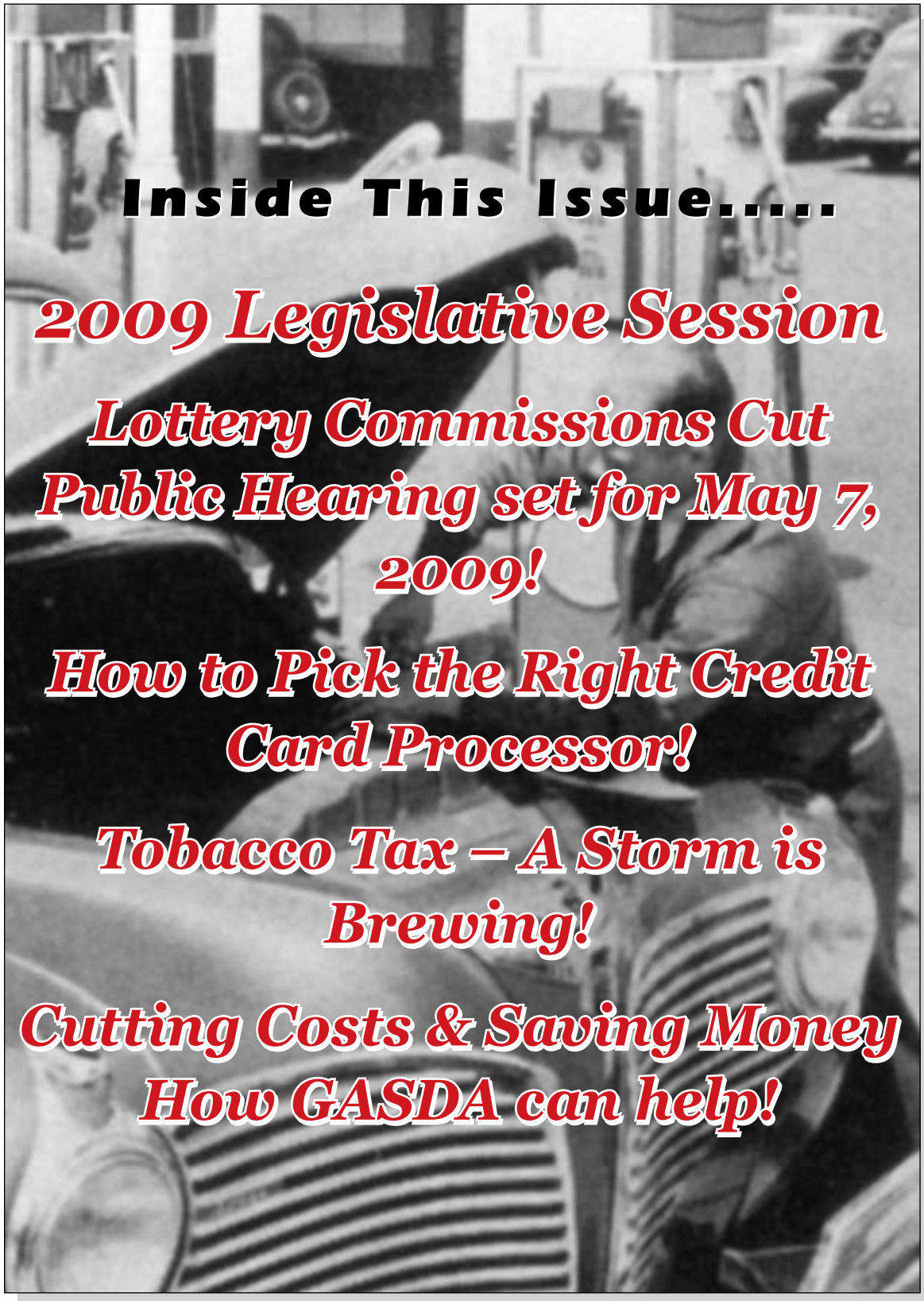

SURVIVOR

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2009 Legislative Session

Lottery Commissions Cut Public Hearing set for May 7, 2009!

How to Pick the Right Credit Card Processor!

Tobacco Tax – A Storm is Brewing!

