

FUEL MONITOR

SUMMER 2014

ARIZONA PETROLEUM MARKETERS ASSOCIATION



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APMA'S PURPOSES

APMA's primary purpose is to protect and advance its members' legislative and regulatory interests in Arizona and Washington, D.C. APMA's secondary purpose is to provide members with business and social functions. These include an annual conference, workshops, seminars and industry speakers. APMA holds two golf tournaments – one benefitting the APMA Scholarship Foundation and the other in conjunction with the annual conference. In addition, APMA holds monthly membership meetings as well as various association committee meetings. APMA is a member of the Petroleum Marketers Association of America.

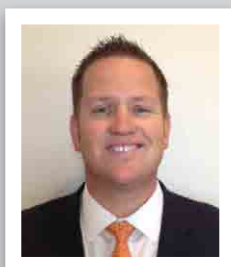
APMA'S OBJECTIVES

- Encourage members to be actively engaged in association activities and legislative grassroots efforts
- Provide resources for education, training and the exchange of ideas
- Encourage members to maintain high business ethics and a positive image for the industry
- Advise and educate membership to enable them to run their businesses effectively and profitably

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 APMA Fuel Monitor
 is published by Cereus Graphics
 2950-2 East Broadway Rd., Phoenix, AZ 85040
cereusgraphics.com

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APMA Executive Committee (effective July 1, 2014)



President
 Jason Davis
 Arizona Fuel Distributors



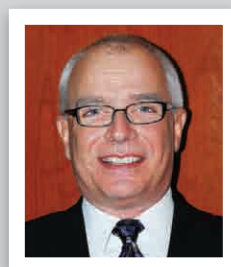
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Lenora Nelson
President

As a child I can remember driving around town with my Dad in his old Phillips 66 truck. It always amazed me that he would wave to nearly everyone he saw. It wasn't more than a quick lift of his first two fingers off the top of the steering wheel, but it was a nice gesture to others he passed as he was out doing his deliveries.

I still love to hear stories from my Mom and Dad when they reminisce of the long, busy days of working the petroleum business that they bought from my Grandpa Bulechek. The stories of brand meetings, fancy trips put on by Exxon and

Letter from the President

other major suppliers. When someone would ask my Dad how the oil business was- it always made me smile when he would simply answer, "slick"!

Some of the stories are still the same issues that Brad and I deal with as we run the business! Stories of great people, working hard side by side to accomplish success and the feeling of pride that comes from a hard days work. Stories of longtime friends and associates out trying to make a living and also enjoying life. Ultimately it all comes down to relationships. That is what it is all about.

As I end my position as President of the Arizona Petroleum Marketers Association I too find myself savoring the relationships I enjoy with each of you. As challenging as my term has been, it has also been incredibly satisfying and eventful! I have certainly enjoyed the opportunities and relationships that have come through being actively involved in APMA.

I think of the challenges that we have faced as an industry and the progress we have made on the issues we have fought. APMA is certainly made up of great members with a wealth of knowledge and expertise in so many different areas.

Someday when I am sharing stories with my children (if any ever decide to get in the business) I imagine I will be sharing stories of you and the times we have shared together. I will remember great golf outings and buzzing around the golf course trying to get fun pictures. I will remember sitting around tables at the Phoenix Country Club talking and sharing stories. I will remember watching fire dancers at the Enchantment resort and praying that they had good insurance. I will laugh when I think of the croquet tournaments! I will remember the terror I felt testifying in front of the UST Legislative Study Committee. Most of all I will remember the great relationships each of you has blessed my life with. Thank you for your support and friendship! My best wishes to Jason Davis as he takes on the position of President!

Happy Fueling!

Lenora Nelson
President

Overexertion can lead to workplace injury

Preventing injuries caused by overexertion can be a concern for employers in Arizona's intense summer heat. According to the National Safety Council, overexertion accounts for about 3.3 million emergency room visits and is the third leading cause of unintentional injuries in the United States.

Workers who become tired or fatigued are more susceptible to overexerting themselves and are more likely to suffer injuries as a result. CopperPoint Mutual Insurance Co. Loss Control Consultant Dennis Reilly likens overexertion to "holding your breath, which results in depletion of oxygen to the muscles." He said the result is an immediate collapse of strength during a time when the worker needs it most.

This can occur while the worker is performing physical demanding tasks such as carrying, lifting, lowering, pulling, pushing and turning, Reilly said.

The most common cause of overexertion is a worker's desire to save time under work productivity demands. Employers looking for more production ought to remember that overexerted employees may result in less production, more injuries and increases in workers compensation claims.

Overexertion can occur when workers fail to ask for assistance when performing a physically demanding task. Employers that establish a culture of cooperation, in which co-workers always are willing to ask help from their colleagues, can reduce injury claims caused by overexertion, Reilly said.

Employers aware of their companies' accident histories can identify procedural controls to reduce potential injuries, Reilly said. He offered these suggestions for workers:

- Take short, frequent breaks
- Cool down and rehydrate
- Be familiar with the weight of objects you are about to handle
- Ask for assistance when necessary

- Don't increase a load to avoid an extra trip
- Don't overextend your reach, resulting in holding your breath
- Adhere to safety policy procedures and use correct lifting techniques
- Take further caution if you have any health conditions that may interfere with your ability to perform a particular task, especially strenuous tasks

Tips for employers include:

- Train your workers on the dangers of overexertion
- Educate your employees on proper body mechanics
- Give your employees specific examples of overexertion at their particular job site
- Conduct hands-on training where each person demonstrates proper lifting and handling techniques
- Allow frequent breaks
- Rotate employees when possible
- Create a disciplinary policy for cases of overexertion

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Tod L. Dennis
Association Coordinator
CopperPoint Mutual
Insurance Company



Message from the Executive Director



Amanda Gray
Executive Director

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Another state Legislative Session, Scholarship Foundation golf tournament and Day on the Hill down! And I am thrilled to report that they were all highly successful.

During the 2014 legislative session, Governor Brewer signed HB2128 into law, which provides the statutory framework for decommissioning Stage II vapor recovery systems. APMA worked closely with ADWM to ensure this measure was successful. The law immediately exempts new stations from stage II installation requirements and provides for removal of stage II equipment at existing stations between October 1, 2016 and September 30, 2018, or during the timeframe approved by EPA. The law makes no change to requirements for Stage I vapor recovery systems. All stage II systems at existing stations must be maintained until the decommissioning timeframe begins. Next, Arizona agencies will submit State Implementation Plan revisions to EPA for approval. ADWM will then develop rules for removal of Stage II equipment, in which APMA will remain heavily involved.

On the UST front, industry advocate John Pearce negotiated directly with ADEQ Director Henry Darwin on a framework for a new UST Program for Arizona. Regrettably, the framework was not finalized in time for the UST Legislative Study Committee to send it to the legislature this year. Instead, the Study Committee recommended that ADEQ (1) commission an actuarial study on total UST liabilities in the state, and (2) convene stakeholder meetings over the summer to study

private UST insurance and any other necessary topics.

