

July 1, 2011

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WPMA IS PLEASED TO ANNOUNCE BEN STEIN AS 2012 KEYNOTE SPEAKER



WPMA is excited to announce that Ben Stein, acclaimed actor, economist, author and pop culture icon, will be the keynote speaker at the 2012 WPMA Convention and Convenience Store Expo. Most people know Ben Stein from his wacky TV appearances – as host of Comedy Central's *Win Ben Stein's Money*, and the equally quirky talk show *Turn Ben Stein On*. As an actor, Stein is best known as the boring teacher in the movie *Ferris Bueller's Day Off*. A profoundly unique individual who has had the good fortune to have "been there and done that" in a myriad of professions that many of us only dream about, see on television, or read about in the news.

EPA ISSUES LONG AWAITED RULE ON E-15 GASOLINE MISFUELING MITIGATION MEASURES

The U.S. EPA released an advanced copy of the agency's long awaited rule on E-15 misfueling mitigation measures. The rule is necessary to ensure proper storage, dispensing and use of E-15 gasoline blends authorized under the EPA's partial waiver decisions in 2010. The waivers authorized use of E-15 in model year 2001 and newer motor vehicles only. The regulations are important to petroleum marketers because they attempt to reduce the incidence of, and thus the liability for improper blending and consumer misfueling. The rule includes a number of provisions endorsed by PMAA in written comments including flexibility in dispenser label design, alternative methods of compliance for product transfer document language and retailer exemption from E-15 sampling and testing requirements.

Highlights of the rule include the following:

- **Misfueling Prohibition** – Incorporates into the rule a legal barrier required by the partial waivers prohibiting the use of E-15 in model year 2000 and older vehicles.
- **Dispenser Warning Label** – Requires E-15 dispensers to have a specific label warning consumers against misfueling into model year 2000 and older vehicles and the potential damage that may occur for use in power equipment, motorcycles and motor boats. Significantly, the rule requires new labels for E-15 dispensers only. The dispenser label design and text was coordinated with the FTC in order to avoid label duplication. Also, the EPA will allow pre-approved alternative labels for E-15 dispensers submitted by stakeholders.
- **Product Transfer Documents** – Requires ethanol and RVP content language to appear on PTD's for all ethanol blends to ensure proper downstream blending, storage and dispensing. The EPA adopted PMAA's request to abbreviate the required language to conserve space and allow for printing on the reverse side of the PTD.
- **Sampling and Testing Survey** – Requires a private consortium sampling and testing survey of retail sites for ethanol content, RVP content and dispenser labeling. EPA adopted PMAA's request to exempt retailers from the sampling and testing requirements. The E-15 survey is modeled after current private consortium surveys for RFG and ULSD.
- **RFG Complex Model** - Modifies the current maximum limit of 4 percent oxygen content in the RFG Complex Model used for E-10 blends by adding an allowable 5.8 percent oxygen content to accommodate blending of E-15 RFG. However, the EPA did not expand the current one pound per square inch RVP waiver currently allowed for summertime ethanol blends between nine and 10 percent to E-15 blends. Instead these blends will require a specially formulated blendstock to ensure summertime RVP compliance.

The final rule also did not adopt any special nozzle hand warmer color code for E-15 dispensers or CRINS unit display warning language as proposed earlier by the EPA. The rule is effective November 1, 2011.

IMPORTANT! Marketers may not begin selling E-15 until the EPA completes the certification process under which all fuels are approved. PMAA will announce when final certification is approved and it becomes legal to sell E-15 blends. PMAA is preparing a more detailed Regulatory Report on the misfueling mitigation measures required under the new E-15 rule.

EPA RELEASES GUIDANCE ON COMPATIBILITY OF UST SYSTEMS WITH BIOFUELS

The EPA's Office of Underground Storage Tanks (OUST) this week released a new guidance on how owners and operators of UST systems can demonstrate equipment compatibility with ethanol blends greater than E-10 and biodiesel blends over B-20. The guidance follows a decision by the EPA's Office of Transportation and Air Quality (OTAQ) to approve E-15

gasoline blends for model year 2001 and newer vehicles. The guidance is necessary because EPA tank regulations require that only "compatible" products be stored in UST systems. With few exceptions, existing UST equipment is only certified as compatible with blends up to E-10.

PMAA worked closely with the EPA in the development of the new guidance. The guidance is non-binding but will likely be used in state UST program authorities as a baseline for development of their own regulatory compatibility requirements for blends over E-10. The guidance includes a list of UST system equipment that owners and operators must show to be compatible with fuel blends over E-10 and greater than B-20 in order to be compliant with EPA compatibility requirements. The equipment list includes most equipment from the tank up to the shear valve in the dispenser. No compatibility demonstration is required for pipe glue and adhesives. Dispensing equipment above the shear valve is not regulated by EPA OUST and, therefore, not covered under the guidance.

The EPA provides three options for owners and operators to demonstrate compatibility; equipment certification or listing by a nationally recognized, independent testing laboratory; certification of compatibility in writing from an equipment manufacturer; or any other acceptable method to demonstrate compatibility issued by a state UST program authority. If an owner or operator cannot demonstrate compatibility using one of these three methods, then blends over E-10 or B-20 may not be used in the UST system. Again, this guidance is non-binding but will likely be used by state program authorities in the development of binding regulatory requirements.