Cutting Costs & Saving Money How GASDA can help!

Gasoline & Automotive Service Dealers of America, Inc.
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www.GASDA.Org

2009
Issue Number 24

EXECUTIVE DIRECTOR'S MESSAGE – By Michael J. Fox,

The 2009 Legislative Session

The 2009 Legislative session is now well under way and currently GASDA is monitoring over 60 pieces of legislation, testified at 5-public hearings and held numerous meetings with legislators regarding up coming legislation. The General Assembly is raising as many bills as possible and holding public hearings on all issues raging from income tax increases, raising the sales tax, lowering the sales tax, tax increases on gasoline, cigarettes, liquor and anything else they can think of. The purpose or intent is to have as many public hearings so that when leadership goes behind closed doors and hammers out the budget, they can do what they want because a public hearing was held on the issue.

This is not a smart way to run our State, they can't even agree on the size of the deficit, let alone how to fix it. This means real problems for your business. One proposal is to increase the fee for a milk license from it's current $30.00 to $500.00 or more depending on how much milk you sell. This simple put, means the average C-Store will need to sell 2,500 gallons of milk just to pay for the license. Now, if you think that is bad, they intend to take some of this money, create a fund to save the farmers. Now, I am all for savings our small family run farms, but this is just plan crazy! Where is the fund to save the local service stations or repair shops or bakery or C-Store. If you go down this road, where does it end and we all are going to pay for this. Your voice must be heard and believe me, you will have plenty of support. Do not be fooled into thinking the other guy/gall will do it, because this will take a collective effort and we all must come together as small business owners.

Too see a complete list of bills you can go to the GASDA website 24-hours a day, 7-days per week and on the front page at the top click on legislative information. Then you will see all the bills as a Senate Bill (SB) or House Bill (HB) and click on where it says "click here for complete bill information". Do not click on the bill number or name to the right. Once you click on, you will be redirected to the State of Connecticut site and can get any and all information, vote tally's, bill changes etc. complete and up to date. This real time information and the only way you can be more up-to-date is to be in Hartford on a daily basis. At any time, the best way to communicate with me is to send me an email to mike@gasda.org and that gets forward to my computer and cell phone whenever I am out of the office. Please keep in mind, that this is the wildest session I have ever seen. Things are changing so fast, it is almost impossible to keep up. Thank god for lobbying team of Judi Malone and the group at Sullivan & LeShane. Without them, we all would be lost! I just don't know how they keep up and do what they do, but this year, they really are the best of the best!

We will continue to speak out on your behalf and voice opposing to anything that will increases costs to your business, but in the end, we will see fee increases and some tax increases. The size of the budget deficit will require that to happen. We will try out best to reduce the size of any increases and where possible, have them sun set and not be permanent increases. Much talk about a millionaires tax again, but so far, the talk is starting at $150,000 of income and that is not a millionaire to me!

Again, this is all speculation right now, but we must take it serious. Tolls are on the table and we have supported gateway tolls as long as it gets out of state traffic to pay and reduces the gas/gross receipts tax. We do not support tolls if the gas and gross receipts tax stay the same. Much has been said about a new E-Z Pass system that would charge out of state drivers a higher price that in-state drivers and the legality of that is being checked as we write this. We all our currently paying way to much for gasoline because of our tax structure and that needs to stop. This back and forth only creates havoc for the state and continues to driver our dealers out of business. The state needs to be more small business friendly and help the business owners who remain here in Connecticut and support our State.

We have done our part during tough times and now it is the States turn to stand up and be counted when it counts the most!

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Hidden Card Processing Fees May Be Eating Into Your Profits

Information provided by GASDA Recommended Vendors

What if you order a burger, and the price on the menu is $5.99? But when the check comes, you owe $10.99 – because your server didn't tell you about all the added fees for the ketchup, lettuce and more. You might think this is ridiculous. Yet, card processing costs are often hidden in a similar fashion.

