



August 28, 2008

WR 08-34

SENATE GANG OF TEN GROWS TO SIXTEEN

Six more Senators have signed on to the “Gang of Ten” energy proposal which now includes Senators John Warner (R-VA), Norm Coleman (R-MN), John Sununu (R-NH), Tim Johnson (D-SD), Thomas Carper (D-DE) and Ken Salazar (D-CO). The bipartisan coalition is led by Senators Kent Conrad (D-ND) and Saxby Chambliss (R-GA). The compromise proposal known as the New Energy Reform Act is still a discussion draft and has not yet been introduced as a bill. The measure is expected to include a balance of energy production and conservation items. PMAA supports many of the ideas being considered and is lobbying Senators to include provisions designed to reduce excessive speculation in futures markets.

HOUSE DEMOCRATS ANNOUNCE NEW ENERGY PLAN

This week, House Democrats discussed their latest revised energy plan known as what Speaker Nancy Pelosi (D-CA) describes as a “New Direction” energy plan. Specific details of the plan have not yet been announced. The legislation is expected to include an expansion of drilling in federal waters tied to tax increases on oil companies. President Bush has repeatedly said that he will veto any bill that raises taxes. Since Pelosi is known as a vigorous opponent to expanded domestic oil drilling, it is a safe strategy for her to tie increased drilling to increased taxes, supporting a bill that will be vetoed.

PEI REPORTS ON ULSD ISSUES

According to the Petroleum Equipment Institute (PEI), the national transition to Ultra Low Sulfur Diesel (ULSD) is adversely affecting some petroleum equipment. It has been nearly two years since the transition began and according to PEI, they did not “expect to see any problems in storing, metering or dispensing the new ultra low sulfur diesel fuel.”

It has been reported in some cases that ultra low sulfur diesel is corroding metal components of the diesel storage system and causing filters and strainers to clog with rust. One member investigated several storage systems--all with fiberglass tanks--and found corrosion in the tank riser pipes, inside the STP housing, at the pipe above the STP and the pipe fittings at the STP, and inside the strainer housing. Another member reports rust inside the dispenser fittings before the strainer. Contributors to the PEI Forum report gasket and seal problems in pumps and meters and rust clogging PLLDs.

The reports PEI are receiving do not appear to reference isolated instances, but instead identify a problem that ULSD marketers and users might have to deal with as long as they use fuel made to the ASTM D-975 specification.

If PMAA members are seeing similar results or have other concerns, please forward comments to Brandon Wright at bwright@pmaa.org.

FTC TO HOST WORKSHOP ON PROPOSED RULE

PMAA is planning to participate in a Federal Trade Commission workshop focused on its petroleum market manipulation proposed rule. No date or agenda has been designated yet but the workshop will be scheduled after the formal comment period is closed.

The agenda for the workshop is expected to include topics such as: "the meaning of fraud and deception under the proposed rule; the element of intent under the proposed rule; and whether proving a violation of the proposed rule should require a showing of price effects, and, if so, how those effects might be demonstrated," the FTC said in the statement.

The proposed rule was issued August 13 and would prohibit market manipulation in the petroleum industry. The rule would make it unlawful for any person, directly or indirectly, in connection with the purchase or sale of crude oil, gasoline, or petroleum distillates at wholesale:

- to use or employ any device, scheme, or artifice to defraud;
- to make any untrue statement of a material fact or to omit a material fact necessary in order to make a statement not misleading;
- to engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

LEGISLATION INTRODUCED IN BOTH THE HOUSE AND SENATE TO INSTALL NATURAL GAS PUMPS AT RETAIL STATIONS

Congressman Rahm Emanuel (D-IL) introduced "The New Alternative Transportation to Give Americans Solutions (NAT GAS) Act" (H.R. 6570), which would promote the construction of natural gas pumps at 20,000 gas stations across the country and offers a \$90,000 tax credit to encourage gas station owners to install natural gas fuel pumps. Specifically, the legislation would provide \$2.6 billion in bonding authority to states to provide low-interest loans to service stations to install natural gas pumps, require gas stations owned by the major oil companies to install at least one natural gas pump in each station by 2018, include consumer tax credits for the purchase of natural gas vehicles, provide tax credits for Americans to purchase home "Phill" units, which can be installed in a garage that would be connected to a natural gas line for drivers to refuel their car at home, and finally, provides five billion dollar in bonding authority to encourage U.S. car manufacturers to produce natural gas vehicles.

In the Senate, Senator James Inhofe (R-OK) introduced the Drive America on Natural Gas Act (S. 3281) which would promote the use of compressed natural gas (CNG) and liquefied natural gas (LNG) vehicles. Specifically, S. 3281 would expand the renewable fuel standard definition to include natural gas, expand the alternative vehicle tax credit to include bi-fuel vehicles (those that can run on both conventional fuels and natural gas fuels), it establishes a natural gas vehicle research, development, and demonstration program, and finally, it directs the EPA to establish a state demonstration program to simplify the rules and regulations currently required for the conversion of vehicles to natural gas.

These measures will not be considered in the current session of Congress and will likely be re-introduced in 2009. Nearly every member of Congress is supporting some legislation for alternative fuels, but the hard reality is that new infrastructure will need big subsidies from the U.S taxpayers. PMAA expects a comprehensive debate on energy in the next session of Congress.