In preparation for a new UST Program, APMA knew it was vital to start accumulating revenue to fund that program. Last year's SB1080 continues the \$.01 (penny) per gallon UST tax until December 31, 2015, but it diverted the penny's revenue to the State Highway Fund once the UST-related Regulated Substance Fund reached its statutory cap of \$60 million. This year's HB2708 included a provision to redirect the penny revenues to the UST assurance account starting January 1, 2015. It also clarifies ADEQ's stop use (red tag) authority when a tank owner/operator fails to maintain financial responsibility as required by law, but it provides protection to tank owners through a thirty day notice and opportunity to demonstrate compliance period.

APMA actively participated in a meeting this spring hosted by ADEQ and the state procurement office on the UST actuarial study Request for Proposals (RFP). APMA's list of recommendations seemed to be very well received. An actuarial firm will be selected in June with an anticipated report return date of October 1, 2014. APMA will be heavily involved in stakeholder meetings ADEQ calls related to UST insurance or other topics and will keep you apprised of meeting dates and outcomes.

Next year will be THE YEAR for UST Program legislation. The industry owes a debt of gratitude to those individuals and companies that have stepped up to be actively involved in supporting these efforts. It will take another enormous push from a united industry force to accomplish our goals of achieving reimbursements for statutorily time-barred claims and creating a new UST Program that works for all interested parties. Your help is needed! Whether your company owns USTs or does business with those who do, you will be impacted by the outcome of this problem.

Contact APMA if you want to step up your involvement on this critical issue.

Check out the full 2014 Legislative Wrap Up on page 19.

We had a fantastic APMA Scholarship Foundation golf outing on Thursday, April 17 at McCormick Ranch Golf Club. The Tournament raised over \$40,000 including the raffle and game proceeds! Many thanks to all who sponsored, donated and/or participated!!

My especial thanks to Golf Committee Co-Chairs Bill Champlin and Brian Wiegert (PMMIC) along with Committee Members Jason Davis (Arizona Fuel Distributors), Brian Cook (Horizon Insurance Group), Gene Carroll (Carroll Calibration), Lenora Nelson (Bennett Oil), Casey Elliott (AVI-PHX Insurance), Brandon Hickey (Northwest Pump), and Vallie Dodge (Knight Family Companies) for all of their efforts. Check out pages 14-17 for photos and the full recap.

The PMAA Washington Conference and Day on the Hill was Wednesday, May 21 - Friday, May 23. Warren Lueth (Senergy Petroleum), Jami Moore (HollyFrontier Companies), Terry Trendler (Environmental Technology) and I made up the Arizona delegation. We had great meetings with Arizona's Congressional representatives. Read more about those sessions and top federal issues on pages 10 & 12.

Be sure to mark your calendars for another amazing APMA event coming up this fall - the Annual Conference will be back at the Enchantment Resort in Sedona on October 5-7! Watch your email for sponsorship and registration details.

Are you interested in getting more involved in APMA? Volunteers are needed for the 2014 Conference Committee. Email me if you are interested. See you there!

Best Regards,
Amanda T. Gray

APMA Upcoming Events

- June 17 - Monthly Membership Meeting - Bennett Oil, Prescott (11:30 am - 1:00 pm)
- June 18 - Conference Committee Meeting - Arizona Fuel Distributors, Phoenix (9 - 10 am)
- June 25 - Joint Legislative/UST Committee Meeting - TBD
- July 15 - Board of Directors Meeting - Phoenix Country Club (9:00 - 11:00 am)
- July 15 - Monthly Membership Meeting - PCC (11:30 am - 1:00 pm)
- July 15 - Conference Committee Meeting - PCC (1:30 - 2:30 pm)
- July 24 - Safety Committee Meeting - Cochise Contractors, Phoenix (10:00 - 11:00 am)
- August - NO Monthly Meeting
- September 16 - Monthly Membership Meeting - PCC (11:30 am - 1:00 pm)
- September 16 - Conference Committee Meeting - PCC (1:30 - 2:30 pm)
- October 5 - Board of Directors Meeting - Enchantment Resort, Sedona (Time TBD)
- October 5-7 - APMA Annual Conference and Golf Tournament - Enchantment Resort, Sedona

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Reforming the Jones Act

By Rob Underwood, PMAA



During the 112th Congress, Senator John McCain (R-AZ) and Jim Risch (R-ID) introduced the Open America's Waters Act, which would repeal the Jones Act. Signed into law by President Woodrow Wilson in 1920, the Jones Act regulates maritime commerce in U.S. waters and between U.S. ports which requires that all goods transported between U.S. ports be carried in U.S. owned ships, built and registered in the U.S., and manned by U.S. citizens. The law was

intended to protect the U.S. maritime industry in 1920, but in our modern global economy, it has mostly outlived its usefulness.

With the southern leg of the Keystone XL pipeline operational and the U.S. shale oil boom at its height, crude oil supplies are now reaching the Gulf Coast at record levels which has led to a renewed interest in repealing and/or reforming the Jones Act. According to the U.S. Transportation Department's Maritime Administration, thirteen tankers can haul petroleum domestically out of a global fleet of about 2,400 which has made it harder for the glut of light sweet crude oil to reach refineries in the Mid-Atlantic and other parts of the country to be refined. Jones Act opponents argue that allowing foreign-flagged vessels to transport the excess Gulf Coast crude oil to other parts of the country may help alleviate motor fuel prices because they are cheaper to use and there are more of them. Additionally, the Alaskan crude oil boom could also be assisted by allowing foreign flagged ships to transport the oil from ports in Alaska to refineries in California. PMAA respects the Jones Act especially what it has done to improve the

nation's maritime security, but given the abundance of crude oil in the U.S., it is time to review the Jones Act to see whether reforming the act or granting a waiver will benefit American energy objectives.

JONES ACT WAIVERS

The Jones Act was temporarily waived from September 1 to September 19, 2005 following Hurricane Katrina's landfall which allowed foreign vessels to carry crude oil between U.S. ports. In the summer 2011, President Barack Obama waived the Jones Act to accelerate crude oil and refined product shipments to the U.S. due to the Libyan uprising causing the loss of over two million barrels of crude oil supply. While these waivers were provided when there was a severe product shortage, today's current crude oil and refined product market is much different.

Today, we have a glut of "light sweet crude" being produced in the Eagle Ford play of South Texas and in North Dakota which is being delivered to the Gulf Coast to be refined. However, most Gulf Coast refineries are geared towards processing heavy grades of crude oil. Foreign ships should be allowed to enter the market to make up for the shortage of Jones Act compliant vessels so the excess crude oil supplies can be hauled to refineries to other parts of the country which can handle light sweet crude oil. Also, situations sometimes arise when Jones Act vessels are needed to transport gasoline, diesel and heating oil from the Gulf Coast to regions experiencing a shortage of those products. We believe provisions are needed to authorize waivers when regional shortages exist.

PMAA commends Senator McCain for introducing legislation which would bring competition to the market.

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ADWM Message on Credit Card Skimmers Self-Defense



In an effort to proactively combat against credit card skimmers discovered inside gas pumps, the Arizona Department of Weights and Measures is reaching out to petroleum marketers and businesses throughout Arizona to encourage additional measures be considered to protect customers from credit card and debit card fraud at local gas stations.

Collaborative efforts already implemented

In early 2010, Governor Brewer issued a directive to the Department of Weights and Measures to increase detection efforts against credit card skimmers at gas stations. Since then, the Department has increased inspections of gas pumps by over 15 percent in an attempt to specifically search out these criminal electronic devices.

