

June 22, 2012

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**WASHOE COUNTY, NEVADA FUEL TAXES INCREASE SUNDAY, JULY 1, 2012**

If you sell gasoline or diesel fuel in Washoe County, NV the County index fuel tax will increase by about 3 cents effective July 1st. The new county gasoline index tax will be 0.15875 and the diesel tax will be 0.12556. To see the complete Nevada gasoline and diesel tax rates by county click on <http://www.wpma.com/pdf/states/nevada/Nevada-Gasoline-Excise-Taxes-v2-2012.pdf>.

**COMPLIANCE ALERT: CHECK DOT HAZMAT REGISTRATION FOR EXPIRATION; ANNUAL RENEWAL DEADLINE IS JULY 1**

REMINDER! The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters, including heating oil dealers, petroleum marketers and propane dealers to register and pay a fee each year by July 1, in return for a certificate of operation. (NOTE: multi-year registrations are available so not all registrations expire on July 1, 2012. Check your current HAZMAT registration certificate to confirm the renewal date). HAZMAT registration is required for both interstate and intrastate HAZMAT transporters. PHMSA began mailing the 2012-2013 registration information to HAZMAT transporters last month. Failure to register by the July 1 deadline results in a loss of authority to operate cargo tank trucks in both intrastate and interstate commerce. Authority to transport HAZMAT shipments is given in the form of a certificate received from PHMSA once registration is complete. A current registration certificate must be kept in the cab of each HAZMAT cargo tank vehicle at all times. HAZMAT registration certificates are routinely checked for validity during roadside inspections and DOT on site audits. Expired certificates will result in removal of all cargo tank vehicles from service and subject to a maximum fine of up to \$32,500 per day of violation. Registration status may be checked on line by going to <https://hazmatonline.phmsa.dot.gov/Services/companylookup.aspx>. Enter either the company name, U.S. DOT number or zip code in the data fields provided to check whether HAZMAT registration certificate is current. On-line registration is available at <http://hazmat.dot.gov/regs/register/register.htm>. On-line registration allows instant registration and provides a downloadable registration certificate.

**FEDERATED ANNOUNCES ANNEXSTAD RETIREMENT**

Federated Insurance announced this week that Chairman Al Annexstad will retire as a fulltime employee effective November 30, 2012. He will continue to serve as a member of Federated's Board of Directors. "Al Annexstad has been an extraordinary friend to PMAA, its state associations and petroleum marketers across the U.S.," said Dan Gilligan, PMAA President. "He deserves the best in retirement and we will always be indebted to him for his leadership and his dedication to our industry," Gilligan said.

Federated President Jeff Fetters, also well known and highly regarded by PMAA members, will assume the duties as Chairman.

**CALIFORNIA'S LCFS WILL DRAMATICALLY RAISE MOTOR FUELS PRICES**

An independent study, conducted by Boston Consulting Group in Houston, TX, contends that California's low-carbon fuel standard (LCFS) could lead to an increase of \$2.50 cents-per-gallon at the pump and result in the closure of six of the state's refineries. Also, California's LCFS will ultimately restrict out-of-state fuel producers from supplying fuels in California since those fuels would likely not be in compliance with LCFS standards. The LCFS was a direct result from the Global Warming Solutions Act of 2006 (A.B 32) which requires a reduction in California's CO2 emissions to 1990 levels by 2020. The LCFS accounts for 20 percent of the Act's requirements which mandates fuels to be 10 percent less carbon intensive by 2020. California Air Resources Board argues that cellulosic fuels as well as plug-ins and natural gas vehicles will be there in time to meet the CO2 mandate. However, the report, commissioned by the Western States Petroleum Association (WSPA), argues that there will be few alternative fuels, if any, available to meet the mandate especially since the federal RFS cellulosic fuel levels are essentially non-existent in 2012.

WSPA and the non-profit group called Fueling California, are fighting to make changes to the LCFS, so that it won't result in severe supply shortages that would harm California's economy.

**TSA OFFERS QUICK AND CHEAPER RENEWAL OPTION FOR TWIC CARDS**

The Transportation Security Administration (TSA) announced June 15, 2012 that it is offering interim three-year renewal extensions for current Transportation Worker Identity Card (TWIC) holders starting August 1, 2012. The interim renewals are necessary because the Coast Guard failed to promulgate regulations for a new biometric-capable identity card designed to replace first generation TWIC cards before they expire on October, 1, 2012. The new biometric cards will be read by remote electronic scanning devices to provide instantaneous verification of driver fingerprints, residency documents and other information.

