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ON THE ROAD

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION
www.NJGCA.org

\$5.95

THE

SMALL BUSINESS



SURVIVAL

GUIDE

PLUS:

Auto innovations from the New York Auto Show!

Are there lost profits in your tanks?

We get your questions answered by the U.S. Department of Labor!

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LETTER TO THE EXECUTIVE DIRECTOR

February 5, 2012

Sal,

I decided to take this weekend and catch up with things I haven't been able to do during "normal" business hours - whatever they are. I got a chance to read your January 2012 issue of "THE 2011 YEAR IN REWIND".

I must tell you that over the years, and evermore so the last 5 years, I have been extremely impressed with the job that both you and your staff have done. Your accomplishments have been impressive and very significant. Your motivation and work ethic has been that of a warrior for our industry.

In reading this issue of "ON THE ROAD", it is very apparent that you and your group have become a very professional and formidable group. I applaud you all for your determination and successes.

Thanks for all you do for us,

Bob Stohrer
Manahawkin Shell

*Do you have a question?
Would you like to give feedback on the job we're doing?
Do you have a general comment to make?*

If so, please send us your letter, comment, or feedback on any topic of interest!
Letters may be emailed to info@njgca.org or mailed to NJGCA Headquarters at
66 Morris Avenue - Springfield, New Jersey 07081

Thanks for writing!



Message From Executive Director Sal Risalvato

Survival and where our industry is heading.

In the past I have relayed stories and experiences from my years walking in your shoes. Often I use those experiences to compare with our industry today and then impart a dose of wisdom that has been derived by closely following the changes that have taken place in the past 34 years. It dawned on me a few weeks ago, while I was speaking to a large group of Exxon dealers that the very day I was standing in front of them was exactly 34 years to the day that I became the owner of a two bay Exxon station in Paramus. The career that I had planned as a chef would never be realized, and I un-knowingly embarked on a path that would lead me in to public policy and politics.

The reason I am sharing this with you now is because it is important for you to get a prospective about where your business is heading and where our industry is heading. This fits with the overall theme of this particular On The Road issue. Survival. There are way too many things that I see emerging today that I actually saw forming back in 1979, and yet there are a few things that have taken me by surprise, and make me wonder how I never saw them coming, especially considering the things that I know about our business.

The most important new wave that you must recognize is the real emergence of alternative fuel vehicles.

Now just because you own a repair shop and not a gasoline station don't go crawling under a rock and ignore what I am sharing. This pertains to you too, so just keep reading!

If you go back over the past 4 years, I have made more than a few mentions in my communications that "I see signs that this day will be coming." For 34 years I have had one fundamental reason that I knew this day was coming. You have all heard this from me in the past, and you will hear it many times more; ("**Someday....and it may be a very long time from today.....BUT someday there will be a last drop of oil!**") It is an undeniable fact. It puzzles me that I don't hear media pundits or analysts mention this fact when the ever present issue of oil and gas prices are discussed. Am I a wacko? Am I wrong? What do I see that so called 'experts' don't? Oh....it doesn't matter that someday oil reserves will run dry because we have plenty today. Really????

Yes we have found more oil deposits in new places in both the United States and in foreign countries. But much of this oil is not easily obtained. It is no longer customary to drill a hole, stick a pipe in the ground, and pump all we need.

Today different and controversial technologies are used to retrieve both oil and natural gas from the earth. Anyone ever hear of 'fracking'?

Please don't confuse me with one of those environmental extremists that oppose drilling and technology that keeps our cars moving. I belong to the "drill baby drill" club. But I don't blindly believe that drilling and finding more oil and natural gas is a solution. Think about this. Many of you have empty 55 gallon drums in your location that once held washer fluid or maybe even motor oil. Fill one up to the top with water. Everyday remove a teaspoon of the water. Just a teaspoon. One teaspoon everyday. I don't have a clue how long it will take before the drum is empty. It will probably take a long time, but eventually the drum WILL BE EMPTY. I think you get my point.

Not only are you selling a commodity that has a finite supply, but the supply is made more fragile because of concerns about delivering the supply. World demand, geo-political events, environmental concerns, delivery infrastructure, and even weather wreak havoc on our ability as a civilization to maintain confidence in an always available, steady, reliable supply of oil. I haven't even mentioned price or economy.

It just makes sense that human nature will migrate even if it is slowly to more steady, reliable, AND RENEWABLE sources of energy. Also notice I didn't just mention 'CLEAN'. Remember I am not one of those 'environmental extremist' folks. I am not approaching my conclusions based on environmental emotions. I am simply reasoning solely on the basis of energy supply, and not the cleanliness of energy. Although let me be clear, the 'environmental crowd' is not all wrong, but I'll save that discussion for another day.

Also a discussion for another day is "what happens to you should we as a nation find ourselves faced with a gas shortage of crisis proportions?" That discussion will take place soon. It is not inconceivable that we could be faced with a situation like that in the not so distant future. I made a lot of extra profit in the gas shortage of 1979, but I am not so sure that you will be able to do so if the same crisis were to hit today. There are laws in place today that weren't back then that will be problematic in a gas shortage situation today, but again... that's a different column for a future issue.

The bigger concern for your future is; we as an industry are not going to stop alternative fuel vehicles from emerging, nor should we try to stop them. The marketplace has turned a corner and alternate fueled vehicles are no longer a twinkle

in someone's eye. They are here and they are on a faster moving train than you may think. Every customer that charges a car battery with electricity in order to travel 50 miles to work and another 50 miles to return home is not buying about 5 gallons of gasoline everyday.

If you sell electric charging then you still keep your customer. If electric charging stations are installed at supermarkets, or department stores, or even municipal parking lots and parking meters then you have the same problem the dinosaurs had. Don't even think of dismissing this notion because it is happening now. Several towns in Monmouth County have announced plans to install electric charging stations throughout their towns.

The customer that stops in for an oil change every few months is also going to find repair service elsewhere if your technicians don't adapt.

Although compressed natural gas (CNG) is the fastest moving train and will be around for quite a while, that too has a finite supply in the earth. Yes, recent discoveries of huge natural gas deposits will help us become more energy independent for as long as 100 years. There are still two issues that you need to consider. First, remember the 55 gallon barrel example I just cited in this article? Well the same principle applies to natural gas. Second, do you sell CNG? The same principle I applied to electric vehicles applies to CNG fueled vehicles. Every car that fuels with CNG is a car that won't be filling with gasoline.

For both electric charged vehicles and CNG fueled vehicles please consider this; all of the commercial business that you cater to now will be highly incentivized to begin using fleets that are fueled by either or both alternatives. Besides the mathematical economic advantages of fuel savings, there are huge tax incentives for those companies that convert from gasoline powered fleets to alternative fueled fleets.

This is no longer a pipe dream way off in the future. The future is here today, and as uncomfortable as it may be to evolve, it is my responsibility to make sure that the seeds of thought are at least planted in your heads.

The staff here at NJGCA is tired of hearing me say this; "I am quite certain that the merchants whose commerce circled around the sale of candles and oil lamps were not very pleased when the daily newspaper headline announced that Thomas Edison had invented the light bulb." Exactly how many people do you know that light their homes with candles? Get used to me saying this.

Oh, just because I didn't pay homage to ethanol or hydrogen in this commentary does not mean that they should be ignored. I believe both have a significant long term future. Why? Because they both have what I mentioned at the beginning of this article. Both ethanol and hydrogen are renewable.

Am I crazy? Am I wrong? ■



TRAINING CLASS SCHEDULE

**-ALL CLASSES WILL BE HELD AT NJGCA HEADQUARTERS-
66 Morris Avenue - Springfield, NJ 07081 (Union County)**

EMISSION REPAIR TECHNICIAN RE-CERTIFICATION COURSE

This class will re-certify your Emission Repair Technician and keep their licenses up to date.

Class Includes: Section 6-OBD II Monitoring, Section 7-Light Duty Diesel, and NJ State Specific.

Dates: Tuesday, June 5th and Tuesday, June 12th

*******Two Full Days of Training*******

Times: 8:00 am to 4:30 pm

Prices: NJGCA Member - \$400.00

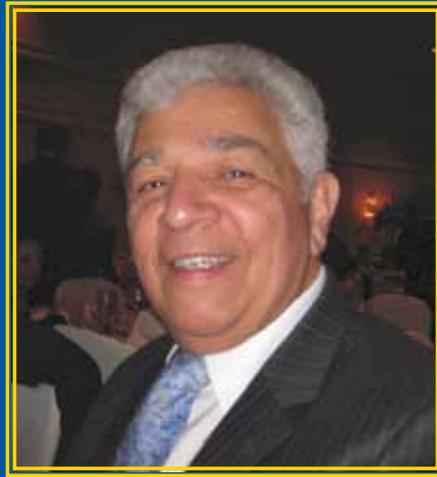
Non-Members - \$470.00

*******NOTE: Manuals are included with course price.***

Registration: To sign up for this class, please contact Debbie Hill by phone at 973-376-0066 or via email at debbie@njgca.org

ACKNOWLEDGEMENT & APPRECIATION

NJGCA thanks Membership Director Phil Apruzzi for nine years of loyal and faithful service!



Phil Apruzzi

The Association has bid a very fond farewell to our Membership Director, Phil Apruzzi, who has left the organization to pursue new career opportunities and a lighter workload.

Phil has been a staple at NJGCA since 2003. He began his tenure with the Association initially working as a Territory Manager with our field staff. After Executive Director Sal Risalvato was brought on board to rejuvenate the organization in 2007, Phil was moved to the newly created position of Membership Director.

Since assuming that role, Phil has been instrumental in helping to retain current members, attract new blood to the organization, oversee our former field staff, and implement changes to how the Association operates behind the scenes.

In an effort to better serve our members and maintain critical information, Phil has also been a key part of creating and maintaining a modern membership database and related resources. In fact, many of the improvements NJGCA has presented to outside observers over the last five years were accomplished by Phil's work on the inside.

While Phil has taken his leave, the work he has started will continue. NJGCA is currently interviewing experienced professionals to take over Phil's responsibilities. We hope to have an announcement soon.

Nevertheless, even as Phil leaves the Association for new opportunities, and as much as we will miss having him working alongside of us, we hope to invite him back to assist us in hosting member events in the near future.

Until then, we ask you to join us in thanking Phil for his years of dedicated service to NJGCA and wish him well in all his future aspirations!



Important Issues impacting your business!

By Eric Blomgren

Please see the updates below for the most recent activity in Trenton and around the state. These issues are important to all NJGCA members!

Zone Pricing

“The Unfair Motor Fuels Practices Act” is making its return in the Legislature as A-2729. This bill is currently identical to a bill NJGCA has pushed for in past legislative sessions. This bill would change the law to make it so that distributors, refiners, wholesalers, and suppliers would be unable to engage in the discriminatory practice of zone pricing. This has become a serious problem for retailers who have contracts with mega-distributors and pay Dealer Tank Wagon (DTW). Some suppliers are charging certain stations obscene prices for no other reason than because they can. In the past, it was difficult to prove our case because of a lack of hard data. NJGCA has been successful collecting data from our members. This data has been able to show situations in which stations that are less than 15 miles apart have had prices differences for regular gas of up to 30 cents! At the same time, the price for diesel gas has been the exact same for every station. Assemblyman Pat Diegman (D-Middlesex), a close ally of our organization, is the sponsor of this legislation. We have received support from a variety of legislators from both parties, who are excited to see this bill become law and become law quickly. It is currently waiting to be heard by the Assembly Consumer Affairs Committee. When it comes time for a hearing, we will need your support to ensure this bill becomes law.

