

June 18, 2010

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WPMA ANNOUNCES NEW OFFICERS FOR 2010-2011

WPMA recently held their Board of Directors meeting where they announced the new officers for 2010-2011. Rob Franklin will serve as President, Robert Ogan as 1st Vice President, Brett Adams as 2nd Vice President and Robert Fung as 3rd Vice President. Lary Poulton will continue as Senior PMAA Director. Congratulations to these new officers.

LCFS COURT CHALLENGE MOVES FORWARD

Yesterday, a U.S. District Court in California ruled that the lawsuit filed by the National Petrochemical and Refiners Association (NPRA) challenging California's Low Carbon Fuel Standard (LCFS) can move forward. The court denied a motion from the state of California to dismiss the lawsuit. NPRA argued that the state's LCFS, as part of A.B. 32, California's Global Warming Solutions Act of 2006, is unconstitutional and conflicts with existing federal law.

PMAA members in California have very significant concerns about the LCFS which will limit energy sources based on carbon content and will dramatically increase gasoline and diesel prices. Under the plan, refiners would be discouraged from using affordable supplies of crude oil from Canada due to its level of carbon. The California Independent Oil Marketers Association (CIOMA) has joined a coalition that supports suspending the LCFS regulations until the California economy experiences a sustained recovery. The coalition is seeking to put its initiative on the ballot this fall.

DURBIN GRILLS VISA ON INTERCHANGE RATES PAID BY TAXPAYERS AND CUSTOMERS

On Wednesday, Senator Richard Durbin (D-IL), chair of the Appropriations Subcommittee on Financial Services and General Government, held a hearing on the payment of interchange fees by the federal government. A recent study from the Treasury Department estimated that taxpayers could save almost \$40 million annually if the federal government could negotiate interchange fees with the credit card companies. The Senate adopted an amendment to the financial regulatory reform bill sponsored by Senator Durbin that would permit retailers to offer consumers discounts based on payment type and set minimums for debit purchases.

There were two panels of witnesses at Wednesday's hearing. Testifying first was Gary Grippio, Deputy Assistant Secretary for Fiscal Operations and Policy, Department of the Treasury; Alicia Puente Cackley, Director, Financial Markets and Community Investment, Government Accountability Office; and Janet Langenderfer, Senior Director, Credit Cards, National Railroad Passenger Corporation (Amtrak). Bruce Sullivan, Vice President of Government Solutions, Visa Inc.; Ed Mierzewski, Consumer Program Director, U.S. Public Interest Research Group; and Wendy Chronister, President and CEO of Qik'n EZ Stores in Springfield, Illinois made up the second panel.

In the first panel, Amtrak said that 90 percent of customer transactions are debit or credit and the agency pays almost two percent in interchange fees each year. Other federal agencies on the panel included the Treasury Department and the Government Accountability Office (GAO). Treasury said that taxpayers would benefit if the government could negotiate interchange fees. GAO echoed the comments of Treasury. In November 2009, the GAO released its study that found consumers would benefit from the ability of merchants to negotiate interchange fees with VISA and MasterCard. The GAO concluded that any reduction in interchange fees would be passed on to the consumer.

Mr. Sullivan struggled to find an answer when asked by Chairman Durbin if retailers could negotiate swipe fees with VISA. When asked by Senator Durbin if she has tried to negotiate her interchange fees with VISA, Ms. Chronister said she wouldn't know where to start or who to call. She said interchange is the second highest cost. It is behind labor and ahead of utilities. Mr. Mierzewski said he supports Senator Durbin's amendment. He called it a targeted approach.

Senator Ben Nelson (D-NB) asked about the impact the Durbin amendment would have on state assistance programs that administer funds with a debit card rather than a check. Senator Durbin said he would make the appropriate changes to his amendment to exclude those programs from his amendment.

The conference is expected to begin debate on the Durbin amendment Tuesday. Please urge your Congressman and Senators to support the Durbin amendment even if they are not a part of the conference committee. The House and Senate must approve the work of the conference before it goes to the President for his signature.

PMAA SEEKS FULLER BIODIESEL CONTENT LABELING

Earlier this week, PMAA sent a letter to the National Conference on Weights and Measures (NCWM) Laws and Regulations (L&R) Committee Chairman, Joe Benavides asking him to support rules requiring fuller disclosure of biodiesel content in fuels at petroleum terminals. PMAA believes terminal documents should disclose the exact volume percentage of biodiesel on the invoice, bill of lading, and shipping papers to ensure that no over-blending occurs off-site.

Current rules allow terminals to not disclose biodiesel content blends below five percent (B-5). Because of this, some petroleum marketers could unknowingly be creating blends above five percent. Some standards governing engines, burners and retail infrastructure only permit a maximum of five percent biodiesel.

