

ON THE ROAD



DECEMBER 2008
VOLUME I ISSUE 6

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION

NJGCA TELLS A.G. TO RESIGN!

WE PRESENT EVIDENCE TO DEFEND RETAILERS FROM FALSE ACCUSATIONS



INSIDE:

- NJGCA ADDS NEW MEMBER BENEFIT PARTNERS TO BETTER SERVE YOUR SMALL BUSINESS!
- INSURANCE COSTS GOING UP? NEW DETAILS FROM AMT CAN SAVE YOU MONEY
- SAVE 50% ON ALL YOUR TANK TESTING IN 2009 - SEE DETAILS ON PAGE 27
- UPDATE ON STATE APPROVED EMISSION TECHNICIAN EDUCATION PROGRAM

NJGCA ROCKS THE AIRWAVES TO EDUCATE MOTORISTS ON CREDIT CARD FEES

By Nick De Palma

In any business or industry, a successful public relations campaign hinges on the ability to deliver a message through as many mediums as possible.

On August 28th we partnered with our friends at the Fuel Merchants Association of New Jersey (FMANJ) and New York's Classic Rock Station Q104.3 FM to put on a promotional radio event at Westview Service Station in Ridgefield Park (Bergen County). *Editor's Note: We would have reported this in our September issue, but we already went to press by the time the event took place.*



The **GIVE YOU GAS** giveaway was hosted by Rock & Roll Morning Show hosts Jim Kerr and Shelli Sonstein. The show invited motorists to come and purchase gasoline at \$1.04 per gallon from 6am to 9am.

Needless to say, cars started to line up outside of Westview Gulf at 4:00 AM. Ultimately, hundreds of cars showed up for the event and we had to turn many away. There were just TOO many.

We're proud to say the event was enormously successful; we've even been invited to put on a similar event in the future.

But while elevating the awareness of our Association is important, we used the event as a tool to speak one-on-one with motorists and the press about credit card fees. We passed out literature to participants, answered questions, and spoke on the air about the affects these fees are having on consumers and small business owners.

The facts were straight forward: As much as 13 cents of every gallon retailers sell is paid to credit card companies. These fees are a hidden tax that squeeze more money from motorists and erode the profits small businesses need to survive.

Listeners were also asked to visit our website to learn more about the "Credit Card Fair Fee Act", which would end this unfair practice. This bill, H.R.5546, is currently before the U.S. House of Representatives and would allow merchants to negotiate with banks for the terms, conditions, and rates for credit card fees.

NJGCA and our partners at the **Merchants Payment Coalition** are working hard to promote this proposal. It is critical that it is made law to protect businesses and consumers alike!!

But our radio campaign didn't end there. Almost immediately after the event, NJGCA began to air a number of commercial spots on Q104.3 outlining issues important to our members. We hope you have heard them

As you know, perception rules the court of public opinion. This radio promotion gave us the chance to educate customers on issues small businesses are facing in today's tough market. However, this exercise doesn't stop with NJGCA. We need all retailers to do more to educate motorists about why fuel prices are so high and how "Big Credit" is squeezing us all!

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MESSAGE FROM NJGCA EXECUTIVE DIRECTOR SAL RISALVATO *LOOKING BACK ON THE LAST YEAR & LOOKING FORWARD TO THE NEXT!*



Too often my message to you gets lengthy and you have to endure words of frustration and even a scolding from me. Sticking to my direct nature, I apologize for neither.

Although my messages may be lengthy, I try hard to keep them from being verbose. Although I may scold you at times, I try hard to add words of encouragement too.

In the spirit of the season, I will keep my message brief. (maybe)

This past year was a volatile and difficult year for many of your small businesses. I ask you to search your memory and ask this question; what year has not been difficult for my small business? We all tend to view our most recent troubles as our most difficult yet, however, when reviewing our previous trials and tribulations, we may realize that we are still standing and made it thru difficult experiences before.

An honest assessment will reveal that you will make it thru the difficult times we are faced with today. Another honest gut check will tell you that new difficult circumstances will pop up in the future. You would not be in business if you didn't have the independent spirit that is necessary to be an entrepreneur today. You sign both sides of your paycheck, you risk your capital, and you make sacrifices that others never consider. Because of these things, you will endure and you will do what ever you need to do, and you will survive and many of you will thrive. Keep your head up and just DO IT!

You know how hard I have worked to clear your name from the fallout caused by Attorney General Anne Milgram's Clown Show last June. I have been deeply offended by her actions and have allowed my emotions to overwhelm me at times. Each time during our investigation when one of my staff revealed another blatant injustice that was uncovered from the documents we obtained, I became angry. It got to the point that I asked the staff to please bring the discoveries to me all at once rather than one at a time. The information was so distressing it was continually ruining my day. One ruined day was certainly better than multiple ruined days.

In my previous message I told you that I had filed an Open Public Records Act Request (OPRA) to obtain all documents that the Attorney General used to conclude that gas stations were crooks. Since I was denied the documents, I was forced to file suit in NJ Superior Court. In early November a

Deputy Attorney General called me to offer a settlement. My offer was simple. Give me the documents or go to court and let the judge decide. I received the documents a week later.

The documents proved that Attorney General Anne Milgram either lied to the public about violations at gas stations, or she is very sloppy or incompetent. I held a press conference on December 4th and called for her to resign. I allowed the press to examine the documents. Unfortunately, now that the price of gas has dropped to \$1.60, the reaction of the media and the public was not as outraged as I had hoped.

I promised a short message this month, so I will end with my wishes on behalf of the entire NJGCA staff for you and your families to have a Merry Christmas and Happy Hanukah. Let us all be blessed with a healthy and prosperous New Year!

A handwritten signature in black ink, appearing to read 'Sal Risalvato'.

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IN THE HEADLINES...

Gas scam report was foul play itself

Friday, December 5, 2008

By JOHN CICHOWSKI
COLUMNIST, THE BERGEN RECORD

We all know most of the guys who work for New Jersey gasoline stations wouldn't make good charm school candidates. But are they crooks and scammers?

To shed light on that question, we dug out a quote that showed up on Attorney General Anne Milgram's letterhead last June as gasoline prices were approaching \$4 a gallon and some of us were looking for likely culprits to burn in effigy:

"Let the word go out loud and clear — we have no tolerance for any gas station operator who tries to scam motorists who are already struggling with record gas prices."

That's Consumer Affairs Director David Szuchman talking. At a news conference, he and Milgram, his boss, provided some damning details about the guys at the pump. An enforcement task force, they said, had swept through 1,023 stations throughout the state for three days and found 350 violations.

Three-hundred-fifty! These charm school rejects sure sounded like scammers to me.

"Consumers deserve to get what they pay for," Milgram said.

"Go get 'em, lady!" I thought days later when I saw a long list of names and offenses that her staff had distributed to the press.

Some of the allegations on this list were serious. They accused 62 stations of using inaccurate gas pump meters, meaning a motorist might pay full per-gallon price for less than a gallon. Another 26 stations were accused of pumping gas with inaccurate octane levels, which sounded to me like diluted gas.

Not true, claimed the New Jersey Gasoline, C-Store and Automotive Association. Its members were surprised to see their names linked in newspapers and on the Internet with the word "scam," which my dictionary defines as slang for "cheat or swindle." Many of them, it turns out, were never formally charged with any of these \$1,500 offenses. "I knew the attorney general was wrong," said Sal Risalvato, the group's president.

So, Risalvato demanded the supporting evidence that might prove these allegations. Milgram's office turned over the documents only after he filed suit under the Open Public Records Act. Upon receiving the documents, Risalvato demanded an apology at a news conference. Szuchman and Milgram refused,

but agreed to exonerate 10 of the stations in a subsequent release.

Unsatisfied, Risalvato called in the press to analyze the documents. Here's what they showed:

*Only two allegations of inaccurate gas pumps, not 62.

*Only two allegations of inaccurate octane levels, not 26.

*There were 245 stations, not 350, that had been cited for various violations, most of them for failure to post correct signs and maintain appropriate paperwork, including credit card receipts.

One task force report showed a Toms River Mobil station to be in "clean, good working order," but it was still cited on the list given the press.

A Costco station in Manahawkin was on the list although it hadn't opened yet, Risalvato said.

How could such glaring mistakes have been made?

After analyzing the data for two weeks, Risalvato's staff concluded that errors and miscalculations were hastily fed to the press in both the news release and a master chart of violations that accompanied it.

The columns in the chart posted each violation in coded, county-by-county listings.

But its numbers do not always match those in the release.

For example, the release cites the number of violations for "Meters Out of Tolerance" (faulty pumps), as "62," a figure that corresponds to the number of violations in Column K.

But the legend accompanying the chart says Column K is reserved for "Documents Unavailable," a less serious allegation.

The chart shows the number of "Meters Out of Tolerance" in the correct column — L — is "0."

The same applies to "Inaccurate Octane Rating." The news release cites 26 violations, but the column in this category shows only two.

At his own news conference on Thursday at the same West Orange Sunoco station where Milgram and Szuchman had discussed scams, Risalvato discussed what he

considers another kind of scam.

"She made headlines at our expense but she has refused to undo the damage she has done," he said. "She should resign."

