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PLEASE THANK CONGRESS FOR PASSING FUTURES MARKET AND INTERCHANGE FEE REFORMS

WPMA and PMAA members were some of the first business leaders to draw national attention to oil futures markets dominated by investor demand rather than supply and demand. Excessive investor speculation led to extreme volatility in wholesale gasoline, diesel and heating oil prices. It was a long fought effort against an extremely well funded opponent, and your communications to Members of Congress regarding the irregularities of the futures market and the unfair interchange fees set by oligopolistic credit card companies were heard and acted upon by Congress. Now, the Commodity Futures Trading Commission (CFTC) and the Federal Reserve are tasked with implementing the financial reform law. Please thank Members of Congress for getting us this far. It was a long hard fight for us all.

The convenience and petroleum industry's nearly decade-long battle to rein in outrageous interchange fees became a reality as the U.S. Senate voted 60 to 39 in support of the financial reform package known as the Dodd-Frank Bill.

Provisions within the package, known as the Durbin Amendment, direct the Federal Reserve to issue rules to ensure that debit card interchange fees, also known as swipe fees, are reasonable and proportional to the processing costs incurred. Visa and MasterCard currently charge debit swipe fees of around 1 percent to 2 percent of the transaction amount — among the highest rates in the industrialized world.

Swipe fees have been the convenience and petroleum retailing industry's top pain point and second largest expense item — behind only labor costs — for a number of years.

The July 16th vote demonstrates the value of members engaging with their elected officials. This is why WPMA, PMAA and NACS exists — to help bring together the industry to amplify its voice and make a difference on issues important to our industry. Through consistent engagement with Congress, combined with massive consumer petition campaigns, we have clearly seen that great things are possible when our industry is engaged.”

The vote to pass the financial reform package followed intense lobbying by the banking industry in opposition to the Durbin Amendment. From the phone calls and letters that flooded congressional offices in support of this legislation to the record-setting 5.4 million customer signatures that our industry collected demanding reform, we have made our voices heard and Congress has listened.

“This victory shows what we can accomplish as an industry working together,” said NACS Chairman Jay Ricker, chairman of Anderson, Ind.-based Ricker Oil Co. “The power of grassroots advocacy is immense, and the possibilities are endless when we fight for what is right.”

The legislation includes a provision directing the Federal Reserve to issue rules preventing card networks from requiring that their debit cards can only be used on one debit card network — ensuring that retailers will have the choice of at least two networks upon which to run debit transactions. In addition, the amendment would allow merchants to choose to decline credit cards for small dollar purchases because swipe fees often exceed profits on such sales. The amendment also clarifies that retailers can offer discounts to consumers who choose to pay with cash, check or debit card.

“At its core, this legislation simply introduces competition to a market that has not had any,” said NACS Vice Chairman of Government Relations Tom Robinson, president of Santa Clara, Calif.-based Robinson Oil Corp. “Both consumers and retailers will see benefits as debit card fees will be aligned more closely with the cost of checks, as opposed to credit cards.”

IMPORTANT INTERCHANGE PROVISIONS TAKE EFFECT IMMEDIATELY

President Obama signed the Dodd-Frank Wall Street Reform bill (P.L. 111-203). Among the provisions important to WPMA and PMAA marketer members, two took effect immediately upon enactment. Retailers may now offer customers' discounts based on the form of payment (cash, check, credit card and debit card); however, retailers are not permitted to offer discounts between brands of credit card and brands of debit card. Therefore, a retailer can offer discounts of cash versus debit, cash versus credit, cash versus check, check versus debit, check versus credit and credit versus debit.

Several other important provisions will take effect over the next year. These provisions require reports from federal agencies and require these agencies to write new regulations including the Federal Reserve.

The Federal Reserve will have until April 2011 to do the following:

1. Issue regulations to establish standards for assessing whether interchange transaction fees on debit cards are reasonable and proportional to the cost incurred by the issuer with respect to the transaction.
2. Issue regulations to establish standards for making adjustments for fraud.
3. Issue regulations regarding network fees. Such authority is limited to ensuring that a network fee is not used to compensate an issuer with respect to an electronic debit transaction.

In July 2011:

1. Regulations issued in April 2011 are effective.
2. Regulations shall be issued regarding the number of networks on which an electronic debit transaction may be processed and limit restrictions on network routing.
3. The Federal Reserve Board shall issue a report on government prepaid cards and the fees charged with respect to such cards.