The NCWM L&R Committee will meet next month to decide how best to proceed with rules and regulations to address biodiesel disclosure. Many PMAA Association Executives will be in attendance to address marketers' concerns.

60 VOTES STILL HARD TO FIND AFTER EPA REPORT ON CLIMATE BILL

This week the Environmental Protection Agency (EPA) completed its study of climate legislation sponsored by Senators John Kerry (D-MA) and Joe Lieberman (I-CT), known as the American Power Act (APA). It found that under the bill, homeowners would see an increase in their energy costs, approximately \$80-\$150 annually over the next 40 years. The report, however, has not made it easier for Senate Democrats to support it. It remains unclear if Senate Majority Leader Harry Reid (D-NV) will bring climate change legislation and energy legislation to the Floor this year for a vote. Senators John Rockefeller (D-WV) and Ben Nelson (D-NB) told Reid that it will be difficult to get 60 votes to pass the APA; no Republican supports the bill and many Democrats are uncommitted.

Unlike the Waxman-Markey climate bill (H.R. 2454) the APA regulates carbon emissions from transportation, utilities and manufacturing differently. Under it, businesses that emit more than 25,000 tons of carbon annually would be required to participate in a cap-and-trade scheme to curb their carbon output.

Carbon emitters in the transportation sector (that emit more than 25,000 tons annually) would purchase allowances from a fixed pool each quarter to cover emissions based on estimates from the EPA and the Energy Information Administration inside the Department of Energy. The legislation does not permit the banking, trading or selling of these allowances.

Some senators are pushing for other energy legislation that is less controversial. Senator Jeff Bingaman (D-NM), Chairman of the Senate Energy and Natural Resources Committee has called on the Senate to approve his legislation that includes a renewable electricity standard and increases energy efficiency standards but does not curb carbon emissions with a cap. His bill was approved last year by his committee with broad support. Senator Richard Lugar (R-IN) introduced, S. 3464, the Practical Energy and Climate Plan Act, legislation that calls for increased energy efficiencies in homes and businesses and improved fuel mileage standards for vehicles.

PMAA has yet to see a climate bill that offers fair treatment to liquid fuels such as gasoline, diesel and heating oil. Gasoline, diesel and heating oil are already scheduled to undergo dramatic carbon emission reductions as a result of the renewable fuels standards adopted by Congress in 2007. Additionally, motor fuels will have further emission reductions resulting from the new CAFE standards requiring a 36 mpg average by 2016. Piling on new federal restrictions on liquid fuels will result in dramatic price increases that U.S. consumers cannot afford. The most likely scenario forward is that the APA will be an amendment that will be eligible for consideration when an energy bill is debated on the Senate floor.

KEEP THE PRESSURE ON CONGRESS TO PASS FUTURES MARKET AND DEBIT CARD INTERCHANGE FEE REFORM

Futures market and debit card interchange fee reform sections in the comprehensive financial reform bill are scheduled to be addressed during next week's Conference committee business meeting.

Continued ongoing grassroots contacts to House/Senate conferees are critically important. Constituents need to weigh in and let conferees know how important these provisions are to their business.

The messages to conferees are:

- Keep the Senate debit card interchange fee relief language.
- Keep the Senate derivatives language and add the Cantwell-Lincoln technical fix.

Constituents can reach conferees by calling the Capitol switchboard at 202-224-3121.

To link to the MPC Member of Congress letter regarding the Durbin amendment, please go to:
<http://www.capwiz.com/unfairfees/issues/alert/?alertid=15101336&type=CO>

Additionally, you can further help the efforts by asking your Members of Congress (does not need to be a conferee) to sign a copy of the Welch-Shuster-Carney letter, it too supports the Durbin language.

Finally, some of the members of the New Democrats Coalition are working on alternative derivatives language that they plan to push. The language would exempt financial players from clearing requirements, thereby greatly weakening the

derivatives title. Since the New Dem language has not circulated yet, we do not know who plans to support it. Therefore, please make sure your New Dem members are hearing from you loud and clear – to Keep the Senate derivatives language and add the Cantwell-Lincoln technical fix.

EPA DELAYS E-15 DECISION UNTIL FALL

Earlier this year, EPA indicated that it would issue a decision on whether to allow higher blends of ethanol in gasoline in the summer of 2010. Yesterday EPA announced that a decision would not be made until fall after the Energy Department completes testing on vehicles.

The agency said in a statement that the Energy Department is on track to complete testing designed to determine the impact of higher ethanol blends on vehicles built after 2007 by the end of September. The department is also testing some vehicles built before 2007 and is also testing tanks and other fuel handling equipment to see how they might be affected by E-15 blends.

