

April 16, 2010

CONTACT: Sherri Cabrera (PMAA)  
(703) 472-7980  
[scabera@pmaa.org](mailto:scabera@pmaa.org)

Jim Collura (NEFI)  
(202) 441-8857  
[jimcollura@nefi.com](mailto:jimcollura@nefi.com)

**GASOLINE AND HOME HEATING RETAILERS  
PLEASED WITH LINCOLN BILL TO REFORM DERIVATIVES MARKET**

Arlington, Virginia - Today, the Petroleum Marketers Association of America (PMAA) and the New England Fuel Institute (NEFI) applauded Senate Agriculture Committee Chairwoman Blanche Lincoln (D-AR) for releasing a strong derivatives market reform draft bill which the Committee could markup as early as next week. PMAA President Dan Gilligan said, "I congratulate Sen. Blanche Lincoln for her leadership in introducing comprehensive derivatives market reform legislation which will finally bring to an end the excessive risk taking by Wall Street investment banks at the expense of the American taxpayer. "American small businesses and consumers will benefit greatly from this solid bill which will go a long way towards restoring the fundamentals of supply and demand in the oil futures marketplace," Gilligan said.

PMAA and NEFI have been advocating for comprehensive commodity derivatives market reform legislation for five years and have long-since concluded that the current price consumers pay at the pump does not fully reflect market fundamentals. The lack of transparency for the over-the-counter (OTC) and foreign boards of trade (FBOT) marketplace and a series of exemptions to regulation for speculators, derivatives dealers and other financial players has made it difficult for the Commodity Futures Trading Commission (CFTC) to effectively regulate and oversee these markets which determine the price for crude oil, gasoline, and home heating fuels.

The Senate Agriculture Committee draft legislation addresses the fundamental goals of centralized clearing and aggregate position limits for all financial players like hedge funds and insurance companies who speculate in energy derivatives while leaving an exemption from clearing and exchange trading requirements for legitimate commercial hedgers like petroleum marketers, home energy companies, airlines and farmers. Just as important, the legislation actually goes further to end the excessive risk taking by Wall Street banks by holding them accountable for their trading actions. Big Wall Street investment banks would be barred from receiving Federal Deposit Insurance Corporation assistance if their derivatives trades go bad due to excessive risk taking.

Petroleum marketers, gasoline station owners, heating fuels dealers and consumers feel that this is bill is a major step towards helping to prevent another energy bubble like the one that was witnessed during the summer of 2008. This legislation will require financial institutions to post margin in regulated clearinghouses if their trades turn against them which will prevent excessive volatility in oil futures and ultimately bring stability to the price at the pump. PMAA and NEFI support these calculated measures to ensure that retailers and consumers are not getting the short end of the stick.

"Congress needs to act, and act now, to protect American families and businesses from the reckless practices that have corrupted not only our energy market, but nearly every aspect of our financial system. Inaction is not a solution, and we can no longer afford to stand by and watch while our national economy falls prey to Wall Street avarice and unaccountability," Gilligan said.

*PMAA represents 8,000 independent petroleum marketing companies that wholesale and retail gasoline, diesel, heating oil, lubricants and renewable fuels. PMAA marketers own 60,000 gasoline stations and supply motor fuels to 40,000 independently owned retail outlets and heating oil to seven million homes and businesses. They sell product under either their own private brand or the trademark of their supplier.*

*NEFI is a member of the Petroleum Marketers Association of America and an independent trade association representing the home heating industry since 1950. NEFI represents over 1,000 home heating oil and propane retailers and related service companies in New England and throughout the northeastern United States, most of which are small, multi-generational family owned- and operated- businesses. Many of these companies have been utilizing the futures markets for their hedging needs for decades in an attempt to protect customers from ever increasing uncertainty and volatility in energy commodity prices.*