

**RESULTS FROM NCWM ANNUAL CONFERENCE - VICTORY FOR PETROLEUM MARKETERS**

This week, the National Conference on Weights and Measures (NCWM) held its annual meeting in Detroit, Michigan. Items on the agenda important to petroleum marketers were a 10 micron diesel filter mandate and a proposal to create an official diesel gallon equivalent (DGE) method of sale for CNG and LNG.

In a significant victory for PMAA, the NCWM voted down a proposal to mandate a 10 micron diesel filter. If the item were to have been approved, it would have cost marketers approximately \$230 extra a month due to having to change diesel filters more often. This estimate didn't take into account for loss of sales due to changing filters more often.

Currently, the market uses a 30 micron filter for diesel fuel and a 10 micron filter for gasoline. PMAA commissioned a study by Research Laboratories, Inc. to compare the different micron diesel filters. The study concluded that a 30 micron diesel filter is just as effective as a 10 micron in filtering particulates. Forcing a 10 micron diesel filter on petroleum marketers would also have impacted the functionality of the automatic shut-off nozzle because it requires a certain amount of flow in order to shut off when a vehicle's tank is full. If a dispenser is running slowly, the tank may overflow creating a cleanup issue. Bottom line: mandating a 10 micron diesel filter was unnecessary.

PMAA would like to thank PMAA Chairman Sam Bell, Kansas marketer Scott Zaremba, and Brian Parnell with Mapco Express for representing petroleum marketers at NCWM. They were instrumental in making sure the micron filter proposal did not move forward. Also, PMAA would like to thank Minnesota marketer Vern Kelley who helped with the micron filter study.

Additionally, the NCWM voted down the proposal to create an official diesel gallon equivalent (DGE) method of sale for CNG and LNG. What does this mean? CNG will continue to be sold in gasoline gallon equivalents. Regarding LNG, since there are no standards in place, it may be sold in diesel gallon equivalents. However, given the LNG-DGE is not in the NCWM handbook, this method of sale still lacks a uniform standard across states. The DGE unit is necessary to help facilitate the introduction of natural gas for trucking companies and other operators of heavy-duty vehicles to better understand the value proposition provided by natural gas. In addition, it would have allowed the taxation of CNG and LNG on a per-gallon basis instead of a mass basis. However, this issue remains unresolved and debate on the possibility of a mass standard within the NCWM will continue, something that marketers and the natural gas industry oppose. Allowing the method of sale to be determined by DGE will allow trucking companies to make easier cost comparisons.

**TEMPORARY HIGHWAY BILL DEAL ON THE HORIZON**

In a rush to complete a short-term deal before federal officials start delaying payments on August 1 to states for road and bridge construction projects, the House passed a bill (H.R. 5021) this week that would fund the highway program through May 2015.

Now the Senate will bring up the House bill and two alternative funding bills. The final outcome is likely to be passage of the House funding bill with a refocus again on a long term highway funding solution. Although the House passed the bill 367-55, it is opposed by some Democrats who want to hold off on a short term bill in order to keep the pressure on to pass a longer term bill.

In addition to the House bill, the Senate will debate two other funding patches. One that was approved by the Senate Finance Committee and a proposal authored by Sen. Barbara Boxer (D-CA). The House bill is similar to the Senate Finance bill with both providing roughly \$10.8 billion for the Highway Trust Fund.

Both plans use pension smoothing and an extension of customs user fees as offsets, but the Senate Finance Committee bill also includes \$4.3 billion in tax compliance provisions that will not pass the House. Although President Obama would also like a long-term fix, he has approved the short term House bill.

Most significant to petroleum marketers, the House and Senate Finance Committee plans both contain language fought by PMAA that would transfer one billion dollars transfer from the Leaking Underground Storage Tank (LUST) Trust Fund, leaving only \$400 million.

PMAA, NACS and SIGMA sent a [letter](#) in June to Senate Finance Committee Chairman Ron Wyden (D-OR) and Ranking Member Orrin Hatch (R-UT) urging the Senate to reject a proposal for a second, fatal raid of the Leaking Underground Storage Tank (LUST) Fund. In 2012 Congress hijacked \$2.4 billion of the \$3.8 billion that PMAA, NACS and SIGMA members paid in fees to the LUST Fund. The \$2.4 billion was moved to fund the Highway Trust Fund.

Petroleum marketers have supported the LUST Fund and have paid \$3.8 billion in LUST taxes since its inception. In 2012, Congress included a provision in the Highway bill that raided the LUST Trust Fund of \$2.4 billion dollars and moved it to the Highway Trust Fund. While PMAA opposed this provision, Congress could have lessened the blow by including language which would have required that future revenue collected for the LUST Fund is used for its intended purpose. Now Congress is back to raid from the petroleum marketers fund, this time proposing to take one billion dollars of the remaining \$1.4 billion from the fund.