You may have been promised a great rate – let's say 1.64%. But when you take a closer look, you are likely paying much more. Many processors quote a low rate to make the sale and fail to point out that only a small percentage of your transactions qualify for that rate. They don't tell you the remainder will be charged at a fee that could be as much as double or triple that low rate. You can do something about this. You can slice hidden fees from your card processing costs – and reduce your out-of-pocket expense on every sale. First, uncover your true rate and then take a closer look at your monthly statement.

Do This Quick Math To Determine What You're Really Paying For Each Transaction:

1. Add up your Visa® and MasterCard® fees.*
2. Divide that number by your total Visa and MasterCard sales volume.*
3. Multiply that number by 100.

The resultant percentage is your true or "effective" rate. It includes the fees you pay card companies such as Visa and MasterCard —known as "interchange"— as well as the fees you pay your processor. Odds are your effective rate is higher —perhaps a lot higher— than you think. Why? Because many card processors hide fees behind cryptic codes, indecipherable jargon and fine print in offers and contracts. Then, their monthly statements are so hard to read, you have no idea what you're really paying.

Control What You're Really Paying.

Processing statements are often confusing and hard to understand. To help you navigate yours, we've developed a fictional monthly statement. It's based on a dozen different processors' statements and illustrates some common deceptions that can increase your per-sale cost enormously with no added value to you.

What types of cards are these?

By not identifying the card type, many processors charge you more for lower-cost transactions. Debit card transactions, for example, usually cost less than credit card transactions. Make sure you're being charged less.

1. Not all card transactions are created equal.
2. The card companies charge more than 250 interchange rates, depending on the type of business, card, and transaction. To make it even more confusing, many processors create their own categories —like "qualified," "non-qualified" and "mid-qualified"— as a way to mark up the rate card companies charge without full disclosure.
3. "Total card fees" don't represent the real total.
4. In this statement, you need to add the "less discount paid" line item (the fee you pay your processor) to the "total card fees" line item (the interchange you pay) to arrive at your real bottom-line costs. "Total card fees" is just part of the total you pay.

Statements are confusing, but GASDA can Help! At no cost to you, we'll walk you through your statement, show you what you're really paying and how you may be able to save money! For a FREE analysis of your credit card business call the office at 203-327-4773 or go to the GASDA website and on the home page click on vendors to find the GASDA Recommended Vendors!

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*Visa Check card and MasterCard MasterMoney debit card processing rates were reduced beginning Aug 1,2003 as a result of the Wal-Mart (and other merchants) and Visa/MasterCard settlement.

NatLUST Now Servicing Retailers Needs in Connecticut!

NatLUST is pleased to announce that **Chevron**, **Cumberland Farms**, **Republic Oil**, and **Sunoco** are participating in its Connecticut UST claim-financing program. But NatLUST is not just for the Major's. It's program services the needs of single stations owners as well!

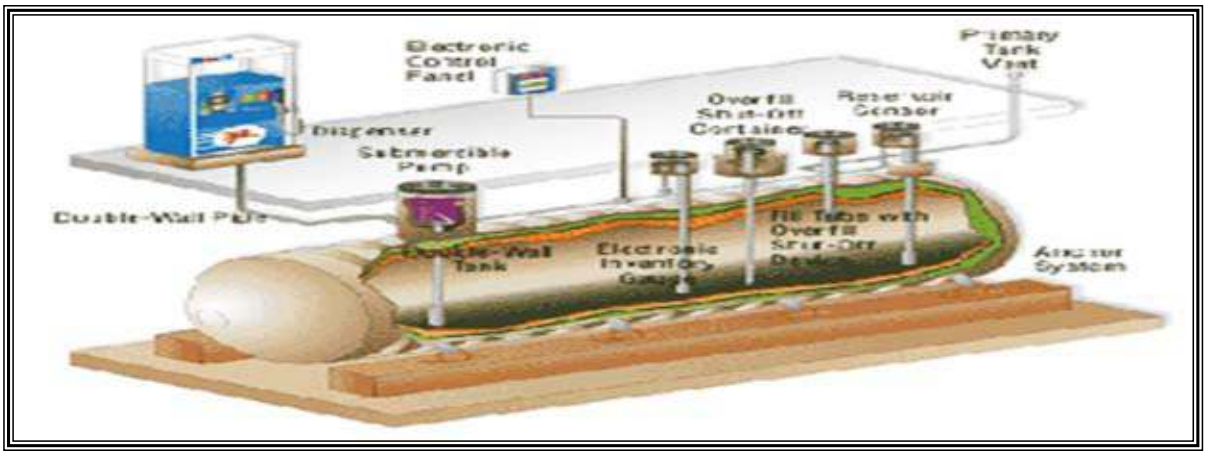
Said **Peter Kasbohm**, Senior Project Manager with Chevron, *"Chevron has used NatLUST's claim-funding program with great success for several years in Virginia, and we are now using it in Connecticut, too. NatLUST's program makes tremendous sense, and Connecticut's DEP, as well as GASDA representatives, all deserve thanks for establishing NatLUST as an option for owner / operators. I look forward to NatLUST's expansion into additional states in coming months."*