LAWMAKERS QUESTION EPA ON E15 USE, BIODIESEL TAX CREDIT STILL IN DOUBT, COSPONSORS OF RFMACT

On Thursday, House Energy and Commerce Committee Chairman Henry Waxman (D-CA) and Ranking Member Joe Barton (R-TX) signed off on a rare bipartisan letter to EPA Administrator Lisa Jackson questioning the effects 15 percent ethanol would have on gasoline refueling infrastructure, vehicles, boats, outdoor powered equipment, and air quality. The letter cited: "Allowing the sale of renewable fuel in a way that damages equipment, shortens its life or requires costly repairs will likely cause a backlash against renewable fuels."

While PMAA supports expanded ethanol use and is not opposed to E15, PMAA supported the Waxman/Barton letter. Petroleum marketers need legal and regulatory certainty concerning E-15 before offering it to retailers and consumers. Here are some of the questions raised in the Waxman/Barton letter:

- What changes in mileage should a consumer expect for any particular vehicle operated on E15 instead of 100 percent gasoline? Instead of E10?
- If EPA were to grant partial approval of E15, could a state and locality ban the sale of E15? If so, under what circumstances?
- Is EPA developing a plan to avoid (or minimize) misfueling of E15 if EPA were to grant partial approval of E15?
- Please describe the extent to which EPA is working with private stakeholders (including gasoline station owners) to develop a plan to avoid misfueling of E15 in the event that EPA grants a partial waiver.
- What kind and how many existing gas pumps and tanks can be used for E15 without increasing the risks of leaks or other equipment failure? What are the consequences for gas stations owners if they use E15 in a tank or pump that is not certified for E15?

In other news, Senate Majority Leader Harry Reid (D-NV) and Senate Minority Leader Mitch McConnell (R-KY) were unable to reach agreement mid-week on amendments to the Small Business Lending Fund Act of 2010 (H.R. 5297). Because they were unable to reach agreement, Republicans blocked progress on the small businesses bill because the biodiesel tax credit and other amendments would not be considered. Reid fell two votes shy of the 60 votes needed for passage. The small business bill continues to be the victim of partisan politics and it's unfortunate that the retroactive biodiesel tax credit extension language is also a victim of the partisanship. Reid agreed to allow three GOP amendments, but McConnell wanted Reid to allow eight amendments including votes on the biodiesel tax credit, a repeal of a healthcare provision that would require small businesses to file 1099 forms for purchases of \$600 or more from vendors, and repeal of the death tax. Additionally, Sen. Agriculture Committee Chairwoman Blanche Lincoln (D-AR) filed an amendment to H.R. 5297 which would also extend the biodiesel tax credit. Lincoln's amendment mirrors the biodiesel tax credit amendment sponsored by Senator Grassley (R-IA). The failure to invoke cloture on H.R. 5297 leaves the small business lending provisions and the biodiesel tax credit extension in doubt. Reid may call up the bill again if they can reach agreement on amendments, but it will likely have to wait until next week or until Congress returns from its August recess. H.R. 5297 contains a number of small business provisions supported by PMAA which would maximize the size of SBA 7(a) and 504 loans from two million dollars to five million dollars. The legislation will also extend the SBA loan provisions established under the American Recovery and Reinvestment Act (ARRA) through the end of the year.

Finally, the Renewable Fuels Marketing Act (RFMA) of 2010 (H.R. 5778) introduced by Representatives Mike Ross (D-AR) and John Shimkus (R-IL) has gained additional cosponsors since it was formally introduced last week. Cosponsors now are: Reps. Roy Blunt (R-MO), Jo Bonner (R-AL), Rick Boucher (D-VA), Barron Hill (D-IN), Walter Jones (R-NC), Jim Matheson (R-UT), Edward Royce (R-CA), Aaron Schock (R-IL), John Shimkus (R-IL), John Sullivan (R-OK), and Ed Whitfield (R-KY).

H.R. 5778 would give the EPA Administrator the authority to issue guidelines to determine whether new and existing underground storage tanks and dispensing equipment are compatible with fuels such as E85, B20 and E10+. PMAA is working with House Energy and Commerce Committee members to gain additional cosponsors for this legislation which would provide more legal and regulatory certainty to petroleum marketers when selling E10+ blends.