The decision by EPA is only one step in process. Petroleum marketers will be unable to realistically market E-15 until regulatory and legal certainty is provided in regards to car warranties, consumer misfueling, air quality regulations, dispenser, piping and tank performance.

NATIONWIDE LCFS WOULD SKYROCKET GASOLINE AND DIESEL PRICES, ELIMINATE MILLIONS OF JOBS

The imposition of a nationwide low carbon fuel standard (LCFS) would boost average U.S. gasoline and diesel prices by as much as 80 percent within five years of the start of the program and up to 170 percent within 10 years, according to a study issued today by Charles River Associates for Consumer Energy Alliance (CEA).

Assuming a nationwide LCFS program is implemented in 2015 with gasoline prices at today's level, this would result in an average national price for gasoline of nearly \$5 per gallon in 2020 and close to \$7.50 a gallon by 2025.

The study also projected that a nationwide LCFS program starting in 2015 would:

- Cause an estimated net loss of 2.3 million to 4.5 million American jobs by 2025 from baseline levels. As many as 1.5 million of these jobs would be in the manufacturing sector, while as many as 3 million would be in the service sector. These job cuts reflect the cumulative impact businesses would face from reduced consumer demand and higher costs for goods and services caused by an LCFS.
- Drive down household annual purchasing power by between \$1,400 and \$2,400 by 2025.
- Cause the U.S. Gross Domestic Product to decline by approximately 2 to 3 percent, or \$410 billion to \$750 billion, by 2025.

“Any way you slice the data, the future projected by this study is a frightening one – higher fuel prices, fewer jobs, and lower consumer purchasing power,” said Michael Whatley, vice president of CEA and a leading policy expert on the LCFS. “This nightmare scenario is clearly one that policymakers in the United States should avoid at all costs.”

Added Whatley: “Intuitively, it’s always made sense that policies such as the low carbon fuel standard, which seeks to restrict Americans’ access to secure and affordable sources of energy, would result in higher fuel costs and fewer jobs. But with the release of this study, we can now quantify those impacts under several different scenarios, and understand how they apply to different regions across the United States.”

The LCFS would prevent certain sources of reliable, affordable petroleum from being converted into fuels such as gasoline, diesel fuel, kerosene and heating oil. The theory justifying the LCFS says that if the supply of these resources is cut, enough lower-carbon alternatives will arrive on the market to replace them — even if sufficient amounts are currently considered decades away from commercial realization.

“The stated purpose of the low carbon fuel standard is to be technology forcing, and to bring new fuels into the market,” the report’s authors write. “But the LCFS becomes a policy that drives large changes in consumer behavior and in new vehicle fuel economy because the targets are beyond reach with foreseeable fuel technology... Thus the LCFS is turned into a policy that in effect rations gasoline until the required improvement in emissions per gallon is met.”

A federal LCFS was added to the Lieberman-Warner climate change bill in 2008 and proposed as part of the Waxman-Markey bill in 2009 (although the LCFS provision was removed before the bill was passed by the House). Supporters of a nationwide LCFS continue to work for its enactment, even as proposed programs are being developed in several states and regions.

RETAILERS HOLD RALLY AND HEAD TO THE HILL

More than 100 small business owners from across the country descended upon Washington, D.C. to urge Congress to pass swipe fee reform. Congressman Peter Welch (D-VT) a champion of reform in the House joined the retailers for a press

conference outside the U.S. Capitol. The group then held face-to-face meetings with their Members of Congress. "Small business owners in Vermont and around the country are suffering from out-of-control swipe fees charged by big banks and credit card companies," Congressman Welch said. "Congress must stand up to the special interests swarming the Hill this week to kill the Durbin amendment. We must do the right thing by fighting for small businesses and the American consumer."

"I have owned my small business for almost four decades. Year after year, I have seen the effect of these fees firsthand. Last year Visa and MasterCard made more off of my store than I did. And I never once saw anyone from Visa or MasterCard mopping the floor, washing the windows, or taking inventory. No – they just want to take money from my cash register," said National spokesman for Reform Swipe Fees NOW! and 7-Eleven franchise owner, Dennis Lane. "The facts are on our side against the massive lobbying campaigns by Visa and MasterCard. All Congress needs to do now is include the provision as part of financial reform, and small businesses and consumers will see relief."

By the Numbers

	Today	since yesterday	10 Day Trend
 Retail Gas Price (AAA)	\$2.719 / gal	+0.012	
 Retail Diesel Price (AAA)	\$2.966 / gal	+0.002	
 Crude Oil (NYMEX)	\$78.54 / bbl	+0.87	
	Jun 18	since Jun 11	4 Week Trend
 Retail Fuel Margins (OPIS)*	\$ 0.178 / gal	-0.030	

*Fuel margin updated each Friday. All others updated each business day.