Connecticut's DEP has markedly increased the number of old claims it processes in recent months and projects that the UST Clean Up Account will go into delayed payment around the end of Q3-2007. In anticipation, Connecticut's legislature amended the statute that govern the UST program to allow tank owners to assign their reimbursements to third parties such as NatLUST. Carrying costs for NatLUST's Connecticut program have recently been running less than 1%, implying that participants are recovering about 99%, but will fluctuate directly with how quickly claims turn over.

NatLUST is a 501(c)(3) nonprofit environmental financing program that provides immediate liquidity to claimants with UST claims payable by state sponsored UST funds. NatLUST has funded over 6,000 UST claims totaling more than $60 million since 2002. For more information on how the Connecticut's NatLUST program can work for you contact:

Lindsay Trittipoe, *President*, NatLUST

Telephone: 804-358-6661 E-mail: lt@natlust.org



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Partnerships supporting growth

More New GASDA Programs that can Cut Cost's and Generate Additional Profits!!

While cutting costs has always been in fashion, the last two years have demonstrated that this has become critical to your continued success and future profits. The trick is a companies ability to continue to cut or reduce costs, but not cut services and continue to increase sales. GASDA has worked with and created programs for our members, that cut and reduce your cost and in most cases, actually generate additional revenue for you. One that comes to mind is our new credit card processing programs. Any retailer that accepts credit cards needs to have a **FREE** Credit Card analysis of your existing business. If you are currently supplied by a Major oil company or distributor of a major brand of gasoline, these programs might not work for you because you must take the proprietary card of the brand you sell, but since the evaluation is **FREE**, you have nothing to lose and everything to gain by checking them out. Please call Andy Anderson at 315-414-0107 or email — aanderson@cocard.net. Andy is with CoCard that is currently offering you $10.00 cash to provide a written quote. Imagine that someone paying you to come out and give your business a quote. Unless they really can save you money, they would not be in business very long paying out money and not getting any business in return. In addition, check out Heartland Payment Systems by calling 866-976-7202 or visit Heartland at www.healtlandpaymentsystems.com. Credit Card fees are a major cost factor and with so many dealers purchasing their locations, now is the time to shop. But, beware of the many, many companies that promise to save you money and in the end the delivery nothing but more fees. GASDA takes the time to review each vendor before sending them out to you the retailer. We work with our committee leaders and try there services in a location first to make sure they can deliver what they say they can. This saves you the time and expense of going through this process!

After 5-long years of trying, we finally have a GASDA Health Insurance Program that has saved as much as $200.00 per person, per month. For your **FREE** analysis of this new program, give Jackie Mitler or Victoria (Tori) Pond at 800-390-9426 or you can email them at: Jackie jmitler@allinsurancebenefits.com and Tori — vpond@allinsurancebenefits.com. Again this is a **FREE** analysis of your existing program. In many cases, we have been able to provide better coverage, lower deductibles, as well as lower monthly costs. We started small and conservative with this program, but 2009 and 2010 are looking very good for this new and exciting program. The savings and coverage, plus the service provided by Jackie and Tori has been nothing but fantastic! The key feature we are finding is that your current agent will come back with lower prices, but still cannot beat our prices. This begs the question—why did they not offer you the lowest price right from the beginning. The simple answer is because they had no competition and now they do!