Right to Repair

“The Motor Vehicle Owner’s Right to Repair Act” (A-352) has also been reintroduced by Assemblyman Reed Gusciora (D-Mercer). You’ll remember NJGCA pushed hard for this legislation in 2009 and saw it pass the Assembly only to be withheld from a hearing when it got to the Senate. Right to Repair would benefit every independent automotive shop in the state by ensuring that the car manufacturers provide the same technical info to repair shops that they give to the dealerships, and at a reasonable price. Expect to hear a lot more about “Right to Repair” in the coming months. This bill is also currently waiting to be heard by the Assembly Consumer Affairs Committee.

No state has been able to pass ‘Right to Repair’ although many have tried. An effort to pass a national bill has been stalled in Washington for years. Efforts fail because of intense opposition from auto manufacturers. New Jersey has come the closest to passing ‘Right to Repair’. Massachusetts legislators have voted to place the issue for public referendum on the November ballot. There are high expectations that the bill will pass and clear a path for this legislation to begin moving in

other states. New Jersey does not have a procedure for placing an issue on the ballot for public referendum.

Internet Lottery

A-1073 is the reintroduced version of the bill from last year which would allow the state to sell lottery tickets on the internet or through text message. NJGCA continues to strongly oppose this idea. If customers stop coming into your c-store to buy lottery tickets, that also means they won’t be buying high margin items like coffee that are what keep you in business. Thankfully, we have been assured by the prime sponsor of this bill, Assemblywoman Annette Quijano (D-Union), that she is very interested in working with us to try and protect small businesses. Assemblywoman Quijano has given assurances to NJGCA that she will not move the bill until we can agree on a bill that will not harm your business, however, she is clear that she does intend to move the bill forward in the future.

Below Cost Selling

A Below Cost Selling proposal that NJGCA fought against last year was reintroduced as A-1567. Sponsored by Assemblyman John Wisniewski (D-Middlesex), this bill would allow the sale of gasoline for below cost. The big box chains continue to ask for an elimination of below cost selling because they know they can undercut small businesses by racking up the profits on other items until they’ve driven the competition out of business, and then raise their gas prices to new highs. This bill did not receive much support when it was heard in committee last year, and we will be fighting to ensure it continues to receive little support. Proponents of this legislation point to the high price of gasoline as a reason to enact this bill. NJGCA expects other legislators to introduce similar versions of ‘Below Cost’ selling in order to appease constituents complaining of high gas prices.

E15

We’ve been updating you for months on the progress of E15. As you know, the gas you sell is 90% gasoline and 10% ethanol (E10). About a year and a half ago the EPA started to clear the path for retailers to sell gas that is 15% ethanol (E15), but only to cars model year 2001 and newer. One of the final hurdles to being able to actually get the fuel on the market has recently been cleared. The EPA has agreed to the Renewable Fuel Association’s proposal for a Misfueling Mitigation Plan which is required to be submitted by any station which wants to sell E15. Because only newer cars have been cleared to safely use E15, steps must be taken to ensure that customers are not given the wrong product, which could damage their car over time. In addition to completing the Misfueling Mitigation Plan, stations that sell E15 would be required to have a sticker on the pump warning that the fuel should only be used in cars MY 2001 and newer. Ethanol is

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currently cheaper than gasoline and has a higher octane rating, so in theory E15 would be cheaper than regular gasoline and would have an octane rating of slightly over 88. It is estimated that E15 will begin to be rolled out over the next few months, starting in Midwest states with large corn crops.

Strategic Petroleum Reserve

The record high gas prices of the last few months have led to calls from some that President Obama should release more oil from the Strategic Petroleum Reserve (SPR) as a way to lower costs. NJGCA stated a year ago during the last price spike that such an action would be disastrous for the economic and national security of the US. The SPR is meant to guard against significant supply disruptions, not to be used as a way for the government to try and control prices. When President Obama did try to lower prices with a SPR release last year, it proved to be ultimately ineffective. We cannot allow ourselves to get in the habit of using the SPR as a crutch for whenever gas prices increase. There is a real risk supplies from the Middle East will be significantly cut sometime in the next few months. Such an interruption, especially if it is sustained, could result in gasoline prices skyrocketing to \$7 per gallon or more. That is a time when the Strategic Petroleum Reserve should come into play. Using it now and then having to use it again a few months later will leave the US less secure.

Rest-Stop Privatization

Senator Rob Portman (R-OH) recently introduced an amendment to the Senate transportation reauthorization bill that would have overturned the 60 year old ban on commercializing rest areas on federal highways. If that ban were repealed by Congress then state governments would be able to sell contracts to companies to sell food and fuel right along the highways. Some advocate for this because they believe it would be an easy way to generate revenue for state governments. In reality, this proposal would be disastrous for the thousands of small businesses near highway exits who rely on travelers coming off the highway to fill up on gas or grab a quick bite to eat. One study estimated that gas stations located near interstate exits could see a 46% decrease in business! Currently the only commercial activity allowed at these rest stops are vending machines operated by the blind. Thankfully, when this amendment came up for a vote in the Senate it was overwhelmingly rejected by a vote of 12-86. Both of New Jersey's senators, Frank Lautenberg (D) and Bob Menendez (D), voted against the proposal.

Graphic Cigarette Warning Labels

The fight over graphic warning labels on cigarette packages continues in the courts. The FDA has mandated that cigarette packs should be required to show graphic images of the negative effects smoking has on the human body. The FDA wants the pictures to cover the top half of cigarette packs and include a phone number for a stop-smoking hotline. The tobacco companies have sued the government to prevent these mandated warnings from taking effect. They argue that these labels violate their first amendment free speech rights. They say that while it is acceptable for the government to require factual statements about the dangers of smoking, these

warning labels cross the line by taking a private company's advertising space and using it to advocate against the use of that company's legal product. They also point to the fact that the FDA's own analysis has estimated that the graphic labels will have little effect in discouraging tobacco use. On February 29th, a judge in Washington State sided with the tobacco company's argument, while on March 19th another judge in Ohio agreed with the FDA that the warning labels were constitutional. Whether or not the graphic warning labels are ultimately found to be constitutional, this issue will likely remain stuck in the court system for years to come.

The Affordable Care Act/ObamaCare

The US Supreme Court held hearings on the constitutionality of the Affordable Care Act, also known as ObamaCare. The Court spent three days listening to arguments, the most time they have dedicated to a single case in decades. The decision will be the most important and perhaps the most controversial since Bush v. Gore. 26 states and the National Federation of Independent Business (NFIB) are suing the Obama Administration. The heart of the case is the individual mandate, which forces every American to either purchase health insurance or pay a penalty. Those in favor of the mandate say that because of the Commerce Clause of the Constitution (which gives Congress the power to regulate interstate commerce) the federal government should be able to require people to buy health insurance because everyone is going to have to engage in the healthcare market at some point. The opponents of the law argue that it is unconstitutional for the federal government to require every person to purchase a product simply because they are alive. They believe that if the government is given the power to mandate everyone buy health insurance, there will be almost no limits on what Congress can require people buy. For example, perhaps the government will decide that everyone needs to buy broccoli in order to be healthier, or everyone must buy a cell phone in order to call an ambulance if there's an emergency. The Court has until the end of June to render its final decision, in what will likely be a very close vote. The second part of the decision though is the one that will have the most effect on your business. If the Court does decide to throw out the mandate, they must also decide whether they will throw out the rest of the healthcare law too, and force Congress to start healthcare reform again from scratch. They devoted two hours to listening to arguments on whether the rest of the law can stand without the individual mandate attached. Even if it does stand, it is likely that there will be some need of Congressional action to alter the bill, something that will be very difficult to accomplish in an election season with a divided Congress.

Election 2012

The Primary Election in New Jersey will be held on Tuesday, June 5th. The election will decide who will be each party's candidate in the November general election. In order to vote in one party's primary, you must be a registered member of that political party. You have until May 15th to register. The top of the ticket will be the presidential primary, where Republicans will vote for which candidate they want to face President Obama. Governor Mitt Romney is the frontrunner to win. There will also be primaries for one Senate seat, all 12

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congressional districts, and a variety of local and county offices. The most competitive primaries are both on the Democratic side. In the new 9th district, two longtime Congressmen are facing off for the right to represent the district consisting of parts of Bergen, Passaic, and Hudson counties. Their two districts were merged during congressional redistricting, and this is expected to be a tough fight to the end. Congressman Bill Pascrell is a former mayor of Paterson, in Passaic County, and Congressman Steve Rothman is a former mayor of Englewood, in Bergen County. Whoever wins the primary is the heavy favorite to win in November and represent the area for years to come. In the 10th District, covering parts of Essex, Hudson, and Union Counties, there is a 4 way fight

for the open seat. The District was previously represented by Congressman Donald Payne, who died in early March after serving 23 years in Congress. His son, Newark Council President Donald Payne, Jr. is one of the leading candidates to replace him. Also running is State Senator Nia Gill, who has been an ally of NJGCA in the past. If elected she would be the first African-American Congresswoman from New Jersey and likely the only woman in the state's congressional delegation. Additionally, Newark West Ward Councilman Ron C. Rice and Irvington Mayor Wayne Smith are running. Like the 9th, the winner of this primary should have little problem winning overwhelmingly in November and serving in Congress for many years to come. ■

From Trenton: The Gift Card Grab!

By Eric Blomgren



A change in New Jersey' escheat law is leading some gift card companies to say they will no longer sell their products in the state. In June 2010 the Legislature passed and the Governor signed into law A-3002, which changed the rules governing unused gift cards. Several small business trade groups have filed suit to stop this legislation from taking effect, and NJGCA supports their efforts.

The law now says that whenever a prepaid gift card has gone two years without any activity, the state of New Jersey can use the unclaimed property law to confiscate the money and add it to the General Treasury. The consumers who own those gift cards would still be able to use them, but the retailer who sold them the card would have to jump through a few regulatory hoops in order to get the government to give them the money back. In order to facilitate the state's efforts retailers who sell gift cards must now obtain the zip code of the purchaser so that each gift card can be linked to an individual New Jersey citizen. This requirement, along with the process that retailers will now have to go thru in order to redeem the funds once a gift card holder finally does step forward to re-activate their gift card, is cumbersome and costly to the retailers that originally sold the cards. Several companies like American Express have all announced that they will no longer sell gift cards in New Jersey as of June unless the law is changed.

These companies and others that include Visa and MasterCard supply thousands of retailers in New Jersey with gift cards representing hundreds of brands such as iTunes, Subway and Dunkin Donuts.

Other states also try to claim unused funds on gift cards, but most only take a portion, and all of them wait much longer than 2 years. The bill also shrank the amount of time before a travelers' check is deemed unclaimed from 15 years to 3 years. This is a trend that was started when Jim McGreevy was Governor and he changed NJ's escheat law to allow the government to seize bank accounts after 3 years of inactivity, down from 10 years.

Advocates of the law said that it was meant to be consumer friendly since gift card money is typically confiscated by the card seller after a prolonged period of inactivity. It's hard to see just how consumer friendly it is if consumers are no longer able to purchase gift cards. Gift card companies and business advocacy organizations are continuing to push for revisions to the law.