By September of 2010, Governor Brewer convened a gas pump skimmer seminar at the Arizona Capitol, which included the U.S. Secret Service, local law enforcement, local petroleum marketer's security representatives, national credit card fraud representatives and Weights and Measures inspectors. The daylong seminar helped coordinate proactive efforts to combat against this type of identity theft.

One such suggestion included the new Weights and Measures "first-of-its-kind" industry alert network system in which our Department electronically notifies and communicates with local gas stations and law enforcement about skimmer incidents. The new program, formally introduced in 2011, helps industry and law enforcement throughout Arizona communicate and be made aware quickly of potential threats or local criminal activity that may be in a specific part of the state.

In addition, the Department also devised a specific procedure attached to each alert that describes what to do if gas station employees, department inspectors, or law enforcement officers discover a device.

Additional action items for consideration

Given the many proactive safeguards already in place, the unfortunate reality is that our state has in the past ranked high in identity theft and credit card fraud cases. In one particular instance, we had a single individual store hit with skimmers – yet just 2 days later – new skimmers were confiscated at the same exact location. And that clearly indicates to us that additional protective measures should be considered. We should also be mindful of consumers losing confidence in debit card technology and ultimately – as has been seen in other jurisdictions or states – seeing patrons turning to cash payments for their goods and services.

To that end, the Department of Weights and Measures is proposing the following important additional security options which we request you seriously consider implementing at your retail commercial locations. The Department is extremely cognizant of increased costs at a time when the economy is still tough and we understand that margins are thin for making profit right now.

That's why many of these suggestions listed below would have little to no cost whatsoever.

Suggestions:

- Consider a program where individual store clerks take time during their daily required inspections to check inside the gas pumps for credit card skimmers each morning, or before each shift. It takes the bad guys about 30 seconds to install these devices, and it would take your employees nearly the same amount of time to check.
- Consider utilizing tamper proof tape that can help clerks identify potential security breaches in the event skimming devices are inserted at fuel dispensers. The idea is we want stations to make themselves a hard target where criminals won't want to tamper with your fuel dispenser equipment.
- Consider positioning existing cameras in the station to better assist law enforcement in getting a picture of the thief or a shot of their license plate. To date, cameras have been of little to no use as they are not positioned in a way that can be utilized efficiently by law enforcement.
- Consider better defenses for gas dispenser security. Criminals throughout the country have figured out that there are basic master keys that can access the gas pumps. Replacement of manufacturer access keys with site specific keys or cheap locks are a potential alternative safeguard.
- Consider basic education and procedures for your employees. If a skimmer is found, have your employee immediately run a receipt for the last transaction on that dispenser. This will help establish a timeline of use, and assist in law enforcement investigations.

The Department looks forward to following up and further discussing security measures that industry, law enforcement, and inspectors can all further collaborate on going forward. We also applaud the positive security efforts that your company already may have in place to protect consumers. In the end, we all have a vested interest in protecting the Arizona consumer as well as jointly pursuing collaborative strategies so we can be even more effective in protecting against identity theft and credit card fraud.



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PMAA Washington Conference and Day on the Hill

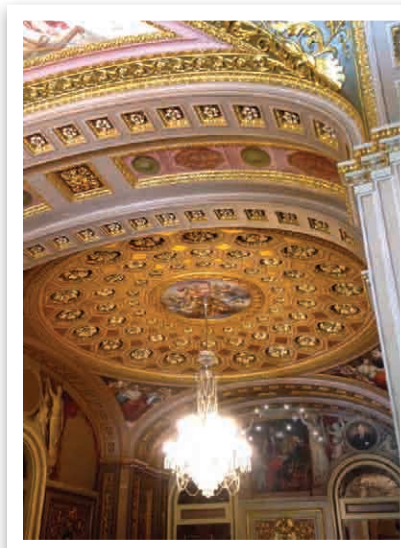
By Amanda Gray, APMA

The Arizona Day on the Hill Delegation had an unplanned surprise during our meetings on Thursday, May 22 when the senior U.S. Senator from Arizona, John McCain, came off the Senate floor to meet with us in the ornate Senate lobby.

After discussing the Renewable Fuel Standard (RFS), ozone standards and the Jones Act, Senator McCain gave our group an arts and history tour across the Capitol's halls.

The Arizona delegation included Warren Lueth from Senergy Petroleum, Jami Moore from the HollyFrontier Companies, Terry Trendler from Environmental Technology and me.

The top three industry issues we addressed during our meetings included:



The Senate lobby in its resplendent glory, where APMA met with Senator McCain.

1. The RFS – We support EPA Administrator Gina McCarthy's proposal to reduce the corn-based ethanol mandate to approximately 13 billion gallons for 2014. The market is saturated up to E10, which is the highest percentage amount of ethanol that can be safely and legally dispensed into vehicles today.

2. Ozone Standards – We oppose any EPA move to alter the current NAAQS for ozone (75 ppb). If EPA were to lower the



Terry, Jami, Senator McCain, Amanda and Warren following their meeting.

ozone standard to 60 ppb, most of the country would be pushed into nonattainment status (see map below).

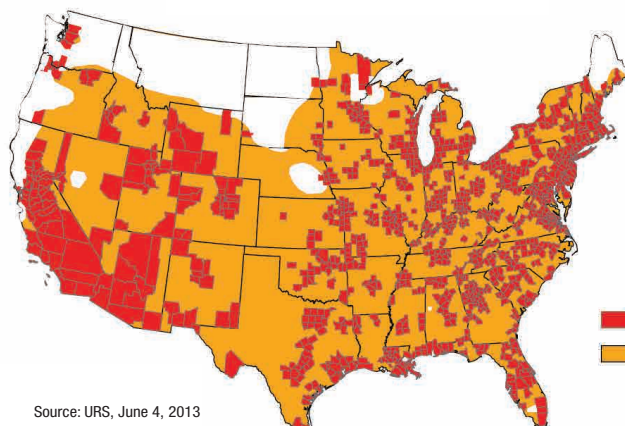
3. The Jones Act Waivers – The Jones Act requires that all goods transported between US ports be carried by US owned ships, built and registered in the US and manned by US citizens. With the glut of light sweet crude coming from Texas and North Dakota, refineries in the mid-Atlantic could refine that product, but there is a lack of Jones Act compliant barges. Congress should request a Government Accountability Office study on Jones Act compliant ships and Jones Act waivers.

