

217TH NEW JERSEY LEGISLATURE
ASSEMBLY HOMELAND SECURITY AND STATE
PREPAREDNESS COMMITTEE
HON. ANNETTE QUIJANO -- CHAIR

TESTIMONY

SAL RISALVATO

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SUPPORT

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COMMITTEE ROOM 12
TRENTON, NJ 08625

Testimony of Sal Risalvato
AR-271

Chair Quijano, members of the Committee, my name is Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association (NJGCA), here representing hundreds of independent gas stations across this state.

First off, let me thank the Chairwoman, her staff, and OLS staff for getting this resolution together and on the Committee's agenda as quickly as they have. It has only been about three weeks since the Trump Administration announced their proposal to completely eliminate the Northeast Gasoline Supply Reserve (NGSR). The proposal was folded into the much larger announcement of a proposed federal budget, and unveiled just days before Memorial Day Weekend.

The NGSR was authorized by Energy Secretary Moniz in 2014 to protect against a repeat of the gas crisis we experienced after Superstorm Sandy. There are 700,000 barrels of gasoline currently being stored here in New Jersey for emergency use, as well as another 200,000 in Massachusetts and 100,000 in Maine; and the Trump Administration proposal would sell off all of them.

It has been less than five years since Superstorm Sandy made landfall, and yet already members of our federal government are forgetting what happened. At the time, no one expected that once the storm clouds cleared and we were just beginning to clean up the debris, our battered state would be subjected to another crisis, a gas crisis which would last a full two weeks after the Superstorm had left.

I still have hundreds of emails, which I have never erased from my computer, from gasoline retailers begging me to help them get fuel. During the aftermath I had several direct conversations with Michelle Brown, who Governor Christie had tasked with managing this emergency. I was involved with several email exchanges in which I was told the Department of Defense had cobbled together ten million gallons of gas that was on its way to New Jersey, but little of that fuel ever made it into actual retailers' underground storage tanks.

Supply barges were waiting offshore but couldn't resupply the terminals, pipelines were closed and couldn't resupply the terminals, and since some of the terminals sustained damage, those that could fill trucks quickly ran out of supply. Tanker trucks that normally filled up in Linden and Perth Amboy were driving down to Paulsboro for fuel, cutting their frequency of delivery by two-thirds or more. Tanker trucks full of fuel were being brought in from as far as Indiana to try and meet the public's demand. I know of multiple station

owners who went a full ten days with their power on and no fuel deliveries. Station owners were getting a delivery, selling out in three or four hours, and closing shop again for days.

Those of us old enough to remember the fuel crises of the 1970s felt transported back in time as motorists sat in long lines to fill up their cars. Things were so bad that Governor Christie even declared a State of Energy Emergency and the implementation of even-odd gas rationing. The gas rationing helped to cut demand, meaning a lower amount of supply became sufficient.

Having been deeply involved in the State's reaction to the crisis, **I can state unequivocally that the cause of the gas crisis was NOT the lack of power.** It was only for the first two or three days that a significant number of gas stations had fuel in the ground but no power to pump it. The Governor's Office and utilities worked hard to get power online to gas stations. We were submitting data to the utilities and officials stationed at the Regional Operations Intelligence Center (ROIC) every few hours, providing lists of gas stations with gas in ground and no power. We provided the same information to officials at FEMA and the Department of Defense. Within several days most of those gas stations had power but no gas because once they opened up, they quickly sold out of the product they had, and then had to close up again, even though they had power.

Ultimately electricity was not the problem, supply was the problem. Since Sandy, improvements have been made to the electrical grid. Thanks to a program funded by FEMA and administered by the NJ Economic Development Authority (EDA), many fuel stations in key locations throughout the state have installed backup generators. The only defense we have against another supply disruption is this Northeast Reserve, and now the Administration wants to eliminate it because it "has not been utilized".

This short-sighted proposal from the Trump Administration puts millions of New Jerseyans at risk. I am not aware of any projections for the future that call for *lower* sea levels and *weaker* hurricanes. Let us remember that when Sandy made landfall it had weakened considerably and was not even classified as a hurricane. Imagine the turmoil we will be in if we are hit by an actual Category 2 or 3 hurricane. Our fundamental vulnerabilities are the same. Our terminals and fuel infrastructure are still close to the coast. The only protection we have from a Sandy repeat (or worse) is this Northeast Reserve, and now the President wants to take this security away.

The gas crisis ground the economy in northern New Jersey to a halt as our several million residents were unable to get to the store, get back to work, or even power their homes with their emergency generators. Perhaps the President didn't notice the gas crisis when looking

down from his gilded penthouse, but he will if his motorcade is stuck in gas-line traffic on the way to his NJ country club.

What is the supposed upside to this significantly increased risk for our state and our nation? Less than a hundred million dollars in revenue, as part of an annual budget that spends \$3.6 trillion with a deficit of hundreds of billions of dollars. This plan will jeopardize our energy and economic security for a few drops in the bucket, or should I say a few drops in the barrel. The reserve was created to be a strategic asset, not a one-time sugar rush to try and fill a massive structural deficit.

I fear the President, and/or Energy Secretary Rick Perry, can eliminate the NGSR by executive action, without needing direct approval from Congress. This effort can only be defeated by raising awareness of the issue, and passing this resolution will do that. I ask you to vote for it.

I hope that you will stand with our small businesses and motorists in opposition to eliminating this necessary safeguard. I ask that you fight this attempt to Make New Jersey Vulnerable Again.

Thank you.