On March 15th, the NJ General Assembly passed A-1871 by a 48-27 vote. This bill reverses the changes to the escheat law made in 2010 and would prevent the state from taking over unused funds from gift cards while keeping in place the limitations on inactivity fees. However, since it was Governor Christie that pushed to enact this provision of New Jersey's escheat law as part of last year's budget, it is unlikely that he will sign the recently passed legislation that would terminate this practice. It is estimated that this change in the escheat law will raise about \$70 million in one time revenue to the State Treasury. ■

Finding Lost Profits In Your Tank Reports

By Dan Goff

Find and extra \$13,000 in your fuel tanks!

All of us should be well aware by now of the requirements for maintaining underground Storage Tank (UST) reports. The consequences surrounding leaked fuel can be staggering. Automated tank monitoring has been implemented to help protect dealers from government compliance issues and alert them of problems at the earliest opportunity.

Have you considered how to use tank monitors and reports to protect your profits?

Here's the basic rule for UST reporting: **Dealers must maintain reports onsite for daily and period-to-date tank variances.** Underground tank reports permit a margin of error for inventory variance. The term "variance" simply means the difference between what you think you have and what you actually have. Each day, you must update a report showing opening gallons, add deliveries, and subtract sales to determine "book" tank inventory. This figure is compared to actual readings, either by stick or electronic monitor, to determine tank variance.

Variance is tracked daily and for ongoing periods, and guidelines are set to take action on excessive variance. Excess variance is usually considered more than ½ of 1 percent (0.5% or a factor of .005) of "throughput", either total purchases or total sales for the measurement period.

You can be compliant, and still be losing money. If you sell 70,000 gallons per month, 0.5% allows you a variance of 350 gallons, or \$1,085 (at \$3.10). That equates to \$13,020 per year in unsold fuel.

Now, let's discuss how to find those "lost" gallons and dollars. Looking for subtle changes within the allowable amounts can point to a problem.

Trust, but verify, your tank monitor. We recommend weekly hand-audits of pumps and tanks. Write down the meter readings at the pumps and "stick" the tanks. Compare the measurements to your tank monitor and pos reports. The electronic devices can break or go out of calibration, and this procedure is a simple way to cover yourself. Keep these manual audits with your regular tank reports.

Compare "apples" to "apples". Fuel quantities are typically reported 2 ways: metered and temperature-corrected. UST monitors and delivery manifests may show both measurements. Your report calculations should not mix these 2 data types. Unless specified by local regulations, we recommend using the temperature-corrected figures.

Variance occurs only on delivery days. The usual "suspect" is a shorted fuel drop. Before pointing a finger in that direction, make sure your measuring equipment is

in order as outlined previously. A mis-calibrated monitor or sticky probe could give you a bad volume number. Insist the drivers take before & after stick readings. Comparing stick/chart volumes to monitor readings is a good way to cross-check monitor calibration.

Variance is "made up" on delivery day. Monitor issues are the typical cause, where the wrong tank chart or tank dimensions were entered in the device setup. A tilted tank can also skew report data.

Variance in Regular is offset by variance in Super. This is a symptom of incorrect blending. Constant daily errors point to system setup, random errors suggest a pump problem, as outlined in the next paragraph.

And the most-important analysis:

Variance is higher on random days. Look for a single pump problem. Most pos/controllers provide a dispenser detail report, which can be examined to see if a certain pump shows more activity on days with slightly higher variance.

Take the time to check for random variances. Dispenser over-runs are very costly, and relatively easy to spot using this technique.

Other controls.

- Note the driver's name on delivery records, in case a pattern of shortages develops.
- Install a video camera over the tanks, to observe deliveries or unusual activity near them.
- Synchronize all device times for tank monitor, pos/controller, & video.
- Obtain computer software that monitors pumps & tanks. Some programs will capture tank data when day-close is run. Advanced software can monitor tanks and sales in real-time.
- Schedule frequent dispenser calibration testing. Minor adjustments can produce major rewards in fuel profits.

Dan Goff is the owner of Able-Tech, an NJGCA member benefits partner. Able-Tech specializes in the fuel, auto service and c-store industries, providing products & services that include computers, bookkeeping & management training, theft analysis, and video surveillance.

U. S. Department of Labor Q&A

Your Questions, Their Answers!



Member questions are submitted to Debbie Hill who is the NJGCA Director of Member Services, and then forwarded to Joseph Petrecca of the USDOL. Joe's answers are published below.

Question #1: A mechanic at my shop works from 8:00 am to 4:00 pm. He never comes in before 8:00AM and never leaves after 4:00PM. He is paid \$100.00 for every day that he comes in. This works out to \$12.50 per hour, including lunch time. When there is extra work for the day, it is held over until the next working day. Today it is very slow in the shop; I want to send him home at 9:30AM. Should I pay him hourly until 9:30AM? Do I owe him \$100.00 for the day? What should I pay him?

Petrecca: If the employee is salaried and non-exempt from overtime (OT) the employer can dock the employee for the entire day if there is no work, or proportionally if he has worked some time and he is sending him home for lack of work. If however the employee is paid \$12.50 per hour, the employee must be paid for all of the hours he has worked that day at \$12.50 per hour. The employer must decide if this employee is salaried and then pay him accordingly. He can't go back and forth between salary and hourly. It is one way or the other. If he claims this employee is salaried and exempt and now wants to dock him he may lose the OT exemptions as a consequence.

Question #2: Do I have to give an official amount of time for lunch break? While some employers expect everyone to eat and continue working, others give 15 minutes or ½ hour, or even 1 hour for lunch. Is there an official law that requires an employer to give a break to their employees after a certain amount of hours are worked in one day?

Petrecca: Under the Fair Labor Standards Act the employer does not have to give an employee any designated time for lunch. If the employer does give time for lunch and chooses not to compensate the worker for the time spent on a lunch break that break must be at least 1/2 hour in length and cannot be combined with two 15 minute breaks to count as an hour. Breaks of less than ½ hour duration whether used for lunch or otherwise are not deductible rest periods. Any meal period for which a deduction in hours worked is made should ensure that the employee be completely free to enjoy that meal period without interruption. My understanding is that unless the employee is a minor that lunch is not required under NJ labor law. You or your member should check with the State of NJ DOL regarding their requirements. Any employer subject to both state and federal laws must abide by the higher of the two requirements.

Additional Question on Lunch pay: If in a typical workday 8 to 5 with half an hour for lunch and two 15 minute breaks – will this be accepted as 8 hours or does the lunch have to be an hour long?

Petrecca: The Fair Labor Standards Act does not mandate that employees be given lunch or break periods. NJ State law does require lunch breaks for minors and an employer should check with the NJDOL to get the details regarding these requirements. If the employer deems that employees should be given a lunch break and he wishes to pay for that non-work time then we have no concern. However, if the employer is deducting the time spent having lunch from the paid work day certain rules must be followed.

Lunch breaks must be at least ½ hour in duration in order to be deducted from hours worked. The lunch time must be uninterrupted and employees should be free to take their lunch wherever they choose since this time is technically their own. Rest periods or breaks of 15 minutes cannot be added to the ½ hour lunch and then considered a 1 hour lunch for which an hour is deducted from the employee's compensable hours of work.

If an employee works a schedule of 8AM to 5PM with ½ hour for lunch and two 15 minute breaks that employee has worked 8.5 hours that day and must be paid for those hours.

Question #3: At my station I pay an employee two times per month; from the beginning of the month through to the 15th, and then from the 16th of the month until the last day. For an example in January 2012 the employee worked 42 hours in the first week. He then worked 42.5 hours in the second week. He worked on the following day 8 hours. Total hours for this pay period: 88 hours regular time and 4.5 hours

of time and half. He is paid \$20.30 per hour for regular pay and \$30.45 for time and half hours.

This employee also received commissions in a second check in the amount of \$180.27 for the same period of hours worked. Would this change his rate of pay? What would the rate of pay be?

Petrecca: First of all the 15th day is the first day of the next week, therefore day 15 becomes part of the workweek 1/15 to 1/21.

Employees may be paid weekly, bi weekly, monthly or bi-monthly but the workweek always remains a 7 day consecutive period of 24 hours per day.

If the commission earnings covering the period of 1/1/12 to 1/15/12 were \$180.27 payment could be calculated as follows:

$\$20.30 \text{ per hour} \times 42.5 \text{ hours} = \862.75 (total straight time hourly pay)

$\$180.27 \div 2 \text{ weeks} = \90.14 (commissions earned per week)

$\$862.75 + \$90.14 = \$952.89 \div 42 \text{ hrs} = \$22.69 \div 2 = \$11.34$ (1/2 time premium) $\times 2.5 \text{ OT hrs} = \28.36

$\$952.89 + \$28.36 = \$981.25$ (total amount due)

An easier way to calculate this would be to use the coefficient method to yield the 1/2 time premium on the commissions.

The decimal coefficient for 42.5 hours is .029

$.029 \times \$90.14$ ($180.27 \div 2 \text{ wks}$) = \$2.61

$40 \times \$20.30 = \$812.00 + \$76.13$ ($2.5 \times \$30.45$) = \$888.13 + \$90.14 (1/2 Commissions earned for the 2 weeks) + \$2.61 (OT on commissions) = \$980.88 ■

**Worried about missing important testing deadlines?
Losing track of your inventory & tank alarm records?**

LET US HELP!



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- Makes it easy to maintain your testing records
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Price-Fixing is Not Worth It



Recently, five Michigan service station dealers admitted guilt to criminal charges that they had fixed the street prices they charged consumers within a penny or two of each other on at least 5 separate days in February and March 2011. They were lucky to escape by paying fines of between \$10,000 and \$15,000 each.

Most states have laws that mimic the Sherman's Act's condemnation of price fixing, which they can enforce against local conspirators too small to be targets of the Justice Department or the Federal Trade Commission. These defendants fit that profile.

Under most if not all state antitrust laws price-fixing is a felony. Under Michigan's Antitrust Reform Act, the dealers could have faced up to two years in prison. Also, their businesses could have faced fines up to \$1,000,000 each.

Conviction for price-fixing can cause collateral damage as well. There is the risk that consumers can use the guilty plea as proof in civil cases demanding up to triple damages and attorneys' fees as well. In addition, under the Petroleum Marketing Practices Act, such criminal misconduct can constitute a ground for termination or nonrenewal of the franchise relationship.

To be found guilty of price-fixing, the state does not need to prove that dealers enter into an ironclad agreement to set prices at a specific level. An agreement can consist of a "nod and wink" among participants.

As in the Michigan, it is no defense that there was some discrepancy among the competitors' prices so long as there is some underlying agreement that affects pricing. Price-fixing agreements may consist of, for example, agreements to hold prices firm, to eliminate or reduce discounts or to maintain price differentials between different grades of product. The best defense is not to discuss retail pricing with your competitors at all.

Be sure your managers know about the danger and obey the law. Their actions can result in liability to your business.

In these days, the climate of hostility towards gasoline pricing makes it an inviting target for aggressive state enforcement agencies. Don't become a target; price-fixing isn't worth it. ■

eMail: pgunst@agtlawyers.com

To access the latest articles by the Service Station Dealer's legal counsel, please visit the "Service Station Dealers: Legal Issues" section of the Astrachan Gunst Thomas Rubin, P.C. website at:

<http://www.agtlawyers.com/resources/petroleum.html>



Association Plans Are Different.

