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UTAH FUEL DISTRIBUTOR DONATES GAS CARDS TO CANCER PATIENTS

Deseret News, Salt Lake City – **A Utah fuel and lubricant distributor has donated \$20,000 to fund gas cards for cancer patients.**

The annual three-year gift comes from Cardwell Distributing CEO Bill Rawson and Vice President and COO Tom Leiter, to honor their father-in-law and founder of the company, Lowell Cardwell, who died just under a year ago of cancer. The money will fund gas cards for cancer patients and their caregivers in rural Utah communities, to help get them to much-needed treatments.

"Utah is home to some of the nation's finest cancer treatment facilities, but if our rural cancer patients can't afford the transportation to get there, we're not serving everyone who needs to be served," said Joel Kincart, Central Region Vice President of the American Cancer Society. "The gift of gas cards will enable patients from far away to get to treatment and remove the financial burden."

Since Rawson and Leiter bought the company from their father-in-law in 1999, they've experienced exponential growth. In 2009, the company sold over 49 million gallons of fuel and lubricants to commercial and industrial fleets and customers. Leiter predicts more than 50 million gallons will be sold again this year. Cardwell serves Wyoming, Nevada, Idaho and Utah.

"Our father-in-law, Lowell, would have loved to give back to other cancer patients in this very specific way," Rawson said. "We're thrilled that our local oil company can help provide transportation to local cancer patients — it's a match made in heaven."

FEDERAL RESERVE SEEKS INFORMATION FROM CREDIT CARD COMPANIES

The Federal Reserve has begun collecting information from card issuers and payment card networks ahead of proposed rules to regulate interchange fees. The Fed sent survey questions seeking information about costs associated with fraud prevention, data security, and processing. The Fed is expected to begin the rulemaking process in December. PMAA will continue to work with the Merchants Payments Coalition to use the comment process to push for swipe fee reform.

EFFORTS TO PASS THE BIODIESEL BLENDER'S TAX CREDIT FALL SHORT

Senate Majority Leader Harry Reid (D-NV) scheduled a vote Thursday on Senator Chuck Grassley's (R-IA) amendment to revive the one dollar-per-gallon biodiesel blender's tax credit and to apply it retroactively for 2010. Unfortunately, the amendment failed by a vote of 41 – 58 after concerns that the measure was not fully offset since it would have added an additional one billion dollars to the cost of the underlying bill, the "Small Business Jobs and Credit Act" (H.R. 5297). Go to http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm?congress=111&session=2&vote=00234 to see how your Senator voted.

After months of attempting to pass the small business bill (H.R. 5297), the Senate finally did so on Thursday by a vote of 61 – 38. The House is expected to pass H.R. 5297 and send it to the President for his signature early next week. The legislation would create a \$30 billion lending fund to extend credit to small businesses and includes a number of tax provisions. For the taxable year beginning in 2010, taxpayers may write off up to \$250,000 of these capital expenditures subject to a phase-out once these capital expenditures exceed \$800,000. This bill would increase the thresholds to \$500,000 and \$2,000,000 for the taxable years beginning in 2010 and 2011. At the end of 2011, the amounts would revert to \$25,000 and \$200,000, respectively. Additionally, the bill extends the additional, first-year 50 percent depreciation for qualifying property purchased and placed in service in 2010. And finally, the bill increases 7(a) loan limits from \$2 million to \$5 million, 504 loans from \$1.5 million to \$5.5 million, and microloans from \$35,000 to \$50,000. It also increases the government guarantee on 7(a) loan limits, while providing the elimination of borrower fees on 7(a) and 504 loans through December 31, 2010. It increases the 7(a) Express Loans from \$300,000 to \$1 million to increase working capital to small businesses. The House passed its small business jobs bill in June.

There will be other legislative vehicles to move the biodiesel tax credit forward, such as the House Ways and Means Committee Chairman Sander Levin (D-MI) and Senator John Kerry's (D-MA) tax extenders bills that were introduced before August recess. Chairman Levin's draft energy tax package known as the "Domestic Manufacturing and Energy Jobs Act of 2010" 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 which is set to expire at the 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. The outlook for moving the energy tax package is unclear.

Additionally on Thursday, Senate Finance Committee Chairman Max Baucus (D-MT) attempted to pass a newly rewritten tax extenders bill which would revive a number of tax provisions that expired at the end of 2009 including the biodiesel blender’s tax credit. The measure includes spending and tax cuts totaling about \$50 billion and offsets of about \$65 billion which is largely funded by a sharp increase in the per-barrel tax for the Oil Spill Liability Trust Fund from 8 cents to 78 cents. The bill would also raise taxes on the “carried interest” earned by private equity managers and venture capitalists. The outlook remains uncertain for Sen. Baucus’ tax extenders bill.

As reported earlier this week, the Senate was also unable to attach an amendment to the small business lending bill which would repeal Section 9006 of the “Patient Protection and Affordable Care Act” (healthcare law, P.L. 111-148) that subjects small businesses to onerous 1099 filings on all non-credit card purchases totaling \$600 or more with any vendor in a tax year. When the law goes into effect in 2012, the 1099 reporting requirement will impose substantial paperwork and reporting burdens on all small businesses which will dramatically increase accounting costs, impose unjustified audits by the IRS, and subject more small businesses to the challenges of electronic filing. Repeal or modification of the 1099 reporting requirement continues to be a priority issue in Congress and is expected to be addressed if not this year, then in 2011.

It is unfortunate that the biodiesel tax credit and the repeal of 1099 reporting requirement continues to be a victim of partisan politics. PMAA will continue to urge lawmakers to move the important tax credit and the repeal of 1099 reporting requirement forward before Congress leaves to campaign for the November elections.