In a phone interview, Szuchman strongly disagreed.

"Sal is speculating on how we added up the numbers, and he's doing it wrong," said the consumer chief. "We stand by our figures."

He also defended Milgram as "one of the most ethical people you will ever find."

That may well be true. But that doesn't mean either of them — or their staffs — deserve high marks in math or chart organization.

There's also these little questions: What happened to the missing paperwork that specifies the 60 "Meters Out of Tolerance" allegations?

Why weren't they supplied under the court order?

"Sal is misreading our numbers," Szuchman insisted.

Maybe, but judging by the way these figures were compiled, that's not hard to do. The figures weren't the only things that puzzled Risalvato.

"Why would they call a news conference and malign us this way?" he asked.

The answer is easy: It works!

Since time immemorial, prosecutors have conducted high-publicity crackdowns for crimes such as prostitution, gambling and consumer violations, especially when complaints get heavy. A few days of big press play puts the fear of god into potential violators, quiets the complaints, and allows law enforcement agencies to move on to bigger crimes.

And sometimes little guys, like Anthony Caprio, who runs a Mobil station in Camden County, get hurt.

"My name was on the list even though the inspectors cleared me," he claims. Anthony's biggest client, Comcast, doesn't bring its trucks to his station anymore.

"Business is down about 30 percent," he said.

Road Warrior passes through here on Wednesday, Friday and Sunday. E-mail: cichowski@northjersey.com



By Alan Ashkinaze

Leasing a gasoline station in the current economy is fraught with many challenges; and one of the most important (yet overlooked) challenges is avoiding the environmental traps caused by the actions or inactions of your tenant. Lessors of gasoline service stations live in constant fear that an environmental liability, such as contamination caused by a spill or discharge, or penalties levied by NJDEP, will devastate their business or investment. Fault is not necessary for liability. Despite this reality, lessors of gasoline stations rarely take the proactive measures necessary to minimize their environmental exposure. Unfortunately, as too many of us know, the failure to take such actions can be tragic.

Environmental liabilities fall into two categories: contamination and compliance. In New Jersey, many of the state's environmental statutes, such as the Spill Compensation and Control Act (Spill Act), and New Jersey Underground Storage of Hazardous Substances Act (UST Act), impose joint and several liability on the property owner and facility operator. Because of this, lessors, as the real property owner, often find themselves liable to the government for remediating contaminated property caused by their tenant. Current property owners can be held responsible for the site cleanup even if they did not own the property when it was contaminated and even if the contamination was caused by another party, such as a tenant, a prior tenant, or previous owner.

Similarly, a lessor can be held liable for their tenant's failure to comply with other state statutes and regulations. For example, the UST Act imposes joint and several liability on the current owner (lessor) and the facility operator (tenant) for failure to comply with the UST Act provisions. Should the operator/tenant be unable, or simply unwilling, to correct the violations or pay the NJDEP levied penalties, NJDEP will deem the lessor (as the property owner) responsible for compliance and/or payment of fines.

So, what can lessors (as owners of the service station property) do to prevent being held responsible for the environmental liabilities caused by other parties?

What follows are some suggested steps a lessor could take to avoid falling into the environmental trap.

1. Know your property: The initial step in determining the environmental condition of your property is to complete a file review at NJDEP. Check to ensure there are no active/open cases. If there are open cases, speak with the NJDEP case manager to determine the status of the case and the responsible party. Open cases should be clearly denoted in any lease. Next, a Phase I investigation should be completed. This investigation includes a more thorough file review (e.g., files maintained by local, state and federal agencies), a site inspection, and a report of observations, findings and recommendations. Should the

Phase I indicate areas of potential or apparent environmental concern, a Phase II site assessment could be conducted. That investigation would usually involve soil and groundwater sampling.

2. Take a "snapshot": Building upon these site assessments, you can now take an environmental "snapshot" of your property so to establish an environmental baseline. This "snapshot" will form a record by which all site conditions will be compared—especially at lease termination; and will be critically important if there is subsequent litigation over responsibility for cleanup or compliance.

3. Environmental clauses in the contract: When drafting the lease, lessors should include provisions compelling the tenant to: a) comply with all applicable environmental laws and regulations; b) maintain good housekeeping; c) undertake annual compliance inspections; d) indemnify the landlord for all on-site and off-site contamination and for any penalties (or obligations) relating to the tenant's non-compliance; e) restore the property in good order at lease termination; and f) pay rent (beyond the original lease term) if the property cannot be rented while undergoing remediation.

4. Compliance inspections: Annual compliance inspections should be mandatory: The findings should be reported to you; and any items in non-compliance should be immediately corrected by tenant at its sole cost. Consider retaining the inspection firm directly and recouping the cost by adding that expense as an additional rent item.

5. Insurance: Consult with an insurance broker that specializes in gasoline stations to determine the appropriate type and levels of coverage. To make certain that there is current and appropriate coverage, consider paying the premium for the tenant and recouping the cost by adding that expense as an additional rent item.

6. Take another "snapshot": Complete a second environmental baseline right before the lease is terminated. If there has been spills/discharges or non-compliance during the lease term, this "second snapshot" will supply data that (when coupled with the pre-lease baseline) will aid the owner/lessor in determining the responsible party. Ideally, the operator/lease should have insurance that could be tapped if a serious issue is found.

These proactive steps are in no way meant to be fully exhaustive. Rather, it is offered to sensitize property owners to the risks inherent with owning a gasoline station property. Therefore, before leasing your property, owners should consult with their attorney and the professionals referenced here to develop a strategy regarding how to minimize their environmental exposure. Otherwise, owners risk walking into an expensive environmental trap.



COMMON CENTS BY DEBBIE HILL



You own a service station. Now read this - It could save you money!

Each year the State of New Jersey issues a Compliance Calendar to help you keep track of your compliance testing and monitoring. Every gasoline dispensing facility is obligated to keep track of these records by law and it is a very useful tool.

However, please note for 2009 the Compliance Calendar will include a new **Emergency Release Response Plan!**

When you receive the calendar, please take a moment to review and accurately complete the plan. Doing so is every station owner's responsibility.

Please take notice of some of the new items in your Release Plan: Name of the Delivery Company, 24 hour contact information, Corrective Action Contractor, and Emergency Repair Contractor.

Don't wait! Take a few moments to review all these items with your employees.

DO NOT WAIT FOR AN EMERGENCY!! Address these issues before you have an urgent situation and it's too late. Find out what companies offer 24 hour Service 7 Days a week today!

Are you prepared? Do you have enough of the following materials and equipment for a spill? You should have enough absorbent material at your facility to contain a spill of petroleum products until emergency response personnel can respond to the incident.

Suggested supplies include: Sphag Sorb, speedy dri, kitty litter, containment booms, dikes, pillows, storm drain mats, 55 gallon drum, buckets, spark proof shovel, caution tape, traffic cones, warning signs, spark free flashlight, and protective gear.

And you should know the NJ DEP has changed who is responsible for your compliance inspection! If your business is located in Bergen, Hudson, Passaic, Essex, Union, Burlington, Monmouth, Salem, Camden and Cumberland counties, the county officials will be responsible for all UST and AIR compliance visits and notices.

All other counties will receive their compliance inspections through the NJ DEP out of the Trenton office.

Remember to check your hoses and nozzles for rips and tears. Avoid costly fines up to \$1,500.00 for each hose by replacing them before the DEP finds them at your site.

Don't give them a chance to fine you! **STAY IN COMPLIANCE AND SAVE MONEY!!**

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A MESSAGE FROM ASSOCIATION MASTER TRUST

Options available for reducing health care cost while maintaining great benefits!

SPRINGFIELD, NJ – Although the Association Master Trust has announced rate increases effective January 1, 2009, AMT Chief Operating Officer Harvey Mishkin tells members that “Your health benefit cost in 2009 could be less than your cost in 2008 if you look into the alternate plan designs provided by AMT.”

AMT announced a 10.7% increase in medical and prescription rates.

“AMT, a not for profit benefit program, keeps its administrative expenses low. The increase in the cost of coverage is truly related to the actual cost of providing health care. The cost of services, utilization, and new technologies all have an impact on the cost of health care which has historically outpaced normal inflation rates,” Mishkin explained.

“There is light at the end of the tunnel as AMT has many plan options that will allow participating members to maintain or actually reduce the cost of providing health care benefits in 2009,” Mishkin said.

“During the renewal process this year, we have brought alternate plan designs to members. The newer plan offerings available through AMT can provide you with additional options for cost-sharing and reduced costs. When you evaluate your group benefit program you will find AMT’s alternate plan designs bring many of the newer features of health coverage to members at great rates.”

“Even with the announced rate increase for 2009, AMT rates are very good and remain extremely competitive. If you are not part of the program, you really should take a look at us – especially in this challenging economic environment,” Mishkin concluded.

For additional information, call AMT at 973-379-1090 or visit www.amt-nj.com

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ISSUE UPDATES

There has been a lot of activity in Trenton and around the State on issues important to all NJGCA members.