Experience the difference with The Amato Agency and Meadowbrook Insurance Group.

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Put our expertise to work for you!

**For more information, contact
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P: 800.763.6574

F: 732.530.6727

www.amatoagency.com



**7% workers' compensation
dividend paid to qualified NJGCA
members for the past 4 years!**

* NJGCA's Workers' Compensation Program has paid a dividend 20 times in the past 22 dividend eligible years.



THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

Your Guide to Economic Endurance: Saving Money, Making Good Business Decisions!

By Phil Apruzzi, NJGCA Membership Director



I am serious. The title of this article is used to make you aware that you must do everything that is possible to have your business survive. Do I have your attention yet? You owe it to yourself and the future of your business to take every possible step to keep your business strong and viable into the future. The one major step you need to take is to be aware of the benefits NJGCA can offer you to survive during these most difficult times. **Remember, the survival and growth of your business depends on you making sound business decisions.**

NJGCA can provide you with a menu of products and services which will effectively squeeze dollars out of the cost of doing business and placing those savings in your pocket. When do you plan to take advantage of these money saving benefits for your business? The best way for you to learn more about NJGCA savings offerings is to go through each of them with you. Then you pick and choose which benefits best fit you. Okay, let's get started. We'll breakdown your savings into five areas:

- Insurance
- Energy
- Credit Card Processing
- NJ DEP Compliance Testing
- Additional Services

INSURANCE OFFERINGS

HEALTH INSURANCE

NJGCA provides New Jersey Blue Cross Blue Shield health insurance through **The Association Master Trust (AMT) Group**. AMT has been a member of the NJGCA family for over 36 years. Because AMT is a group of 13 trade associations, they can offer the lowest premiums available in the health industry. Not only does AMT have great rates but they have provided dividends to members who have been in the program in recent years, with expectations of a generous dividend to be paid to participating members later this year. Health coverage premiums are lower because AMT does not have to make a profit for shareholders like all other Health Insurance companies. The shareholders are the plan holders that belong to one of the 13 trade associations that comprise AMT. State law prohibits anyone who is not a member of one of the 13 trade associations from purchasing Health Care coverage from AMT. Most NJGCA members who provide coverage for their families and their employees save over **\$2 thousand a year** when compared to equal plans offered by others.

Website: <http://www.amt-nj.com/>

WORKERS' COMPENSATION

Meadowbrook Insurance has partnered with NJGCA for over 38 years providing Workers Compensation coverage for our members. Workers compensation premiums are set by the state but **Meadowbrook** has been innovative in discounting the initial premium to you. Additionally, NJGCA's Workers' Compensation Program has paid a dividend 20 times in the past 22 dividend eligible years, including a huge Seven percent

Keep this guide handy to review useful products and services!

THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

the last 4 years! Not a bad track record. Many NJGCA members are receiving checks for more than \$400 in April 2012. That represents a 7 % dividend earned on the Workers Comp premiums that they paid last year.

Website: <http://www.amatoagency.net/default.html> or <http://www.meadowbrookinsgrp.com/>

GARAGE LIABILITY & MORE

The Amato Agency provides garage liability, homeowners, auto, disability and income protection coverages for NJGCA members. **The Amato Agency** has access to a myriad of insurance companies. Based on your needs, they can search the companies they are affiliated with looking for the best policy with the lowest cost for you. As with **AMT & Meadowbrook**, **The Amato Agency** will include NJGCA members in an exclusive dividend program. Most recently Amato was able to provide a year-end dividend of 9% to qualifying NJGCA member policy holders. Besides receiving insurance consultation from experts, many members save over \$500 annually by purchasing their Garage Liability and associated insurances thru Amato. Amato has rescued many NJGCA members who have received poor advice from previous brokers who just did not have the same expertise in the gasoline-auto service and convenience store business. Receiving bad advice has cost NJGCA members their "Survival"

Website: <http://www.amatoagency.net/default.html>

BENEFITING FROM OUR INSURANCE OFFERINGS: WHAT YOUR MEMBERSHIP ENTITLES YOU TO!

NJGCA has been telling you for months how you can benefit from our insurance offerings:

- Health Coverage - Blue Cross/Blue Shield Through **The Association Master Trust (AMT)**
- Workers compensation Through Meadowbrook
- Garage Keepers Through The Amato Agency

You will not find better pricing for any of these insurance offerings when you accurately compare them to your current coverage. On top of that, each of our insurance groups provides dividend programs that if nothing else will pay for your annual NJGCA dues and more.

If you were in each insurance program in 2011 with NJGCA, you would have received three dividend checks. AMT declared their dividend in early 2011, with checks scheduled for mailing later this year. Meadowbrook declared their dividend in February with checks going out by April. And, The Amato Agency dividend checks would have been in your mailbox in time for the Christmas Holidays. **All three insurance groups have declared dividends for 2011!** For example, if you had all three coverage's with the following yearly premiums:

	Premium	Dividend
AMT	\$20,000	\$400
Meadowbrook	\$6,000	\$420
The Amato Agency	\$5000	\$450
Total Dividend		** \$1,270

****This is in addition to savings in lower premiums already paid**

You would not only have saved on the cost of your coverage's but you would have received **\$1,270** in dividends. Enough to pay for almost 3 years of your membership! Add this to the **Survival Fund**.

Quotes are free. No obligation. Call the NJGCA offices at 973-376-0066 to have an agent get you a quote. You have nothing to lose and so much to gain.

THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

CREDIT CARD PROCESSING

FIRST DATA CORPORATION

NJGCA and First Data Corporation Have Come Together to Bring You a Great Rate for Credit Card Processing!

A leader in the payments industry, First Data provides unsurpassed reliability, security and speed of service.

Members enjoy numerous benefits, including:

- Ability to accept a variety of payments including Fleet One, Wright Express (WEX) and Voyager cards
- A money-saving price structure for all credit and debit card transactions
- Easy implementation and training
- One convenient statement, incorporating all card transactions
- Industry-leading security and reliability
- No monthly minimum
- No application fee
- Online reporting and toll-free customer support 24/7

See the savings.

Interchange Wholesale Cost + Only \$ 0.04 per Transaction!

First Data will also pay \$ 250.00 towards your Pump Conversion or Cancellation Fee!

Additional services, including TeleCheck Electronic Check Acceptance® (ECA®) service, Gift Cards, Micronodes, Wireless Terminals and more are available from First Data.

Here are just 2 examples as to how **First Data** was able to save our members substantial money on their credit card processing.

Example 1: Following a review of a privately owned gas station's current program, **First Data** was able to reduce the transaction fee from \$.13 to \$.04 while decreasing their Fleet Card Receivables from 30 days down to 2 using the **NJGCA / First Data** Processing Program. This member will save \$1800 a year by simply enrolling in the NJGCA/First Data program.

Example 2: With this gas station, **First Data** was able to reduce the transaction fee from \$.49 to \$.04 and paid the entire Pay At Pump Conversion of \$ 250.00 and reduced Fleet Card funding from 30 days down to 2 by implementing the **First Data / NJGCA** Processing Program! This member will save over \$3000 a year by simply enrolling in the NJGCA/First Data program.

Take advantage of this opportunity available only to NJGCA members.

Call NJGCA's office: 973-376-0066 to start saving money on your credit card processing now, and add this savings to the *Survival Fund*.

THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

ENERGY

TMP ENERGY SOLUTIONS

Yes, through deregulation, “you have the power” to choose your energy provider, but more importantly, you want to partner with an experienced energy consulting firm that works with your best interest in mind.

TMP Energy Solutions may help your business achieve cost reduction due to the deregulation of electricity generation. As a channel partner of several independent energy brokers, our obligation is to you, the client. Since we are not affiliated with utilities or suppliers, we are not obligated to any one company - allowing us to create competition among suppliers to serve your specific electricity requirements.

With our knowledge and relationships with numerous suppliers in the electricity industry, we are able to serve accounts from small to large as suppliers have a different appetite for what type of load profile they want to serve. Our dealings with suppliers Nationwide allows us to stay abreast of the latest products and services in the electricity market.

Many **NJGCA** members have successfully reduced their rate per kWh by enrolling in the NJGCA Energy Saving Program. It may be difficult to collect 12 months worth of previous electric bills to get an “accurate” analysis but we can work with as little as 3 monthly bills when comparing a variable rate to a fixed rate.

Examples

A member from Lincoln Park, Morris County asked for an analysis of his electric bills. We found that his savings would have been substantial if he had been in the TMP Energy Solutions program. An average savings of \$42.37 per month or over \$508 a year! Knowing of this savings and the fact that pricing per kilowatt hours increases with the warmer weather, he has decided to sign up for TMP’s savings. This member will deposit at least \$508 in his **Survival Fund**.

Another member from Montclair, Essex County gave NJGCA his entire year of electric bills. His savings would have been \$424.20 for the entire 12 months. His greatest savings were the months of March through October where his average savings was \$43.79. This NJGCA member will deposit \$424 in to his **Survival Fund**.

The typical savings is between 10-15% of your current electric bill every month. Gas stations with large lighted canopies or refrigerators in their convenience stores sometimes pay over \$3000 a month for electricity. Enrolling in the NJGCA/TMP Energy program will likely save these members over \$4000 per year. That fits nicely in to a **Survival Fund**.

Great news! NJGCA members can also enroll their homes in to the NJGCA/TMP Energy program and save there too! You can easily see how TMP Energy Solutions will reduce your energy costs and put money in your **Survival Fund**.

KOPA GROUP, LLC *Energy Efficient Lighting Solutions*

KOPA’s mission is for their professionals to help you understand the complexities of and to simplify your transition to the next generation of ultra-high efficiency solid state lighting solutions with innovative and durable products which result in significant cost savings.

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Why should you switch to energy efficient lighting?

- Reduces your lighting energy consumption up to **80%**
- Lowers your maintenance costs
- Enhances your image as perceived by customers & staff
- Fosters workforce productivity through increased workplace comfort
- Heightens worker safety through improved light distribution
- Reduces your carbon footprint
- Personalized service from the initial consultation through installation
- Customizable to your specific requirements
- Application specific retrofitting
- Customized lighting controls and systems

Contact NJGCA (973-376-0066) to get your no-cost lighting audit and **START SAVING** on your energy bills.

Website: <http://www.kopagroup.com/>

NJDEP COMPLIANCE TESTING SERVICE

ATS ENVIRONMENTAL

Every gas station and even some repair shops are subject to NJDEP rules and regulations for compliance with state and federal regulations.

ATS Environmental's mission is to simplify the testing process and to take the stress of compliance away from their clients. They are driven to resolving complex issues and controlling their clients' environmental risks. ATS can achieve this through their knowledge of what is required by the NJDEP and by implementing the ATS "Gold Program" for NJGCA members only, which automatically monitors what tests are required and when. All the worry of compliance is taken from you.

Let's take a look at what services ATS Environmental offers its clients.