EPA SAYS IT WILL RULE ON E-15 WAIVER PETITION BY THE END OF SEPTEMBER

The U.S. EPA announced this week that it will issue a final decision by the end of the month on a waiver petition that would allow the use of mid-grade ethanol blends in conventional fueled vehicles. The issue is important to petroleum marketers because it would significantly increase their risk of liability for product releases and consumer misfueling as well create new storage and dispensing infrastructure challenges. It is widely believed that the EPA will allow the use of E-15 in conventional fueled vehicles. Under the Clean Air Act, the maximum ethanol content for conventional fueled vehicles is now set at 10 percent. Earlier this summer the EPA hinted strongly that the E-15 waiver would be limited to 2001 model year vehicles and newer. An E-15 waiver would have a significant impact on petroleum marketers. First, the waiver would increase liability for petroleum marketers who supply E-15 blends. Existing storage tank and dispensing equipment are only certified to contain a maximum E-10 blend. Given this certification problem and the widely held belief that ethanol blends over 10 percent would be corrosive to existing equipment, insurance companies are likely to deny claims for E-15 releases while manufacturers could void existing warranties on tanks, piping and dispenser equipment that supply blends over E-10. Also, consumer lawsuits against marketers would increase significantly since E-15 may damage older automobile catalytic converters and affect engine performance. Limiting the waiver to a specific class of vehicles based on date of manufacture means retailers would be forced by market conditions to carry both E-10 and E-15 product, thus increasing the risk of consumer misfueling. The good news is that the waiver will likely not require E-15 but only allow its use. Refiners are not expected to supply E-15 as a result of the waiver approval alone. However, E-15 will likely become a reality as refiners hit an expected renewable fuel blend wall with E-10 in the next two to three years and are no longer able to meet their annual blending mandates imposed by the EPA. PMAA will report on new developments on the waiver as they occur.

AS MID-TERM ELECTIONS LOOM, LAME DUCK LEGISLATIVE WORK FACES AN UNCERTAIN FUTURE

Senate Majority Leader Harry Reid (D-NV) will have his hands full after this year’s mid-term elections and major decisions will have to be made on whether to try moving controversial bills such as a scaled back energy bill and extension of unemployment benefits. Republicans are expected to make major gains in both the House and Senate which may dampen Reid’s ability to pass Democratic priorities and will affect his ability to move appropriations bills, tax extenders, Bush-era 2001 and 2003 tax cuts and other measures.

Congress is scheduled to leave for the campaign trail October 8 and will return for a lame duck session on November 15. First, Congress must continue to fund the federal government with a continuing resolution which will likely keep funding levels at its current levels through the November elections. During the lame duck session, Congress will be tasked with passing an omnibus spending bill which will incorporate most of the 12 appropriations bills which have yet to be passed in both the House and Senate. The Bush-era tax cuts will be the contentious issue this fall as Democrats have been reluctant to extend tax cuts for individuals making over \$200,000 and married couples making over \$250,000. Extension of the Bush-era tax cuts will likely be addressed after the November elections.

If Republicans capture the special elections in Delaware, West Virginia and Illinois, Reid will be down to 56 Democratic controlled Senate seats which will limit his ability to pass Democratic priority legislative initiatives such as cap-and-trade. The special election winners must be seated as soon as the elections are certified, so Democratic leadership will have little time to move controversial bills forward. Senator John Kerry (D-MA) acknowledged earlier this week that cap-and-trade is dead for this year. Meanwhile, Sen. Reid faces an uncertain future because Tea Party backed candidate Sharon Angle (R-NV) is wire-to-wire with Reid in the latest polls.

OCTOBER 20, 2010 WEBINAR ON ETHANOL 2011: NEW FUELS, NEW RULES

The webinar "Ethanol 2011: New Fuels, New Rules" is brought to you by the Blend Your Own (BYO) Ethanol Campaign, a joint effort of the American Coalition for Ethanol (ACE) and the Renewable Fuels Association (RFA). We have come together to bring you complete and timely information on ethanol blending, mid-level ethanol blends and E85.

This October 20th 1pm CST webinar will provide the latest updates on increasing ethanol blends to 15 percent and how blender pumps continue to fit the equation for retailers looking to provide customers a variety of fuel choices. The BYO webinar will discuss these new fuel formulations in detail and help retailers learn more about ethanol marketing for current and future blends. Sign up today to learn what ethanol marketing will look like in the year ahead. Register for this FREE webinar at www.BYOethanol.com.

The BYO Ethanol Campaign looks forward to you joining this webinar and the opportunity to answer your questions.

FEDERATED INSURANCE DESIGNATED RISK MANAGER SEMINAR

Sign up for a one-day seminar on October 19, 2010, in Sea Tac, Washington. Important topics include "Your Losses vs. the Industry", "Designate a Risk Manager", "MVRs – Making the Tough Call", "Distracted Driving", "Drug and Alcohol Free Workplace", "Risk Management for Petroleum Marketers", "Business Planning" and "Emergency Preparedness".

To sign-up online go to: <http://www.wpma.com/washington/calendar-of-events>

REGISTER ONLINE FOR THE 2011 WPMA CONVENTION & CONVENIENCE STORE EXPO

You may now register online for the 2011 WPMA Convention & Convenience Store Expo.

Go to: <http://www.wpma.com/national-convention>

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

MARK YOUR CALENDARS FOR UPCOMING EVENTS IN 2010

September 20, 2010 – NPM&CSA Petro Cup Challenge – Ultimate Rush Park, Reno, Nevada

October 14, 2010 – WOMA PAC Golf Tournament – Glendale Country Club – Bellevue, Washington

Petro Pete: "You got to be careful if you don't know where you're going, because you might not get there. -- *Yogi Berra*"

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Thanks.