Please see the updates below for more details:



Zone Pricing

Assembly Bill 213, which ends the practices of zone pricing, has been gaining momentum as members of the legislature search for solutions for high pump prices. NJGCA is working with the Fuel Merchants Association of New Jersey (FMANJ) and the bill's sponsor, Assemblyman Jon Bramnick, to amend the bill. The amendments being sought will ensure that healthy competition will exist in the non-direct supplied wholesale market. Currently A-213 does not provide any protection for wholesalers, and without wholesale competition many of you will be unable to remain competitive on the retail end. NJGCA and FMANJ are attempting to mend our positions on open supply agreements for direct supplied retail locations. This will help further competition in the market by allowing anyone who leases their stations and cannot negotiate contracts to shop around the jobber market for the best rates on fuel. We still need more people to take part in our daily survey of DTW prices, so please call Chris Stark in our office to help us identify the discrimination in the DTW market. We can never have too many cases, so please do not think that your case is insignificant. Call Chris today about the price survey and which Legislators you need to call to ensure that Zone Pricing is heard in committee during the 2008-2009 session.



Below Cost Selling & Retail Promotions

NJGCA has been working tirelessly to prevent Below Cost Selling in New Jersey. On December 15th, NJGCA victoriously had A-2904 held from a

vote in the Assembly for the second straight legislative voting session. We believe that Assemblyman Burzichelli, the bill's sponsor, will be coming back to the table to discuss this bill in the near future. One of his primary goals is to find a way for gasoline stations to use promotions and promotional giveaways. NJGCA does not want any type of giveaway unless the cost of the giveaway is factored into the cost of gasoline, thereby protecting against indirect below cost selling. When nearly 40 NJGCA members joined us in Trenton along with FMANJ and their members, it was proof that we have a voice when we all work together. The next time that we are in Trenton on this bill, we will need even more members there to voice opposition to this legislation and show legislators how this bill would cripple your business. Good work for now, but stay vigilant for updates on this important issue.



First Right of Refusal

It now appears that Exxon is not alone in getting out of retail marketing, as sources tell NJGCA that Shell will be the next to divest its company owned and leased properties in New Jersey. While many details of either sale are not public, NJGCA has confirmed that Exxon has released its Request for Proposal (RFP) for bids. We continue to believe that no station operators will have the option to buy their property before they are bundled together and sold to jobbers. NJGCA is working diligently to pass legislation that will ensure lessee dealers have the first right of refusal, but the process is neither short nor easy. I can say with confidence that if all the odds worked in our favor we would be well into the summer of 2009 before such legislation could be on the Governor's desk. All lessee dealers are taking a

huge risk by standing idle as others are dictating your future. Remember that you are the businesses owners who have spent their lives building a customer base and small business, but it can all come crashing down without rapid action against big oil's attempts to sell your business to others. Do not be mistaken, this issue goes beyond Exxon and Shell, as most major oil refiners are leaving the marketing industry and considering the sale of their properties. All Lessees of Exxon and Shell should call our offices IMMEDIATELY to discuss this issue and their expectations for any future profits.



Retail Price Change Legislation

After meeting with Senator Van Drew and Assemblymen Albano and Milam, NJGCA is confident that the two price change proposals (S-1993 and A-3033) will either be held or amended to ensure the least possible effect on NJGCA members. NJGCA has teamed up with FMANJ over the past several months to educate Legislators on the facts of the market; from the frequency of deliveries to the volatility in price. We have met with numerous legislators and their staff to ensure that folks understand the complexities of the petroleum market at every level. This legislation would have forced retailers to only increase their price whenever another delivery is purchased, which meant that for many in the industry there would be no way to respond to the competitive forces in the market. We still need everyone to remain concerned about this legislation. Please keep careful track of the frequency for your deliveries, because if there is any movement on this bill, we will need a rapid response from you to these legislators.





H.R. 5546 Credit Card Fair Fee Act

Recently, The Assembly Consumer Affairs Committee released Assembly Resolution 162 to the Assembly floor for a final vote. The resolution calls on Congress to rapidly act on H.R. 5546, the Credit Card Fair Fee Act. For the last 10 years, credit card companies have been laughing all the way to the bank as they steal profits away from businesses through the use of interchange fees charged on any purchase made through credit cards. The major problem lies in the 117% interchange fee increase since 2001; an increase we cannot afford over the next decade. H.R. 5546 allows merchants to negotiate with banks for the terms, conditions, and rates for credit card fees. It is a bill designed to use the market forces to allow businesses to negotiate the best rates possible, with judges available to mediate disputes. It should be noted that H.R. 5546 has been referred out of committee, so there is some hope for this legislation to be passed. Please visit our website and contact your federal legislators and urge them to listen to their constituents, the New Jersey Assembly, and pass this legislation.



Energy Independence

Step one of the battle towards energy independence is complete. The President has lifted the Executive Order banning offshore drilling, and Congress did not renew the Legislative Moratorium on offshore drilling. So what does this mean? First, states still have to allow drilling on or near their coasts. Secondly, environmental groups will surely be filing lawsuit after lawsuit to try to prevent offshore drilling. Thirdly, the current ban does not expire until 2009, so in reality the Legislative Moratorium will be up to the next Congress and President to decide. NJGCA has taken a much

more public and active role in the greater energy debate. While we see the current necessity for drilling, we also believe that new technologies are available today to help us turn the page on an energy policy based on petroleum and move towards more abundant resources for our energy generation. NJGCA is a firm supporter of E-85 and other alternate fuel sources, and it is necessary for all you to reach out to Washington and tell them to eliminate the Excise tax (gas tax) on any form of renewable energy that uses 85% or less of refined petroleum products. Again, please remember to read our newest section on alternate energy sources located on pg. 11 to see how your business can begin investing in the energy of the future. Contact Chris Stark at our office to learn more about where the energy market is heading, and what fuels could increase the profit of your small businesses.



Toll Hikes

Governor Corzine recently side-stepped the State Legislature and used the New Jersey Turnpike Authority to push through a scaled-down version of his previous toll-hike scheme. The Turnpike Authority voted to nearly double tolls over the next 4 years, with the first increase in December of this year. For the trucks delivering your fuel, a trip down the entire length of the turnpike is rising from \$26.55 to \$56.85, and you will end up paying more for each delivery. However, the increased delivery charge from these toll-hikes will not only be reflected in transporting fuel to your business; further losses will also stem from consumer's decreasing consumption even further. This is one instance, where we fought against this toll-hike not only for you but for the motto of our organization—Serving the Small Businesses that Serve the Motorists. The toll hikes are bad for motorists, and as such they can be devastating to you. While there may be nothing we can do about this hike in tolls, we must all band together to ensure that this Governor is not allowed to extract



The 'Smart Container Act'

A-121, the 'Smart Container Act', still remains without movement in the Assembly. The bill seeks to burden the entire convenience store industry by requiring them to become recycling centers. By adding a 10 cent deposit on all plastic and glass bottles of 24 ounces or less and a 20 cent deposit on all bottles greater than 24 ounces, the legislature hopes to increase recycling around our state. NJGCA is a firm supporter of recycling, however, we believe that this practice undermines current efforts to increase recycling and will over burden the convenience store industry. NJGCA is keeping a vigilant eye on this legislation and the first moment we hear of any movement on this bill we will call on all members to act aggressively against this bill.



Beer and Wine Sales

NJGCA believes that we are nearing a point that we can start more forcefully pushing the idea of beer and wine sales in convenience stores. While such a fight is in its infancy, we have begun talking to legislators, and we are receiving some positive response of the issue. We have a tough group of activists that we know will work against this legislation, so we are preparing briefs for the legislators to defeat our critics' arguments. Please contact Chris Stark if you believe you have a special interest in this legislation and would like to go with us to meet with legislators.



Pre-paid Cell Phone Cards

Legislators in Trenton are taking steps to make the sale of pre-paid wireless services and equipment more difficult to sell. Forcing retailers distributing such services and equipment to copy a driver's license or other government issued ID may not appear to be a huge deal on the surface. However, this legislation uses the Consumer Fraud Act as the mechanism of enforcement. An unlawful practice under the



Consumer Fraud Act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. NJGCA feels is far too harsh of a penalty for the violations at hand. While this legislation appears to be stalled, NJGCA will update you on any movement, and will seek amendments to the penalty section of this legislation.



Increased Mark-up on Cigarettes

Assemblyman Upendra Chivukula has proposed legislation that will increase the presumed mark-up on cigarette sales from 8% to 15%. This legislation will help all of our members increase their margins on cigarettes, while remaining competitive. While some in the tobacco lobby argue that increasing the basic costs of cigarettes decreases demand for them, there is little evidence to support this argument, so this legislation purely increases your ability to run both competitive and profitable businesses. NJGCA will keep you updated on any progress on this legislation and will actively pursue its adoption.



