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**GLOBAL CLIMATE CHANGE HEARINGS UNDERWAY ON CAPITOL HILL**

This week, the House Energy and Commerce Committee Subcommittee on Energy and Environment held a series of hearings to address the global climate change discussion draft titled "The American Clean Energy and Security Act of 2009" introduced by Chairman Henry Waxman (D-CA) and Subcommittee Chairman Ed Markey (D-MA). Over 50 witnesses participated including EPA Administrator Lisa Jackson, Secretary of Energy Steven Chu, oil and natural gas companies, utility companies, mining companies, trade groups, economists and environmentalists.

The draft legislation would create a cap-and-trade program which would place an emissions cap on the amount of greenhouse gas emissions that a regulated company is allowed to emit. Essentially, the government would auction emissions permits to regulated companies. If those companies succeed in reducing emissions, it could sell credits to other companies needing credits. A major point of discussion is whether the federal government will initially give emission permits to industry for free or sell them at auction.

During Wednesday's hearing, Red Cavaney, ConocoPhillips senior vice president for government and public affairs, expressed concern that under a cap-and-trade plan, oil companies would have to acquire emission permits to cover emissions from the combustion of gasoline, diesel and heating oil. Purchasing emissions credits will be a "multi-billion dollar" cost to U.S. refiners. ConocoPhillips and other refiners are concerned that those new costs will force companies to reduce U.S. refining capacity.

The natural gas industry has approached the hearings as an opportunity to promote gas as a less carbon intensive fuel and have asked Congress to give them free CO2 emission credits. In meetings with Congressional leaders, PMAA has promoted the climate friendly characteristics of Bioheat, low sulfur heating oil and modern highly efficient oilheat equipment.

Chairman Waxman will push aggressively to pass the controversial cap-and-trade bill by Memorial Day and Speaker Nancy Pelosi (D-CA) wants it to pass the House this year. Senate Majority Leader Harry Reid (D-NV) has similar ambitions to pass a global climate change bill before the end of this year. However, several moderate Senate Democrats and nearly all Republicans have voiced their concerns about the potential negative economic impact.

PMAA's Climate Change Task Force has been active in reviewing the climate change proposals and advising PMAA staff on appropriate strategies. Earlier this week, PMAA sent letters to select House Energy and Commerce Committee members expressing our concerns. In particular, PMAA stated that climate change is a complex and long-term public policy challenge that must be addressed with realistic long-term strategies that recognize the vital role energy plays in maintaining jobs, our country's freedom, economic strength and way of life. Any policy must be based on cost-effective approaches that enhance U.S. competitiveness in the global marketplace. There will be job losses with no environmental gains when the U.S. closes a smokestack only to have new smokestacks built in China or India. Global climate policy must guarantee global carbon reductions by all industrialized nations. It is global warming not U.S. warming.

**IVAN M WALKER 1930 ~ 2009**

Ivan M Walker, 79, of Pleasant Grove, long-time member of the Utah Petroleum Marketers and Retailers Association and the Western Petroleum Marketers Association, passed away at his home on Tuesday, April 21, 2009 after a courageous battle with cancer. He was born March 4, 1930 in Orem to Richard Lionel and Alberta McEwan Walker. He married Colleen Mae Christensen on February 8, 1957 in Orem. Ivan spent his entire life devoted to building a successful oil business throughout Utah. Walker's convenience stores can be seen in many communities throughout the state. Ivan and Colleen Walker and their family built Walker's into a well-run and respected gasoline marketing company. Ivan is respected throughout this industry for his honesty and integrity as a businessman. He is known for his innovative

changes in the petroleum industry, and was often in the lead with such changes. Most will remember Ivan for his willingness to help them out during tough times, never caring whether he would get repaid. Ivan truly loved all his employees and work associates. He was active in many civic and national associations during his life. Funeral services will be held Monday, April 27, 2009 at 11:00 a.m. in the Mt. Mahogany Fifth Ward Chapel, 1541 North 1300 West, Pleasant Grove. Friends may call Sunday evening from 6-9 p.m. at Olpin Family Mortuary, 494 South 300 East, Pleasant Grove and at the church on Monday one hour prior to services. Interment will be in the Lindon City Cemetery. Condolences may be sent to the family at [www.olpinmortuary.com](http://www.olpinmortuary.com)