We met with:

- Representative David Schweikert (Congressional District – CD 6) and Legislative Correspondent Michelle Stoika

Potential National Non-Attainment with a Lower Ozone NAAQS

NAAQS Ozone 8-hr Design Value
4th Highest for the 3-year period 2010-2012



Source: URS, June 4, 2013

- National map released in June 2013
- Map update includes 2012 data

- Areas with monitors that exceed 60 ppb
- Unmonitored but likely to exceed 60 ppb

(Continued on page 12)

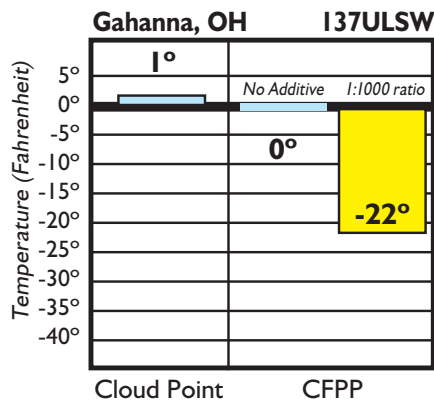
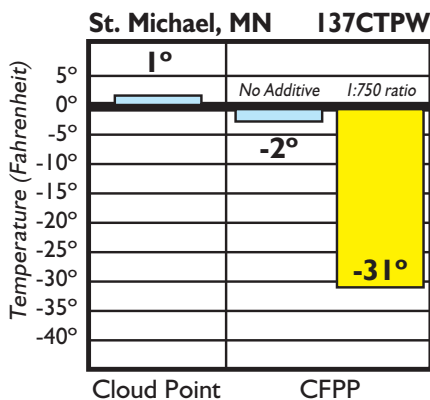


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PMAA Washington Conference and Day on the Hill

(Continued from page 10)

- Representative Trent Franks (CD 8) and Legislative Director Bobby Cornett
- Legislative Assistant Greg Stafsten for Representative Matt Salmon (CD 5) who was called to the floor for voting
- Legislative Assistant Grace Rodden for Representative Ann Kirkpatrick (CD 1)
- Representative Paul Gosar (CD 4) and Legislative Director Jeff Small
- Senator John McCain and Legislative Assistant Mark Delich
- General Counsel Kris Keifer for Senator Jeff Flake

All of our meetings on the hill were excellent. While I can't promise that next year we will get another personal tour, I know we will bring top federal issues impacting our industry directly to our elected officials. If you would like to join us, all APMA members are more than welcome to attend.

I will close with a plea for your support of the PMAA SBC PAC. We need to equip PMAA with the resources it needs to protect our industry. PMAA has never in its entire history met its PAC fundraising goal, which is modest at just under \$190,000. This year, with your help, we are going to change that.



Warren representing Arizona during the PMAA Board of Directors Meeting.

Instead of hoping and praying that federal regulatory issues go away, take action today to combat them. A little support from each of us will go a long way. I personally made a \$100 contribution to the PAC and I challenge you to meet or beat my level of support.

Contributions must be personal and can be via check or credit card. Please send your generous support to PMAA Small Business Committee, 1901 N. Fort Myer Drive, Suite 500, Arlington, VA, 22209.



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Getting Ready for the New EPA UST Regulations

By Brian Pottebaum, Loss Control Inspector Supervisor, PMMIC



The U.S. Environmental Protection Agency (EPA) has been working to strengthen the existing 1988 Federal UST Regulations for several years now. They have previously proposed the revisions and have closed the public comment period, however the rules have yet to be finalized and implemented. Once that happens, Arizona

DEQ will have to decide when, what, and how they want to enforce them. Unless they are modified, there is speculation that the rules could be enforced nationally as early as fall of 2014.

EPA's proposal revises the UST technical regulation in 40 CFR part 280 by:

- Adding secondary containment requirements for new and replaced tanks and piping
- Adding operator training requirements for UST system owners and operators
- Adding periodic operation and maintenance requirements for UST systems
- Removing certain deferrals
- Adding new release prevention and detection technologies
- Updating codes of practice
- Making editorial and technical corrections

These revisions will be reflected within Chapter 6 of Title 49 of the Arizona Revised Statutes (ARS) 49-1001-1093, as well as Chapter 12 of Title 18 of the Arizona Administrative Code.

You may recognize that some of these regulations are already in place in Arizona; this should help ease the transition when the rest of the rules become effective. The operators in Arizona have done an excellent job of making sure individuals are trained as Class A/B/C Operators and they have done a great job of applying the secondary containment requirements with new UST system installations and upgrades.

The proposed revision that will now have the most impact on the owners and operators in Arizona will be "periodic operation and maintenance requirements for UST systems". This article will now focus on that new proposed regulation.

NEW OPERATION & MAINTENANCE REGULATIONS

Walkthrough Inspections - [Proposed] Owners and operators conduct monthly walkthrough inspections which look at the following system components: spill prevention equipment; sumps and dispenser cabinets; monitoring/observation wells; cathodic protection equipment; and release detection equipment.

This regulation will require a trained and knowledgeable individual to conduct the inspection and record their findings. Obviously if a deficiency is observed, the owner and/or operator will have to respond appropriately. Having access to all of these areas on a monthly basis could prove costly and dangerous in some situations. Some form of monthly report will be required to document your compliance. Stay tuned for the ADEQ's interpretation and enforcement of this regulation.

PMMIC will be prepared to help existing and potential clients conduct these inspections to remain compliant with regulations. Don't hesitate to contact us for assistance concerning this requirement.

Spill Prevention Equipment - [Proposed] Owners and operators test annually for liquid tightness or use a double-walled spill bucket with continuous interstitial monitoring.

This requirement will likely involve a qualified tester and specific protocol. Spill containment has long been a concern for regulators. It is designed to catch any spilled product during the delivery of fuel into the UST. Needless to say, this cannot be accomplished if the containment is either already filled with liquid or is impaired, therefore unable to capture and hold the spilled product. Routine inspections and maintenance are vital. Keeping a log of these inspections will also be required to document your compliance.

Overfill Prevention Equipment - [Proposed] Owners and operators test every three years to ensure equipment is set to activate at the appropriate level in the tank and will activate when regulated substances reach that height.

This requirement will also likely involve a qualified tester and specific protocol. Failed overfill prevention equipment has been linked to several petroleum releases in recent years, so this requirement is being looked at very closely. Keeping records of these tests will also be required, just like the release detection records.

Secondary Containment Areas - [Proposed] Owners and operators test every three years to ensure the interstitial area has integrity or uses specific continuous monitoring methods.

This regulation is already being enforced under 40 Code of Federal Regulations section 280.42 and the interstitial monitoring requirements in 40 Code of Federal Regulations section 280.43, subsection G. The rule states that all new and replacement UST systems used for the storage and dispensing of regulated petroleum products installed after January 1, 2009, shall have secondary containment in accordance with the rule. Secondary containment systems shall be liquid-tight and should be inspected and serviced periodically to confirm compliance. Appropriate record keeping will be required to document compliance.

Release Detection Equipment (including LLDs) - [Proposed] Owners and operators test annually to ensure equipment is operating properly.

Release detection equipment is already required under the current regulations, but functionality testing is up to the manufacturer recommendations. Again, several petroleum releases have been tied to improperly installed and/or malfunctioning equipment. Testing release detection equipment will ensure the equipment is operating properly and will detect a release quickly. The sooner you identify a leak, the better chance you have to reduce the severity of the damages.

Look for UST final regulations to be coming in the near future. The sooner you prepare for them, the easier the transition will be for you. For more information on the proposed EPA revisions visit <http://www.epa.gov/oust/fedlaws/proposedregs.html>.