- Stage II Vapor Recovery Testing
 - Dynamic Backpressure
 - Liquid Blockage
 - Air-to-Liquid Ratio
 - Pressure/Vacuum Vent Valve
 - Healy Vacuum Integrity & Healy nozzle
- Tank Testing
 - Volumetric & Non-volumetric Methods Available
 - Verbal Results Available On-site
 - Most Tanks can be Tested in 1 Hour
- Line Testing
 - Fiberglass
 - Steel
 - Flexible Piping systems
 - Suction Piping

THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

- Leak Detector Testing for:
 - R.J. FE-Petro, Vaporless, etc.
 - Veeder Root Certified for Electronic LD's
- Secondary Containment Testing & Repairs
 - Tank Sumps
 - Dispenser Containment Sumps
 - Overall Containment Buckets
 - Blue Line Technologies Certified
- ATS Technicians will Expertly Install an Automatic Gauge System at Your Site.
 - Keep Better Track of Your Inventory
 - Reduce Your Risk of Violating Environmental Standards

Here are just a few examples of the savings you would incur by using ATS when you are a member of NJGCA:

Description of Test	NJGCA Member Price	Non-member Price	Savings
Tank Tightness Test	\$265.00	\$425.00	38%
Pressure Decay Test	\$340.00	\$395.00	14%
Air to Liquid Ratio Test	\$183.00	\$315.00	42%
Vapor Space Tie to Test	\$50.00	\$110.00	54.5%
Labor Rate per Hour	\$75.00	\$95.00	21%
Minimum Site Fee	\$355.00	\$575.00	38%

NJGCA members that have used ATS over the past 4 years save about \$500 per year and are extremely satisfied with their service. Using ATS for your UST and Vapor testing services will help you deposit about \$500 this year in to your *Survival Fund*. Contact NJGCA (973-376-0066) or ATS Environmental (855-277-6950) to start saving on all your compliance tests and any issues for your station.

Website: <http://www.atsenvironmental.com/>

ADDITIONAL SERVICES

UNIFIRST

Uniforms for NJGCA Members - UniFirst is NJGCA's Preferred Uniform Vendor

Dress your front-line employees for success with an image of apparel program from UniFirst. UniFirst enhances your professional image, motivates employees, and inspires your customers confidence. As an NJGCA member, you qualify for Reduced Discount Rates we have negotiated on your behalf. UniFirst has a long and proud tradition of providing quality uniforms, work wear, and facility products to Gas Stations, Repairs Shops and Convenience Stores since 1936. They also offer: floor care, restroom services, mats, mops, soaps, air fresheners, and paper products.

UniFirst is on Forbes Magazine Best Companies in America.

NJGCA has a complete list of every item you could rent or buy and our specially discounted prices have been applied!

THE NJGCA SMALL BUSINESS SURVIVAL GUIDE

Here is an example of the savings you would receive as an NJGCA member:

Item - Description	NJGCA Member Price	Non-member Price	Savings
	Weekly Rental – per unit	Weekly Rental – per unit	
Long sleeve shirt	\$0.169	\$0.299	44%
Short sleeve oxford shirt	\$0.190	\$0.337	44%
Cotton Flat Front Pants	\$0.380	\$0.585	36%
Comfort Floor Mat 3x5	\$1.38	\$2.31	41%

Get Your Free Uniform Consultation today: Call NJGCA and we will send UniFirst to see you immediately. NJGCA members can easily save over \$500 per year by renting their employees uniforms from UniFirst. Add \$500 to your **Survival Fund**.

SERVICE STATION VENDING EQUIPMENT (SSVE)

Air & Vacuum Vending Equipment

Bill McCabe, President of SSVE: “SSVE the largest, independently owned coin operated air and vacuum provider in the country, is proud to celebrate its 25th anniversary. Our loyal and experienced technicians, with an average of 15 years of service in the gasoline industry, have never lost sight of what is important to YOU. Our commitment to quick, effective, reliable service, and our reputation for fairness and honesty, continues to make us the most respected vendor in the business.”

SSVE purchases, installs, maintains all the equipment and shares the revenue with you. Non-members of NJGCA receive 40% of the revenue. NJGCA members receive 50%. Here are the other benefits of an SSVE air vacuum system at your site:

- No Contract
- No Complicated Commission Schemes – 50% of revenue to NJGCA Members
- Payment made to You at Time of Collection
- No Waiting for a Check
- Externally visible Coin Counters
- 24 Hour Service

Typical revenues for Members from a single device can vary depending on customer traffic. NJGCA members earn an average of **\$150 EVERY MONTH!** Call SSVE and you can start depositing \$1800 a year in to your **Survival Fund**.

If you are looking for a new revenue stream for your business while offering a new service to your clients, then call NJGCA (973-376-0066) or SSVE at 888-7AIR VAC. SSVE will take care of the rest.

Website: <http://airusa1.com/>

START






Environmental Alliance, Inc.

Our Petroleum experience will expedite your UST investigation project through the maze of UST funding programs, remediation strategies, and regulatory agencies.

Alliance provides cost effective solutions to address your due diligence, UST closure, investigation and remediation needs.

Contact Andrew Arnold at
732-537-0250 or
aarnold@envalliance.com
for more information.



FINISH

Keep this guide handy to review useful products and services!

THE HORROR HIGHLIGHT

Don't let this happen to you!

UST Registration: ***Is your contact information correct?***

By Debbie Hill

\$\$\$ AVOID PENALTIES AND BAN ON DELIVERIES \$\$\$

Recently I was contacted by an NJGCA member regarding his Underground Storage Tank Registration Certification. He was issued a \$10,000 fine from NJDEP for something that was completely avoidable.

The member received a 'Notice of Violation' (NOV) and 'Penalty' because the Underground Storage Tanks (USTs) were not properly registered in compliance with the law. The actual NOV had been issued months prior to the phone call I received. As I dug in, I found a lot of things that went wrong. Here is the story. Please pay attention and do not make similar mistakes!

It seems that the dealer, who is also the property owner, had used his residence as the 'contact address' on the previous UST registration in 2006. This of course was different from the actual site of the gas station and the USTs in question.

The problems originated when the dealer moved to a new home in 2009. At the time he moved he was obligated to notify NJDEP that the business office listed on the previous UST questionnaire had changed. He did not. This one error, however small it may seem, then led to a series of errors that resulted in the \$10,000 fine being issued.

The UST registration was due for renewal June 30, 2011. Last April NJDEP sent the renewal notice AND THE QUESTIONNAIRE to the home address that the dealer had previously listed on his renewal questionnaire in 2006. Obviously the notice was never received because not only did the dealer not live there anymore, but post office forwarding had also expired.

Because the expiration date was fast approaching, NJDEP then sent a second notice to the actual location of the gas station where the USTs are located. The dealer did not ignore the second notice and acted quickly by sending in a check for the renewal. Unfortunately he failed to complete the updated questionnaire and again missed the opportunity to notify NJDEP that the business 'contact address' had been changed to his present residence.

The check was written and mailed in the time specified. However he failed to notice the reminder note on the invoice advising him to complete and sign the *previously* sent UST Facility Certification Questionnaire included with the original invoice.

Yes NJDEP did receive the payment on time. But they did not receive the UST Facility Certification Questionnaire.

Because NJDEP received the check with the proper renewal fee, but did not receive the UST Facility Certification Questionnaire, NJDEP then sent a 'Notice of Deficiency' to the dealer advising him that he needed to complete the UST Questionnaire, provide the Financial Responsibility Information (Tank Insurance Information), and sign the form.

BUT...where did they send it? Just as they sent the original notification of UST renewal back in April to the dealer's old home address, they now sent the 'Notice of Deficiency' to the same WRONG address! WHY? Because they had never been notified that the address was changed two years earlier when the dealer moved. As you can imagine, the dealer never received the 'Notice of Deficiency', and continued operating as if nothing was wrong.

Once again, after receiving no response from the dealer, NJDEP visited the site of the gas station in September and conducted a full site and compliance investigation.

Although all other categories passed NJDEP's rigid inspection, an 'NOV' was issued.

Violation: All Regulated Tanks are not properly registered with the Department. The law is clear that USTs must be properly registered. NJDEP must have up to date and accurate information at all times. For many reasons, when NJDEP does not have accurate information, it is taken very seriously and handled with serious penalties. Besides issuing a \$10,000 fine, NJDEP also imposed a '**Delivery Ban**'.

This dealer's circumstances were brought to my attention at the same time that NJGCA was preparing to send written instructions to a group of about 160 Exxon dealers who are in the middle of purchasing their properties from Exxon as a result of the NJGCA efforts 2 years ago to pass *Right of First Refusal* legislation.

Sal decided that since all of the 160 or so dealers would also be required to re-register and update their UST registrations and Vapor recovery systems, it would be better if we held a workshop for them rather than send written instructions. NJDEP was happy to accommodate us and conducted an all day workshop for the Exxon dealers at the beginning of April. Our goal is to avoid others from encountering the same hard consequences that our other member had experienced. Hopefully you will read this story and also avoid a similar fate.

You can avoid this happening at your Gas Station!!! Simply check your Underground Storage Tank Registration. Is the license current? Is the company name and address listed properly? Is the mailing address listed properly?

If you have any questions and need help – call me at 973-376-0066 or email Debbie@njgca.org ■

NJGCA at the New York International Auto Show

By Nick De Palma

As the price of gasoline continues to climb, and with automotive technology advancing at a hurried pace in response to rising pump prices and environmental concerns, car makers are determined to bring new types of vehicle propulsion to market.

NJGCA has stated in our various communications, including in this installment of the Energy Examiner, that retailers will one day have to offer many different kinds of “fuel” in order to serve tomorrow’s patrons.

To underline this point, and to give you a better glimpse of what’s coming down the line, NJGCA Staffers Nick De Palma and Eric Blomgren attended the New York International Auto Show to report what’s coming on the horizon!

Some of the featured vehicles included hybrids,

plug-in hybrid electric vehicles (PHEV), electric vehicles (EVs), and cars powered by compressed natural gas (CNG). What’s more, an increasing number of automakers are also offering diesel engines and refining the internal combustion engine with fuel sipping technologies.

It’s important to note that many of the vehicles spotlighted in New York, while seemingly fanciful and futuristic, are in fact slated for production.

As the old cliché states, “The future is now”, and that is exactly what we’re seeing in New York.

The vehicle images we have posted here are merely a small part of the overall number of vehicles presented in New York. Yet, if anyone has any questions or comments on the vehicles below, or how long before they make it to market, please don’t hesitate to reach out to NJGCA at your convenience. ■



BMW i8 Electric Vehicle
A production version of this mid-sized offering from BMW will officially launch its “i sub-brand” and debut next year.

BMW “Active E” electric vehicle. This vehicle is based on the production 1-Series coupe, but swaps out its conventional motor for an electric motor.

BMW i3 Electric Vehicle
This vehicle uses the same powertrain as the i8, but is dimensionally smaller.



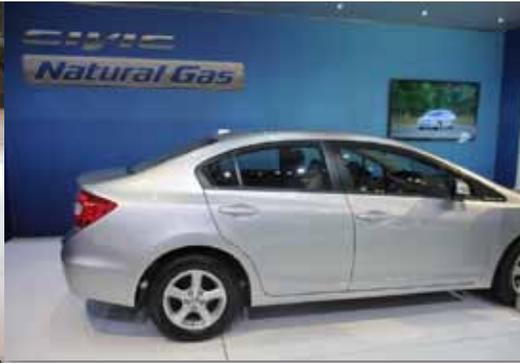
The all new Acura ILX is the brand’s new “entry level” vehicle. Aside from traditional 4-cylinder engines, the ILX will also offer a hybrid powertrains.

Much like its smaller ILX stablemate, the Acura RLX (it is still officially a concept) will also offer a hybrid powertrain when it debuts later this year.

