Mexico and expand leasing opportunities on federal land. Furthermore, the "Energy Tax Prevention Act of 2011" that was approved by the Energy Committee would bar EPA agency from regulating CO2. If EPA were to regulate CO2, US refining capacity would be constrained and the costs of domestically produced gasoline and distillates would increase.

## **NATSO OFFERS TESTIMONY AGAINST REST STOP COMMERCIALIZATION**

This week, NATSO President Lisa Mullings urged Congress to strongly oppose any effort to amend or repeal the Federal law prohibiting commercial development on the Interstate right-of-way, testifying that such efforts represented government intrusion into the private sector and would jeopardize businesses and jobs nationwide.

Speaking before the House Transportation and Infrastructure Committee's Subcommittee on Highways and Transit, Mullings said weakening current law would devastate more than 97,000 businesses that operate at the exits along the nation's interstate system while threatening 2.2 million jobs and slashing funding for county governments. "It is deceptively easy to mistake this issue as a pro-business initiative, a move to privatize rest area services," Mullings testified. "But this is not privatization. True privatization is transferring a service or function from the government to a private sector business to achieve comparable or superior results. The government is not in the business of selling food and fuel; the private sector is already meeting that need. This is a move to expand government, at a cost to businesses, county governments and consumers." To read Lisa's testimony, visit [www.jobsnexit.com](http://www.jobsnexit.com).

Congress outlawed commercial activities at interstate rest areas to foster competition and the growth of local communities near the Interstate Highway System. Today, this policy continues to promote a vigorous competitive environment. In the few states that operate commercial rest areas, there are 50 percent fewer businesses at interstate exits, according to a University of Maryland study. Commercial rest areas drain local businesses of customers, jobs and local tax revenues by putting established businesses in direct competition with the state. Commercialized rest areas give the state an advantageous location on the interstate right-of-way, siphoning away customers who normally patronize exit-based businesses.

The most recent state victory in opposing commercialization occurred in Washington State where Lea Wilson and the Washington Oil Marketers Association killed a state bill to commercialize state highway rest areas. The legislation would have affected six or seven rest areas in the state.

To learn more about the Partnership to Save Highway Communities, a coalition of interstate-based businesses that includes PMAA who are opposed to commercial rest areas, visit [www.jobsnexit.com](http://www.jobsnexit.com).

## **PMAA COMMENTS ON ENERGY POSITION LIMITS**

### *HOUSE AND SENATE HOLD MORE SPECULATION HEARINGS*

On Monday, PMAA and NEFI submitted comments to the Commodity Futures Trading Commission (CFTC) on energy position limits. The CFTC received over 5,700 comments during the position limits comment period and now will be reviewing comments with the goal of producing a revised rule for action by the Commission sometime in the next few months.

Currently, the CFTC is collecting energy swaps data which are unregulated derivatives contracts traded by investment banks, hedge funds and end-users. PMAA understands that the CFTC's proposed position limits rule is too high and that it would only affect forty or so energy traders. Once the energy swaps data becomes available, the CFTC can then apply limits to where they see fit. PMAA pushed for a lower position limit threshold in its comments because it believes speculators are overwhelming a finite supply of product (crude oil). Specifically, the proposed rule would impose limits for WTI, RBOB and heating oil contracts and swaps for the spot month, single month and all months combined. Spot month limits would apply separately to physically delivered and cash settled contracts. PMAA sees the spot-month limit of 25 percent of open interest as far too generous, and in order for the limits to be effective, they will need to be lowered to capture index funds and other commodity investments to have a positive impact on energy price volatility resulting from excessive speculation. Recently, the CFTC found that speculators made up more than 70 percent of the open interest in crude oil futures, whereas, hedgers made up less than 30 percent. PMAA is pushing to lower the dominant open interest held by purely speculative interests.

It is uncertain exactly when a vote might occur on a final rule, although Chairman Gensler reported this week that he expects a vote in April, or even if the Commission has enough votes to approve it. The Commission has a total of five Commissioners: two Democrats, two Republicans, and a Chairman appointed by the President (a Democrat). Chairman Gensler and Commissioner Chilton, both Democrats, will likely support the position limits proposal. Commissioner Michael Dunn (Democrat) and Scott O'Malia (Republican) are undecided. Commissioner Sommers (Republican) is not likely to vote for the proposed rule given his recent statements opposing the position limit proposal.