U.S. DOT HAZMAT REGISTRATION RENEWAL DEADLINE FOR EXPIRING CERTIFICATES IS JULY 1, 2011

Petroleum marketers with expiring U.S. DOT Hazardous Material Registration certificates must file for renewal and pay a \$275 registration fee no later than July 1, 2011 to maintain operating authority for transporting petroleum products over the road. Registration is required for all HAZMAT haulers including those who transport petroleum products in intrastate or interstate commerce. A copy of a current HAZMAT registration certificate must be kept in the cab of every cargo tank truck or transport vehicle. HAZMAT certificates are checked at roadside inspections. Lack of a current DOT HAZMAT registration certificate will result in an out-of-service order for the entire fleet of cargo tanks and transports operated by the registrant.

The U.S. DOT mailed registration renewal forms to all current HAZMAT registrants in late April. At this time, on line registration is the only viable option for those with expiring certificates. Online registration allows registrants to download an updated operating certificate immediately. For on-line registration go to: <http://hazmat.dot.gov/regs/register/register.htm>. Please note that the U.S. DOT no longer accepts expedited registration over the telephone. Since the U.S. DOT allows for multiple year registrations, not all registration certificates are expiring July 1. Check current HAZMAT certificate to determine renewal date before registering online.

FEDERAL RESERVE DISAPPOINTS RETAILERS WITH HIGHER SWIPE FEE CAP

On Wednesday, the Federal Reserve issued its final swipe fee rule, which capped swipe fees at 21 cents plus 0.05 percent of the transaction costs. The rule also permits one cent for certain fraud prevention costs, which when added together nearly doubles the cap the Federal Reserve proposed in December. Banks have until October 1, 2011 to comply with the final rule.

In its proposed rule, the Fed determined that merchants and consumers pay on average 44 cents per transaction in swipes, yet it found that it only costs banks four cents to process the transaction and capped the swipe fee at 12 cents. It is clear from the final rule that the Fed was moved by the banking lobby and political pressure. The rule proposed last year was consistent with the intent of the reforms passed a year ago. PMAA believes the final rule undermines the law and its intended benefits.

The Merchants Payments Coalition (MPC) believes the Fed made significant concessions to the biggest banks and did not adhere to the intent of law and is considering all available legal options.

PMAA will provide additional information about the rule after MPC and PMAA has had an opportunity to examine the rule more closely.

CONGRESSMAN URGES PHMSA TO WITHDRAW WETLINES RULE

Last week, Congressman Mike Ross (R-AR) sent a letter to the Department of Transportation (DOT) urging the department to withdraw its proposed rule to prevent the transportation of gasoline in the wetlines. In the letter, the Congressman pointed out that DOT considered a similar rule seven years ago and determined then that the costs outweighed any benefit.

The proposed rule gives tank truck operators 12 years after publication of the final rule to retrofit existing tanks with bottom protection like steel rails or to install purging equipment. Additionally, any trailer manufactured two years after the effective date of regulation would have to be equipped with in line purging devices or steel guard rails to shield the wetlines from impact.

After reviewing the proposed rule, PMAA found that DOT used incorrect data, which led to a flawed cost-benefit analysis.

PMAA filed comments earlier this year calling on DOT to withdraw the proposed rule so it can perform an accurate analysis based on accurate data.

WPMA CANADA AND NEW ENGLAND CRUISE

Join us October 15 – 22nd on a 7-day Canada and New England Fall Colors cruise! Destinations, Inc. has put together a great trip, which will enable us all to enjoy our rich American history and the grandeur of the autumn foliage aboard Royal Caribbean's Jewel of the Seas. One of Royal Caribbean's newest cruise ships, Jewel of the Seas offers the ultimate "at sea" experience by combining speed, added comfort, greater space, sweeping ocean vistas and an exceptional staff committed to serving your every whim.

We will be leaving from Boston, Massachusetts, and have port stops at Portland, Maine; Halifax Nova Scotia; St John, New Brunswick; and Bar Harbor, Maine. Optional pre-cruise tours of Boston are available for those arriving a day or two before the cruise departs.

You may access information on the WPMA Fall Colors Cruise by visiting the web site:

<http://www.groupsandincentives.com/wpma>.

Destinations, Inc. is now taking deposits of \$300 per person, and full payment is due by July 2nd. If you have any questions, please give me a call at (888) 252-5550, or you can call Destinations, Inc. at (801) 446-5000.

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

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 12, 2011 – IPM&CSA Golf Tournament – Teton Springs-Headwater Golf Course – Victor, Idaho

September 14-16, 2011 – UPMRA Convention – Rainbow Hotel and Casino – Wendover, NV

September 21, 2011 – NPM&CSA – Tanker Yanker – Reno, NV

Petro Pete: *“Did you know that dolphins are so smart that within a few weeks of captivity, they can train people to stand on the very edge of the pool and throw them fish?”*

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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. Thanks.

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