



New Jersey Gasoline, C-Store, Automotive Association (NJGCA)

(Formerly New Jersey Gasoline Retailers Association)

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FOR IMMEDIATE RELEASE

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Motorists win with today's passage of gasoline rewards bill

NJGCA represents over 1500 small businesses in the gasoline retail and convenience store business. Today NJGCA Executive Director Sal Risalvato applauded the NJ State Senate upon passing S-2927/A-3133. The legislation passed by a vote of 38-0. S-2927/A-3133 will allow supermarket customers to redeem rewards earned on their loyalty cards at their local gas station for the purchase of gasoline. Presently this is prohibited by law.

Risalvato repeated today what he said in his testimony last May to the Assembly Regulatory Oversight & Gaming Committee, "S-2927/A-3133 is a triple win. A win-win-win.

S-2927/A-3133 is especially a win for consumers and motorists who will now be able to earn rewards from supermarkets, restaurants, or department stores that are creative enough and willing to market their products with rewards redeemable at gasoline stations".

"Gasoline retailers support this legislation because they recognize the tremendous pain that is being experienced at the gas pumps. Gasoline retailers know better than anyone, because they are experiencing pain along with their customers. Retailers work on such slim profit margins that it hurts them more when the cost of gasoline inventory explodes", said Risalvato

Risalvato continued, "Gasoline retailers are satisfied with the amended version of S-2927/A-3133 because now their customers can earn rewards from other merchants to assist with their gasoline purchases. Because profit margins are razor thin, gasoline

retailers can't afford to discount the price of gasoline, and welcome assistance from other merchants who have much more healthy and robust profit margins in which to reward their customers".

Concerned about harming small business gasoline retailers unable to compete with the 'Big Box' gas retailers Risalvato said, "Gasoline retailers had a concern with the original version of this bill because it would allow rewards to be tied to the sale of gasoline even if it resulted in selling gasoline below cost. This would further uneven the playing field and allow big box retailers to easily put small business owners out of business, and remove competition from the street".

Gasoline retailers are small business owners who struggle in an ever lasting tough and ultra competitive marketplace. These small business owners are aware that the businesses they have chosen to operate are ultra competitive and profit margins are slimmer than those enjoyed by retailers selling other products like groceries. But the small business owners that own gasoline service stations are a breed of their own, and they are willing to face risks and adversity daily. However, they fear that altering the playing field in a severe manor would jeopardize them further and eliminate them from the marketplace altogether. That is why amendments protecting small gasoline retailers were included in S-2927/A-3133.

"Retailers will still face a harsh and ultra competitive market; yet keep more powerful competitors from steam rolling them, thus keeping their entrepreneurial spirit alive. This will mean a more vibrant and competitive market in the future", said Risalvato

"Retailers that enjoy more robust profit margins will now be able compete for customers by offering rewards to be redeemed at local gas stations. Instead of offering a free turkey or ham with a certain amount of grocery purchases, supermarkets can now make an arrangement with ANY local gas station to have rewards redeemed at their gas pumps", said Risalvato.

Risalvato said, "It must be noted that this bill indeed makes it more likely for a supermarket to make a mutual arrangement with ANY local gas station, rather than an arrangement with one single major oil company brand".

In other states where different types of rewards and loyalty programs have been permitted, small business owners who own the gasoline stations endure a tremendous amount of pressure from their major oil company landlords and shoulder the burden and costs of reward programs. S-2927/ A-3133 permits ANY local gas station owner to participate with ANY supermarket or restaurant or department store without interference or profit taking by a major oil company brand.

"The consumers win. The supermarkets win. And now the small business owners of gasoline stations will have an opportunity to win. S-2927/A-3133 will prevent the competitive playing field from becoming more uneven than it already is while still benefiting motorists".

Risalvato ended by thanking the sponsors of S-2927/A-3133. "Senator Robert Gordon (D-38), Senator James Beach (D-6), Senator Diane Allen (D-7), Assemblywomen

Celeste Riley (D-3) and Assemblymen Craig Coughlin (D-19) and John Burzichelli (D-3) facilitated a compromise that made today possible and I thank them for their efforts”.

The bill now heads to Governor Christie for his signature.

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