Many of you might remember Pat Secchiaroli as a former ExxonMobil SBC and now Pat is working with Petroleum & Franchise Capital. GASDA welcomes them aboard as an addition vendor providing loans for Acquisitions, Refinancing, Remodeling or Construction Financing. In this very difficult credit market, GASDA is pleased to welcome aboard Pat and his team and add them, along with Karen Tessman of Diverse Funding to our GASDA Approved Vendor Program. We now have two credit providers who understand our industry as Karen is a current ExxonMobil dealer and Pat is a former ExxonMobil Sales and Business Consultant.

More good news for dealers is our New Phone Card Program through NuMoney. This exciting program will now allow you to NOT be required to carry phone cards that are activated and can be lost or stolen! In addition, you can now offer Pre-Paid Cellular Phone Service and recharging services with all major Cellular Carriers. This is a huge new profit center with NO INVESTMENT on your part. See their ad in this Newsletter or call Kjell (pronounced Shell) Negard, Senior Sales Director and tell him GASDA sent you for special discount rates! 914-720-0475! Signs and Banners to advertise this service are provided **FREE**!

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Lottery Commission Cut - -Public Hearing Set!
Your voice must be heard at this meeting!

2008 and 2009 have turned out to be very tough years for our industry. Effective April 1, 2009 the Connecticut General Assembly passed a second deficit mitigation bill and the Gov. Rell signed it. As we have previously stated, the State is searching for revenue anywhere and everywhere. We understand that cutting Lottery Commissions hurts and fundamentally not fair. Through the efforts of many working together, the Lottery Commission has stated that it must hold a public hearing of its own before it can change the commission rate. Below is the announcement from the Lottery Commission and we are urging all to attend this meeting!

Connecticut Lottery Corporation Public Hearing
Notice of Intent to Amend Rules of Operation
Section 9: Retailer Compensation
Date: Thursday, May 7, 2009 ~ Time: 1:30 – 3:30 PM
Place: Connecticut Lottery Corporation, 777 Brook Street, Rocky Hill, CT 06067

CONNECTICUT LOTTERY CORPORATION
Notice of Intent to Amend Rules of Operation
Section 9 Retailer Compensation

In accordance with §1-121 of the Connecticut General Statutes, notice is hereby given that the Connecticut Lottery Corporation intends to amend Section 9 of its Rules of Operation regarding Retailer Compensation.

Statement of purpose: To review the rate of retail sales commissions and to revise Section 9 of the corporation's Rules of Operation regarding Retailer Compensation, to be consistent with recent changes to §12-806(b)(15) of the Connecticut General Statutes which reduced the floor on retailer commissions from an average of 5% to an average of 4%.

Copies of the proposed amendment to Section 9 of the Rules of Operation are available at www.ctlottery.org or at the offices of the Connecticut Lottery Corporation, 777 Brook Street, Rocky Hill, Connecticut 06067. All interested persons are invited to submit written data, views and positions in connection with the proposed amendment to James F. McCormack, Corporate Counsel & Director of Government Affairs at the above address within thirty (30) days following the publication of this Notice or to submit written or oral statements at a Public Hearing to be held on May 7, 2009 from 1:30 PM to 3:30 PM at the offices of the Connecticut Lottery Corporation, 777 Brook Street, Rocky Hill, Connecticut. Procedures for the Public Hearing may be found at the Connecticut Lottery Corporation's website, www.ctlottery.org.

James F. McCormack
Corporate Counsel & Director of Government Affairs

While this might just be a smoke screen, the hearing is scheduled for May 7, 2009 1:30 PM to 3:30 PM and you can attend and speak out! We encourage all to attend and see if we can stop the decrease from happening. Only by voicing your opposition do we stand a chance of preventing this from happening. GASDA has discovered that on October 2nd 2008, Lottery Commission Board members voted themselves an increase of $2.84% for the Sales Compensation Plan for fiscal years 2008 to 2009. They get a raise and you get a cut!! Somehow that just seems wrong! This is your chance to speak out! Call, fax or email the office to find out more about attending the lottery meeting!

UST Compliance Services that meet YOUR needs!!!!!!