Right to Repair—Important Update

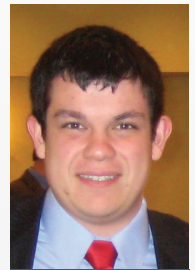
A-803, The Motor Vehicle Owners' Right to Repair Act passed the Assembly Consumer Affairs Committee on Thursday October 23, 2008, and the General Assembly on Monday October 27, 2008 by a vote of 49-22-8 with one Assemblyman absent. New Jersey has the distinction of being the first state to pass *any* Right to Repair bill out of a Legislative body. This is a great step in the right direction for this important legislation, but the fight is far from over. We now have the task of recruiting more sponsors and co-sponsors in the Senate, pass the legislation through the Senate Commerce Committee and find the 21 necessary votes to get this legislation passed. We currently have 2 members of the minority party supporting this bill, which will help us reach the magic number of 21. However, we need your help in reaching out to key legislators to inform them of the necessity of this legislation. NJGCA firmly believes that without Right to Repair, independent repair facilities will be forced out of business and manufacturers will monopolize the repair industry. We all have an obligation to fight for the Right to Repair Act. If you have specific examples of how you have had to reject a car based on the inability of codes from the manufacturer please call Chris Stark immediately so we can go over your story and possibly prepare you to testify in the Senate.



Predatory Towing

Please be aware that new regulations for towing companies, which were the result of the Predatory Towing Act signed last year, began in October. While we are awaiting the passage of the corrective legislation, it is important for you to be compliant with the measures of the state. This Act requires you to register your tow trucks with the New Jersey Department of Community Affairs and to file a listing of fees for each of your services. A failure

to register will result in a fine of up to \$500 for the first offence and up to \$1,000 for each subsequent offence. Secondly, if you have signs on your property to keep unwanted cars from parking, you must have signs that are at least 3 feet high by 3 feet wide, that is easily seen, and which states that unauthorized parking is prohibited and that unauthorized vehicles will be towed at the owner's expense. Also, these signs must state the name, address, phone number, and charges of both the towing company and its storage facility. In order to remove the vehicles, a towing company must obtain prior written authorization from the property owner or its employee. If unauthorized parking occurs during business hours, the agent of the business must be present and sign off on the violation. If the driver arrives while the car is being hooked to the truck, the towing company must release the car to the owner at a price not to exceed the decoupling fee on file with the state. Private property owners may only do business with towing companies that have storage facilities open between 8 a.m. and 6 p.m. at least 5 days per week. These storage facilities must be secure and be lit from dusk until dawn if they are outdoors. **REMEMBER that this includes all towing companies until the corrective bill is passed, so even if you do not partake in private property towing, you must register with the state and have your fees on file.** If you have any questions please call Government Affairs Assistant, Chris Stark.



Chris Stark

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CARS OF THE FUTURE: ELECTRIC PROPULSION

By Nick De Palma

America's driving habits are changing. Over the last year, motorists have seen fuel costs rise and fall in an incredibly volatile market. This instability has forced consumers to reconsider their automotive purchases.

Price fluctuations aside, new government regulations, higher emissions standards, and a refocused emphasis on fuel-economy are all pushing people to buy smaller, lighter vehicles.

Depending on which automotive journalist or political pundit you ascribe to, some analysts are also predicting a slow decline for the internal combustion engine (ICE) as the main approach to powering tomorrow's vehicles. Critics argue that, after nearly a century of ICE dominating the automotive landscape, a new paradigm is needed to solve tomorrow's energy needs and environmental concerns.

Currently, industry specialists believe three solutions could either increase fuel economy to prolong the life of ICEs in the medium-term or possibly replace them for good long-term: hydrogen, electrical, and ethanol (bio-fuels) powered vehicles.

In the last edition of *On The Road*, we presented the benefits and drawbacks of ethanol as a viable alternative. In this edition, we will focus on electric powered automobiles.

At the dawn of the automobile industry, and before ICE became the mainstream medium of vehicle propulsion, cars were motivated by a number of competing methods including electricity, fuel-cells and even steam.

These various sources were all limited in one capacity or another which allowed for ICE style engines to eventually dominate the landscape. After all, gasoline was cheap, abundant, easily transported, and you didn't have to wait long for refueling or servicing.

However, every few years, new measures of propulsion emerge including solar panels, gas turbines - and most recently - hybrid vehicles.

With the advent of new technologies and complex computer systems, electric vehicles have seen renewed interest as a viable alternative in solving the transportation needs of the future. Electric cars are clean, quiet, and can be readily recharged using any at-home-outlet or via electric charging station. There has been limited success today using all electric vehicles in urban areas; which are attractive since they produce no pollution to already smog-ridden cities.

Though electric cars were widely used at the dawn of the automotive industry, they had a limited range due to inefficient batteries. However, almost 100 years later, battery technology has evolved to make new investments attractive.



In 1996, General Motors (GM) unveiled the Electric Vehicle 1 (or "EV1") after years of exploring environmentally friendly alternatives to ICE equipped cars. It was the first modern, purpose built electric vehicle from a major car manufacturer in decades. The cars were leased to consumers, but were not permitted to buy them outright. While it was popular in scientific-circles, the EV1 was expensive to build; many believe GM never made money on their investment on the project.

Despite the impressive technology, the EV1 had an incredible disadvantage: its batteries had a short range and they took a long time to recharge. The first EV1s used lead-acid batteries (55 to 75 mile range), but they were upgraded to nickel metal hydride batteries in 1999 (150 mile range). But range and

recharging times remained a major concern - it would sometimes take up to 8 hours to get a full charge.

These factors, along with the hefty price tag, made the EV1 a poor business case. The program was cancelled in 2003.

Nevertheless, since the EV1's demise a number of car manufacturers and battery makers have renewed interest in the idea of a mass-manufactured electric vehicle. While the hope of using an electric car as an everyday vehicle may be some time off, many believe there is a future for them as daily commuter cars.

In the early 2000s, Toyota produced an all-electric version of the RAV4 SUV for Southern California. Chrysler recently unveiled a trio of all-electric prototypes slated for further investment and development. And even small start ups are looking to get in on the action. Silicon Valley's Tesla Motors - the newest American car manufacturer - now produces a \$100,000 electric sports car.

What has changed? The promise of new lithium-ion batteries - used in laptops and cell phones - have helped bridge some of the technical limitations that nickel metal hydride batteries could not overcome.

But do not think that these batteries solve all the past problems associated with electric cars. While lithium-ion batteries are very good, they are very expensive and produce a lot of heat. New materials and cooling methods must be developed in the next generation of battery technology to solve these problems affordably.

Does that mean that we must simply wait for battery technology to catch up to the industry? Yes and No.

Some manufacturers are creating unique products that can stretch the life of existing batteries until newer and more affordable technologies arrive.



General Motors, for example, has recently unveiled the Chevrolet Volt - an electric car that has a small, four-cylinder internal combustion engine used as a reserve to power the vehicle. Unlike a modern hybrid, however, the engine does not propel the automobile in tandem with an electric motor. Instead, the car is directly driven by an electric motor which is powered by batteries. If the vehicle's battery power runs low, the four-cylinder engine automatically starts and runs as a generator, charging the batteries while the vehicle is in motion. This ensures that the car can be driven beyond its 40 mile battery range.

This strategy mimics what diesel-electric locomotives have done for years, but on a much smaller scale. It also means that by turning the engine into a generator, the engine itself runs at a consistent RPM and performs at optimal efficiency - ensuring even less fossil fuels will be used.

Chevrolet will begin to sell the Volt in 2010, and other manufacturers

are pursuing similar product strategies in the next decade.



While the Volt is a scientific tour-de-force, most experts believe that it will be sometime before this technology will spread to the entire car industry. Though this strategy must still be made more affordable, there are additional limitations in infrastructure and logistics that must be addressed.

For example, by converting a sizable number of vehicles on the road into electric cars, what will this do to electric power plant production? Will the US need more power plants? How will that affect fossil fuel usage if they are coal-fired plants versus nuclear

or hydroelectric plants? Will the US electric grid - already in need of updating - be able to handle the additional strain?

These are all questions that must be answered in the years ahead.

However, this also means that the service station of the future will need to adapt to support electric cars - or any other viable propulsion alternative - to remain competitive and survive. Could we see electric recharging ports standing side-by-side with traditional motor fuel pumps in the near future? It is possible.

Part of our goal at NJGCA is for you to consider where the industry is going and how it will affect your business. These new solutions may be a decade away, but there is nothing wrong with considering them today.

Will you be ready?

In the next issue of OTR we will focus on hydrogen fueled vehicles.

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MEMBER SPOTLIGHT: TOM SPOSATO



NJGCA members help others, blaze new trails, or simply give back to their own communities. They are successful members we can all look up to.

NJGCA Member Spotlight is here to **Spotlight** their accomplishments, and take pride in their contributions as members of **NJGCA**.

Today our Membership Spotlight shines on **Tom Sposato**, owner of **J & N Service Center in Nutley**:

Tom got involved in the industry as a teenager, pumping gas as a 15 year old high school student.

“My best friend since the third grade, his father owned a local station on Franklin Ave. in Nutley. It was a family owned business and everyone knew him. My friend and I worked there through college. It was really getting two educations: one at school and one in business at the station”, Tom said.

A graduate of Montclair State University, he eventually became an auto mechanic and the station’s business manager. He helped run the location through his 20s and purchased the station about seven years ago.

His education, however, didn’t end with school. Tom says that the longer he’s been in business, the more he learns about making personal connections with customers. It was this mindset that drove him to get involved in the community and volunteer.

