

**HIGHWAY TRUST FUND NEGOTIATIONS CONTINUE DURING RECESS**

Discussions about how to best finance the Highway Trust Fund (HTF) continued this week while lawmakers were in their districts for the July 4th recess. Resolution has become particularly vital as Transportation Secretary Foxx notified state highway directors on June 19 that if Congress does not replenish the fund within a month, DOT will begin to delay reimbursement to the states for work on the highway system.

On June 26, the Senate Finance Committee attempted to move forward on a plan to raise eight billion dollars to fund the Highway Trust Fund (HTF) through the end of the year. While the Committee was able to agree to an overall funding proposal, it delayed a final vote until after the July 4th recess in order to hash out the details. Meanwhile, Finance Committee Ranking Member Orrin Hatch (R-UT) said he planned to work with House Ways and Means Committee Chairman Dave Camp (R-MI) to come up with a bipartisan and bicameral proposal to keep the HTF solvent through December 31st without raising taxes.

The initial Senate Finance Committee version included language which would increase the Heavy Vehicle Use Tax (HVUT) from \$550 to \$1,100 (would raise \$1.3 billion over 10 years), but the idea was scrapped after several groups including PMAA voiced concerns over the increase. One of the other proposals also looked to take the remaining \$1.4 billion from the Leaking Underground Storage Tank (LUST) fund, however, the Committee is likely to settle at \$750 million. PMAA and like-minded associations sent a letter in opposition of completely raiding the LUST fund. Other revenue raisers include a modification on required distribution rules for inherited IRAs and additional information regarding tax returns on mortgage interest. The Committee also proposed lowering the tax on LNG from 24.3 cpg to 14.1 cpg to align its energy content to a diesel gallon equivalent.

Several amendments were also offered including one which would increase the motor fuels tax by 12 cents and index it to inflation. Another amendment would index the motor fuels excise tax to inflation starting next year. A motor fuels tax increase is highly unlikely this year given it's an election year and its chances of moving forward are more likely in a comprehensive tax reform bill.

A failure to reach an agreement soon may lead to road project delays or halts, similar to last year's partial shutdown of the federal government after a budget impasse. Authority to collect the motor fuels tax expires September 30.

**PANEL RECOMMENDS LOWER OZONE STANDARD**

Last week, a federal environmental advisory committee concluded in a letter to EPA Administrator Gina McCarthy that the EPA should consider lowering the current 75 ppb ozone national ambient air quality standard to 60-70 ppb. The report even went further to suggest a 60 to 65 ppb range would be best, stating that a standard of 70 ppb would offer only a "limited margin of safety" for human health. Established in 1977, the Clean Air Scientific Advisory Committee (CASAC) provides advice to the EPA Administrator on the technical bases for EPA's national ambient air quality standards. EPA is under court order to issue a proposed rule to either revise or retain the current standard by December 1, 2014 and EPA will consider the Committee's recommendations in making that determination. However, the EPA is not bound to the Committee's recommendation.

EPA's potential ozone proposed rule is estimated to cost upwards of one trillion dollars per year from 2020-2030, according to the National Association of Manufacturers. Lowering of the standard would force more counties into non-attainment, and, therefore, requiring RFG and lower RVP gasoline which would increase the cost of motor fuels. PMAA believes the economic consequences from a new ozone standard will be severe and must be considered. Current standards are working and the value of moving towards a lower ozone standard is not backed by scientific evidence. An overly stringent ozone standard will create bottlenecks and chaos in the gasoline marketplace.

**CBO ISSUES COMPREHENSIVE RFS REPORT**

Recently, the nonpartisan Congressional Budget Office (CBO) issued a comprehensive report on the RFS and stated that the EPA would likely lower RFS blending volumes and maintain them for the foreseeable future to prevent higher ethanol blends from reaching the marketplace given infrastructure concerns. If EPA were to keep pace with the statutory requirements for 2014, refiners and importers' compliance costs (RIN prices) would increase resulting in higher prices at the pump, according to the report. Specifically, CBO indicated that if the requirements are not reduced by 2017, they would add 13 to 26 cents per gallon to gasoline. CBO also expects that corn-based ethanol will continue to be used up to E10 levels even without the RFS because refiners would probably find it cost effective.