NEWTON TESTIFIES FOR SMALL BUSINESS

In what was the eighth Congressional hearing on interchange fees, Chris Newton, President of the Texas Petroleum Marketers and Convenience Store Association (TPCA), testified yesterday before the House Small Business Investigations and Oversight subcommittee hearing on the impact of interchange fees on small businesses. The committee also heard from Ron Celaschi of the Clearview Federal Credit Union; Robert Oeler of Dollar Bank on behalf of the American Bankers Association; and Jerry Buss of Aurora Huts, a Pizza Hut franchisee.

Subcommittee Chairman Jason Altmire (D-PA) steered the discussion toward the consequences of the debit interchange language in the Dodd Frank Wall Street Reform bill that became law last week (P.L. 111-203). Mr. Newton said he would expect consumers to see lower prices at the pump. Mr. Buss said his customers could expect to see lower prices, more menu items and he could even offer better incentives to his employees. Mr. Celaschi and Mr. Oeler said consumers could expect higher interest rates, a higher annual fee, and fewer rewards programs to recover lost revenue. Mr. Celaschi went on to say that a reduction in reward programs and discounts that encourage other payment types would drive down the use of credit cards by consumers.

The law permits retailers to immediately offer discounts based on payment type (ie, cash, debit or check) and set purchase minimums that may not exceed ten dollars. Other provisions that direct agencies to issue rules will become effective next year (see article below "IMPORTANT INTERCHANGE PROVISIONS TAKE EFFECT IMMEDIATELY").

SENATE LEADERSHIP ENERGY BILL RELEASED

On Tuesday Majority Leader Harry Reid (D-NV) released a draft energy bill, the "Clean Energy Jobs and Oil Company Accountability Act," and debate on the floor will begin next week. After weeks of debate among Senate Democrats, the final draft bill contains four primary policy initiatives.

First, the bill includes a bipartisan offshore drilling proposal approved in June by the Senate Energy Committee, and Oil Spill Liability Trust Fund liability overhaul language that would eliminate the \$75 million liability cap on economic damages from offshore oil spills contained in current law. Second, there is language supported by PMAA that would provide for rebates for home energy efficiency equipment – the Home Star program. The other two primary provisions are rebates for retrofit of heavy trucks to natural gas and electrification and development of accompanying infrastructure, and language to provide five years of funding for the Land and Water Conservation Fund, which funds state and federal recreation efforts.

The \$15 billion bill cost would be paid for by increasing the \$0.08 per barrel of oil tax to a "to-be-determined" level. Home Star would establish Silver and Gold Star programs where homeowners could receive point of sale rebates of \$1,500 to \$8,000 for retrofits, and oil furnaces with an 86 AFUE rating or greater that use an electrically commutate blower motor and an oil boiler with an 86 AFUE rating or greater that has temperature reset or thermal purge controls are eligible. Five billion dollars is allotted to the Home Star program.

The Natural Gas Vehicle and Infrastructure Development Program would provide rebates of \$7,500 to \$64,000 (depending on vehicle weight) per qualified alternative fuel vehicle that is put into service by 2013. Grants of up to \$50,000 per unit would be provided to qualified refuelers for the installation of natural gas refueling property placed in service between 2011 and 2015. Furthermore, a Promoting Electric Vehicles Program would also be put into place to assess and implement national goals for market penetration of electric vehicles by 2020 and 2030. \$3.8 billion is provided for the natural gas program and \$400 million is provided for the electrification program.

A measure introduced by House Democrats on Monday would also lift the oil spill cap. That measure is expected to be debated today.

The White House said this week that it expects carbon emissions restrictions could be added when the Senate and House meet to reach a compromise on energy legislation. Amid concerns that Senate Democratic leadership may include language aimed at curbing carbon emissions during the conference, Senator Michael Johanns (R-NE) introduced an amendment to the small business jobs bill that would require the support of two-thirds of the Senate or 67 votes to include those provisions in the final bill.

PEI ANNOUNCES ONLINE DEF TEST

In response to the national rollout of Diesel Exhaust Fluid (DEF), the Petroleum Equipment Institute (PEI) released its online testing for Recommended Practices for the Storage and Dispensing of Diesel Exhaust Fluid (PEI/RP1100). The 70 question test was developed by the PEI DEF Committee.