2014 APMA Scholarship Golf Tournament Pairings



Chuck Brockman (Eaton Sales & Service), Joe Broski, J.R. Roberts (Tanknology), Ben Hodges (Brewer Oil)



Melinda Mironoff (Valero), Renee Dahl (Western Refining), Jennifer Moyer (Caljet), Tracy Gahan (Caljet)



Jim Brown (Caljet), John Millican (Caljet), Jeff Carroll (Carroll Calibration), Gene Carroll (Carroll Calibration)



Jim Benbrook (LiquidTitan), Grahame Richards, John Knight (LiquidTitan), Sean Zimmerman



Brad Nelson (Bennett Oil), Bob Garcia (Western Refining), Tom Downing, Brian Beamer (Twin Pines Gaser)



Roy Lawson (Allied Energy), Dave Burgoon (Alon Brands), Dave Brown (Allied Energy), Kevin Hogan (UPT)



Mike Schmelling (Fossil Fuel), Brian Hester (Pro Petroleum), Bob Beard (Coastal), Matt Johnson (Pro Petroleum)



Willy Sharber (Arizona Trails), Vu Nguyen (Western Refining), Ed Flores (Pic N Run), Dave Jarman



Kim Porter (Trejo Oil), Cameron Trejo (Trejo Oil), Randy Bloom (Groendyke), Sam Bagby (Groendyke)



Brandon Hickey (Northwest Pump), John Leatherwood (WorldPay), Ed Clark, Tod Dennis (CopperPoint Mutual)



Mike Hardy (HollyFrontier), Chris Lindblom (Senergy), Kyle Zottnick (HollyFrontier), Doug Robinson (SoCo Group)



Roger Toman (Rush Truck Leasing), Marc McDaniel, Roy Thornton, Bob Sitzman

McCormick Ranch Golf Club on April 17, 2014



Steve Strong, Jami Moore (HollyFrontier), Jess Miller and PJ Miller (Diamond Trucking)



Patty Cashin, Greg McDonnell, Tom Carlson and Brian Keith (Federated Insurance)



Mike Strobl and Johnny Strobl (Caljet), Tim Kjosness, Norm Ueunten (Vitol)



David Kec (Western States Petroleum), Aaron Williamson, Rick Glissendorf, Chris Beede



Doug Bowers (Shields, Harper & Co.), Bill Aust (Biltmore Bank), Jason Huff and Howard Smith (ANS Distributing)



Ron Reeves (New West Oil), Tom Droste, Tim Genrich (New West Oil), Gary Pajak



Brian Wiegert and Tom Norris (PMMIC), Rob Schwister, Brian Cook (Horizon Insurance Group)



Paul Linaker, Bill Champlin, Herman Vogel, Mark Rainey

Not Pictured: Mike Siner (Western Refining), Scott Stone, Dan Schultz (P 66), Hunter Marckwald (Western Refining). Mike Gray (Caljet), Rich Tarnopolski (Caljet), Doug Johnson (Western Refining), Jill Gallagher (RDO Fleet Shield Services). Thor Ivanoff (Musket Corporation), Josh Kinsey (Senergy Petroleum), Jack Keller, Clif Isom. Andy Rodriguez (Musket Corporation), Teri Physioc (CarterEnergy), Marta Garcia (Tesoro). David Lueth (Senergy Petroleum), Craig Kellerstrass (Kellerstrass Oil), Dave Matthews (KS State Bank), Frank Mendoza (KS State Bank).

(Continued on page 16)

2014 APMA Scholarship



Golf carts are lined up and ready to go on Tournament Day.



Golf Committee volunteers John Clark (AVI-PHX Insurance), Casey Elliott (AVI-PHX Insurance), Vallie Dodge (Knight Family Cos.), and Lenora Nelson (Bennett Oil) checked in golfers and peddled mulligan packages.



Gene Carroll (Carroll Calibration) lined up for his final putt in the Final Putt Off for contest finalists.



APMA Scholarship Foundation Treasurer Bill Aust honored Foundation Trustee John Clark for his years of service.



McCormick Ranch's West Lawn Pavilion decked out for the Awards Luncheon.

Another Fantastic Tournament

The APMA Scholarship Foundation benefited from another hugely successful Golf Outing. In total, the event brought in a record of more than \$42,000 with all proceeds benefiting the Foundation.

Many thanks to all of the Sponsors, Golfers, Donors and Volunteers who made this event possible!!!

This year, golfers had the option to participate in a putting contest at the turn and those who sunk their putts competed in a Final Putt Off during the Awards Luncheon.

Once again the Tournament offered a good time for all participants. If you missed out, be sure to join us next year!

Golf Tournament (Continued from page 15)

Tournament WINNERS



SECOND PLACE: Dan Elliott, Rick Owens (DRPT), Jeff Hill (Shell Oil), Clayton Hill



FIRST PLACE: John Rivera (Circle K), Billy Stowers (Circle K), Cliff Cogswell (Cochise), Tyler Herzog (Cochise)



MEN'S LONGEST PUTT: Clayton Hill
WOMEN'S LONGEST PUTT: Melinda Mironoff (Valero)
CLOSEST TO THE PIN: Bob Sitzman (Rush)



PUTTING CONTEST: Greg McDonnell (Federated)
 Thanks to Massey's Truck and Tank Repair for sponsoring all Tournament Prizes!

Thank You

St. Andrews Sponsors



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 New West Oil Company
 Northwest Pump
 Quick N Clean
 Quik Mart Stores
 RDO Fleet Shield Services
 Rush Enterprises
 Tanknology
 Western States Petroleum
 WorldPay

What Beats Petroleum Prices Down

By Betsi Bixby, Meridian Associates



Marketers unknowingly make decisions that literally drive their business worth DOWN in the last few years before they sell. Do they mean to do that? Of course not! Their decisions are rational and warranted in their minds. But those decisions send their value tumbling.

We catch these faux pas because in our Meridian valuations we tell marketers how to increase their company's value, something that CPA firms typically don't dare risk.

Here are six common tragic pitfalls we encounter and how to avoid them:

Pitfall #1 – Ignoring contract renewals. Whether customer contracts or supplier contracts, ignoring soon-to-expire contracts is death to your market value. In fact, especially when it comes to customer contracts, the longer the contract, the more valuable your company. We've seen too many marketers worn out from difficult dealers, or assuming long-term customer loyalty, get stung when they see offers. Be aware that because fuel and lubes demand is basically flat nationwide, most marketers are getting more aggressive with door knocking. Therefore, buyers typically severely discount any gallons that aren't tied down. Whether you are selling or not, renew early! And if you are in danger of losing your brand, it can be even worse. Stay in good graces with suppliers.

Pitfall #2 – Stop growing your business. When you are tired and ready to get out, it's easy to lose your passion for hitting the streets. But, did you know you can literally move an EBITDA multiple as much as 3 points just by having your business trending up rather than down? That an uptrend can as much as double your selling price? Smart marketers are putting a lot of time and attention this year on sales teams and sales processes (we've added a workshop on sales management at our Focus on Competitive Advantage event in Tucson so CEOs can better manage their sales managers!). Do not let your tiredness seep into your sales team. Know when you need help and go get it. Keep those volumes moving up!

Pitfall #3 – Hanging on to unprofitable sites and sectors. It's so sad when we see marketers emotionally attached to sites and sectors that are losing money (and often have been for years), knowing their company would be worth MORE if they just peeled off the bad parts. Think about pruning a tree that's been damaged. When you cut off the old branch, the remaining ones grow chutes and take off towards the sky. Why does this work in petro? Because once you make that painful, needed cut, your time and attention gets laser focused on your remaining winning sectors! So, make the emotionally tough, but most profitable decision, to first sell off all your dogs. While it may feel more comfortable and easier to let a new buyer do that, it will cost you in the long run.