Are you performing ALL of your required annual UST Compliance Tests?

Are you performing unnecessary tests that are costing your business valuable money & downtime?

Do you just assume that because your site is "inspected" once a year that your station is in compliance? Many UST compliance companies take the "universal" approach that most service stations require the same level of testing and compliance. That approach can oftentimes lead to wasted money on unnecessary testing and in some cases lead to fines or penalties for tests that weren't performed at all.

CCMI's approach is very different. We will work with you to set up a compliance program that meets ***your*** needs, not one that fits into ours. Our dedication to working with the individual tank owner(s) in developing a UST compliance program that they understand is paramount to our success. Our philosophy is that if you understand what is required to maintain compliance at your facility, then your business will run more efficiently – saving you time and money by allowing you to focus on the other aspects of your business.

Fax or mail this survey to CCMI and we will provide you with a free compliance consultation:

# of Tanks at your facility _____

Tank Capacities _____ **Installation Date(s)** _____

Tank Material/Type (choose all that apply)

□ Singlewall □ Doublewall
□ Fiberglass □ Cathodically-protected Steel □ Jacketed Steel

Leak Detection Monitor Present? □ Yes □ No If Yes, Make/Model _____

Product Piping Material/Type (choose all that apply)

□ Singlewall □ Doublewall
□ Fiberglass □ Cathodically-protected Steel □ Flexible Pipe

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Mailing Address: _____

Phone #: _____ Email: _____

Call CCMI today for a free consultation!!

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Tobacco: A Storm Brewing

Federal Tax increase, manufactures increases and possible State Tobacco Tax increases – What Does it all mean!

With a health-care focused president and a Democratic-controlled Congress behind him, it came as no surprise when the Children's Health Insurance Program Reauthorization Act of 2009 —also known as the State Children's Health Insurance Program (SCHIP) bill— was signed into law Feb. 4, 2009. The bill expanded SCHIP to cover an additional 4 million children on top of the existing 7 million already in the program, and called for an additional $35 billion in funding to be paid for on the back of the tobacco industry, in the form of an increase in the federal excise tax (FET) on tobacco products, among other measures.

Although the bill was passed nearly a month ago, confusion and questions remain in the convenience store industry regarding the details of the new FET rate, as well as the requirements of retailers. What is currently known are the new tax rates for each type of tobacco sold. According to the National Association of Tobacco Outlets (NATO), the new FET tax rates are as follows:

Adding to the ambiguity, the final regulations of the FET increase will not be available until they are issued by the U.S. Treasury's Alcohol, Tobacco Tax and Trade Bureau (TTB), which had only two months to draft and disseminate the policies before the April 1 deadline. One part of the law that raises a significant amount of

Product	Previous Rate	New Rate
Cigarettes	39 cents per pack	$1.0066 per pack
Large Cigars	20.719 percent of manufacturer's price; cap of 4.875 cents per cigar	52.75 percent of manufacturer's price; cap of 40.26 cents per cigar
Little Cigars	4 cents per pack	$1.0066 per pack
Pipe Tobacco	$1.0969 per pound	$2.8311 per pound
Chewing Tobacco	19.5 cents per pound	50.33 cents per pound
Snuff	58.5 cents per pound	$1.51 per pound
RYO; Cigar Wrappers	$1.0969 per pound	$24.78 per pound
Cigarette Paper	1.22 cents per 50 papers	3.15 cents per 50 papers
Cigarette Tubes	2.44 cents per 50 tubes	6.30 cents per 50 tubes

uncertainty is a floor stocks tax that requires all "individuals" in possession of tobacco products (i.e., retailers, wholesalers and manufacturers) to pay the federal government the equivalent of the difference between the old and new tax rate on all tobacco products in their inventories —with the exception of large cigars— as of 12:01 AM on April 1, 2009.

"A lot of questions still need to be answered, such as buy-one, get-one packages – how will they be taxed? And what happens if [retailers] pay the [floor excise] tax and then the product expires – do they get the tax back when the product is returned to the manufacturer?" The floor stocks tax is due to the Treasury on or before Aug. 1, 2009. It also includes a $500 credit on a per-company basis, not per store, warehouse or tobacco segment. A company operating 10 convenience stores receives only a $500 tax credit, not $5,000.