PMAA believes the LUST Fund should be solely used to support UST leak prevention and remediation programs. PMAA is also concerned that states might increase tank fees to account for the LUST Fund shortfall. Raiding another one billion dollars from the fund will cripple important programs and ultimately harm marketing companies who have paid the tax and built the fund over the past 25 years. If the fund isn't being used for its intended purpose, the fee should be eliminated.

### **HOUSE PASSES PERMANENT BONUS DEPRECIATION BILL; WHITE HOUSE WOULD VETO**

On July 11, 2014, the House passed, by a bipartisan vote of 258-160, H.R. 4718, a bill that would restore and make bonus depreciation permanent. Bonus depreciation allows businesses to immediately write off more than half the cost of some investments such as new equipment.

President Obama has threatened to veto a permanent bonus depreciation provision but may agree with the tactic the Senate will probably take – to extend for two years the previous bonus depreciation allowance that expired on December 31.

PMAA strongly supports H.R. 4718 because it makes the depreciation permanent and expands it to stores that are leased as well as those that are owned.

### **FRANK SATTLER – 2010 WPMA HALL OF FAME AWARD RECIPIENT - PASSED AWAY**



Frank Sattler, 2010 WPMA Hall of Fame Award recipient, *passed away Monday, June 14, 2014.* He was born in North Dakota, where he received his early schooling at St. Michael's Academy in Grand Forks. He joined the Air Force in 1947 where he saw the world while serving two tours of duty in Europe and then one tour in the Far East. He married Dolores (Dee) Meyer in Tacoma, WA on April 14, 1952.

In 1968, after 21 years of military service, Frank retired and moved with his family to Boise, Idaho. In Boise, he was hired as the Executive Secretary of the Oil Heat Institute (OHI) of Southern Idaho and Eastern Oregon. During this time, he spent many hours "hitting the books," and received his Bachelors Degree in Business from Boise State University the same year that two of his sons graduated from Boise State with degrees in Accounting. For many years his office was in his home.

Many of the members of the Idaho Oil Heat Institute were also gasoline distributors and members of the multi-state Intermountain Oil Marketers Association (IOMA), which included Idaho. Because of the many common challenges with regulation and legislation, the two groups decided to merge, and Frank was the unanimous choice to head the combined group in Idaho, which eventually incorporated as the Idaho Petroleum Marketers Association (IPMA). He became the first state executive director for the Idaho association.

For a brief period he also served in the Legislature as the Representative for Idaho's District 17.

Frank served well as Idaho's Executive Director and Lobbyist until 1992, when he retired. His love of the oil industry and politics has continued through the years. Since his retirement, he and his wife Dee have volunteered each year at the WPMA Convention, where he helped with registration or policing the sessions and seminars.

He has been married to Dee for 58 years, has 5 children, 16 grandchildren and 11 great-grandchildren.

Vigil Services with Recitation of the Rosary will be held at 7:00 pm, Sunday, July 20, 2014 at St. Mark's and a Funeral Mass will be celebrated at 10:30 am, Monday July 21st at St. Mark's. Committal services at the Idaho State Veterans Cemetery will follow at 2:00 pm. Condolences may be made at [www.bowmanfuneral.com](http://www.bowmanfuneral.com).

### **WPMA OFFICE CLOSED THURSDAY, JULY 24TH**

The WPMA office will be closed on Thursday, July 24<sup>th</sup> for the Utah state holiday.

## 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

WPMA has partnered with NPP to provide members discounts on many products and services. NPP negotiates the rates, and makes them available to WPMA members. Membership with NPP is free, and there is no obligation to purchase.

Discounts through Verizon, Expedia, Fastenal, Cradlepoint, and more.

Register Now: <https://associations.mynpp.com/myNPP/memberSavings.xhtml?guid=RB3WUOFG>

## WPMA MEMBER SERVICES



**Petro Pete: "I broke up with my gym. We were just not working out."**

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## **Classified Ads**

### **FOR SALE:**

Idaho Petroleum Equipment Inc. has two new Containment Solutions fiberglass fuel tanks for sale with warranty

One of each \*12,000 Gallon and \*\*6,000/6,000 Split 12,000 gallon double wall tanks

dry interstitial, 42" sump, non-water tight lid and includes deadmen straps

\*12,000 Tank- \$11,972.40 \*\* 6,000/6,000 Split Tank - \$18,289.20

Contact Juan @ 208.724.3390 or [ipejuan3@gmail.com](mailto:ipejuan3@gmail.com)

### **FOR SALE:**



1997 Kenworth T800  
2 compartment aluminum tanker  
Bottom Loading truck  
CAT 346 engine  
1333778 miles  
\$20,000

Beall 4 compartment aluminum trailer, 4 axle, \$30,000,

Call: 541-709-6220

or

Email: [shay@campopool.com](mailto:shay@campopool.com)