“My business has served the Nutley community 55 years. It’s a local landmark that everyone knows. But it has also allowed me to meet everyone in town and learn about issues that need to be addressed. I wanted to help in getting things done and it led me to volunteer – a lot!”, said Tom.

Tom has invested a great deal of time in charities and local causes. Among his most notable included coaching basketball for 7th and 8th grade boys, organizing a yearly charity golf outing for the Babies with Aids Foundation, and the Bruce Gallagher Memorial Scholarship Fund. He is also a member of the Nutley Elks Club, the Third-Half Club, and serves on the Nutley Planning Board.

Tom helped create a “work/jobs” program for high school students, called the Career Advisory Council, with the help of local businesses and teachers. The program benefits non-college bound

students by exposure them to various trades. Already the Council has redesigned the cooking classroom and updated photography classes with digital photo technology instead of ordinary camera film. He serves as the council’s president.

Proud of his ethnic heritage, Tom has also spent a great deal of time helping the Italian-American community in North Jersey. He is the President of the Nutley UNICO chapter, an Italian American Service Organization. He has sponsored travel arrangements for Italian State officials to attend Columbus Day events and festivities each October. With his assistance, UNICO also helped fundraise for the Jimmy V Fund, worked with the Nutley Family Services Bureau, and even raised money for the local First Aid Squad.

If this wasn’t enough, Tom has also made it a point to become involved politically, often lobbying on the behalf of small business owners.

But don’t think that all this volunteering and charitable work means that Tom is neglecting his small business.

Citing a shaky economy and rising cost of new cars, Tom believes people will keep their vehicles longer. This will create more opportunities to service customers as people sink money into their cars to keep them running longer.

Soon he is going to extend his shop hours from 7am-9pm as a convenience to better serve his patrons. Tom is improving the appearance of his business with updates to his waiting room, installing a “coffee and donut bar”, and other enhancements to attract customers.

“I keep my customers by emphasizing personal service. But to survive and stay competitive, you have to be creative. There was once a time when having gas pumps and a repair shop was enough. But today you need to do more, and a few nice touches and some curb appeal go a long way”, Tom stated.

Longer term, Tom says he may get into aftermarket sales and installations.

“Younger motorists today are into purchasing rims, high performance mufflers, and suspension kits. In the future I may expand my business in that niche too,” said Tom.

And what about NJGCA?

“Hands down, there has been a big difference in the amount of information coming out of NJGCA. The organization is much more aggressive and proactive. It’s a change for the better. I know I’m interested in taking a more active role at NJGCA in the future and encourage other station owners to do the same,” Tom concluded.

Tom’s example of business and charity involvement demonstrates NJGCA Members at their very best. NJGCA proudly recognizes Tom Sposato for his many years of business and community service successes.

If you know of a fellow Member who should be in the Spotlight, please contact NJGCA so they may be acknowledged.



NJDEP's UST FUND HAS BEEN UPDATED



By *Mike Vanderslice, Environmental Alliance, Inc.*

On October 1st, 2008, the New Jersey Department of Environmental Protection (NJDEP) announced that the Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund (UST Fund) has updated their UST Fund application. The complete UST Fund application package has been separated into two applications. One application package is for Unregulated Leaking Underground Storage Tanks (USTs), like home heating oil tanks, and the other package deals with Regulated USTs. In addition, the updated application packages also reflect aspects of Senate Bill No. 482. This Bill has allowed for changes to the law governing monies used as part of the UST Fund.

The UST Fund was established on August 30, 1997. This program is administered jointly by the NJDEP and New Jersey Economic Development Authority (NJEDA). The NJDEP's job in this process is to review the completed application, scope of work to be completed, and project summary form (costs to implement a given scope of work). The application package submitted to NJDEP should also include: the required certifications signed and notarized, insurance policy and storage tank service agreement claim checklist form, and the commercial loan documentation as well. Once eligibility has been determined the application package is forwarded to the NJEDA.

The NJEDA will then request specific financial information from the applicant and the required application fee (varies dependent on the number of tanks). Dependent on their findings, the NJEDA will determine if the application package is deemed eligible for financial assistance in the form of a loan or grant. If financial assistance is awarded, the applicant has 120 days from the receipt of the notice of approval to submit a signed contract back to NJEDA.

So what changes have been made to the UST Fund? Here are some of the highlights (with the old amounts in parenthesis):

- ◆ Eligible owners or operators of a business, 501 (c) 3 non-profit organization, public entity, other commercial properties, etc. with regulated tanks must have a net worth of less than \$3 million (Previously less than \$2 Million).
- ◆ To qualify for a conditional hardship grant, a business applicant must have a net operating income, before taxes, of less than \$250,000 (Previously \$200,000).
- ◆ To qualify for a conditional hardship grant, the business applicant must have a personal net worth, exclusive of their primary residence, pension, and retirement accounts, of less than \$500,000 (Previously \$200,000).
- ◆ Grants for sites located in a State-designated Planning Area 1, Metropolitan, or Planning Area 2, Suburban, may be awarded up to \$1 Million for eligible project costs (Previously \$750,000).

In addition to these favorable changes, there have been a few additional items added to the application process. For example, applicants must include a Tax Clearance form (provided by NJEDA if deemed eligible by NJDEP) if you are any business, private institution and 501 (c) 3 non-profit organization with less than 100 paid employees.

So does the UST Fund cover the same eligible costs for projects previous to these updates? YES it does, in addition to some other eligible project costs. Since the inception of the UST Fund program eligible project costs have included: costs associated with equipment, work and services associated with the minimal effective system to close and/or remediate a leaking regulated petroleum UST; reasonable and necessary costs associated with consulting, contracting and engineering; and limited legal fees. The updated UST Fund application package will cover: the closure of a previously upgraded petroleum UST provided the upgrade of the tank was not funded by the UST Fund and the applicant has owned and/or operated the tank(s) as of December 2002, and site restoration costs due to damage caused by the remediation of the closure and/or remediation of the regulated UST(s).

If for some reason you need to address an environmental clean-up relating to your UST system, or you just want to pull your tanks, consider the UST Fund. The funding is there for your benefit!

For more information regarding the UST Fund, please visit NJDEP's website at <http://www.nj.gov/dep/srp/finance/ustfund/> or call NJGCA headquarters and speak to Debbie Hill. If you have any specific questions, please contact Mike Vanderslice of Environmental Alliance (mvanderslice@envalliance.com) for guidance. As a valued member of NJGCA, should you determine that you are eligible for the UST Fund program, Environmental Alliance will complete the UST Fund Application, scope of work, and Project Summary Forms on your behalf at no cost.

Source: *State of New Jersey Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Checklist and Application Forms*, <http://www.nj.gov/dep/srp/finance/ustfund/>



HORROR HIGHLIGHT: DON'T LET THIS HAPPEN TO YOU!

In the 1950's the Johnson family built a service station with both service bays and gas pumps. The family operated the business over 40 years until the early 1990's when they decided they would lease the property.

The Johnson family opted to lease the gas pump islands separately from the service bays. The Smith Group was selected as the gas pump island lessees.

A couple of years later, the Smith Group requested that the entire property be leased to them, and in return they would sub-let the repair bays. As the gas pump lessees, the Smith Group did this so they could have access to the bay area where the electrical equipment and veeder-root system were located.

The Johnson family had only leased the property to the Smith Group from the very beginning so no other lessees had rented the property. In addition, the same Smith Group also operated two other locations.

The Smith Group mis-registered the station with the NJ DEP as the actual property owners – not the lessees. However, the original owners – the Johnson family - did not know this. In fact the Johnson's were completely out of the loop about the new NJ DEP requirements; they had no clue that the regulations had changed since they ran the station!

Unfortunately, the Smith Group failed to comply with the new regulations. As the lessees, they operated a faulty dispenser for years and caused severe site contamination.

To make matters worse, the Smith Group failed to meet their compliance obligations on site contamination and underground storage tank (UST) compliance testing. During this episode, the lessees ignored all correspondence from the State.

The real owner, the Johnson family, did not even know that testing requirements existed since they were not contacted and the property was registered under the Smith Group.

This continued until 2008, when the State of New Jersey did a compliance inspection of the property. The State banned all deliveries since the Smith Group had continually ignored the compliance testing requirements and cathodic protection for the steel tanks.

Foolishly, the Smith Group violated the delivery ban; they continued to purchase and dispense gas. When the

State became aware of this, they officially closed the site down.

When the Smith Group was notified it could no longer operate the business, they confronted the Johnson family, advised the owner that the property was 'no good', and walked away.

Having been left in the dark for all this time, the Johnson family was obviously left with quite a mess!! As the true owners, they were never notified of any problems on the site thanks to the deceptive behavior of the Smith Group – who claimed the property as their own. The Johnson family wrongly assumed that their lessee was taking care of the property and obeying state laws. Unfortunately, the opposite was true; the Smith Group was guilty of committing fraud, misleading state officials, and knowingly harming the environment.

Meanwhile, the patriarchs of the Johnson family were advancing in years and had transferred ownership of the property to their children. Eventually one child became the sole owner of the property in August 2007.

In March 2008 the NJ DEP did their initial compliance inspection and issued a Notice of Violation to the 'new' owner for over \$82,000!!