To Sell or to Pay

The April 1 deadline forces tobacco retailers to make some quick business decisions for their tobacco categories. Those who do not want to send Uncle Sam a large check in August may find themselves caught in a balancing act of selling down tobacco inventory while trying to avoid out of stocks. GASDA also advised retailers to set money aside in a separate fund for the floor stocks tax, to ensure it is available when the tax is due in August. You must consider that higher prices will cut sales of slower selling products and might want to get ride of them while you can!

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Mobil – Monroe – 3-bay Repair Shop – dealer walking out – $40,000

Mobil – East Windsor – 2-bay Repair Shop dealer walking out – $40,000

Mobil – Cheshire – 2-bay Repair Shop – $110,000

Citgo – Manchester – C-Store – $725,000 business only!
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Sunoco – Rt. 7 Norwalk, CT – 3-bay Repair Shop – Sold $135,000

Sunoco – Westport, CT – 3-bay Repair Shop – Sold $265,000

Shell – Danbury, CT – C-Store – Car Wash – Sold $250,000

Hess C-store – Car Wash – Port Orange, Florida – Sold $1,850,000.00

Shell C-Store – Rt. 7 Norwalk, CT – Sold $445,000.00

Shell – Riverside, CT – Dealer walking out. Fox sold in 1-week $100,000.00

Shell – CT – C-store, Car Wash dealer feel behind 2 months on rent.
No gas walking out Sold $90,000.00

Mobil – Rye, NY – 3-bay Repair Shop; For Sale by Owner 1-year no offers
Sold 4-months ~ $400,000.00

Shell – Stamford, CT – 3-bay Repair Shop, dealer terminated – Sold $90,000.00

Hess – Southing, CT – Kiosk – Sold $133,500.00

Exxon – Stamford, CT – 3-bay Repair Shop – Sold $450,000.00

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Washington Update: Credit Card Bill Passes House, Faces Senate

A bill protecting consumers from ***credit card company*** practices easily passed the House last week, and now goes to the Senate, which could adopt similar legislation as early as this week, The Associated Press reported.

"This is a unique opportunity to end abusive practices that afflict millions of families across the nation, to contribute to our economic recovery and to take a stand for American consumers," Sen. Christopher Dodd, chairman of the Senate Banking Committee and the bill's primary sponsor, told the AP after the House vote. "Now it is the Senate's turn to act."

The House measure, backed by President Barack Obama and called the Credit Card Holders' Bill of Rights, passed Thursday in a 357-70 vote. The bill, which does not address ***interchange fees*** paid by merchants to process credit card payments, would prohibit alleged double-cycle billing and retroactive rate hikes, and prevent credit card issuers from giving cards to anyone under 18, the report stated.

"The administration supports Congress' efforts to ... provide additional strong and reliable protections for consumers that ban unfair and abusive practices," the White House said in a statement following the House vote. "The nation's credit card system must have more accountability, including more effective oversight and more effective enforcement of credit card issuers who violate the law."

Obama recently met at the White House with executives of the credit card industry and ***voiced his desire for a credit card bill to become law***.