The reborn Acura NSX sports-car departs from its predecessor in one important way: It will come with a standard hybrid powertrain. Yes a hybrid sports-car!



The new Lincoln MKZ will come with three engine offerings, including a new hybrid powertrain and a turbo-4 cylinder motor when it debuts this year.



The Civic GX is a CNG powered compact sedan that has won the distinction of being the 2012 Green Car of the Year!



The Honda FCX Clarity is a hydrogen powered vehicle that doesn't look much different from a conventional car.



The Infiniti LE concept is a luxury appointed electric vehicle that is built off the same platform as the Nissan Leaf. Production begins in 2014.



Ford displayed its 240V home charging station for consumers who wish to recharge their vehicles in under 3-4 hours.



Ford Focus E is a 100 mile EV based on the regular production Focus and uses a 23kWh, high-voltage, lithium-ion battery system. Delivery begins in 2012.



The 2013 Ford Fusion Hybrid builds on the success of the current model, already one of the most popular mid-sized hybrids in America.



The Fusion Energi Plug-in Hybrid Electric Vehicle (PHEV) takes the hybrid formula one step further, allowing motorists to drive in EV-only mode without motor-assist.



Under the hood of the Nissan Leaf EV, one of America's most popular electric vehicles.



The MV-1, the nation's first vehicle designed to comply with the American with Disabilities Act, has been certified by the NYC Taxi Commission.



The MV-1 has a flexible architecture and customers may choose a CNG powered option, a useful feature for fleet and taxi customers looking to save money.



The Ram 2500 pick up with bi-fuel CNG/gasoline system. The truck can run on pure CNG or gasoline and has a range of 370 miles.



Show attendees line up at the EV Pavilion, an indoor test loop where customers can drive in an EV production car.



The EV Pavilion featured the Mitsubishi i-MiEV, the Chevy Volt, Toyota Prius PHEV, and Nissan Leaf.



The Chevy Spark is a new, "A-segment/mini-car" that debuted in New York. The Spark will be offered with pure electric propulsion in 2013.



The all new 2013 Chevy Impala debuted in New York and will eventually feature a range-extending "mild-hybrid" powertrain called "eAssist".



The 2013 Chevy Malibu Eco mid-sized sedan is also available with eAssist. The grille shutters in the lower fascia close to decrease wind resistance and increase efficiency.



Show patrons got a glimpse of the technology under the skin of the Chevy Volt range-extending electric car.

THE ENERGY EXAMINER

FROM TRADITIONAL RESOURCES TO ALTERNATIVE ENERGY INNOVATIONS

By Nick De Palma

Since its inception, NJGCA *On The Road* has brought you updates and timely information on changes in the energy industry. From ordinary, everyday sources of energy like coal and oil; to renewable resources like solar and wind; to advancing alternative energies like hydrogen. We have focused – and will continue to focus – on all of these technologies and how they affect the transportation industry. As recent technologies, such as hybrid and electric cars continue to affect the energy/transportation landscape, NJGCA will bring you this information through our new, consolidated report, the Energy Examiner.

Each new issue of *On The Road* will offer our readers news from around the energy/transportation industry, how it may affect the automotive landscape, and your small business. If you have any questions or comments on what you review in these quarterly pieces, please feel free to reach out to NJGCA.

PLEASE NOTE: NJGCA and our allies in the alternative/contemporary energy industries are hoping to host a conference this year to showcase many of these innovations and more! Please stay tuned for details. If you are interested in selling alternative fuels and wish to attend the event, please contact NJGCA with your interest!

FOSSIL FUELS | *The long-reigning king of the energy/transportation industry, fossil fuels such as gasoline and diesel are the fuel of choice to power American automobiles. However, rising governmental regulations for efficiency and emissions, environmental standards, and volatile energy markets are making gasoline and diesel fuel less attractive for many consumers. Though it will undoubtedly play a huge role in our transportation energy needs for years to come, new technologies and innovations are making the internal combustion engine cleaner and more efficient to meet today's demands. Furthermore, these discoveries are also being partially driven by geo-politics, surges in supply and demand, an increasing consumer appetite in emerging markets such as China and India, as well as new drilling and extraction technologies.*

UPDATE: SMALL ENGINES PUTTING OUT IMPRESSIVE POWER, FUEL ECONOMY; NATIONAL FUEL CONSUMPTION DROPS

Over the last two issues of *On The Road*, the Energy Examiner has brought you information documenting new advances for internal combustion engines (ICE) and demonstrating that there's a lot of life still in this "old" technology. In fact, the resilience of ICE motors in the face of burdensome government regulations and environmental rules is quite remarkable.

Though alternative forms of propulsion are making impressive developmental strides, automakers have also continued to invest in ICE powerplants in an effort to comply with strict governmental standards and offer consumers more choices as fuel prices continue to rise. One trend that we have reported on has been the use of forced induction (such as supercharging and turbocharging) on smaller engines to produce impressive power and fuel economy. These "massaged" engines – usually four-cylinder and six-cylinder motors – today make power similar to traditional six- and eight-cylinder engines, respectively.

However, now some automakers are taking it a step further by developing three-cylinder motors that produce power comparable to what six-cylinder engines made only a few years ago and what modern four-cylinder powerplants are producing today.

Recently, Ford Motor Company (FoMoCo) has released details on a new forced induction, three-cylinder engine family that makes an impressive 177 horsepower from only 1.0 liters of displacement. While the engine is slated to be used in "performance-oriented" models in Europe, there's a very good chance the motor may also be used in some North American market applications. The engine uses twin sequential turbochargers to make such power from a small displacement motor.

Though some may see the use of twin turbochargers an "expensive" power solution for such a small engine

(turbochargers and computer software are pricey and those expenses are passed onto consumers), it may become more a more common phenomenon as fuel prices rise and regulations become more stringent. What's more, FoMoCo has also developed a "cheaper" version of the engine that produces a still-notable 123 horsepower from the same 1.0 liter, 3-cylinder configuration. Ford engineers believe that the engine will eventually replace their naturally aspirated 1.6 liter, 4-cylinder engine in most of the world.

Yet, FoMoCo isn't the only outfit out there developing a new 3-cylinder engine. General Motors (GM) has already appropriated development dollars toward a new 3-cylinder engine line and BMW is planning a new line of 3-cylinder motors to use in both their flagship BMW brand as well as their Mini subsidiary.

The reduction in cylinder count, and the added development of these features and technology, will further cut fuel consumption from current-reduced levels. In fact, the current high price of gasoline has forced many Americans to purchase more fuel efficient vehicles and is impacting the wider gasoline marketplace. Recently, a report by the University of Michigan Transportation Research Institute illustrates that the nation's average new vehicle fuel economy has hit 24 mpg for the very first time.

This decline in fuel use will only make the gasoline retail market place more difficult for small business owners as volume continues to shrink. When the rise of alternatives are figured into the overall market, it is easy to see why retailers will need to diversify their offerings in order to keep their doors open and serve a wider number of customers.

*** ENERGY EXAMINER ***

ETHANOL/BIOFUELS/BIODIESEL | *Currently a fixture in the transportation energy market, ethanol, biofuel, and biodiesel are widely available and used by consumers around the country. Ethanol is now used in ordinary gasoline in the form of E10 (and soon E15) which is a motor fuel blend made up of 90% gasoline and 10% ethanol (though that mixture may soon rise to 85% gasoline and 15% ethanol). Ethanol is also found in E85, a motor fuel composed of 85% ethanol and 15% gasoline, though this is found in limited locations throughout New Jersey. At its most basic level, ethanol is a form of biofuel; that is it is a liquid primarily composed on alcohol derived from biomass. The alcohol can be created from almost any plant or organic material, but such applications are typically limited by cost. As such, most biofuels – such as ethanol – are typically made from price-conscious and production-efficient crops such as corn, sugar cane, beets, and similar plant-derived substances. Similarly, biodiesel – another form of biofuels but closer in chemical composition to diesel fuel than gasoline – can be similarly made from organic material like algae and even consumer products like used fry oil from your local fast-food restaurant. While seemingly an obvious solution to our energy needs, ethanol also has some drawbacks, including the fact that it attracts moisture making it difficult to transport and store effectively.*

UPDATE: ETHANOL PRODUCTION ON THE RISE; IS ISOBUTANOL NEXT?

It was only a few years ago that everyone believed ethanol would become the silver bullet needed to finally reduce our dependence on foreign oil and solve our energy needs. More recently, however, news that the federal government would end subsidies and pull back funding had many market watchers believing that the days of ethanol were over. While front page stories singing the virtues of ethanol have become somewhat scarce over the last few years, the industry surrounding this alternative fuel is, nonetheless, as vibrant as ever.

The numbers on this don't lie. For the first time ever, more American corn was used to make ethanol than was used to feed U.S. livestock last year. Some experts believe that roughly 40 percent of the nation's corn supply is now being used exclusively to make ethanol. That is a dramatic change from ten years ago when more than eight times the amount of corn was used to feed livestock than make ethanol.

Adding to this climb in ethanol production is the recent EPA approval of E15 gasoline – that is ordinary pump gasoline that will contain 15 percent ethanol and 85 percent gasoline. The agency has deemed E15 gasoline as being safe for vehicles built after 2001.

However, ethanol isn't the only biofuel making news. Researchers who are worried about what expanded ethanol production will mean for the nation's corn prices and food supply are also working on researching other solutions. Isobutanol, an alcohol biofuel that is also made from corn, could have some advantages over traditional ethanol for use in passenger vehicles. While some industry watchers fear that use of E15 could harm some engines that were originally developed to use E10, isobutanol can also be blended with gasoline, has more concentrated energy than ethanol and does not seem to damage older engines the way ethanol can. What's more, unlike ethanol, isobutanol doesn't absorb water and does not seem to have the same corrosive properties. The use of isobutanol may seem like an ideal intermediate solution to address such concerns.

However, isobutanol also has its own unique set of disadvantages compared to ethanol, including lower octane and current laws which prevent the commercial sale of any fuel blending gasoline with any substance other than ethanol.

One interesting twist to any future use of isobutanol is the cost involved. All gasoline refined in the United States is produced to be blended with ethanol. Isobutanol alone is more expensive to make than ethanol, but when mixed with gasoline that is meant for blending with isobutanol, the overall cost could be comparable or even cheaper to produce than E10 and E15. That's because any gasoline made specifically to blend with isobutanol could be produced using less-expensive fractions of crude oil, reducing the expense in the base-gasoline and the overall cost of the final fuel product.

*** ENERGY EXAMINER ***

ELECTRICITY & ELECTRIC POWERED VEHICLES | *Since the earliest days of the automobile, electric powered vehicles have existed. In fact, many of the initial "horse-less" carriages were driven by electric motors hooked up to batteries. As technology at the time limited the efficiency and power of a vehicle battery, internal-combustion motors eventually became the engine of choice in powering the automobile. However, thanks to advances in battery design and innovation, automakers are allocating serious resources to developing new electric vehicles. Though battery technology still has a long way to go before it can be on-par with gasoline/diesel powered cars, they are improving. Also being considered are new ways to generate electricity and how long a vehicle will take to recharge without overly-taxing the current American electrical infrastructure grid (which many feel is woefully outdated and in need of modernization before full electrification of the automobile can be realized). As such, electricity may one day be widely produced not only from coal, petroleum, solar panels, wind power, and nuclear sources, but geothermal and ocean wave generation. Lastly, the incorporation of electric charging stations throughout the national landscape will also become a major factor in the acceptance of electric vehicles as anything more than a niche product. This could potentially create great opportunities for service stations to add an additional "fuel" to their locations and service a new breed of customers profitably. All of these issues will continually need to challenge electricity production and electric-vehicle development in the years ahead.*

UPDATE: SMART GRIDS AND ELECTRIC VEHICLES

With electric vehicle sales rising, many energy advocates are worried that vehicle charging may have the potential to overload the nation's aging power grid, which is already in dire need of an update. In an effort to prevent this problem from occurring, automakers and business-logistic companies (such as IBM) are teaming up to help their vehicles "talk" to utility providers.