As the former lessee, the Smith Group has also been named and received notices.

Ironically, the State has cases pending against the Smith Group at another of their locations for similar violations and reckless behavior.

The moral of the story is this: If you lease your station, ALWAYS make sure you stay involved. As the owner, everything that happens on the property is YOUR responsibility. Ultimately, YOU are held liable for the actions of your lessees. When drafting a contract, it should clearly state what your obligations are and what your lessee is responsible for. Be sure to follow up with the lessee to confirm these items are addressed.

Failing that, the predicament the Johnson family now faces may become YOUR quandary as well.

Heed this Horror Highlight!! Don't let this happen to you!!

For more information, please see the *Leasing Gasoline Stations* article by Alan Ashkinaze on page 5.



MEET YOUR TERRITORY MANAGER!

Henry Darden Middlesex, Union & part of Essex



Tell us about yourself and a little about your personal life.

I am the proud father of one son, two daughters, one stepdaughter, eleven grandchildren, and one great-grand child. I reside in East Orange, NJ with my lovely wife, Dorothy. I believe it is our duty to help shape the community in which we live and I've always

been actively involved. I've served on the Board of Managers of the East Orange YMCA. I am the founder of the State Street Community and Block Association. I was elected District Leader of the Fourth Ward, Thirteenth District and served four consecutive terms. I'm also an active member of the East Orange Community Emergency Response Team and I serve on the East Orange Board of Fire Commissioners.

How did you get into this profession?

My Father owned and operated an auto repair shop in Eastern North Carolina. I started working with him after school at age 10 and continued working thru High School. I received my basic automotive education through my father's guidance. After graduation, I moved to East Orange, New Jersey and worked for a Chevrolet dealer in South Orange for 6 years. Meanwhile, I furthered my education by taking courses in advanced automotive technology, business management, and other areas. I also worked for another Chevrolet dealer in Irvington, NJ for another five and a half years. Eventually, I decided to open my own Exxon Gas Station. I employed 6 employees and did extensive auto repairs. I also trained young men from various ethnic backgrounds in an anti poverty program and after school work study program.

How has the industry changed over the last ten years?

During the last 10 years, there have been dramatic changes in the Industry. As it relates to the gas, there are more environmental regulations and requirements. Record high motor fuel prices have increased competition among the stations and created lower profit margin for owners. As for repair shops, similar changes have occurred, especially in clean air regulations and computer controlled components instead of manual operations. These changes call for more high tech training and equipment, which is quite costly.

The areas you represent are very densely populated. How has that characteristic affected the small businesses in your territory?

The large number of stations and garages in this densely populated area is driving up competition in my territory. It's been hard on many of these small business owners. They are receiving lower profits because they have to compete with the high volume businesses. The larger, high volume businesses can afford to absorb costs better than the smaller businesses.

Just from my most recent experiences, it seems as though Middlesex County is tougher on the small businesses in our industry when compared to Essex or Union counties. The Health Department in Middlesex County has been working alongside Weights & Measures to enforce regulations. All the counties have renewed efforts to crack down on violators and are moving much more aggressive than what I used to see in Somerset County.

Is there anything else unique about your territory?

I think that my territory is a bit unique in that there are a lot of jobbers in Middlesex County, plus we have terminals from majors like Hess and Conoco Phillips. Middlesex County, in particular, is also unique since a growing number of our members are first-generation Americans and immigrants from Southern Asia.

There also seems to be a lot of unbranded stations in my territory, especially in Union County. I'd say about 25% of all the stations are unbranded. It is definitely noticeable.

Over the last few years, I've noticed that there are a growing number of locations adding convenience stores to their businesses. These owners are often closing their front offices/waiting areas to convert them to c-stores.

Some places are also closing one service bay and adding self-automated car washes to offer more diverse services to their customers.

What brought you to our Association?

I was a proud member of the NJGRA (NJGCA) for the 27 years. I owned and operated a gas station and auto repair center in East Orange, NJ. After selling my business in 2000, I applied for a position with the Association and was hired as a Field Representative, representing Union, Middlesex, and Somerset Counties. I wanted to share my business experiences with members, and because of my knowledge about the Association, I wanted to make everyone aware of the benefits NJGCA has to offer. It's important for business owners to know the importance of being a member of a strong trade association.

How do the members in your territory feel about the changes at NJGCA?

The members are very impressed with the type of information that they are receiving and how the Association is working on their behalf. They also praise our literature, bulletins, and newsletters. They constantly comment on how professional they look.



WHY SHOULD YOU BE A MEMBER OF NJGCA?

Membership Benefits your business more than you can imagine!

By Phil Apruzzi



You may ask yourself, why should I be a member of NJGCA? As the owner of a gas station, repair shop, convenience store or any small business, you probably don't have a lot of time to ponder that question.

After all, the lives of small business owners are hectic and money is tight. You need to find cash to make payroll, pay your taxes, update your facility, and countless other details. That may leave little on the side for things like NJGCA membership dues.

Yet the reality is that any time spent improving your business is time well spent. For the relative inexpensive cost of an NJGCA membership, you get a whole lot back. Put another way, your dues are a drop in the proverbial bucket, compared to the ocean of opportunity membership affords you. Whether your company is a small mom and pop shop or a large enterprise, NJGCA offers benefits for everyone.

The key to association membership is utilizing all the tools we have to offer. Whether it is money saving benefits, access to important information, or help in crafting a sound business strategy, NJGCA will help you succeed.

Additionally, your fellow NJGCA members understand your needs as a small business owner better than anyone. Networking with other association members will only help improve your own establishment and learn more about the industry. You can never have too many contacts in this industry - There is strength in membership!!

Communications Keep You Informed

NJGCA understands the most valuable business instrument is timely information.

The "On The Road" (OTR) quarterly publication - like the one you are now reading - is an important vehicle to get

you that data. Contained in the OTR is valuable information touching on all the topics that affect the industry; from new trends in convenience stores to the latest on Right to Repair to future NJ Department of Environment Protection regulations, OTR breaks it all down for you.

If you are a small business owner and are concerned about surviving in this environment, OTR also provides you updates on legislative action in Trenton like Paid Family Leave or proposed business policies. We cover industry wide events, suggestions on how to improve your business, and outline benefits to save you money!!

There is this and much more in every issue!

There is a weekly "Road Warrior" email to keep you abreast of the latest developments in the industry. And we also publish "Wildfire Alerts" on urgent issues, an "In Case You Missed It" e-newsletter on important news, and an "Events & Announcements" communication on anything else you need to know. We bring it all to you as its necessary.

Oh, and don't forget NJGCA's website with the latest information you need on a daily basis.

Membership has its Benefits

NJGCA also offers a slate of approved vendors and consultants that can save your small business money! No matter if you are looking for tools, medical insurance, credit card processing, financing, fuel distributors, security systems or more - we have you covered!

Every vendor we approve of is a Member Benefit Partner (MBP), with special products and pricing for NJGCA Members. That means that if you are not our member, you will not qualify for a considerable discount or preferred pricing on the host of goods and services our MBPs offer.

Thanks to this program, the typical NJGCA Member can save hundreds if

not thousands of dollars a year combined on insurance premiums, telephone plans, business supplies, and more!

In fact, just one or two of these benefits will more than make up the price of your NJGCA Membership - why would you NOT take advantage of such an offer?

See page 20 for an update on our Member Benefit Partner program and start saving money today!

Special Events Offer Many Benefits

NJGCA has frequent meetings to discuss topics of major concern to our membership and even non-members in our industry.

For instance, NJGCA recently held a meeting with Exxon lessee dealers to help them organize their position regarding Exxon's planned divestment of their retail locations.

There was the successful press conference held by Executive Director Sal Risalvato challenging the Attorney General's accusations of service stations "scamming the public".

But meetings and press events are but some of the many events held.

NJGCA is also participating in a trade show at the Meadowlands with AASP/NJ in March 2009. A massive amount of information, company promotion and networking will take place at this event. Look for further details soon!

Can you afford NOT to be a member?

Why continue to go it alone when you can tap into all NJGCA has to offer and experience of over 1,500 of our members?

No one can guarantee that membership will assure instant success. But membership is a step in the right direction. Don't be left out of the loop.

Become a member and let NJGCA work for you!



