

# FUEL FOR THOUGHT

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## **P&CMA ANNUAL CONVENTION NEXT WEEK, JULY 9-12, 2009** *We've Saved Your Seat – Come Join Us!*

The P&CMA staff is looking forward to a great convention next week at the Sandestin Golf & Beach Resort in Destin. We hope you are going to be joining us. As a reminder, following is our agenda:

### Thursday, July 9, 2009

9:00 a.m. – 12:00 p.m.	P&CMA Board of Directors Meeting
12:00 p.m. – 5:00 p.m.	Convention Registration
12:00 p.m. – 5:00 p.m.	P&CMA Hospitality Services
4:00 p.m.	Hotel Check-In
5:30 p.m. - 7:00 p.m.	P&CMA Member Appreciation Reception

Evening Open for Supplier/Vendor Hospitality

### Friday, July 10, 2009

8:00 a.m. – 9:00 a.m.	Prayer Breakfast, John Croyle (ticketed event)
9:00 a.m. – 10:00 a.m.	General Session, Dick Burleson
10:00 a.m. – 11:00 a.m.	Educational Seminar, Gray Taylor (NACS)
11:30 a.m. – 1:00 p.m.	Brand Meetings (BP Products, Citgo, Pure)

Evening Open for Supplier/Vendor Hospitality

### Saturday, July 11, 2009

7:00 a.m. – 11:00 a.m.	Off-Shore Fishing Excursion (ticketed event)
8:00 a.m. – 2:00 p.m.	Golf Tournament, Baytowne Course (ticketed event)
11:30 a.m. – 1:00 p.m.	Cooking Demonstration/Lunch, Finz Bayside Grille (ticketed event)
2:00 p.m. – 4:00 p.m.	Family Bingo
6:00 p.m. – 10:00 p.m.	P&CMA Anniversary Banquet / Educational Foundation Draw-Down (ticketed event)

### Sunday, July 12, 2009

Departures	
11:00 a.m.	Hotel Check-Out

All events will take place at the Grand Sandestin/Baytowne Conference Center, which is adjacent to The Grand Sandestin (main building). Room locations are listed in the Convention Program that will be inside your registration packet. Convention registration is Thursday, July 9 from 12:00 p.m. to 5:00 p.m. in the Grand Sandestin/Baytowne Conference Center. Attire for the all convention events is resort casual – we're at the beach!

**As a reminder, Convention Registrations can be faxed and/or e-mailed to the association office at 334/272-3837 or [lcoker@pcmala.org](mailto:lcoker@pcmala.org) until this Friday, July 3<sup>rd</sup>.** After July 3<sup>rd</sup>, all registrations must be done on-site. Registration materials can be found on-line by visiting the association's web site at [www.pcmala.org](http://www.pcmala.org). For questions, call the association office at 334-272-3800.



## P&CMA OFFICE CLOSED FRIDAY, JULY 3<sup>rd</sup>

The P&CMA office will be closed this Friday for the July 4<sup>th</sup> holiday. The P&CMA staff wishes everyone a safe holiday weekend!



## NEW ADDITIONS TO P&CMA'S CLASSIFIED SECTION

Check out two new entries posted to P&CMA's Classified section of our web site at [www.pcmala.org](http://www.pcmala.org): Convenience Store Division Manager position and three south Alabama locations "For Sale." Just go to "Publications" on the home page and click on "Classified". This is your free resource to products and services that you want to buy or sell. If you have an item that you would like to post on the web site, simply fax your information to Lynne at 334-272-3837 or e-mail her at [lcoker@pcmala.org](mailto:lcoker@pcmala.org). Provide her with the item, a detailed description and a contact name and number... she'll do the rest!

## CAP AND TRADE BILL PASSES U.S. HOUSE

On Friday night, the U.S. House of Representatives voted on and unfortunately passed the Waxman/Markey climate cap and trade bill by a vote of 219 -212. The Waxman/Markey legislation is that which the American Petroleum Institute (API) recently commented would restrict fossil fuels use and would thereby increase gasoline prices by 77 cents a gallon. ***Fuel For Thought is please to report that the entire Alabama congressional delegation voted against the legislation.*** Please thank your Congressman when you have the opportunity.