Source: NACS

2011 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA

Start planning now to attend the 2011 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 22-24, 2011.

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

June 17, 2010 – UPMRA Summer Golf Classic – The Homestead Golf Course – Midway, Utah

June 22-24, 2010 – WOMA Convention – Suncadia Lodge – Cle Elum, Washington

August 1-3, 2010 – IPM&CSA Convention – Coeur d'Alene Resort – Coeur d'Alene, Idaho

August 31-September 1, 2010 – NMPMA Convention – Embassy Suites, Albuquerque, New Mexico

September 8-10, 2010 – UPMRA Convention – Park City Marriott – Park City, Utah

Petro Pete: "If something "goes without saying," why do people still say it?"

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Classified Ads

FOR SALE

1985 KENWORTH CONVENTIONAL CAB



- 13 SPEED FULLER TRANSMISSION
- 400 CUMMINS ENGINE
- TRUCK COMPARTMENTS: 2400 GAL, 2600 GAL (BEALL)
- PUMP OFF ABILITY
- ONE OWNER, LESS THAN 410,000 ACTUAL MILES
- EXCELLENT CONDITION
- 1972 BEAL TRAILER – 2 AXLE
- TRAILER COMPARTMENTS: 2500 GAL, 2500 GAL (BEALL)
- EXCELLENT CONDITION
- TRUCK AND TRAILER SOLD TOGETHER
- \$45,000

BAIRD OIL COMPANY (208) 375-7767

FOR SALE

1990 L 8000 (DIESEL)



- 5 SPEED WITH 2 SPEED
- 1971 BROWN TANK 2000 GAL. COMPARTMENTS: 500 GAL, 500 GAL, 400 GAL, 300 GAL AND 300 GAL
- 1 PUMP, 2 METERS, 2 HOSE REELS, REAR DELIVERY
- 239,000 MILES
- EXCELLENT CONDITION
- \$12,000

BAIRD OIL COMPANY (208) 375-7767

FOR SALE

1996 FL 70 FREIGHTLINER BOBTAIL (DIESEL)



- 5 SPEED FULLER EATON TRANSMISSION WITH 2 SPEED
- 1996 BEAL TANK (COMPARTMENTS: 1000 GAL, 500 GAL, 500 GAL, 800 GAL)
- 2 – PUMPS, HOSE REELS, AND METERS, REAR DELIVERY
- 285,000 MILES
- EXCELLENT CONDITION
- \$23,000

BAIRD OIL COMPANY (208) 375-7767

FLATBED FOR SALE

2002 GMC flatbed C6500
 Engine Model # 3126 CAT, 161,821 miles
 Chelsea Parker Pump w/PTO
 Single 1" 100 ft. Electric Hose Reel GVWR-25,950
 5 Speed Trans, AC/AM, FM radio

FLATBED FOR SALE

1996 F-350 Ford Flatbed
 5 Speed Manuel Trans
 7.3 LTR Powerstroke DSL, 198,784 miles
 AC/Power Steering, Cassette
 15,000 G.V.W.R. - Lift Gate

Call for Prices - 928-669-2617 ask for Rick

FOR SALE

1997 Ford F-700

- 146,000 miles
- 429 Gasoline engine with 6 speed transmission
- 2800 Gallon propane tank with neptune meter and veeder-root register
- Remote shutdown.



Contact: Byron Wood - 435-257-5107/435-730-4555

HELP WANTED

Looking for your dream job in Arches and Canyonlands Country? Petroleum Marketer in need of a Bookkeeper/Office Manager. Send your questions or resume to resume@frontier.com!!

TANKER TRAILER FOR SALE



- 2008 Heil 11,000 gallon
- 3 axle trailer with lift able rear axle
- 4 compartments 4500-2100-1400-3000
- Street side/curbside unloads
- 6 hose tubes and large box for fittings
- All Tests and Certs are current
- Trailer located in Ogden, Utah
- Trailer Available July 2010
- Pictures Available upon request

Asking \$85,000.00 of Best Offer

Ryan Murdock
 Kellerstrass Oil Company
 801-202-9516 ext 26

TANKWAGON FOR SALE



- 2003 Freightliner M2106 with 160,000 miles
- 3126 Cat Motor with Eaton Fuller 7 speed transmission
- 2003 Almac Tank 2700 gallons
- 5 compartments 700-600-500-500-400
- Dual Pumping system with 3 reels
- All Test and Certs are current
- Truck is located in Ogden, Utah
- Pictures available upon request

Asking \$60,000.00 or Best Offer

Ryan Murdock
Kellerstrass Oil Company
801-392-9516 ext 26