At its most basic, the program would help a vehicle's onboard software communicate with the electric power grid to schedule an appropriate time to charge the vehicle. The idea here is to prevent the onslaught of "everyone charging at the same time" to harm the nation's power grid. To do this effectively, the vehicle would consider a number of options in order to figure out how much power to draw from the grid, including the driving habits of the owner, how much energy is typically used, and how many vehicles are attached to the grid and charging at that moment.

Taken together, the grid and the vehicle may decide to only use a trickle charge on the vehicle after work, but perform an all-out charge later at night, when demand for electricity is low and more power is available.

Advocates hope that these types of technologies and "smart solutions" will help to make better use of the nation's resources without degrading power supplies.

*** ENERGY EXAMINER ***

HYBRIDS | *Vehicle powered by a hybrid-powertrain are becoming more common. In fact, the number of hybrid powered cars has increased dramatically since the end of the 1990s. That is because hybrid vehicles offer a relatively inexpensive alternative to many consumers who wish to increase their fuel economy while still having the convenience of an internal combustion engine. In pairing a traditional motor-fuel powered engine to an electric motor with a battery, a motorist is able to reduce fuel consumption and lighten the load on the vehicle's internal combustion engine. What's more, Plug-in Hybrid Electric Vehicles (PHEV) are an additional intermediate step in the spectrum, blurring the lines between traditional vehicles and electric cars even further. PHEV run as electric vehicles for a short distance, but then revert back into full-hybrid mode once the onboard battery is depleted. With hybrids and PHEV becoming ubiquitous, many mechanics will need to stay informed and knowledgeable on how these vehicles can be repaired in order to better serve their customers. In addition, with both hybrid cars and conventional vehicles becoming more and more fuel efficient, the total volume of gasoline sold in the United States will stabilize and contract. Will you be ready to refocus your business on other, alternative technologies as your patrons shift to other sources?*

UPDATE: HYBRID SALES HIT RECORD LEVEL

The retail sales of hybrid vehicles hit a new record in March, driven in part by new offerings such as the Toyota Prius C subcompact vehicle and the Toyota Prius V wagon-utility vehicle. The record is reached as gasoline prices hover near \$4 a gallon and the nation continues to struggle with high fuel prices.

Similarly, the number of electric vehicles also rose in the same period. Taken together, the hybrid/electric car segment accounted for 52,000 sales in March and represent just over 3.6 percent of the vehicle market. While critics may contend that this is only a small segment of the market, the numbers are noteworthy considering the combined segment was at slightly over 2 percent of the overall market at the beginning of the year.

Many experts believe that the combined hybrid/electric vehicle segment may more than double to 8.5 percent of the market by 2017. The increase will be attributable to more vehicle options and stricter government mandates.

This follows a growing trend as more automakers develop hybrid (and electric) vehicles. Currently there are 35 options on the market, which is actually double the number of vehicles choices from 2008.

*** ENERGY EXAMINER ***

HYDROGEN/HYDROGEN FUEL CELL | *Vehicles powered by hydrogen, among the most abundant elements in the universe, have long been a focus of automotive engineers. Essentially permitting a motorist to power his or her vehicle with water vapor, hydrogen powered cars present both a simple and complex solution to drivers' expectations. There are two types of hydrogen powered vehicles: an internal combustion engine fueled by hydrogen or a fuel cell powered car driven by a hydrogen reaction. In the first example, an engine's powerplant converts the chemical energy in hydrogen into mechanical energy by burning a hydrogen mixture in an internal combustion engine. In this regard, hydrogen essentially replaces gasoline (or diesel or natural gas) as the combustible material in a conventional motor. In the latter example, vehicles with hydrogen fuel cells will create a chemical reaction that is initiated when hydrogen reacts with oxygen to run an electric motor. Hydrogen fuel – whether used for a traditional motor or in a fuel cell – is typically made from fossil fuels, methane, or electricity. In this regard, the hydrogen industry must use abundant energy to create the hydrogen fuel, but this can be mitigated by using solar, wind, nuclear, or other more efficient forms of energy.*

UPDATE: HYUNDAI TO PRODUCE 1,000 HYDROGEN CARS THIS YEAR

While most automakers plan to make a limited number of hydrogen fuel cell cars by 2015, Korean manufacturer Hyundai plans to have 1,000 hydrogen fuel cell vehicles (HFCV) on the market by the end of this year. The vehicles will be based on the Hyundai Tucson crossover passenger vehicle.

Most of the vehicles produced will be available in Korea, North America, and Europe, with the majority of volume reserved for the European market. Presently, hydrogen has a higher “acceptance” level in Europe than in other world markets, where government support of hydrogen fuel has spurred the development of “Hydrogen Highways” through parts of Western Europe. These installations would not only serve hydrogen passenger cars, but also buses and heavy vehicles.

At the start of production, the anticipated sticker price for a HFCV Tucson will be \$88,500 before incentives. However, the company anticipates the price to drop below \$50,000 by 2015 when the supply chain is in full production.

*** ENERGY EXAMINER ***

NATURAL GAS/PROPANE | *Natural gas vehicles (NGV) are not a new phenomenon. Many company and industrial fleets are powered by natural gas. Most of these vehicles can be fueled by two different versions of this medium: compressed natural gas (CNG) or liquefied natural gas (LNG and also known as propane autogas). Both examples are clean burning and efficient alternatives to gasoline and diesel powered cars. As a motor fuel, natural gas powered vehicles are incredibly popular and account for over 12 million vehicles on the road world-wide. In many instances, NGV cars can burn both conventional gasoline and CNG to ease infrastructure concerns. America's NGV industry has been increasing thanks to a growing infrastructure and abundant sources of natural gas deposits within the continental United States and off the coast in territorial waters. In the United States, NGV variants like LNG and CNG are typically cheaper than gasoline and other motor fuels.*

UPDATE: AUTOMAKERS TO PRODUCE CNG POWERED TRUCKS

As the nation's natural gas supplies boom thanks to new drilling technologies, automakers are rushing to get new CNG powered vehicles to market.

Among the most recent announcements is news that both Chrysler and General Motors will make bi-fuel vehicles that run on CNG. These vehicles will be able to burn both CNG and traditional gasoline in their engines. When the vehicle's CNG supplies are diminished, the vehicle can be switched to run on ordinary gasoline to get you to a filling station where CNG can be purchased. In using both types of fuel in a single vehicle, consumer groups believe it will help to make CNG powered cars more palatable to motorists who are skeptical of buying a CNG vehicle.

This feature will appear on the Ram 2500 pickup, as well as the 2500 variant of both the Chevrolet Silverado and GMC Sierra. GM already produces two cargo vans that use CNG: the Chevy Express and the GMC Savana.

Experts continue to cite the growing number of manufacturers that will soon make CNG powered cars, including Fiat, Toyota, and Ford.

CNG powered vehicles are especially attractive to businesses, who can quickly recoup any capital investments in CNG vehicles thanks to low natural gasoline prices.

Analysts predict this market segment will take off and may only be limited by local logistics; there are only about 400 CNG stations currently operating in the US.

*** ENERGY EXAMINER ***

NUCLEAR/WIND/SOLAR | Among alternative energies, sources such as nuclear, wind, solar, and geothermal technologies have accounted for a small, yet growing slice of America's energy landscape. Chief among these sources, both in reliability and impact, is nuclear power. Though not a "new" technology in the general sense, nuclear power plants are both incredibly efficient and produce few emissions or waste. Unfortunately, nuclear power has been highly stigmatized in American culture, though other countries such as France and Germany obtain a majority of their electric power needs from nuclear facilities. Wind and Solar technologies have become more popular in recent years. By using renewal sources – namely the sun and the wind – installations are able to generate electrical energy for both commercial and residential needs. However, a significant drawback from this technology resides in costs, limitations in material efficiency, and local conditions. Still, even from a supplemental perspective, solar and wind technology provide an incredible means of generating electricity locally at one's home or business to reduce utility expenses, and by selling power back to local electric companies, a means of generating an additional profit.

UPDATE: SOLAR PANEL PRICES CONTINUE TO DROP, SQUEEZE PANEL-SUPPLIERS

As solar power becomes more popular and the number of solar installations increases, the price of solar panels has fallen significantly. The reduction in panel prices continues a pricing/supply pattern which first began in 2011.

With the number of installations doubling over the last year, analysts believe that the price of solar panels have declined by two-thirds in the last decade. If the trend continues as the number of installations grow, it may soon be possible for electricity produced by solar panels to come close to parity with electricity produced from fossil-fuels in the near future.

However, in an ironic twist to this news, business leaders are also reporting that the decline in solar panel prices is also harming the profitability of solar panel manufacturers. This drop in profits may ultimately harm the financial health of panel makers to such an extent that it will force consolidation in the industry or the elimination of competing manufacturers. ■

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What, Never? Hardly Ever!



The recent opinion of the Fourth Circuit Court of Appeals upholding BP's petroleum restriction provision contained in the deed by which it had transferred a service station property to a dealer brings to mind a snippet from an operetta by Gilbert and Sullivan.

The chorus challenges the boast of the captain of the H.M.S. Pinafore that he is "never, never sick at sea" with a doubting "what, never?" to which the captain responds "hardly ever!" Of course, the joke is that "never, never" simply does not mean "hardly ever." That is a distinction which two of the judges on the Fourth Circuit panel failed to recognize.

BP Products North America, Inc. v. Stanley concerned the sale of a Virginia service station property to a dealer, subject to a provision restricting its use to that of "an automobile service station," and prohibiting the sale not only of non-BP branded gasoline, but also of various other products including "kerosene, benzol, naphtha, greases, lubricating oils ... or lubricants in any form" which BP did not offer for sale to the dealer.

Claiming that prices charged by his supplier for BP motor fuel were excessive and uncompetitive, the dealer debranded

the station, only to be sued by BP for violating the petroleum restriction provision.

The district court held that the petroleum restriction was unenforceable because it would prohibit operation of the service station as a repair facility, even if no gasoline was sold, and because BP had no legitimate interest in restraining the sale of products that it did not itself offer for sale.

The three-judge appeal panel split, with the two-judge majority voting for reversal. With respect to the district court's concern that the term "service station" was too broad, the court held that the term should be interpreted as a synonym for "gas station," and so would not apply to a repair-only facility. That part of the opinion appears to be at least plausible.

More troublesome is how the majority discounted the district court's concern that BP had overstepped itself by prohibiting the sale of petroleum products that it did not itself market. Although apparently conceding the provision's overbreadth, the majority concluded that the challenged prohibition was "too inconsequential" to invalidate the petroleum restriction.

