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March 21, 2016

To: The Honorable Council Members of the Town of Hempstead, New York
From: Sal Risalvato, Executive Director, New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA)

Re: Ordinance to Mandate Free Compressed Air Service

I am writing to express this organization's opposition to the recently proposed ordinance which would create a burdensome unfunded government mandate for small businesses to provide a costly service to the public without being allowed to receive compensation for that service.

One of the most basic principles of economics is the famous statement that there is "no such thing as a free lunch". Someone, somewhere, at some point, will pay for this service, and the fairest solution is for the individual using the service to be the one that bears the cost of it.

Do not make the mistake of thinking that compressed air is cost free or close to it. Maintenance costs can add up, as hoses and nozzles wear down with regular use and constant exposure to the elements; not to mention the abuse inflicted upon air nozzles and gauges for these devices, as the users simply do not care for them as if they are the ones replacing them. There is also the cost of actually running the compressor, and the cost of earning back the investment that was made in the original cost of purchasing the machine, and/or the cost of purchasing a new machine to comply with this mandate.

If these costs cannot be recouped by a fee on the user of the machine, then they will be passed on other ways, most likely through higher gas prices for Hempstead residents.

Local government should not play so heavy handedly in the affairs of the marketplace and in the free exchange of goods and services. If a business wants to provide a service for free, that should be their choice based on their analysis of what is sustainable for their business. Free compressed air would draw in customers, and if no business in Hempstead is offering free air, then clearly it is not economical to do so. An unfunded government mandate will not change that fundamental reality.

This was brought to my attention by Service Station Vending Equipment (SSVE). For many years SSVE has been part of our association's "Member Benefit Program". SSVE has consistently served my members well and would effectively gut his ability to do business in

Hempstead. I can tell you with certainty that this would be a major loss to the service stations in town.

I cannot speak with detail on the various service stations in Hempstead, but I know that many of my members do not own or operate the compressed air pumps at their station. They bring in a third party company, most often SSVE, to install and maintain the pumps at no cost to the retailer, who even shares a portion of the revenue from the machines.

This business model, which has worked fantastically for so many small businesses, would essentially be outlawed by the proposed mandate. Small business owners, who already have more than enough on their plate will have one more thing to worry about, one more expense to cover in their struggle to keep the doors open and their employees employed.

The unfair unfunded mandate proposed by this ordinance will be a burden to independent small businesses in Hempstead, and ultimately will be passed on to consumers as well. I urge you to oppose it.

Sincerely,

A handwritten signature in black ink, appearing to read "Sal Risalvato". The signature is fluid and cursive, with a large initial "S" and "R".

Sal Risalvato
Executive Director