OVERFILL PREVENTION FOR UNDERGROUND STORAGE TANKS: A TRUE STORY



Once upon a time there was a municipality in New Jersey with a Department of Public Works (DPW) yard with a regulated diesel fuel underground storage tank (UST). The tank in question was not equipped with the appropriate overfill prevention technology. The diesel tank was fitted with a piece of equipment called a ball float that is supposed to prevent overfills. Since it was a small tank (4000 gallon capacity), fuel was delivered by a truck that utilized an engine driven pump. You see these trucks all the time on the road during the cold weather months, especially in residential neighborhoods making home heating oil deliveries. They have a hose reel commonly mounted near the rear of the vehicle. Yes, they look just like a heating oil delivery truck. It seems that the pump pressure can (and does) reach 150 pounds per square inch (psi) and since most tanks are only rated for 5 psi, a monumental event took place triggering a call to the Department of Environmental Protection's Emergency Hotline (1-877-WARN DEP). During the delivery, the ball float closed when the diesel UST product level reached 90% capacity, but the delivery driver continued to fill the tank. Within seconds the tank ends blew out from the extreme pressure exerted by the delivery truck's pump, resulting in a very

expensive environmental cleanup as well as a very expensive tank replacement. The municipality in question learned a serious lesson regarding the importance of proper overfill prevention equipment and the environmental consultants and tank contractors lived happily ever after.....**A TRUE STORY! Don't let this happen at your facility!**

We want to help you avoid this kind of expensive and potentially catastrophic event. While the story detailed above is an extreme example (several similar instances have been reported), any kind of overfill can be costly. Based on the results of thousands of underground storage tank inspections conducted by the DEP in the last 4 years and the numerous investigations performed by the Department to determine the cause(s) of underground storage tank overfill incidents, the Department suggesting that you review the types of UST overfill prevention equipment that you have in place to determine if the equipment is:

1. Compatible with the type of delivery method employed by your supplier, and,
2. In compliance with DEP's rules governing overfill prevention for USTs

Since September of 1990 the DEP's regulations that govern regulated USTs (N.J.A.C. 7:14B et. seq.) have required that all regulated USTs are to be installed or upgraded in accordance with industry standards from the American Petroleum Institute (API) or the Petroleum Equipment Institute (PEI). API and PEI standards that have been published since the mid 1980's have recognized that certain types of overfill devices, in particular ball float 90% flow restrictors, are incompatible with certain delivery methods, dispensing methods and/or Stage I vapor recovery methods and that ball float restrictors shall not be installed as a means of compliance with overfill protection in those instances. As stated above, the Department has observed that many regulated USTs have had a ball float overfill device installed without regard to the industry standards I just mentioned. **The 4 areas of ball float incompatibility are:**

1. When an UST utilizes a ball float for overfill protection, in conjunction with a co-axial drop tube for Stage I vapor recovery it negates the intended function of said ball float by allowing the tank to continue to vent to the truck through the Stage I VRS.
2. When an UST with a ball float is filled by means of a pressurized delivery system over-pressurization of the tank will occur, possibly resulting in an UST failure.
3. USTs that dispense product through a suction system cannot use a ball float for overfill protection because the air eliminator on the pump dispenser continues to vent the tank when the ball float closes and a discharge at the dispenser can occur.
4. USTs that are filled by remote fill ports cannot use ball floats for overfill protection because when the ball float closes a tank riser cap can actually blow off resulting in a significant discharge of fuel.

To comply with the UST overfill regulations, the Department suggests the following modifications. These modifications **must** be performed by Department certified UST installation contractors:

1. Replace the co-axial drop tubes with dry breaks (vapor check valves) that have a ball float valve as part of the



dry break, set at a proper depth for the size and capacity of the UST (90% capacity) for Stage I vapor recovery.

OR,

2. Replace the ball floats with in-tank floats, (i.e. automatic shutoff device installed in the drop tubes) designed to shut off flow into the tank when the tank is no more than 95% full.

OR,

3. Replace the ball floats with a tank high level alarm (set at 90% capacity) which require the installation of an automatic tank gauging system.

and

If a properly installed and functioning ball float restrictors are in use on a regulated UST it shall be determined if the ball float is set at the maximum level of 90% of the tank's capacity. If it is set higher than permitted by regulation, action shall be taken to lower the ball float to the proper depth within the tank.

Whatever method of overfill protection and Stage I vapor recovery equipment is installed it must conform to the industry standards referenced in the New Jerseys UST regulations (N.J.A.C. 7:14B).

Hope this helps you to understand the overfill questions. Please make sure your tanks are in compliance, especially those taking pressure deliveries. There is no reason that an inspection should find violations.



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MEMBER BENEFIT PARTNER UPDATE

NJGCA is working hard to provide you with the benefits that help your bottom line.

Recently we have revamped our Member Benefit Partners (MBPs) program to better serve your small business. Most MBPs offer discounts and special programs exclusively for NJGCA members ONLY – You cannot get these negotiated arrangements anywhere else!!

Here is a list of our current and new MBPs:

Tek Collect - Debt collection
NCS LLC - Credit improvement
EXTEL Communications - Improved communications offerings
Firesigns1075 - Digital sign provider
First Capital Mortgage - Commercial & Residential loans
MYnjOffice - Office supplies (paper, forms, ink cartridges)
Merchants Advocate & Simplêfy Inc. - Credit Card Processing & Consulting
Environmental Alliance - Additional environmental remediation offerings
American Equipment Finance - Auto Equipment & Lifts
ABLE-TECH - Industry Specific Business consulting
First Choice - Bay Equipment, Hardware, Lifts
AUTOBOSS USA - Scanners, Wheel Alignment Equip.
PrimePay - Payroll
Association Master Trust (AMT) - Health Coverage
Meadowbrook Insurance - Workers Compensation
The Amato Agency - Garage Keepers
Dana Insurance and Risk Management - Tank Insurance
S & W Services, Inc. - Gasoline Advertising Products
Affinity Credit Union - Credit Union
Quality Nozzle - Gas hoses, nozzles, etc.
Watchdog Calibration - Pump and Meter Calibration
ATS Environmental - Tank and Vapor Testing
Service Station Vending Equipment - Air and Vacuum Machines

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NJGCA is looking for people with experience to join our team of Territory Managers who work in the field visiting **NJGCA** members. Several territories are available. **NJGCA** has always tried to employ previous members whenever possible. Even if you are not available now, let us know if you are interested and we will keep you in mind for the future.

Contact Phil Apruzzi at
phil@njgca.org

Contact your Territory Manager or call our office to take advantage of these benefits and services.



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IT'S ON THE FRONT COVER: THE IMAGE OF YOUR BUSINESS

Provided by Meadowbrook Insurance

A recent study indicates that nearly 15% of employees factor in the condition of their workplace when evaluating their employer or deciding how likely they are to remain with an employer.

(Philip-Blumberg Office Results Study Report, April 2008)

Contrary to the old saying, people often judge books by their covers and people by their appearance. In fact, 80% of what we learn comes from visual knowledge. An important risk assessment tool for underwriters, realtors, safety inspectors, potential employees, and customers is their eyes. It should be no surprise, then, that how people evaluate a business is greatly influenced by its curb appeal. Most of us believe that a company's people, resources, and services ought to add up to a great deal more than its appearance. Nevertheless, a company's physical environment may greatly affect its profits, productivity and overall employee and customer satisfaction and safety.

Is housekeeping costing you business opportunities? It may be if you are among those employers that still give inadequate attention to the condition of their business facilities. Poor housekeeping, disorder, dirt, inaccessibility, and clutter contribute to an unfavorable image of a company and influence how customers and employees judge it. To your customer, a clean, well-organized work area indicates a well run company. How often have you judged the quality of a restaurant's food by the appearance of the dining area or the cleanliness of the restrooms?

Equally important is that housekeeping issues create safety hazards that affect your employees and customers. It's not a broad statement to say, housekeeping has everything to do with safety.

There are many reasons why slip and fall accidents are the second major cause of workplace injuries (after motor related accidents). The bottom line: poor maintenance and housekeeping cause accidents. Waste, leaks, spills as well as improper storage and disposal of raw materials will cause slips and falls. If someone slips and is injured because of materials left on the floor, we feel responsible and accountable. After all, the failure to enforce keeping an area tidy was a sizeable factor in the accident. In addition, the injured employee or customer may want to remind you of the substandard conditions.

Here are some reasons for maintaining a good housekeeping program:

- You reduce slip, trip and fall hazards.
- You reduce a potential fire hazard by removing unneeded combustibles from the work area.
- It contributes to increased production. Your

employees won't have to waste time looking for misplaced items.

- Efficient housekeeping is one of the key requirements for a safe, effective and functioning working environment

The work environment can influence your employees' perceptions and decisions. Poor housekeeping contributes to low morale, sloppy work, and an increase in work-related accidents.

Besides, good housekeeping can do more than just reduce hazards and associated accidents. Employees may feel that you don't care about them if their working environment is neglected. Working in a clean, organized atmosphere is more enjoyable and can increase employee loyalty and pride in workmanship.

If you have any doubts about what type of image you are sending conveying, get an impartial person to do a walk-through of your facility and give honest feedback. Then use the feedback to start your cleanup campaign.

Include your employees as you work to improve housekeeping. Encourage employees to

- Take responsibility for the orderliness and cleanliness of their work areas and their personal safety.
- Plan the job. Make a list of the needed tools/materials. This will help to minimize unnecessary clutter around their work areas.
- Develop a routine for cleaning up at the end of the shift or periodically during the shift.

Establish guidelines such as prohibiting employees from eating, drinking, or smoking in the work area, not only because of litter problems, but also because of hygiene concerns.

There is no secret formula for a cleanup campaign, but commitment is essential for employees at all levels of the company. Often, the first step is to convince managers and employees of the financial and other benefits of good housekeeping. Overcome any barriers that people may have by involving everyone. It's important to be patient. Over time define the limits of what is adequate or not acceptable. Understand your employees will make mistakes. But don't desert the image of a safe, attractive, and productive workplace. Your successful efforts will lead to a safer and comfortable workplace for your employees, increased productivity and profitability for your company, and curb appeal that attracts potential customers to you and not your competitors.