The report was requested by House Energy and Commerce Committee Chairman Fred Upton (R-MI). Last year, the Committee thoroughly reviewed the Renewable Fuels Standard (RFS) in a series of White Papers. The first White Paper was released in March 2013 and PMAA submitted comments. While it is unlikely Congress will act on RFS legislation this

year, 2015 may prove to be the year Congress may attempt to adjust the RFS. Statutorily, the RFS mandate requires a total of 18.15 billion gallons of renewable fuels (14.4 billion gallons of corn-based ethanol) for 2014, however, EPA proposed a 15.21 billion gallon mandate including 13.01 billion gallons of corn-based ethanol. The proposal would also reduce requirements for cellulosic biofuels from 1.75 billion gallons to 17 million gallons.

PMAA applauds CBO for acknowledging the current infrastructure constraints for expanded corn-based ethanol use above E10. This is the biggest concern for PMAA member companies, therefore, PMAA supports lowering the corn-based mandate to a level achievable up to an E10 blend.

### **PRESTON ROBERT (BOB) NICHOLAS OCTOBER 22, 1920 - JUNE 23, 2014**



Bob Nicholes, founder of Bob Nicholes Oil Company, died on June 23rd. He was 93.

Bob and Mary, his wife, lived in Huston, Idaho. They first owned a little one-pump gas station next door to the Deer Flat Merc. Soon he was employed by Phillips Petroleum to run the Town Pump in Caldwell. He began expanding and took over distributorship for Idaho Gas. Ever the entrepreneur, he purchased another Phillips Station, Tots 66, and went on to build the highly successful North Caldwell Station on the corner of 10th and Chicago. Before retirement he built the Interstate 66 Truck Stop at the corner of Franklin Road and Interstate 84. During his career he actually had ownership or interest in 13 gas stations in Caldwell, Nampa and Boise, including his own Fleetway private brand stations as well as the Air Comfort Store in downtown Caldwell. His widespread success led to the rather apt description of the Bob Nicholes Oil Company or BONICO oil dynasty.

Bob was preceded in death by one grandson, Martin Robert Huff. In addition to his wife Mary Nicholes, Bob is survived by his brother Bruce Nicholes, sister Veda Ricketts and two daughters, Robbye Clements and Linda Nicholes. He also leaves behind four grandchildren: Michael Clements, Robin Lieberman, Nick Clements and Timothy Clements along with one great grandson, Arthur Robert Bailey. Services will be held at Caldwell Boone Memorial Presbyterian Church on July 2nd at 11:00 a.m. with a follow-up gathering at the Caldwell Elks Lodge.

Services are under the direction of Dakan Funeral Chapel, Caldwell. In lieu of flowers, donations may be sent to the Caldwell Rotary Foundation, PO Box 24, Caldwell, Id 83606. Memories and condolences may be shared with Bob's family in his online tribute at [www.dakanfuneralchapel.com](http://www.dakanfuneralchapel.com)

### **JAMES J. LYNCH APRIL 8, 1923-JUNE 30, 2014**



James Joseph Lynch (Jim Sr.), age 91, of Burley, passed away Monday, June 30, 2014, at his home surrounded by his family.

He was born on Sunday, April 8, 1923, at the old Fremstead Hospital in Burley, Idaho. After graduating from Burley High School Class of 1941, he went to work for his father (J.C. Lynch and Son) driving the fuel truck delivering gasoline and fuel oil.