FEDERATED INSURANCE MAKES DISASTER PLANNING TOOL AVAILABLE TO PMAA MEMBERS

Federated Mutual Insurance has now made available to PMAA members *Open for Business*[®], an Internet-based disaster recovery and risk assessment tool. *Open for Business*[®] features versions specifically for businesses that rent their location and businesses that own their location. Plans are easy to create and update and stored confidentially on the *Open for Business*[®] web site or customers may save their plans on their computers or print them and save them in hard copy form.

Open for Business[®] is available at Federated Insurance's web site, www.federatedinsurance.com. To begin the registration process, simply click *Open for Business*[®].

SPIRIT[®] PARTNERS WITH MOUNTAIN COMMERCIAL GRAPHICS

Spirit® Petroleum has entered into a partnership with Mountain Commercial Graphics. With more than 25 years of direct experience with the petroleum industry, Mountain Commercial Graphics will now serve as the approved vendor for Spirit pump and canopy graphics. "Our priority at Spirit is to support marketers with experienced vendors ready to make every step of the branding process go smoothly," said Vera Haskins, president of Spirit Petroleum.

Mountain Commercial Graphics, based out of a 50,000 square-foot facility in Houston, develops solutions for its clients with durable long-lasting colors, indoor and/or outdoor applications, timely delivery and careful handling of orders. This privately-owned company has a variety of capabilities including small to very large graphic production; four-color process digital and screen printing; solvent and UV printing; creative design and art production layout; in-house steel rule and thermal die cutting and finishing; laser cutting, routing and fabrication; and full-service finishing including lamination and mounting, inventory programs, fulfillment and an on-line store.

New Hope, Pa.-based Spirit® is a nationally recognized petroleum brand—an American eagle and the red-white-and-blue image—managed by marketers and owned by the non-profit Petroleum Marketers Association of America (PMAA). The brand enables businesses of all sizes to aggressively compete in today's tough environment. Marketers can benefit from the brand's flexible requirements, turnkey business solutions and competitive credit-card processing rate. Spirit is available nationwide, the company said, and more than half of its licensees have branded multiple locations.

HOT OFF THE PARTNER PRESS: CHASE PAYMENTECH

VeriFone Ruby Software, PTIPAK v4.01

PMAA's Partner and Endorsed Vendor has issued another [newsflash](#) which became effective today, August 13, 2008 with compliance by October 4, 2008. Should you have additional questions and want to talk about this further, please call 877.389.5634 and speak with a PMAA specialist.

PMAA MEMBER SERVICES SPOTLIGHT FEATURING: DHL

Prepay & Save with DHL ShipReady

Tired of playing guessing games with your shipping budget? You will be happy to learn that PMAA has found a solution for you! DHL Express offers special discounts for members on their flat-rate, prepaid shipping packaging called ShipReady™. DHL ShipReady packages make shipping a snap by eliminating fuel surcharges, zone rates and weight charges. And with ShipReady, you pay upfront so there are no invoices to worry about after you send your shipment.

Are you shipping more than just overnight documents? DHL Express also offers PMAA members exclusive discounts on their full suite of shipping services including DHL Next Day, 2nd Day, International and Ground delivery.

To learn more, call 1-800-MEMBERS or [visit](#) today.

DHL ShipReady prepaid service provided by DHL Express is subject to DHL's ShipReady Terms and Conditions as published on the envelope and at www.dhl-usa.com. [Click here](#) to view complete DHL ShipReady Terms and Conditions.

PLEASE PRE-REGISTER NOW FOR PMAA'S FALL MEETING IN CHICAGO

Please note that NACS Show early bird registration and housing closes today, August 29, 2008. Additional information can be found [here](#). NACS Show registration is **separate** from the PMAA Meeting Registration.

PMAA will hold its Fall Meeting in conjunction with the NACS Show on October 3-4 at the Hilton Chicago. Please note that there is a NORA Board meeting being held the afternoon of October 2nd. The PMAA meeting will begin with a Board Briefing in the late afternoon on October 3rd. A welcome reception with NACS to State Association Leaders will follow. On the morning of October 4th, there will be a Continental Breakfast followed by Regional Meetings and Issue Groups. The PMAA Board of Directors meeting is scheduled after lunch. Please view the [Conference Schedule](#) and [Registration Form](#). There will be two special events taking place on Saturday which require separate registration.

For air travel purposes, the closest airport to downtown is Midway Airport. You can obtain an airport shuttle from Midway and O'Hare Airport at [this site](#). The current one-way taxicab fare from Midway Airport to Downtown is \$25 and from O'Hare Airport to Downtown is \$55.

AUGUST 2008 CONTRIBUTORS TO PMAA SMALL BUSINESS COMMITTEE PAC

We are grateful for the PMAA Small Business Committee (SBC) PAC contributions from the following individuals during the August 1-29 timeframe:

Idaho: Brett Adams, Dennis Baird, Ron Berry, Robert Franklin, Mark Grannis, Sterling J. Jardine, James Lynch, Karl Ward, Dan Willie

Illinois: Todd Davis, David Golwitzer, David McLuckie, Ronald Medford, Michael Meier, Donald Saunders, Jon Stewart, Dale Wade, Gail Wade, Gene Wright

Kentucky: Gary Emmick, Butch Hardy III.

Mississippi: David Craddock

Ohio: Dean Beck, Todd A. Borton, Frank Schafer, Robert Thompson, Kim Ullman

Virginia: Steven Abbate, I.W. Bagwell IV, Ronald R. Hare, Angus Hines Jr., Mark Holt III, William Holtzman, Alex Knox, Bill Lester, John Malbon, Wayne Mears, Susan Milby, J. R. Ridenour, Arnold Riggs, John Watts Jr.

Washington: Daniel Averill, Tom Hemingway, Robert Ogan