Pitfall #4 – Reluctance to raise prices or shorten terms. When you have long-term loyal customers, it can feel easier to just stay at old rates and terms where everyone feels comfortable. For instance, a company we valued the other day had not changed their freight rates in over seven years! Another company had extended terms, which might have been fine

in high margin situations years ago, but now was killing their cash flow.

What drives the status quo is usually fear (we might lose customers if we change anything) or complacency (who wants to bother with all that when we are going to sell anyway – let the new guy do it.)

The reality is that in ALL cases, not just SOME cases, but ALL cases where we recommended terms and/or pricing changes and marketers implemented, they did NOT LOSE customers! Need motivation to take the risk? Then realize that for every extra \$100,000 in annual cash flow you generate, you'll likely recoup \$400,000 to \$600,000 at sale closing. That's huge incentive to get brave and make overdue needed changes.

Pitfall #5 – Avoiding tech upgrades. I must admit that I was flabbergasted when I learned that a 200 million gallon marketer could not tell me his weekly cash position because he was still using some archaic system (all because he didn't want to pay for an upgrade). What??? And this guy isn't planning on selling with kids already in the business!

What we find with sellers is they avoid tech upgrades due to hassle and expense. But when buyers look at their operations, they see they will have to incur those expenses and "ding" the price for what they see as necessary. In the meantime, the selling marketer is losing out on the efficiency and bigger bottom line that comes with good tech. So now we have a double whammy on value – lower cash flow and a lower than expected offer due to the buyer-forecast expenditures. Don't drag your feet on upgrades.

Pitfall #6 – Sucking Cash Out to Avoid Taxes. Here is where your CPAs advice can hurt you. CPAs hear "sell" and immediately start trying to reposition assets. So what's wrong with that? Plenty! That repositioning can cost you FAR MORE in price than you will ever save in taxes! Buyers want to see healthy balance sheets and you need cash to keep growing your business, so don't suck it all out! Make sure to keep enough cash to maintain your traditional equity percentage and try to never dip below the banker preferred 25% position no matter what happens.

Because Meridian is known for super accurate valuations and sage advice to increase market value, we are currently on about a 4-week waiting list which seems to always happen this time of year with everyone getting their year-end financials. If you are curious about what we would advise to make your company more valuable, create even more profit; consider ordering your valuation today to get in the queue. Once we receive your order, we'll contact you with a short list of what to send us. Financials, volumes, etc.

With Meridian's service, you never incur any extra expenses like pricey on site visits. Everything is done confidentially with your utmost privacy in mind. We also do many valuations for gift tax purposes if you are moving shares to the next generation. In IRS lingo, we are considered "industry experts"!

Questions? With over 20 years of valuation work solely for this industry, we welcome even your toughest questions and concerns. Call us at 817-594-0546 or 800-728-9005 toll free.

51st Legislature – 2nd Regular Session

The Arizona Legislature adjourned for the year on Thursday, April 24, 2014 at 1:42 a.m. following a session that lasted 101 days. During the session, 1,205 bills were introduced, 303 of which were passed by the Legislature. Governor Jan Brewer signed 278 bills into law and vetoed 25 bills. The Secretary of State received 35 memorials and referendums. The general effective date for most legislative acts (without an emergency clause or specified later dates) is July 24, 2014.

Below please find summaries of the key bills that APMA monitored during the 2014 session. If you have any questions or would like a copy of any bill or chaptered law, please contact Amanda Gray.

PETROLEUM INDUSTRY ISSUES

HB2708 – Budget (Rep. Kavanaugh)

The \$.01 (penny) per gallon UST tax is redirected to the UST assurance account on January 1, 2015. Clarifies that ADEQ is not required to take any action on an application for coverage, reimbursement or payment from the assurance account until a new UST program is effective. Clarifies that ADEQ has stop use (red tag) authority when an owner/operator does not have the legally required financial responsibility in place, following a thirty-day notice period and an opportunity to demonstrate compliance. Includes legislative intent language regarding the formation of a new UST program, which will include a baseline assessment of all existing USTs, corrective action for historical releases, removal of USTs at the owner/operator's request, standard policy private insurance, and reasonable deductibles.

Also makes various changes that impact the budget across agencies, including requirement that any unrestricted federal monies be deposited into the general fund, allowing appropriations for all budget units to be limited to one fiscal year for FY2014-15, and others. Signed by Governor on April 11, 2014. Chap. 14, Laws 2014.

SB1314 – Board, Department and Commission Continuations (Sen. Melvin)

Extends the statutory life of ADEQ for eight years to July 1, 2022, retroactive to July 1, 2014. Also extends the statutory life of other Commissions and Boards.

Modifies the legislative intent language from HB2708 to note that as an alternative to the baseline assessment or the standard insurance policy, the new program must allow an owner/operator to demonstrate to ADEQ that the financial responsibility requirements in state and federal law are already being met.

Signed by Governor on April 30, 2014.

HB2128 – Vapor Recovery Systems (Rep. Pratt)

Stage II vapor recovery system controls will be decommissioned and removed from existing fueling stations between October 1, 2016 and September 30, 2018 or the date approved by the U.S. Environmental Protection Agency. Installation of stage II controls in newly built fueling stations is no longer required. Maintenance of stage II systems in existing fueling stations must continue until decommissioning occurs. Makes no changes to requirements for stage I vapor recovery systems. The bill contains an emergency clause and became effective when signed by Governor Brewer on April 22, 2014. Chap. 132, Laws 2014.

TAX/BUDGET ISSUES

The FY 2014-15 budget was passed in early April. The budget provides \$9.23 billion in annual spending, including increased funding for Child Protective Services, K-12 education, higher education and various areas of tax relief. The budget also provides for \$30 million to reduce the shifted revenue from the Highway Users Revenue Fund. The budget con-

tains legislative intent language that a special session will be called to address Child Protective Services reforms. Signed by Governor Brewer on April 11, 2014.

HB2288 – Sales Tax Reduced Reporting Requirements (Rep. Lesko)

Taxpayers with annual transaction privilege tax liability between \$2,000 and \$8,000 are required to pay TPT on a quarterly basis (instead of a monthly basis), and taxpayers with annual TPT liability less than \$2,000 are required to pay on an annual basis.

Signed by Governor on April 22, 2014. Chap. 141, Laws 2014.

STATE AGENCY ISSUES

HB2112 – ADWM False Statement Penalty (Rep. Fann)

It is a class 2 (second highest) misdemeanor to knowingly file with ADWM any notice, statement or other document required by a licensing-related statute if that document is false or contains any material misstatement of fact.

Signed by Governor on April 16, 2014. Chap. 47, Laws 2014.

HB2125 – Air Quality Forecasting in Nonattainment Areas (Rep. Pratt)

ADEQ is required to develop on disseminate air quality dust forecasts for any PM-10 nonattainment or maintenance areas in Arizona beginning January 1, 2012.

Signed by Governor on April 17, 2014. Chap. 86, Laws 2014.

HB 2459 – Rulemaking Restrictions (Rep. Farnsworth)

State agencies would have been prohibited from adopting a new rule or an amendment to an existing rule that would restrain or burden the free exercise of vested rights, and could have only adopted a rule that was strictly ministerial in implementing legislative standards or part of a comprehensive effort to reduce regulatory burdens. Any person subject to a civil or criminal proceeding arising from the enforcement of a rule in violation of this would have a defense to the enforcement action.

