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FOR IMMEDIATE RELEASE

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NJGCA Supports Legislation to Allow Consumers the Option of Self-Serve Gas

*Self-serve gas would bring convenience and savings to New Jersey motorists
Full service gas would still be available to those who wish to remain in their vehicles*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA), released the following statement in response to the introduction of legislation which would give drivers the option of self or full-service at NJ gas stations:

"Thirty years ago, when motorists and consumers were passionately advocating for self-serve gas in New Jersey, the leadership and members of this organization, myself included, were staunch opponents. However, the landscape of the gasoline service station industry was vastly different then, with big oil companies owning and operating many retail locations, and possessing a distinct (financial) advantage in their ability to transition their stations to accommodate a self-serve option. With the elimination of company-owned locations, gasoline service station owners no longer have to fear this scenario, and have embraced the many benefits that self-serve offers, both to the business owner and the consumer."

"For example," Risalvato continued, "self-service would allow consumers the convenience of fueling up at night, when stations usually close because it is not sure, and/or not financially prudent, to have an attendant on duty. Also, how many times have you driven into a gas station and seen pumps blocked off by orange cones? Those cones do not signal broken or out-of-order pumps, but rather they are keeping motorists limited to a certain number of pumps that are manageable to the limited number of employees working. If those cones were removed, and self-service was an option, motorists would simply be able to occupy the pumps which would have otherwise been coned off due to the lack of manpower."

"An over-riding concern of opponents to self-serve is the impact on employment," Risalvato stated. "In the scenario above, there would be no real impact on employment, since the self-serve option would be at pumps which had previously been coned off. Additionally, in the legislative proposal recently introduced by our friends Senators Sarlo and Cardinale, there is

a provision which requires full-serve to be offered at all gas stations for the first three years after the enactment of the law. This will serve as a trial period, so that station owners and consumers can see self-serve in action, and determine their individual preferences. This legislation does not force anyone, business owner or consumers, to do anything different than they already are. Even once self-service becomes legal, station owners can continue to offer ONLY full-serve, if they choose. At the end of the three-year period where full-serve is legally mandated, business owners have the option of arranging their business however they feel will be most profitable (all full-service, all self-service, or a combination of both options)."

"In addition to the convenience that consumers will experience, we also anticipate a savings that will be passed on to consumers," Risalvato said. "Our estimate, based on conversations with multiple station owners, some of whom own stations in Pennsylvania or New York, is that customers who choose self-serve will save a minimum of 7¢ per gallon, to as much as 20¢ a gallon, with the average falling around 10¢. Some skeptics argue that station owners will 'pocket the savings,' but I believe this to be untrue for the same reason that every station right now doesn't charge an extra dollar per gallon; the force of competition prevents them."

"Take the following example," Risalvato continued. "Say there are two stations near each other, and each saves ten cents per gallon by offering self-serve. They *could* both pocket that savings. That is, until one day Station A realizes that by lowering his price and only pocketing 8¢, he will increase the number of customers coming into his station, making more money at the end of the day. Station B sees his customers evaporate, so the next day he lowers his price even further than Station A, to win back the customers that went over to Station A the day before. The next day Station A matches Station B's price, or undercuts him. On it goes, until their prices are as low as they can be without going out of business."

"Although I could continue to go on at length, I would simply like to make one final note. Most people" Risalvato explained, "are not aware of the transition already taking place in the credit card industry, and the effect it will have on how consumers fill up their tanks. In order to take advantage of the advances in anti-theft technology, micro-chips are being installed in credit cards, and credit cards will have PIN numbers, just like debit cards. By October 2017, every gas pump will have to be outfitted with new credit card processors capable of accepting EMV, the new chip-based security standard. According to the credit card companies, customers will be asked to input their PIN when they use their credit card at the pump. Since I don't foresee many motorists providing their PIN to a gas station attendant, motorists wishing to use credit are likely going to be getting out of their cars anyway. At that point, most would just as well go to the self-serve island, save a few cents a gallon, and pump the gas themselves."

"As you can see, the option of self-serve allows motorists and business owners much more flexibility and convenience, as well as financial savings. There is no reason that motorists and business owners in New Jersey should not have the same opportunities that people in 48 (and maybe, soon to be 49) other states have. Self-serve has proven to be a workable and viable system for millions of consumers, and hundreds of thousands of gasoline retailers across the United States. However, if for some reason, the motorists and station owners in New Jersey do not find self-serve to be as desired in practice as it is in theory, there is no law mandating that self-serve MUST be offered. It would be ***just an option***. And New Jerseyans deserve the same options that 300 million other people in the United States already have," Risalvato concluded.

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