UPDATE: NJ EMISSIONS TECHNICIAN EDUCATION PROGRAM

In October of 2008 the State of New Jersey officially released their NJ-Approved Emission Technician Education Program (ETEP).

This program pertains to new Emission Repair Technicians and Renewal of Emission Repair Technicians licenses.

New Jersey's ETEP plan requires recertification of Emission Repair Technicians once every five years.

NOTE: The State of New Jersey has extended ERT licenses expiration dates to June 2009 and December 2009.

The program below is the complete update:

The major revision is the addition of two new sections to the curriculum:

- 1) Diagnosing and repairing On-Board Diagnostic II (OBDII) monitoring failures
- 2) Light-Duty diesel vehicle technologies and testing.

These two sections will serve as stand-alone component for RE-CERTIFICATION with the new STATE SPECIFIC CLASS.

The full curriculum will be required for all new (initial) Emission Repair Technicians (ERTs).

Other revisions include modifications to the current base ETEP curriculum, electrical/electronic coursework, and OBDII overlap.

NOTE: Robert Dressler, our NJGCA Instructor, will be writing and submitting the new ETEP curriculum to the State of New Jersey for approval in December/January. We anticipate having classes in place the end of February beginning of March for ERTs to successfully gain the education they need for re-certification.

In addition please note that both the optional Advanced Placement Instrument (API) and the voluntary Goldstar program have been discontinued.

Emission Repair Licenses that are up for renewal in June and December of 2009 will need to complete one of the following three choices:

Option 1:

- Enroll in the new sections on Diagnosing and Repairing OBD II Monitoring Failures (24 hours/Section 6)
- Enroll in the new section on Light Duty Vehicle Technologies and Testing (16 hours/Section 7)
- Enroll in the new State Specific Class (estimated to be 5 to 8 hours)

Option 2:

- Have the following ASE designations: A6, A8, A9 and Level 1
- The new State Specific Class

Option 3:

- ASE designations: A6, A8 (Section 7 of new ETEP program),

Level 1

-The new State Specific Class

**** Please note ASE is still designing the new ASE 9 curriculum and it's expected to be out in May of 2009 ****

If you are completely new to the Emission Repair Program you will need to do one of the following choices:

Option 1:

- Enroll in the NJ Emission Technician Education Program (ETEP):
Section 1 – 4 (32 hours): Electrical/Electronic and Engine Diagnosis
Section 5 (16 hours): OBDI and OBDII
Section 6 (24 hours): Diagnosing and Repairing OBDII Monitoring Failures
Section 7 (16 hours): Light-Duty Diesel Vehicle Technologies and Testing
The New Jersey State Specific Course (5-8 hours)

Option 2:

- ASE Designations: A6, A8, A9 and Level 1
- The New Jersey State Specific Course

Option 3:

- ASE Designations: A6, A8 and Level 1 Section 7 (ETEP) program
- The New Jersey State Specific Course

If you have any questions or comments, please contact Director of Member Services, Debbie Hill at debbie@njgca.org

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WEIGHTED AVERAGE MARGIN

Do you know what your actual profit is on a gallon of gas?

With prices going down, there is a race to lower your prices to be competitive with other stations

But have you considered your Weighted Average Margin?

Weighted Average Margin (WAM) is the price of a gallon of gas relative to the mix of each gallon cost and used to designate a break even price for your future sales.

For example: You purchase 8,000 gallons of gas at \$2.50. You sell 6,000 gallons. You still have 2,000 gallons remaining in your tank at a cost of \$2.50 per gallon. Your next load of 8,000 gallons costs \$2.20 a gallon (30¢ less). You want to make a minimum of 12¢ per gallon.

What price do you sell it for in order to achieve your 12¢ margin?

Using simple math, you may think you should sell it for \$2.32 – that's the 12¢ added to the cost of the latest delivery. See below actual costs and profit.

$$\begin{array}{r} 2,000 \text{ gallons} \times \$2.50 = \$5,000 \text{ Cost (gas in ground prior to delivery)} \\ 8,000 \text{ gallons} \times \$2.20 = \$17,600 \text{ Cost (new gas-lower price)} \\ \hline \text{Total Gas cost: } \$22,600 \text{ divided by } 10,000 \text{ gallons} = \$2.26 \text{ (WAM)} \end{array}$$

However, when you crunch the numbers, the price at \$2.32 a gallon means you are only making 6¢ per gallon! After credit card fees (up to 2%) are subtracted, you could be making as little as 1¢ to 1½¢ per gallon.

That's less than 2¢ per gallon – hardly a sustainable profit.

In order to achieve your 12¢ margin you would have need to sell the gas at \$2.38 a gallon.

How do we derive this price? Simply take your WAM and add your desired profit to the street price.

In this case: \$2.26 WAM + 12¢ profit margin = \$2.38 street price.

This exercise is a simple reminder to check your WAM. Be conscious of your costs when pricing your product and a reminder not to give away your profits.

We all want to be competitive to attract customers, but it is far more important to remain profitable!



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QUOTE FOR THOUGHT

"October. This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August, and February."

- Mark Twain



LETTERS TO OTR EDITOR



Dear OTR Editor:

This last year has been far from easy for retailers. We saw record high prices, a lot of accusations by the media, and very slim profits.

I don't know if I've ever seen it this bad in all my years in business. Prices are coming down now, but I know a lot of guys doubted if we'd survive long enough to get to calmer waters.

I've got to tip my hat to NJGCA. When times were tough, Sal was offering suggestions on how to eek out a profit, deal with customers, or just reassuring us we'd all make it through. It was comforting to know that others were in the same boat I was in and understood the headaches I was dealing with.

That's the kind of change that I've noticed over the last year at NJGCA. I've been a member for a very long time, yet this is the most proactive and supportive the Association has ever been.

I have a lot of faith in the new direction NJGCA is heading and am impressed with the renewed emphasis they've placed on lobbying in Trenton. And revising the MBP program has led to even more savings and better benefits for my small business.

The team Sal has assembled is professional and courteous. I know first hand. I hope this is just a taste of what is yet to come for our Association. Thanks for being there!

Regards,
-Richard Tracy
Speedway (Landing, NJ)



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Do you need help with your Community Right to Know Survey?

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This year the State of New Jersey is offering a **FREE** workshop on how to complete your form.

To take advantage of this program you can attend one of two, three hour workshops on the following dates:

Date:

January 21, 2009 & February 19, 2009

Location:

401 East State Street
1st Floor, Public Hearing Room.
Trenton, NJ 08625

Time: 9:00 am to 12:00 pm

Take advantage of this **FREE** opportunity!

IT HAPPEND IN DECEMBER!

Dec 1974: A barrel of oil is \$11.4

Dec 1: Gasoline rationed in US (1942)

Dec 1: Exxon and Mobil agreed to merge, creating the world's largest corporation (1998)

Dec 2: The first controlled nuclear chain reaction was demonstrated at the University of Chicago (1942)

Dec 2: The Environmental Protection Agency (EPA) was established (1970)

Dec 2: 1st U.S. large scale nuclear power plant opens in Shippingport Penn (1957)

Dec 7: Japanese attack Pearl Harbor, a date that will live in infamy (1941)

Dec 8: President Clinton signs the North American Free Trade Agreement (1993)

Dec 10: Exxon announced the sale of its Manhattan landmark, the 53-story Exxon Building, to a Japanese real estate developer. The price tag was \$610 million. (1986)

Dec 18: New Jersey was admitted to the Union, third state to do so (1787)

Dec 24: Henry Ford completed his first successful gasoline engine (1894)

Dec 31: Thomas Edison provided the first public demonstration of his electric incandescent lamp at his laboratory in Menlo Park, NJ (1879)



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To qualify for the discount, you must:

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2. Enroll during the sign up period Sept. 1st – Dec. 31st 2008.
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Call Debbie Hill for details at 973 376-0066 ext-203

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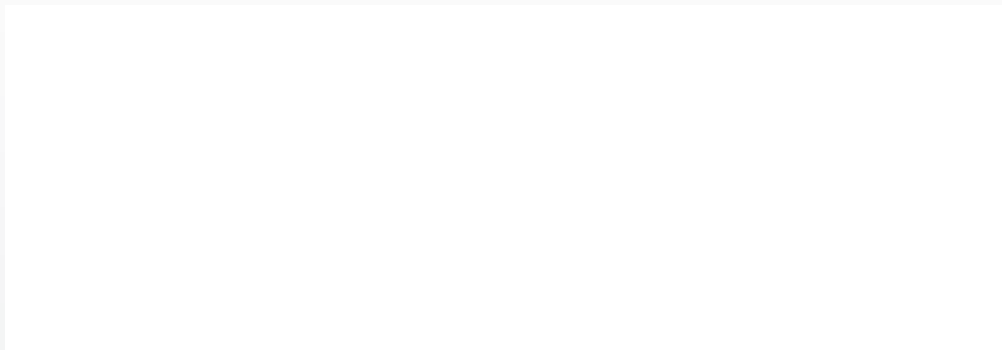




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