## **TOBACCO REGULATION LIKELY TO MOVE IN SENATE**

Senate Majority Leader Harry Reid (D-NV) reports that he may bring the House-passed FDA regulation of tobacco bill to the Senate for a vote before the end of May. H.R. 1256 passed the House earlier this month and would give the FDA the authority to regulate tobacco products.

As previously reported by PMAA, H.R. 1256 includes provisions that would allow the FDA to regulate sales of tobacco on Native American lands and regulate Internet tobacco sales but it still has problems for retailers. The bill would punish retailers if the packaging, labeling or advertising for tobacco products are found to be out of compliance with regulations that are to be determined by the FDA. Retailers are rarely involved with those decisions and should not be punished for manufacturers' mistakes. Also, H.R. 1256 does not limit itself to additional federal regulation. State and local laws are not pre-empted meaning the bill does not prohibit states or localities from enacting additional measures on the sale, distribution, possession, exposure and access to tobacco products.

H.R. 1256 does include certain protections for retailers. One provision would protect retailers from accidental sales of tobacco to minors by a "good faith" clause. A retailer would be protected if the retailer adopted and enforced a written policy about sales to minors, informed employees of relevant laws, established punishments for employees who violate those laws and require employees to verify a purchaser's age using a government-issued photo-ID or an electronic scanning device. The legislation would clarify that a retailer cannot be held liable for a violation if a minor presents a false government ID and the bill would allow retailers to sell non-prescription smoking cessation products. User fees on tobacco products would fund the measure expected to total \$5.5 billion over ten years. The legislation would allow the FDA to regulate or reduce nicotine levels but not eliminate nicotine entirely.

Senator Richard Burr (R-NC) has threatened to filibuster the legislation which would then require 60 votes for passage. If the Senate obtains the necessary votes, it will be sent to the President for his signature. President Obama is likely to sign the legislation since he cosponsored tobacco regulation legislation when he was in the Senate. PMAA will continue efforts in the Senate to oppose FDA regulation of tobacco.

## **OBAMA ELEVATES FOCUS ON CREDIT CARD INDUSTRY**

Yesterday top credit card company executives met with President Obama to discuss administration efforts to stabilize the economy. Credit card companies have been scrutinized by Congress and the Obama Administration for raising interest rates and fees for no reason other than to increase profits. On the campaign trail last year, President Obama assured voters that he would crack down on deceptive and abusive credit card business practices which threaten the viability of the economy.

In advance of the meeting between credit card company executives and the Obama Administration, the Merchants Payments Coalition (MPC), of which PMAA is a member, urged the Administration to discuss meaningful credit card interchange fee reform with the credit card executives. MPC also submitted a letter to White House Economic Advisor Lawrence H. Summers requesting a meeting to discuss reforming interchange fees.

PMAA continues to support House Judiciary Committee Chairman John Conyers' (D-MI) "Credit Card Fair Fee Act" approach from 2008 as well as the approach of House Energy and Commerce Committee member Peter Welch's (D-VT) 2008 "The Credit Card Interchanges Fee Act." Both interchange fee reform bills are expected to be re-introduced again this year. Members of the MPC continue to urge Congress to move forward with interchange fee reform legislation this year.

## **FLEX FUEL VEHICLE LEGISLATION INTRODUCED IN SENATE**

This week, Senator Sam Brownback (R-KS) introduced the "Open Fuel Standard Act of 2009" (S. 835) which would mandate each light-duty automobile manufacturer's annual covered inventory to be comprised of not less than 50 percent flexible fuel vehicles (FFVs) in 2012 through 2014 and not less than 80 percent FFVs beginning in 2015. Senators Maria Cantwell (D-WA), Amy Klobuchar (D-MN), Susan Collins (R-ME), John Thune (R-SD) and Joe Lieberman (I-VT) have joined Brownback in cosponsoring the legislation. Brownback introduced similar legislation in the last session of Congress.

