

Out and about the industry

Standing up for our industry and the American way... By Mark Radosevich

6/12

In the petro-world, nothing portends the advent of summer more than the annual PMAA legislative conference in Washington, DC. This year's event recently wrapped up and like clockwork, current temperatures hover above ninety degrees. Attendees from across the country had a long slate of issues to address with their Capitol Hill representatives. Besides the primary topic of "Obama-care Repeal" other issues included Roll Your Own Tobacco, Fuel Wet Lines, Crude Oil Speculation, Commercialization of Interstate Rest Areas and E-15, among numerous others.

I've had the pleasure of participating in the event for several years and always find it interesting, rewarding and fun. Few activities enable a gathering of like-minded petro-industry professionals from across the nation to work for a common, mutually beneficial purpose. Prior to beginning the legislative visits, each delegation individually met to decide a short list of topics, most important to their respective states, to be featured with their legislators. Legislative meetings tended to last only around thirty minutes, leaving just enough time to adequately discuss this short list of topics.

Besides spending some time with the folks that can actually influence policy, a recent sequence of events was also discussed. It seems that back in late 2009, Warren Buffet decided to purchase the remaining shares of Burlington Northern Santa Fe Railroad for \$34 billion. This was just about the time that the full potential of the Western Canadian oil sands production was being fully grasped. With derailment of the Keystone Pipeline, Burlington Northern would be the primary shipper of all crude oil into the United States, thereby insuring a tidy little profit into the future. Coincidentally, during this time, President Obama was broadly touting the "unfair" tax inequality between what rich folks like Mr. Buffet pays and that paid by his oppressed secretary. But tit-for-tat couldn't possibly be the case here could it, or is this another example of Chicago-style "pay-back" politics? Interesting food for thought as the country faces \$4.00 gasoline this summer.

The 2012 legislative event was especially important given the economic conditions that we operate and the sharp divide between the folks that support our industry and the ones that would love to see us disappear. The November elections are probably the most crucial in history for the life and vitality of the energy business.

On oil side of the equation, a win will help guarantee the long-term viability of the wholesale marketer business. It's not going to reduce the daily competitive and operational factors that we deal with, but it will help relieve pressure from irrational, over-aggressive regulation and governmental interference that the green leaning wacko's wish to inflict upon us; irrespective of the damage to the economy and the motoring public.

On the coal industry side of the equation, the election may decide whether millions of average Americans will be forced to pay backbreaking increases in the price of electricity, while the majority of folks that reside in Eastern Kentucky, Southwest Virginia, West Virginia and other parts of the country become new unemployment statistics and probable lifetime recipients of governmental handouts, or if logic prevails and the tree huggers are compelled to "occupy" something more than dead space both physically and mentally.

But I digress... Every year that I return from the PMAA legislative event in Washington, I'm compelled to recommend that both marketers and industry associates to strive to get involved. Get involved at the state level with your respective state associations by attending the meetings and legislative events. Get involved on the national level with your state association in conjunction with PMAA and help shape the narrative of the positive things that our industry delivers in terms of reliable and affordable fuel for transportation, employment and economic activity in every city, town and village cross roads throughout the nation.

When you personally and proactively engage a senator, congressman, or their aids in their Capitol Hill offices, you suddenly become part of the process, not a passive viewer of Fox News complaining to the wind about how something should be done in Washington. Hopefully many new folks that have yet to participate will become motivated to join the cause of preserving our industry and join other like-minded petro-pros at the next PMAA event to put a full court press on the Capitol.

And on a last note of business, we are excited about the inauguration of a new financing program to help single and multi site operators acquire growth financing. On the marketer financing front, we are equally excited about the prospects to deliver competitive acquisition loans and debt refinancing. Our stable of lenders is active and bullish on our industry. No deal is too small or too large.

On behalf of the PetroActive Services team I want to wish everyone a wonderful, healthy and prosperous summer of 2012.

Possessing over thirty years of petro experience, Mark Radosevich is a strong petroleum industry advocate. In addition to serving on various industry association boards and committees, Mark is president of PetroActive Real Estate Services, LLC, offering confidential mergers & acquisition representation and growth financing services exclusively to the wholesale petroleum sector. Contact him at 423-442-1327 or at mark@petroactive.net