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MORE CONNECTICUT RETAILERS TAKE ADVANTGE OF RIGHT OF FIRST REFUSAL!!

Yesterday, four more Fairfield County Retailers took advantage of a Law Pass in the year 2000 referred to as the Right of First Refusal. This law was a hard fought and won battle combining the forces of gasoline retailers and a strong Association. That law which only very few other State have, but not as strong as our law, proves that United we Stand and WIN!

I am sending this out and posting to the GASDA Web Site because we have many new dealers coming into the business and they have never heard of GASDA. We need to continue to spread the word.

These dealers and their families now have a more secure financial future as that not only purchased their locations but 3 of them, took advantage of a Vendor Programs utilizing John Morgan for legal counsel and Celtic Bank for financing. This made a difficult process easier. Both John Morgan and Celtic Bank had a very short time frame to make this happen. Using our Vendor Members and their expertise, both worked together as 1-TEAM to provide a quick closing and very competitive financing.This also reduced the dealers over all cost of doing business going forward. Not an easy task in the world we live in today.

As our industry continues to grow and change. Having control of your property allows for you to make decisions on your future, not a Major Oil Company or Distributor. This in no way means all Distributors are bad, but with more and more consolidation in the market and less and less Distributors to chose from. Common sense says they gain in power and control with less competition that benefits those dealers under Distributor agreements. Simply put, those dealers, along with the dealers who own their locations continue to need to band together as one.

A quick reminder of What GASDA has done in the past and continues to do today!

Reduction in the State Gas Tax from $.39 to $.25 per Gallon: While this agenda took over four years, by placing cuts in three of those four years the revenue spent to accomplish this goal has repaid dealers handsomely. How might you ask? Check this out! Average Annual volume of 1,000,000 gallons times' tax reduction of $.14 per gallon times average credit card cost per gallon of 1.5% equals $2,100.00 per year in savings. Not bad for $400.00 in annual dues. Being a member of GASDA pays, it does not cost.

Other Legislative Accomplishments: Passage of a dealer's Right of First Refusal to purchase your location. We are the first and only State to pass this type of legislation in any form. Is it perfect? NO but it is a beginning. Just like the Gas Tax we hope to build each year on this issue and make it better.
Actively participated in the legislative process to prevent passage of numerous bills that would have added to your operating costs through increases in fees paid. One huge example was a bill allowing Home Heating Oil Tank Owners to collect environmental costs from the Underground Storage Tank Fund. Our Gross Receipts Tax on petroleum products currently exempts home heating oil from this tax. Some legislators want an expanded use of the funds without taxing the heating oil.

Helped to create and participated in the "Task Force to Study Gasoline Pricing in Connecticut." This Task Force was the launching pad for reducing the Gas Tax, but also educated legislators to the plight of dealers. Not only does our industry change, but so do the names and faces in Hartford. This requires an ongoing education process for many new legislators. It also is a new opportunity to make changes as opposing viewpoints are replaced with a fresh face in some cases!

Started a dialog with legislators on replacing the Emission Testing Centers with dealers/independent repair shops performing this service for a fee. We accomplished this with the passage of a bill to allow a decentralized program. To be a part of this process from the very beginning is the key to success in the future. If we let the State create the entire program, dealers/independent repair shop owners will be left only with the cost of the program and none of the benefits. Just ask dealers in New Jersey, New York and Pennsylvania.

Supported and passed legislation that increased the penalty for gasoline drive-offs. This made the crime a 6th degree larceny, punishable by up to 3-months in prison and a $500.00. Created a pump sticker program to be placed on gasoline dispensers to inform the public about this new law that took effect October 1, 2003.

Relationships: The process of running a trade association could not be accomplished without building relationships. GASDA has developed relationships that opens doors for members. We can call offices of the Governor, Attorney General, Commissioners of Revenue Services and Consumer Affairs, State and Federal Legislators, and members of the Press. This kind of access is invaluable when working on important issues in a timely manner.

Legal Support: GASDA has excellent legal support for both state and federal issues. Over the years it has become increasingly important to have access to qualified legal team. Contracts are changing radically and attorneys that do not specialize in our industry, especially gasoline franchising cannot protect you against changes that may be obvious or may be subtle. If you are going to court, do you want an attorney that has to read twenty years of case law to understand your complaint or someone who knows and created that case law? The same applies to purchasing oil company property and receiving the proper environmental clearances. Currently this is a major issue in light of MTBE claims.

Nationally: Renewed alliances with other State associations and worked with the National Coalition of Petroleum Retailers (NCPR) to merge with SSDA to create one voice in Washington for dealers.

Federal Initiatives: Testified and participated in discussions on the mergers of ExxonMobil, and -BP-Amoco. The result of this participation is, over 1700 locations being sold to dealers rather than distributors. GASDA did not do this alone. By uniting with other Associations across the country we accomplished this huge task. The huge benefit for all dealers was our ability to educate the FTC on the changes in our industry. Dealers will gain more going forward from the FTC because of the information provided by GASDA and others on industry changes, hence creating a better environment for dealers tomorrow. Most recently becoming a member of the CMOC Commodities Market Oversight Coalition to educate Federal legislators on

the problems of letting investors treat crude oil, gasoline, home heating oil and diesel fuel as a paper commodity and traded across computers like stocks are.

These commodities were never intended nor allowed to be trade like stocks until a change was made in Federal law by lobbyist in Washington. This was done at 3 am on a bill that had thousands of pages and one page was inserted and changed 50-years of Federal law that worked. We all remember $150 a barrel crude oil, well this change in the law allowed it to happen! With the support and work of the CMOC the Dodd-Frank Act was passed into law and now the CMOC with GASDA as a founding member continues to work on the rule implementation of the Dodd-Frank Act. This has been our biggest fight to date, but again, we are in the game and winning the war.

Probably one of the most successful functions created since 1996 is our Public Relations Campaign to enlist the support of consumers on issues mutually benefiting retailers and consumers. The Public Relations Campaign has been responsible for the shift in public perception about who is to blame for high retail gasoline prices in Connecticut. In the past, without a spokesperson to defend retailers, the public found us guilty of price gouging. The Press is going to make a headline, so you need a public relations program. Now, we respond to editorials putting forth the view of dealers. Oil industry PR editorials appear each and every week in major periodicals. This keeps their view of issues in the public view. The dealer's point of view has been long overdue! Now, GASDA is that much needed public voice.

While it would be great to be able to solve all problems overnight, the reality is that the size of the challenge is directly related to the impossibility of the task! I know at times we perform miracles, but unfortunately even GASDA has limited miracles that we can perform. At least we admit it and seek to achieve what we can.

Now for Your Part: Do you feel that we have many more problems that need to be fixed? Do you believe that everything is perfect, and you're making all the money you should be, and that you have no problems to complain about? With 100% of every $1.00 going to solve your problems, is there a more cost effective way? Is there somebody else trying to help solve your problems? By participating in the process, you control what your money is spent on, just like in your business, except you can't do this alone.

So why aren't you a member? We want to hear from you. What will it take for you to belong? You can see it pays to be a member. Go to www.gasda.or to join today – New Web Site where you can join and pay online or email me mike@gasda.org

Respectfully submitted,

Michael J. Fox

Michael J. Fox
Executive Director