The bill includes a section that provides for a temporary mandate waiver if a disruption occurs due to certain supply constraints required to meet the mandate. Furthermore, it includes language that provides limited liability protection for the manufacture, use or distribution of renewable fuels.

Earlier this week, PMAA discussed the legislation with Senator Brownback's staff and advised them that additional language will be needed to better protect the liability concerns of fuel distributors and retailers. We promised to meet with the staff and outline petroleum marketer liability concerns. The legislation was referred to the Senate Commerce, Science and Transportation Committee.

### **RBS INKS NATIONAL CREDIT CARD DEAL WITH PMAA**

RBS wants to be the largest processor of credit card transactions for the U.S petroleum marketing industry and plans to secure that title working through PMAA and its 47 trade associations. "PMAA and its member associations will deliver RBS special access to over 8,000 independent petroleum marketing companies. With the special PMAA negotiated rates and the renowned RBS service, we believe this will be a great opportunity for us to grow our business exponentially," said Dan Fisher, Vice President of National Sales for RBS WorldPay™.

"The RBS transaction rates are the lowest I have seen," said retailer Matt Bjornson, PMAA Chairman. "I have also been very impressed with their professionalism and knowledge of the retail business. I think thousands of retailers are going to sign up with RBS at their first opportunity," he said.

RBS WorldPay™ is a leading, single-source provider of electronic payment processing services - including credit, debit, EBT, checks, gift cards, e-Commerce, customer loyalty cards, fleet cards, ATM processing and cash management services. The U.S. payment processing division of the Royal Bank of Scotland Group plc, RBS WorldPay™ is a non-bank subsidiary of Citizens Financial Group.

RBS WorldPay™ differentiates itself by focusing on a single-source approach to serving its customers. It controls the entire processing cycle including authorization, settlement, reporting and customer service. This truly integrated solution gives RBS WorldPay™ customers one-call support and provides quality from start to finish.

For more information, please contact Dan Fisher at 972.924.2350 or visit the RBS WorldPay website today.

### **IT'S TIME TO REGISTER 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. This forum unites marketers, state association executives and suppliers from across the country to openly discuss all the issues facing the petroleum marketing industry with members of Congress and find solutions together.

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.

For those who have hotel reservations, please be sure to complete a registration form soon by going to <http://www.pmaa.org/meetings/pmaa.asp>. A complete conference schedule is available for planning purposes at [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). Please contact Susan Isard at [sisard@pmaa.org](mailto:sisard@pmaa.org) or at 703.351.8000 with any additional questions.

### **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: "After hearing two eyewitness accounts of the same accident, you begin to wonder about history."**

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## CLASSIFIED ADS

### **BULK & OIL LUBE JOBBER FOR SALE**

A Utah based Jobber, currently servicing over 300 active customers with Chevron lubricants in bulk and packaged quantities as well as on and off road diesel fuel, gasoline, kerosene, mineral spirits and many other petroleum products.

Great area for growth. Close to refineries, freeways, great stop over point, and has rail spur access.

Please contact Scott Wood, 801-453-6845, [scott.wood@coldwellutah.com](mailto:scott.wood@coldwellutah.com) with Coldwell Banker Mergers & Acquisitions.

### **BOBTAIL FOR SALE**

Polk Oil Company is selling a 2007 Kenworth T 300 Bobtail truck.

- 9282.3 miles
- 515.3 hours
- 2500 gallon aluminum tank with 4 compartments of 800, 700, 500 and 500 gallons that is designed for top loading.
- Blackmer pump and 150 feet of hose.
- 250 horse Caterpillar engine.

Let us know if you want us to send you a detailed breakdown of the entire package.  
Contact JW Sellers at 505-660-3791 or Don McTeigue at 505-603-7611.