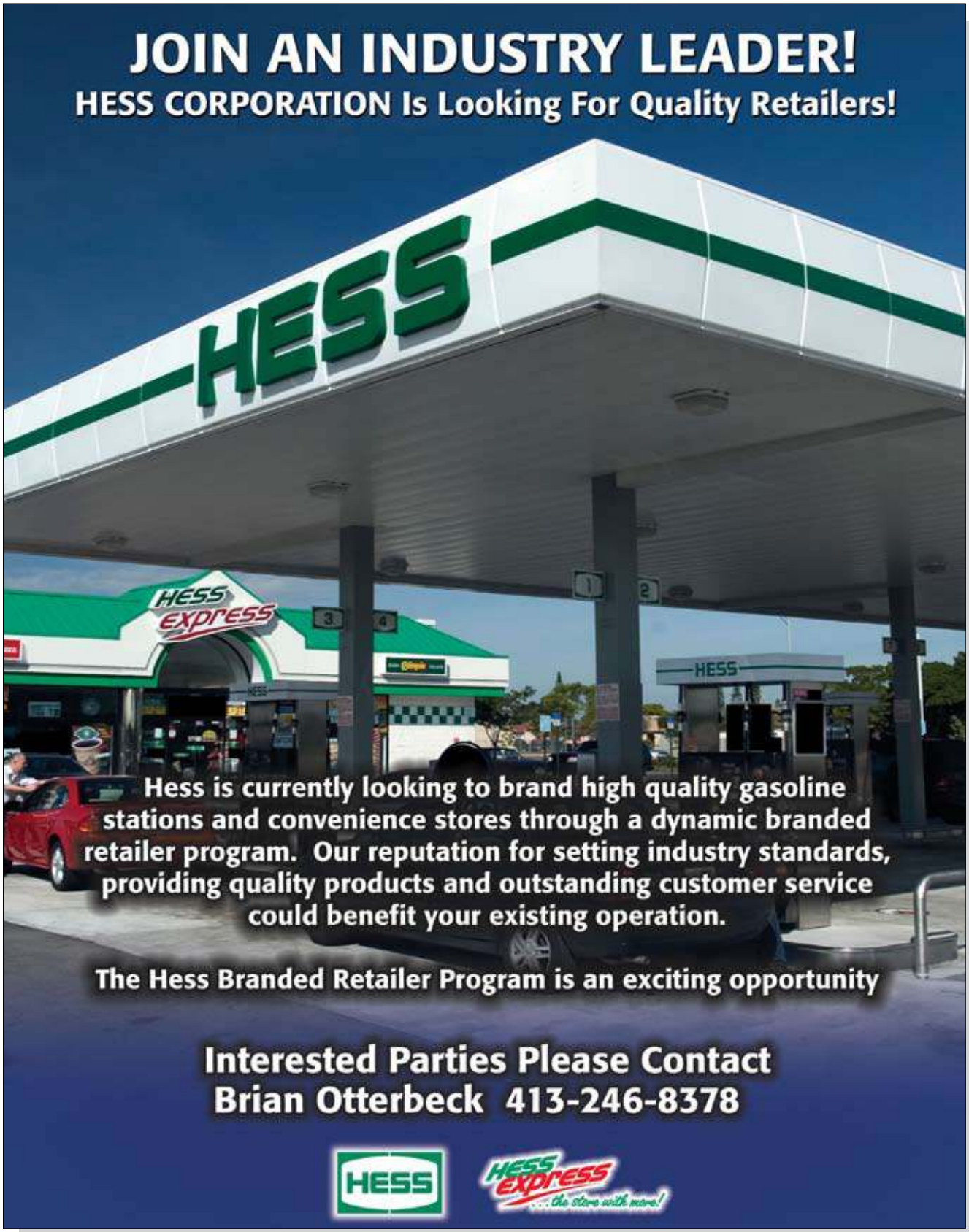
Supporters want to get the bill to Obama by the Memorial Day holiday, but acknowledged the House passage was just one step, and credit card industry interests could weaken restrictions during the Senate proceedings. If the bill becomes law, the new House provisions wouldn't take effect for a year, outside of a requirement where customers get 45 days notice before interest rate hikes, which would go into effect in 90 days.

Opponents include the American Bankers Association, which "strongly believes that any additional legislative efforts should strive to achieve the right balance between enhancing consumer protection and ensuring that credit remains available to consumers and small businesses at a reasonable cost," Edward Yingling, president and CEO of the association, said in a statement cited by the AP. "We continue to believe that more work needs to be done to achieve that balance."

House opponents tried to slow the bill's pace with amendments that would have given credit card issuers the opportunity to raise rates within the new restrictions.

"We shouldn't take credit opportunities away," Republican Rep. Jeb Hensarling, of Texas, said in the report. "I just want consumers to have choices. I want there to be a competitive marketplace."

While Hensarling and other Republican opponents endorsed the requirements for clearer disclosure, they said the legislation overall could prompt lenders to restrict credit in an already tight market to compensate for the new requirements, according to the report.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