Jim entered the service in 1943 to serve in World War II. Upon returning home from the service, he rejoined his father in the wholesale gas and furnace oil business. In 1959, Jim Sr. bought out his father and formed a retail company called Triple S Oil Co. He founded six retail gas stations and convenience stores under the name Mr. Gas, three car washes operating under the name of Mr. Wash, and an ice manufacturing company operating as Magic Ice.

Jim was preceded in death by his parents and his brother, Bob. He married Virginia Staker in June 1946, and she passed away in 1972. Jim and Virginia had three sons, Jim (Karen) Lynch Jr., Steve (Marcia) Lynch and Gary (Pam) Lynch. Grandchildren are Scott Lynch, Nick Lynch, Kristin Reese, Chelsea Lynch, Jennifer Latta and Nathan Lynch. Jim Lynch Sr. later married Naomi Holmes in 1983 and acquired two stepsons, Rick (Melanie) Holmes and Curtis Holmes, as well as two stepdaughters, Sheryl (Chris) Dowling and Sandi Viau. He has a total of 18 grandchildren and 18 great-grandchildren.

The funeral will be held at 2 p.m. Monday, July 7, at the First Presbyterian Church, 2100 Burton Ave. in Burley, with the Rev. Josyph Andrews officiating. Burial will be in the Pleasant View Cemetery in Burley, with military rites provided by the Mini-Cassia Veterans Organization. Friends may call from 5-7 p.m. Sunday, July 6, at the Rasmussen Funeral Home, 1350 E. 16th St. in Burley, and from 1-1:45 p.m. Monday at the church.

In lieu of flowers, the family suggests individuals may consider a donation to the Cassia County Education Foundation or Idaho Youth Ranch.

## NPM&CSA OFFICERS AND DIRECTORS FOR 2014 –2016

The Nevada Petroleum Marketers and Convenience Store Association has announced their officers and directors for 2014-2016. They are:

President – Mark Lytle, Pro Petroleum, Las Vegas  
Vice President – Lawrence Waugh, Energy Solutions & Logistics, Reno  
PMAA Director – Gregg Benson, Rebel Oil, Las Vegas  
Immediate Past President – John Saxon, Thomas Petroleum, Las Vegas  
Director – Kristi Cotrell, Morton's Truck Stop, North Las Vegas  
Director – Chris Kemper, Terrible Herbst Oil, Las Vegas  
Director – Bob Prary, Flyers Energy, Sparks  
Director – Joe McGinley, McGinley & Associates, Reno

## MARK YOUR CALENDARS FOR UPCOMING EVENTS

**August 6-8, 2014** – IPM&CSA Convention – Coeur d'Alene Resort – Coeur d'Alene, Idaho  
**August 19-20, 2014** – NMPMA Convention – Marriott Pyramid North – Albuquerque, New Mexico  
**August 25, 2014** – HPMGA Golf Tournament – Oahu Country Club Course – Oahu, Hawaii  
**September 10-12, 2014** – UPMRA Convention – Park City Marriott – Park City, Utah  
**August 5 – 7, 2015** - Idaho (IPM&CSA) Convention - Sun Valley Lodge - Sun Valley, Idaho  
**August 3 – 5, 2016** - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort - Coeur d'Alene, Idaho

## 2015 WPMA CONVENTION & CONVENIENCE STORE EXPO – LAS VEGAS, NEVADA

Mark your calendars for February 17-19, 2015. Make plans now to attend the 2015 WPMA Convention and Convenience Store Expo. It will be held once again at the Mirage in Las Vegas, Nevada.

## NPP A NEW WPMA MEMBER SERVICE

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## WPMA MEMBER SERVICES



**Petro Pete: “The only time the world beats a path to your door is if you’re in the bathroom.”**

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One of each \*12,000 Gallon and \*\*6,000/6,000 Split 12,000 gallon double wall tanks  
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Contact Juan @ 208.724.3390 or [ipejuan3@gmail.com](mailto:ipejuan3@gmail.com)

## FOR SALE:



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