In legislative news, the House Natural Resources Committee held a hearing on Thursday to tackle rising gasoline prices. American Trucking Association President and CEO Bill Graves highlighted the need for more domestic oil production and more controls on energy futures markets to solve our nation's current energy crisis. Michael Fox of the Gasoline & Automotive Service Dealers of America offered testimony in full support for CFTC funding stating that "the fastest way to \$6 a gallon gasoline is to cut the funding to the CFTC."

Additionally, the Senate Agriculture Committee held a hearing on Wednesday to examine the recent spike in oil prices and how it affects the farming community. More domestic production, more production of renewable fuels and addressing excessive oil speculation dominated the Committee's discussion.

### SENATE VOTE TO PROHIBIT EPA'S CO2 REGULATIONS DELAYED

On Thursday, Senate Majority Leader Harry Reid (D-NV) decided to delay a vote on an amendment offered by Senate Minority Leader Mitch McConnell (R-KY) which would prohibit the Environmental Protection Agency (EPA) from regulating greenhouse gas emissions. McConnell sought to attach the amendment to S. 493, a small business bill that would reauthorize the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. PMAA supports Minority Leader McConnell's amendment and have been working with Senate staff to shore up support for the amendment. Other amendments have been introduced to delay EPA's CO2 regulatory regime including Senator Jay Rockefeller's (D-WV) amendment to delay implementation for two years.

PMAA believes that if current EPA regulations on CO2 are not delayed or stopped, the U.S. economy will be burdened with even higher gasoline, diesel and heating oil prices. EPA regulations will restrict U.S. refining capacity and result in expanded dependence on costly imported refined products.

The Senate will resume consideration of the McConnell amendment and other related EPA amendments next week.

### GOP INTRODUCES OIL PRODUCTION LEGISLATION

On Thursday, House and Senate Republicans introduced companion bills that would expand offshore drilling, open the Arctic National Wildlife Refuge (ANWR) and block regulation of CO2 emissions. The "Domestic Jobs, Domestic Energy, and Deficit Reduction Act," (bill number not yet given) challenges the Obama Administration's energy policies where the President spoke earlier in the week pushing to cut America's oil imports by one-third by 2025. Sen. David Vitter (R-LA) and Rep. Rob Bishop (R-UT) are leading the GOP energy efforts.

### 2011 PETROLEUM MARKETERS LEADERSHIP INSTITUTE (PMLI)

The 2011 Petroleum Marketers Leadership Institute will be held at the Madison Hotel located downtown in Memphis, TN April 10 -12, 2011. In preparation for the 2011 Petroleum Marketers Leadership Institute, we need you to begin thinking of petroleum marketers who are active in your association who have "the right stuff". These are marketers who you can count on to support the industry and your state association. They are the ones who give of themselves and are often natural leaders. **PMAA relies heavily on state association executives to identify nominees/candidates for PMLI.** The value in PMLI is the cadre of leaders it is creating for our future. You can never have too many knowledgeable and dedicated leaders. State associations that have sent emerging leaders to the Institute the past seven years have already begun to reap its rewards.

As state associations, you are not obligated to pay anything for candidates to attend. Some states assist with travel related and tuition costs for their candidates but that varies from state to state. The most important thing is to make sure you give us a few names of marketers to invite. The tuition this year will be the same as last year - \$425.00 per person - and that includes meals and curriculum. When you compare this with other leadership programs of similar length, you'll find that the \$425.00 is a fraction of what other programs cost. From 2001 to 2010 we have had over 150 marketers go through PMLI and all of them have expressed very favorable comments about the program.

For more information please contact your state executive or the WPMA offices.

### FOLLOW US ON FACEBOOK AND TWITTER

WPMA has now joined the Facebook and Twitter communities! Please visit us and become a fan, and stay on top of the latest updates, events and announcements from WPMA and the WPMA state associations.

To follow us on Twitter, go to [twitter.com/WPMA\\_NOW](https://twitter.com/WPMA_NOW).

### 2012 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2012 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 21-23, 2012.

### MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2011

**June 7-9, 2011** – MPMCSA Convention – Hilton Garden Inn – Missoula, Montana

**June 20-23, 2011** – WOMA Convention – Suncadia Lodge – Cle Elum, Washington

**August 3-5, 2011** – IPM&CSA Convention – Sun Valley Resort – Sun Valley, Idaho

**August 30-31, 2011** – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico

**September 14-15, 2011** – UPMRA Convention – Peppermill Hotel Casino – Wendover, NV

**Petro Pete: "If anything's possible, then is it possible that nothing's possible?"**

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If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: [janr@wpma.com](mailto:janr@wpma.com). Thanks.

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Contact Marty Hull – 360-520-3275 (cell) 360-736-2821