Veto message from Governor: Discusses Governor Brewer's rulemaking moratorium and concludes that this legislation would have unintended consequences negatively impacting state agencies' ability to implement state law.

OTHER

HB2430 – Combination Vehicles Size, Weight and Load (Rep. Fann)

ADOT or a local authority is authorized to issue special permits for any combination truck/tractor/semitrailer if the overall length of the cargo carrying unit of the vehicle combination does not exceed 95 feet and the overall gross weight of the vehicle combination does not exceed 129,000 pounds. Special permits may be issued for 30 days, in addition to the previously allowed one year, and establishes fees for permits.

Signed by Governor on April 16, 2014. Chap. 60, Laws 2014.

SB1306 – Government Entities Credit Card Payments (Sen. Griffin)

A governmental entity may require that a vendor accept a specific method of payment exclusively for any goods or services provided by the vendor to the entity, but the governmental entity must disclose the method of payment during the bid process or amend the contract under mutual agreement with the vendor. If a governmental entity pays a vendor by credit card, the entity is required to disclose on its annual financial report the amount of reward, discount or other financial consideration received by the entity resulting from such credit card payment.

Signed by Governor on April 22. Chap. 118, Laws 2014.

(Most) Everything You Wanted to Know About the SPCC Rule but Were Afraid to Ask

By Brett D. Smith, PE / Environmental Compliance Associates, LLC



Some good reasons for having a proper Spill Prevention Control and Countermeasure (SPCC) Plan:

- ❖ **2012:** Louisiana oil production facilities fined \$29,400 for “violating federal SPCC regulations.”
- ❖ **2011:** Oregon farm fined \$34,000 for fuel spill and “not having SPCC provisions in place.”
- ❖ **2010 – 2011:** Idaho jobbers each fined \$15,000 for having “inadequate SPCC Plan and secondary containment.”

Did you know that?

- 5-year Plan reviews don't always require a Professional Engineer (PE)?
- Your company's PE is allowed to write SPCC Plans (Plans for your facilities)?
- You can write your own Plan, if your facility stores no more than 10,000 gallons of oil-based liquids?
- Tankers don't always need a Plan?
- Empty tankers can park overnight without sized secondary containment?
- Unloading areas usually don't need sized secondary containment?
- Some storage tanks only need to be inspected every 20 years?

Why this article? This article should clarify misconceptions that the regulated community has regarding the SPCC Rule (40FR112 – the Rule). Now that the EPA has finalized the compliance deadlines (May 2013 for farmers and November 2011 for everyone else), the regulated community is once again taking SPCC compliance seriously.

History of the Rule [40CFR112]. In 1973, the Rule was originally published in the Federal Register under the Clean Water Act and was modified in 1990 to strengthen the EPA's ability to respond to and prevent spills like the 1988 Ashland Oil tank rupture and the Exxon Valdez incident in 1989. Major changes were made to the rule in August 2002 and February 2007. The Rule applies to owners or operators of facilities that drill, produce, gather, store, process, refine, transfer, distribute or operationally utilize oil-based fluids.

Who is subject to the Rule [40CFR112.1]? The Rule requires a Plan for any facility having a combined storage of at least 1,320 gallons of oil-based liquids and the *potential* to reach a nearby stream, river, pond, lake or other water body (navigable water). Few facilities are exempt from the navigable water criteria, because the Clean Water Act considers a “stream” to include seasonal or rain-dependent channels that can be bone-dry most of the year!

What is a navigable water [40CFR112.2]? In 2008, the American Petroleum Institute (API) and Marathon Oil Company challenged the broad, far-reaching definition of a navigable water that the EPA promulgated six years earlier, as the oil industry maintained that sufficient explanation was not given. The U.S. District Court agreed with the challenge and restored the narrower 1973 regulatory definition. So, today (as in 1973), a navigable water comprises only interstate and intrastate waters such as lakes, rivers and streams that are used for interstate recreational purposes and/or from which fish or shellfish can be taken for interstate commerce.

What are the benefits to having a Plan? A well-written and implemented Plan provides considerable operational benefit to your facility, by way of improved secondary containment systems and spill response preparedness that together minimize otherwise newsworthy spills. Spill reduction translates directly into soil / water contamination reduction which guards against costly and unpleasant State regulatory compliance actions. Even though your Plan addresses the Clean Water Act, it also addresses your State-mandated “Clean Dirt Act” by preventing soil contamination and the invariably costly clean-up measures.

Who can write a Plan [40CFR 112.3, 40CFR112.6]? Until recently, only a PE was allowed to write Plans. In February 2007, the EPA allowed “qualified facilities” to write and “self-certify” their own Plans, provided that the facility stored no more than 10,000 gallons (combined) oil and never experienced single discharges (to a *navigable* water) that exceeded 1,000 gallons or never had two such discharges that exceeded 42 gallons within any 12-month period during the three years prior to the Plan's certification date. Because a PE is accountable to a State engineering board, the Rule allows the PE to write Plans for facilities owned by his/her employer.

Plan amendments and 5-year reviews [40CFR112.5, 40CFR112.6]. The Rule allows facility owners to conduct their own 5-year reviews and make Plan amendments without the assistance of a PE. However, facilities that cannot self-certify, must have a PE certify all *technical* amendments (ie, changes to secondary containment). Conversely, *qualified* facility owners may make all non-technical and *technical* amendments without PE certification, except when *alternative measures* to secondary containment systems are specified. All amendments must be implemented within six months after being incorporated into the Plan.

The 5-year Plan Review process goes quite smoothly *without* PE involvement, but only when the Plan has been incorporating and implementing non-technical and technical amendments on an *ongoing* basis, thereby keeping the Plan current and ready for unannounced EPA inspections.

General versus sized secondary containment [40CFR112.7(c), 40CFR112.8(c)(2)]. The term “secondary containment” does not always require a containment *structure* (ie, impervious floor and berms). Unlike *sized* containment, where structures are mandated, *general* secondary containment allows for several spill prevention options like sorbents, booms and spill diversions, with sized containment simply being another option.

Some engineers wrongly interpret general secondary containment to be a containment *structure*, much to the dismay and frustration of their hapless clients. To be fair, the distinction has not always been crystal clear, as regulatory language seems to be written for attorneys and not engineers, jobbers and the rest of the world.

Loading rack [40CFR112.7(h)]. The loading rack is where tankers *receive* fuel from an onsite storage area (ie, tank farm). Until October 2007, much confusion existed as to what comprised a loading rack, but the Rule now considers a loading rack to be a “fixed structure” with a “loading arm” that may include “piping assemblages, valves and pumps”. The 2013 EPA Inspectors Guidance manual considers the key element to be a loading *arm* and further states that a pipe-stand or flexible hose configuration does not comprise a loading rack.

The Rule requires that loading racks have enough secondary containment to hold the largest tanker compartment anticipated to receive fuel at the facility. Uniquely only to loading racks, the Rule does not require containment for precipitation, thus minimizing the required capacity of the structure.

Unloading area [40CFR112.7(c)]. The unloading area is typically where tankers unload fuel to onsite tanks. The Rule clearly states that *general* SC (vs *sized*) secondary containment requirements apply to these areas, saving facility owners considerable capital expense.