API President Jack Gerard, referring to a study provided by the Congressional Budget Office (CBO), estimates the impact of this legislation on consumers will be costly. "The study confirms the bill discriminates against ordinary Americans who depend on cars, trucks, trains and airplanes," Gerard said in a written statement. The legislation would require refiners and manufacturers to acquire carbon dioxide pollution allowances that could be traded on a market as part of an effort to cut emissions 17 percent below 2005 levels by 2020. The House Energy and Commerce Committee approved the bill May 21 and it is awaiting review by other panels. The CBO study released June 5 said the measure would produce \$845.6 billion in revenue and cost consumers \$821.2 billion through 2019 in the form of free allowances for industry, tax breaks for low income households and investment in cleaner forms of energy.

Gerard further stated the measure puts too much burden on the oil and gas sector. It would raise the cost of a gallon of jet fuel by 83 cents per gallon and diesel fuel by 88 cents. The report estimates that allowances would cost \$15 per ton of emissions in 2011 and rise to about \$26 per ton in 2019. "The \$846 billion price tag on emission allowances - borne disproportionately by oil consumers -- will drive up costs of producing and refining gasoline, diesel and other fuel products while doing nothing to protect fuel consumers," Gerard said.

Congress has recessed for the Independence Day holiday, but when they return from the recess later in July, the U.S. Senate is expected to begin committee work on its own cap-and-trade bill, which the Senate Majority Leader hopes to bring to the floor this fall. Considering the close vote in the House, the Senate will be even more hard-pressed to approve such controversial legislation, as a cap-and-trade bill must overcome a two-thirds vote (60 votes) threshold to overturn filibuster.

## FEDERAL MINIMUM WAGE INCREASES JULY 24

Federal minimum wage will increase to \$7.25 on July 24, 2009, the final increase in a three-step phase in set by Congress, when they amended the Fair Labor Standards Act (FLSA) in 2007.

As a reminder, employers are required to post FLSA minimum wage posters in the workplace. Free posters that meet the Department of Labor (DOL) requirements are available on the department's website. Go to <http://www.dol.gov/osbp/sbrefa/poster/matrix.htm> to download free labor posters and to view a complete list of required employer notices. Employers are also advised to check to see what their individual states require. The website for Alabama's Department of Labor is <http://www.alalabor.state.al.us/>.

*From PMAA Weekly Review*

### **PRESIDENT SIGNS FDA REGULATION OF TOBACCO**

Last week, President Obama signed legislation granting the Food and Drug Administration (FDA) the authority to regulate tobacco products.



The legislation, known as the "Family Smoking Prevention and Tobacco Control Act," (H.R. 1256) will create a new "Center for Tobacco Products" inside the FDA to regulate the production, marketing and sale of tobacco products. A twelve person panel of physicians and others, including three people from the tobacco industry, will advise the regulators. Unlike the other experts, the tobacco industry representatives will not have a vote on the panel. The new oversight will be paid for by user fees on tobacco companies and importers, which is likely to cause an increase in the price of cigarettes and other tobacco products. For 2009, the fees will be \$83 million, and over 10 years the fees would grow to total \$712 million annually.

The new Act allows the FDA to regulate sales of tobacco on Native American lands and regulate Internet tobacco sales but it will punish retailers if the packaging, labeling or advertising for tobacco products are found to be out of compliance with regulations that are to be determined by the FDA. Furthermore, the bill establishes graphic health color photos to cover half of every pack of cigarettes. Cigarette and smokeless tobacco products must have new warning labels which include statements like, "Smoking can kill you," and "Tobacco smoke causes fatal lung disease in nonsmokers." Most of the provisions in the tobacco bill will be issued one year after the date of enactment. PMAA will participate in FDA's rulemaking process and issue comments on behalf of marketers and retailers.