A single test is available for \$25 or \$299 for unlimited use of all PEI produced recommended practice tests for one year. The test is available at www.pei.org/RP1100. More information about the test can be found at www.pei.org.

HOUSE TAX COMMITTEE RELEASES ENERGY TAX DRAFT LEGISLATION

House Ways and Means Committee Chairman Sander Levin (D-MI) recently released a draft energy tax package known as the "Domestic Manufacturing and Energy Jobs Act of 2010." The draft would trim the 45 cent-per-gallon ethanol tax credit to

36 cents-per-gallon and renew the credit through the end of 2011. The 54 cent-per-gallon ethanol import tariff that is set to expire at this end of this year would be renewed for one year. Furthermore, the one dollar per-gallon-biodiesel and renewable diesel tax credit would be renewed for 2011, but it doesn't apply the credit for 2010. However, the draft legislation states that the 2010 biodiesel tax credit would be reinstated and applied retroactively in the "Domestic Manufacturing and Energy Jobs Act of 2010" if the credit isn't enacted before the draft legislation is considered.

Additionally, the legislation would provide tax incentives to motorists who purchase heavy natural gas vehicles and heavy hybrid vehicles, would extend the fifty percent investment tax credit for alternative vehicle refueling property for three years (through 2013), would allow algae-based fuels to qualify for \$1.01 per gallon tax credit for producers of cellulosic biofuel, and finally, the proposal would reinstate for 2011 the 50-cent-per-gallon per-gallon tax credits for propane. However, the credit would not apply for propane use in a forklift.

Action on the "Domestic Manufacturing and Energy Jobs Act of 2010" will likely take place after the August recess. PMAA continues to urge lawmakers to pass a multi-year extension of the 45-cent-per gallon ethanol tax credit and the one dollar-per-gallon retroactive biodiesel tax credit.

LABELING DEADLINE FOR DIESEL PUMPS

The EPA won't enforce new diesel pump labeling changes downstream until Oct. 1 to Dec. 1.

The four decals that must be attached to diesel pumps are for labeling pumps dispensing ULSD Highway fuel (15 ppm), ULSD non-highway fuel (15 ppm), LS non-highway fuel (500 ppm) and LS Locomotive and Marine Diesel Fuel (500 ppm).

To view the EPA pump labeling regulations and to read the required wording, go to:

<http://email.ucgmessaging.com/ct/4244849:6325204675:m:1:179278473:A195A8ED73232AD44BA3ACDD3333676D>

The latest set of diesel regulations require that refiners and importers produce and import only 15 ppm non-road diesel in the Northeast Mid-Atlantic area (NEMA) beginning on June 1. Outside of the NEMA, 500 ppm off-road diesel is allowed.

Terminals have until Aug. 1 to change over to the new fuels required in their area; wholesale purchaser consumers, by Oct. 1; and end users, by Dec. 1.

Note: federal pump labeling requirements do not apply in California, where only ULSD is sold.

--Mary Welge, mwelge@opisnet.com

Make sure your dispensers are clearly marked with the most up-to-date pump labels - including the 4 revised labels that contain EPA-approved language. All petroleum retailers, fleets and other wholesale purchaser-consumers of on-road and off-road diesel need to have the revised decals affixed to their dispensers by October 1, 2010.

You can purchase these new pump decals from OPIS for as little as \$1.29/decals (depending on quantity ordered).

Remember, violators can be fined up to \$37,500 per day

per violation. To order your pump decals please call 1-877-210-4287 or order online now go to:

<http://email.ucgmessaging.com/ct/4244849:6325204675:m:1:179278473:A195A8ED73232AD44BA3ACDD3333676D>

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

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 you can't convince them, confuse them. "

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Thanks.

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)
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- TRUCK AND TRAILER SOLD TOGETHER
- \$45,000

BAIRD OIL COMPANY (208) 375-7767

FOR SALE

1990 L 8000 (DIESEL)



- 5 SPEED WITH 2 SPEED
- CUMMINS (BRAZILIAN) INLINE 6 ENGINE
- 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
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- EXCELLENT CONDITION
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BAIRD OIL COMPANY (208) 375-7767

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

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
801-392-9516 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