Mobile refuelers [40CFR112.8(c)(11)]. In February 2007, the EPA amended 40CFR112 to exempt non-DOT (not regulated by the Department of Transportation) mobile refuelers from needing *sized* secondary containment (SC). DOT regulated mobile refuelers (ie, tankers) are also allowed to implement only general (vs *sized*) SC, unless making transfers at loading racks.

Parked tankers [40CFR112.8(c)(2)]. When a partially-full or full tanker is parked overnight, it is considered *stationary* oil storage and therefore subject to *sized* SC requirements. Fortunately, this is easily remedied by simply parking the tanker within a loading rack containment when the latter is not in use.

Baseline tank integrity inspections [40CFR112.8(c)(6)]. No specific criteria exist as to *when* initial or baseline inspections are performed on tanks regulated by the Rule. Some well-regarded SP001 inspectors believe that recently constructed tanks nonetheless require baseline inspections, whereas others specify a more lenient inspection schedule, based upon the premise that new tanks should easily pass the wall thickness, MIC and general structural integrity criteria. By this approach, Category 1 tanks are recommended for inspection 20 years from their date of manufacture, whereas Category 2 and 3 tanks are typically inspected many years sooner.

Ongoing tank integrity inspections [40CFR112.8(c)(6)]. The Rule requires owners to perform tank integrity inspections by way of an “applicable industry standard”, such as the Steel Tank Institute’s SP001 (5th Edition) Standard or the American Petroleum Institute’s API-653 Standard. API-653 is utilized for vertical, single-walled steel tanks of any size, whereas SP001 addresses shop-built and field-erected steel tanks no greater than 30-ft diameter and 50-ft tall (tanks having storage capacities less than 50,000 gallons). The following discussion pertains to the SP001 tank inspection standard. The SP001 classification or category of a tank significantly impacts how and when the tank is inspected. For instance, a 5,000 gallon tank having adequate spill control

and passive leak detection (Category 1) *only needs* informal employee-conducted monthly and annual inspections, yet if it lacks spill control and leak detection (Category 3), it may *also need* third-party formal (external and internal) inspections and leak tests every 5 to 10 years.

Needless to say, the SP001 Standard rewards facilities having Category 1 tanks, in the form of considerably less tank inspection costs!

The term “applicable industry standard” appears in the regulation, to encourage usage of the EPA-recognized SP001 and API-653 standards, which have time-tested tank inspection protocols. When a Plan attempts to replace these standards with anything else, considerable legal and regulatory expense may result, especially when enduring a post tank leak / rupture inspection by the EPA. Plans have been incorrectly written to cite inspection standards such as UL-142, – a tank *construction* (not inspection) standard, while some PEs have specified their own tank inspection protocol for riveted steel tanks, instead of using API-653. If your Plan has such tank inspection language, either change it to specify established inspection standards or confirm that the certifying PE has more liability insurance than you, as you might be on the hook for the difference when the next significant tank leak or rupture occurs!

Please consider the following *facts* regarding SP001 tank integrity inspections:

- ❖ Tanks having sufficient wall thickness, no microbially influenced corrosion (MIC), leaks, cracks, settlement or structural damage, could be certified “Suitable for Continued Service”, even when *lacking* adequate vents or other tank system features.
- ❖ The Steel Tank Institute does not consider tank liners to be an acceptable method of tank-wall repair.
- ❖ Only certified SP001 tank inspectors may perform formal SP001 tank inspections. There are no exceptions to this requirement, even when the inspector is a PE having an onsite NDT crew that reports to him/her.
- ❖ Only API-653 inspectors can inspect (and certify) riveted tanks. Alternative inspection protocols must demonstrate equivalence to this long-established, time-proven standard.
- ❖ Oil-filled equipment that uses (vs stores) fluids is exempt from the SPCC *integrity testing* requirements.

In closing ...

My experience with reputable petroleum marketers has been nothing short of delightful, as they genuinely care about environmental compliance, while simultaneously handling myriad operational issues. Two useful resources are the EPA’s Emergency Management Program (<http://www.epa.gov/emergencies/content/spcc/index.htm>) and the Steel Tank Institute (<http://www.steeltank.com>). Facility owners need to prepare Plans that are current with the latest regulatory changes, to avoid implementing (costly) ineffective and unnecessary compliance measures. Finally, your self-certifying employee or certifying PE must identify ethical, qualified tank inspectors who can *objectively* determine the best way to certify your storage tanks, so as to achieve environmental compliance in a cost-effective manner.

You can reach Mr. Smith at (208) 968-9705 (office) or (509) 366-1205 (cell) or ecabrett@cableone.net.

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Bill Champlin (Chair), Bill Bunch, Cameron Trejo, Dave Alexander, David Armstrong, Jason Davis, Jess Miller, John Kennedy, Jon Trejo, Lynn Niewiadomski, Mike Mathers, Sally Voyles, Troy Little, Warren Lueth, Sreenath Thota

UST Subcommittee

Troy Little (Chair), Bill Bunch, Bill Champlin, Bill Havard, Cameron Trejo, Don Whitehead, John Kennedy, Jon Trejo, Roger Burton, Sally Voyles, Warren Lueth, Matthew Schuessler, Doug Bowers, Brian Wiegert, Leland Gould, Sreenath Thota

Safety Committee

Apryl Erekson (Chair), Tod Dennis, Josh Wall, Kevin Bennett, Blane Moore, Stephen Austin

Conference Committee

Cameron Trejo (Chair), Jason Davis, Michelle Bloom, Tyler Herzog

Fuel Monitor Committee

Brian Wiegert (Chair), Alan Ring, Frank Thompson, Joanna Morrow, Matthew Schuessler

Email amanda@apma4u.org if you are interested in joining any committee.

New Member Spotlight

March – June 2014 New Members

XOffice, LLC

Peter Koegel

Pkoegel@xoffice.us

XOffice is an associate member specializing in software and consulting.

MJG Gas Station Specialists

Michael Green

Mike@mjgspecialistsaz.com

MJG Gas Station Specialists is an associate member working in commercial real estate and business brokerage of gas stations statewide.

TPS Tech America

Joe Zakhar

Zakhar.joseph@gmail.com

TPS Tech America is an associate member specializing in vapor extraction and recovery, thermally enhanced vapor extraction and recovery and thermal conduction heating for the remediation of in-situ and ex-situ contaminated soils.

Alon Brands

Dave Burgoon

Dave.Burgoon@AlonUSA.com

Alon Brands is a wholesale marketing member that markets and supplies independent and company-owned retail locations.

RINAlliance

Lisa Coffelt

Lisa@RINAlliance.com

RINAlliance is an associate member that specializes in compliance software.

Welcome to APMA!



Save the Date

APMA 2014 Annual Conference & Golf Outing Sedona, Arizona

Conference
October 5-6
The Enchantment Resort

Golf Outing
October 7
Course TBD

Resort reservations are available now by calling **800-826-4180**.

Blocked Daily Room Rates*:

\$209 per night for Casita Bedroom/Deluxe Studio

\$289 per night for Casita Junior Suite

\$445 per night for Casita One Bedroom

*In addition to daily room rate, there will be an **\$18 per room** daily resort fee based on double or single occupancy, plus applicable taxes. Porterage (for golf carts) is at each guest's discretion.



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