Retailers will be protected from accidental sales of tobacco to minors by a "good faith" clause. A retailer will be protected if he/she adopted and enforced a written policy about sales to minors, informed employees of relevant laws, established punishments for employees who violate that law and required employees to verify a purchaser's age using a government-issued photo ID or an electronic scanning device. Additionally, the legislation clarifies that a retailer cannot be held liable for a violation if a minor presents a false government ID.

## **NEW POLICY CHANGE ALLOWS REFINANCING OF SBA 504 GUARANTEED LOANS**

The U.S. Small Business Administration (SBA) announced this week that borrowers can now obtain funding for expansion projects by refinancing their existing SBA guaranteed loans through the agency's 504 loan program. Under the new program, authorized by the American Recovery and Reinvestment Act of 2009, small businesses can use 504 loans to refinance up to 50 percent of the debt incurred while purchasing land, real estate or other fixed assets as part of an expansion project. Refinancing at lower interest rates reduces payments and increases cash flow according to the SBA.

The 504 loan program provides small businesses with funds to purchase fixed assets. The loans are made by private lenders but are guaranteed by the SBA. In order to qualify, a business must have a net worth under \$7.5 million and a net income of no more than \$2.5 million after federal taxes. This is the most recent change to the SBA's lending policies. In May, SBA temporarily raised the guarantee percentage for 7(a) loans to 90 percent and eliminated the fees for 7(a) and 504 loan programs.

## **EPA E-10 ENFORCEMENT EFFORT AIMED AT BLENDER PUMP SITES IN LIMBO**

A high profile EPA enforcement effort launched last year to prevent ethanol blends greater than ten percent from being sold for use in conventional automobile engines has stalled since the agency began consideration of a waiver that would authorize the use of blends up to 15 percent ethanol. Under current federal law, only certified flex-fuel vehicles may use ethanol blends greater than ten percent. However, as blender pumps proliferate, consumers are selecting ethanol blends that exceed the federal E-10 limit.

In a letter sent out to industry representatives last July, the EPA reminded retailers about the E-10 limit and expressed concern that consumers with conventional fueled vehicles were filling up with higher ethanol blends primarily at locations with blender pumps. The EPA recommended that blender pumps carry a new consumer warning label explaining the E-10 limit and warned it would initiate enforcement actions against retailers who knowingly allowed such illegal sales. Since that time, however, no notice of violation has been issued for the sale of blends greater than E-10 for use in conventional fueled vehicles. The fizzled enforcement effort is due largely to the fact that the EPA itself will likely authorize E-15 use in conventional fueled vehicles later this year as the result of a waiver application submitted by ethanol supporters. Despite the likely go ahead for an E-15 blend, petroleum equipment compatibility issues loom large as the threat of liability for releases that would otherwise be covered by tank funds and insurance policies for E-10 product grows.

## **DEADLINE FOR RENEWAL OF EXPIRING U.S. DOT HAZMAT REGISTRATION IS JULY 1**

The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee each year by July 1 in return for a certificate of operation. Since registration is allowed for one, two or three years, it is important that petroleum marketers check their registration certificate for the expiration year. A current registration certificate is required for petroleum marketers who operate cargo tank vehicles. Marketers should have received a 2009-2010 registration form from the U.S. DOT last month.

Since the July 1 deadline is a mere two days away, the only alternative for those whose certificates expire this year, but have not mailed in their application form is to register online. On line registration allows applicants to fill out the form electronically, pay with a credit card and immediately download a current registration certificate. The registration site also allows applicants to check the year their current certificate expires. A photocopy of a current certificate must be kept in the cab of each cargo tank vehicle. Enforcement personnel often check HAZMAT registration status during roadside inspections. Expired certificates will result in the vehicle being pulled from service.

Online HAZMAT registration is available at <http://www.phmsa.dot.gov/hazmat/registration>.

## LUST FUNDING

The Senate Appropriations Subcommittee has approved \$114.1 million for the Leaking Underground Storage Tank (LUST) program. This is one million dollars above the President's request and the amount appropriated in the House bill. Petroleum marketers have now paid over three billion dollars into the LUST fund and continue to pay \$140 million each year. To a great extent, the LUST tax has just become another federal tax used to support the overall EPA budget.

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