The three-year renewal extension will be offered to all TWIC registrants with a card expiration date on or before December 31, 2014 and is more streamlined and less expensive than a five-year renewal. Under the three-year option, drivers can complete the renewal process in two steps by making a request for renewal by telephone and then picking up the new card at the nearest TWIC enrollment center. The cost of renewal is \$60, less than half the price of the five-year renewal. The five year renewal option costs \$129.75 and requires two trips to a TWIC enrollment center: the first trip to apply for renewal and the second trip to pick up the card once security background checks are completed. The Coast Guard hopes to have the second generation biometric TWIC card ready before the three year extension period ends on December 31, 2014.

For more information on the new TWIC renewal options, please go to <http://www.tsa.gov/twic>.

### **EPA GIVES FINAL APPROVAL OF E-15 BUT SIGNIFICANT BARRIERS REMAIN**

Last Friday the EPA removed the last federal regulatory barrier standing in the way of bringing E-15 to retail consumers. The Renewable Fuels Association successfully removed the last barrier standing when it addressed the EPA's remaining concern about potential consumer misfueling due to residual E-15 left in the hose of a blender pump that also dispenses E-10 product. The RFA said it will incorporate procedures to prevent residual misfueling in its E-15 retailer handbook. With its concerns fully addressed, the EPA marked the end of a three year approval process by giving E-15 the green light.

The EPA's final approval of misfueling mitigation measures does not mean E-15 will arrive at retail stations anytime soon as significant hurdles remain. Consumer concerns about potential engine damage and marketer worries over misfueling liability are just the tip of the iceberg preventing the widespread introduction of E-15 in the marketplace. A far larger hurdle to overcome for the E-15 industry is the myriad of state regulatory issues that must first be resolved before E-15 makes it to retail pumps. These issues include UST equipment and dispenser compatibility, state fuel quality assurance requirements, consumer protection, fire code and weights and measure standards, as well as state OSHA rules. Clearing these hurdles will likely involve a lengthy process in states where regulators remain concerned about E-15 and its potential impact on equipment, workplace safety, consumer protection and the environment.

### **GOP ENERGY BILL PASSES HOUSE**

On Thursday, the House passed the "The Domestic Energy and Jobs Act," (H.R. 4480) along party lines 248 – 163. The measure included several GOP energy related bills that have been introduced or passed during the 112th Congress. The chances of H.R. 4480 becoming law are slim since the Senate is unlikely to pass similar legislation.

H.R. 4480 included Reps. Ed Whitfield (R-KY) and John Barrow's (D-GA) "Gasoline Regulations Act of 2012" (H.R. 4471) which would create an interagency committee to analyze regulations that can lead to higher gasoline prices, particularly three pending EPA air quality rules: Tier III limits on sulfur in gasoline, a new ozone standard and emissions curbs for refineries. The analysis and cost considerations would require at least 13 months to complete. Also included in H.R. 4480 was the "Strategic Energy Production Act" which would require any SPR release to be coordinated with proportional increases in domestic crude oil production. Basically, if the President releases oil from the SPR, then he would have to open a percentage of federal land for oil exploration if this bill were to become law. Republicans argued that the President used the SPR as a political tool in the past to lower energy prices to help his reelection chances.

The comprehensive bill also included the "Providing Leasing Certainty for American Energy Act of 2012" which would require a minimum annual acreage leasing plan that makes available at least 25 percent of the lands open for leasing each year. More importantly, it cuts at the red tape by setting a firm timeline for the Secretary of the Interior to issue leases. A similar bill, "Streamlining Permitting of American Energy Act of 2012," was also included in the GOP comprehensive energy bill that would set a 90 day time limit to file a legal challenge to an energy project. Republicans argue that while U.S. oil production is at its highest levels in years, the majority of that production has taken place on private lands while actual public land development has fallen under the Obama Administration's policies.

PMAA supports legislation that expands America's energy portfolio and prevents costly EPA ozone regulations. PMAA has also asked House members to support oil futures market reform initiatives.

### **2013 WESTERN PETROLEUM MARKETERS CONVENTION & CONVENIENCE STORE EXPO LAS VEGAS, NEVADA**

Start planning now to attend the 2013 WPMA Convention and Convenience Store Expo. It will be held at the Mirage in Las Vegas, Nevada. Mark your calendars for February 19-21, 2013.

### **MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2012**

**August 1-3, 2012** – Idaho - IPM&CSA Convention – Coeur d'Alene Resort, Coeur d'Alene, Idaho

**August 15-16, 2012** – Utah - UPMRA Convention – Zermatt Resort, Midway, UT

**August 27-29, 2012** – New Mexico - NMPMA Convention and Trade Show – Embassy Suites – Albuquerque, New Mexico

Petro Pete: *"I prefer not to think before I speak. I like to be just as surprised as everyone else by what comes out of my mouth."*

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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