In dissent, Judge Floyd jumped on the majority's concession that the petroleum restriction was "slightly broader than necessary to achieve its purpose." He emphasized that Virginia law permits a restraint of trade only where a legitimate business interest needs to be protected.

Judge Floyd concluded:

Virginia law supports narrowly drawn covenants that are reasonable, and general public policy encourages parties to draft precise language on which all participants to a contract can rely. Allowing BP, a multi-national, sophisticated corporation, to draft blatantly overbroad restrictions and then, when challenged, simply declare that such restrictions are a mistake and meaningless not only is contrary to basic contract principles, but is detrimental to the public interest.

In sum, Judge Floyd would not have permitted BP unilaterally to convert its "never, never" to a quite different "hardly ever." It is too bad that he could not find another judge to join the chorus. ■

eMail: pgunst@agtlawyers.com

To access the latest articles by the Service Station Dealer's legal counsel, please visit the "Service Station Dealers: Legal Issues" section of the Astrachan Gunst Thomas Rubin, P.C. website at:

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THE LEGISLATOR SPOTLIGHT

By Eric Blomgren

NJGCA has seen many legislative successes over the past few years. We'd like to take some time to tell you a little bit more about the men and women who have been instrumental in helping your small business prosper.



Assemblyman Reed Gusciora

The Honorable Reed Gusciora was first elected to the New Jersey General Assembly in 1995. He represents the 15th Legislative District alongside Assemblywoman Bonnie Watson Coleman. The district is located in Central Jersey, consisting of Trenton, Ewing, Lawrence, West Windsor, Hopewell

Township, Hopewell Borough, and Pennington in Mercer County as well as Lambertville, East Amwell, and West Amwell in Hunterdon County. In November 2011 Assemblyman Gusciora was overwhelmingly reelected, receiving more than twice as many votes as his opponent. He was a longtime resident of Princeton Borough but recently moved to Trenton.

Assemblyman Gusciora is a member of the Assembly Democratic leadership, serving as Deputy Majority Leader since 2008. He is Vice-Chair of the Assembly Commerce and Economic Development Committee as well as Vice-Chair of the Assembly Environment Committee. In the private sector, he is an attorney, having received his J.D. in 1988 from Seton Hall Law School.

During his years in the Legislature, Asm. Gusciora has been a strong proponent for "the little guy", be it

small businesses or consumers. For years now, he has been the Legislature's biggest champion of the Right to Repair movement. He has steadfastly sponsored a Right to Repair bill in each of the last 5 legislative sessions dating back to 2005. He has consistently proven that he deeply understands the fundamental arguments behind this proposal and the necessity of getting it passed. Without Right to Repair legislation, the big motor vehicle corporations will continue to use technology to push independent repair shops out of business so that they can monopolize the industry. Assemblyman Gusciora worked hard to help other members of the Assembly understand the Right to Repair Act and has worked tirelessly to grow support for it. Thanks to his efforts and ours, Right to Repair was passed by the General Assembly in October 2008 by a bipartisan vote of 49-28. This marked the first time that any legislative body anywhere in the country had passed a Right to Repair bill. Unfortunately the bill was prevented from advancing in the state Senate. In the next year, we plan to push hard to finally get this bill passed.

Assemblyman Gusciora has been involved in other issues important to your business. He introduced a bill earlier in the year that would require all lights on motor vehicles to be kept in working order, a necessary safety rule that would help business at repair shops. He has been an advocate for encouraging greater usage of alternative energy vehicles, sponsoring bills that would exempt renewable energy systems from property tax assessments and a recently passed bill that would authorize state and local governments to enter group purchasing agreements for alternatively fueled vehicles. Asm. Gusciora has also said he supports an elimination of unfair zone pricing practices. NJGCA again thanks Assemblyman Gusciora for all his efforts on behalf of the small business who serve the motorist, and we look forward to continuing to work with him.





Shop Talk: Oil Changes & Commissions!

OIL CHANGES:

What do you charge for an oil change? Most shops charge \$35 - \$45 for a full service oil change. Synthetic blends are usually about \$15 additional. When calculating what you should charge for an oil change, I caution you to make sure that you cover all of the costs on ALL of the items being sold. Some shops price every job by listing each item individually usually marking up oil 100%. Other items such as filters and accessories are also marked up and listed individually on the customer's invoice. Most shops add nominal charges for shop supplies and even disposal fees.

Do you ever have a customer who brings their own oil or filter? Do you ever bring your own eggs to the diner? Most shops discourage customers from bringing their own oil or parts which is probably a good practice. However, some shops do accept the job and charge a flat \$30.00 to provide this service taking advantage of an opportunity to get the vehicle in to the service bays. It is always a good practice to inspect other items that the car may need. Most customers usually appreciate avoiding problems unexpectedly, and earning additional work for your shop is really why you are there anyway.

Do you have a novel approach to the way you calculate charges or implement policies on oil changes? Do you charge for windshield washer fluids? Or other fluids? Send me an email and share your thoughts, so I can share them with others. debbie@njgca.org

COMMISSION TALK:

Do you provide a commission based incentive to your technicians? How do you implement commissions fairly?

If each tech earns commissions individually then this is not an issue, but if commissions are earned collectively on overall shop performance as some shops do, then things can get sticky - especially when one tech may work more hours than another. How commissions are divided can mean the difference of good and bad employee morale.

Here's a simple way to be fair to all techs.

First you have to add up ALL of the hours worked by ALL eligible employees. Then divide the amount of commission by the number of total hours worked and pay each employee exactly what their fair share of the 'collective shop commission'.

For example; you agree to begin accumulating bonus dollars based on 2% of all monthly sales over \$30,000. The bonus will be earned by all shop employees. This may include Master Techs, Apprentice Techs, and even part time helpers. (It is always a nice to include even the low man on the totem pole in order to encourage team building).

Sales in your shop for a given month reach \$70,000, so that means that the shop employees collectively earned 2% of \$40,000 which is \$800.

Employee #1 worked 180 hours
Employee #2 worked 120 hours
Employee #3 worked 60 hours

That is a total of 360 hours worked collectively by all. Divide **the \$800 collectively earned by the Shop** by **360 hours collectively worked by the Shop** and you will arrive at \$2.23 as the rate that was collectively earned by the shop.

Then simply pay each employee according to the hours that they worked.

Employee #1 \$401.40
Employee #2 \$267.40
Employee #3 \$133.80

**Happy Employees=
Happy Shop=
Happy Customers=
\$\$\$**

If you have any questions or comments, please feel free to call Debbie Hill at debbie@njgca.org or call 973-376-0066. ■

Welcome to the Next Ice Age



by Keith Krehel

It is generally believed, according to my high school science teacher, that dinosaurs became extinct due to an “ice age” that occurred long ago. This ice age severely changed the environment, the dinosaurs could not adapt and they perished. I recently took my niece Maria McLaughlin out for dinner at her favorite restaurant, Fuddruckers, which is located only a few miles from my house. As it had only been a few months since my last “Fudds” trip; I was surprised to see three closed repair shops that had been open during my prior trip. Not only were these shops closed, but one was torn down, so it is unlikely to ever open with service bays. There are also two dealerships that are close by that have closed recently. Ladies and gentlemen forget global warming (which I don’t believe anyway); I believe that the “Ice Age” for our business has already arrived.

I believe this for many reasons:

1. Cars are built better and can last longer with fewer repairs during their lifespan. Fewer techs are needed overall.
2. The equipment (and cost) required to stay “current” has risen dramatically. This especially affects the smaller shops and may lead to their demise.
3. People are driving less, probably due to our current economy.
4. Our trade is fragmented and divided with many groups fighting amongst each other. For example, dealer versus retail chain versus small shops versus gas station. Just think Right to Repair.
5. The limited level of professionalism and training by many owners of independent shops.
6. The willingness of many shops in the trade to undercut their competition to stay busy, removing any chance of profit from many of the services they perform. This one really frosts me as I often see signs for oil changes and tire rotation for \$19.99. At this price there is no chance of profit but there is a huge pressure to “up sell” customer regardless of need. I have seen this quite often recently. I often think back to my gas station days when the oil company rep would tell me to “break even” with gas sales to get customers and make profit on other items; this defies common sense, at least to me.

Suggestions to avoid becoming extinct:

1. Accept that the game has changed (evolved) and adapt accordingly.
2. Assess whether you truly have ways and means to stay in business, and act accordingly. For Example: Possible share/pool scanners among “friendly” shops in your area, reducing the number of scanners purchased.
3. Put more effort into getting along with your neighboring shops rather than trashing them.
4. Join trade associations, the more this field is united the better off all shops will be. Just think of the inspection debacles over the years and how they could be different if all Private Inspection Facilities (PIFS) spoke with one voice. In fighting amongst the various entities hurts our cause.
5. As far as professionalism, I suggest training for shop management, but use caution with some of the costly never ending ones. I have spoke to MEA concerning this and although shop management classes are the most needed, they are the least attended.

As for pricing, use caution with “loss leaders”. The local supermarket can sell an **item** at cost with out much effect on the bottom line. We however, are selling **service** with a limited and costly window of opportunity to do services. Every time you “discount” a service, pressure is placed on your shop to compensate, as well as cheapening the value of the service itself. How often have I heard “Just an oil change”?

In order to avoid becoming the next “dinosaur”, I suggest we rethink many of the activities and pricing schedules, while always keeping in mind the bottom line. Remember, staying “busy” is not as important as staying profitable. ■

***Note. Keith Krehel is an NJGCA member and owns a repair shop in Clifton, NJ**

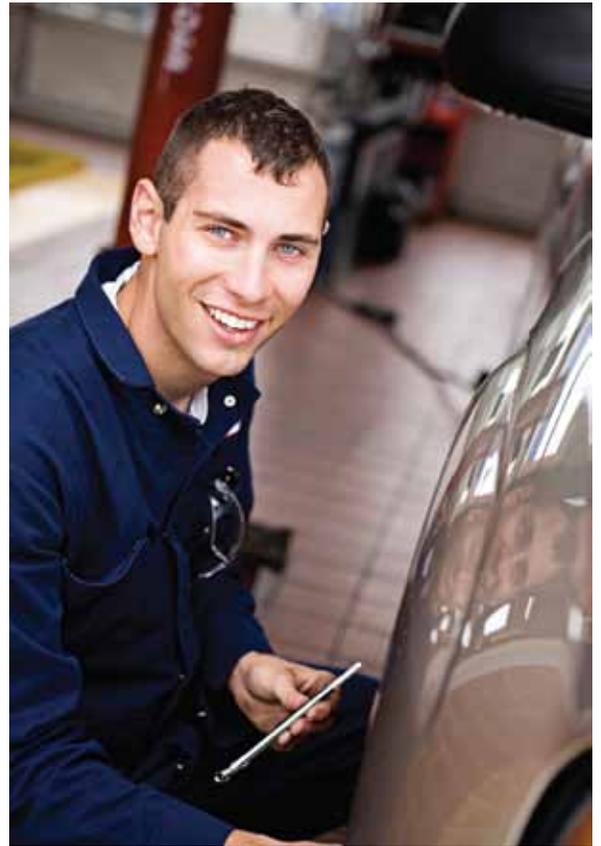
Great News for NJGCA Members

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Unless you're a large business with hundreds or thousands of employees, providing and administering a health benefits plan can be a huge burden. However, if you're a NJGCA member, you can now take advantage of a great group offering through the **Association Master Trust**

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