

974.90 F953 1982D COPY 2

P.H. ON SELF-SERVICE  
GASOLINE STATIONS

HELD 7/22/82

974.90  
F953  
1982D  
COPY 2



P U B L I C   H E A R I N G  
before  
SENATE LAW, PUBLIC SAFETY & DEFENSE COMMITTEE  
on  
SELF-SERVICE GASOLINE STATIONS

Held:  
July 22, 1982  
Room 308-11  
State House Annex  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Frank X. Graves, Jr. (Chairman)  
Senator Gerald R. Stockman  
Senator Frank E. Rodgers  
Senator Joseph Bubba

ALSO:

Geraldine K. Van Horn, Research Associate  
Office of Legislative Services  
Aide, Senate Law, Public Safety & Defense Committee

\* \* \* \* \*

974.90  
F953  
1982d  
copy 2



	<u>Page</u>
Senator Gerald Cardinale District 39	1
Assemblywoman Maureen Ogden District 22	4
Cliff Zukin, Director Eagleton Poll	5
Len Ruppert, Executive Director New Jersey Petroleum Council	7 & 1x
E. G. Reilly, Vice President Arco Retail Marketing	9
Charles Maguire Shell Oil Company dealer	9
Victor J. Ficuciello, dealer	10
Michael Shabo Shell Oil Company dealer	11
William Ramsey, District Marketing Manager Shell Oil Company	11
Jerry Ferrara New Jersey Gasoline Retailers' Association	12
Thomas Anderson New Jersey Gasoline Retailers' Association	18
Alfred Baer, dealer	19
Carmen Chobin Getty Oil Company dealer	20
Robert Loring, dealer	20
James C. Morford, Director Governmental Relations New Jersey State Chamber of Commerce	21

INDEX (continued)

	<u>Page</u>
Carol Glade Morris County Office of Consumer Affairs	21
Russell Heeren, Chairman American Association of Retired Persons	23
William Scott, Executive Director Essex County Office of the Handicapped	24
Larry Ray Gasoline Jobbers' Division Fuel Merchants' Association	25
Francis Haviland Gasoline Jobbers' Division Fuel Merchants' Association	25
Richard Weinroth, Esq. Merit Oil Company	27
Jerry Donofrio	28
Francis A. Forst, Business Manager Local 194, I.F.P.T.E., AFL-CIO	30
Charles Marciante New Jersey AFL-CIO	33
Jack Foster	34
Bob Carr Sunoco Oil Company dealer	37

\* \* \* \* \*

SENATOR FRANK X. GRAVES, JR. (Chairman): Regarding the amendments, my fellow Senators, we are going to discuss S-682 first. There are two amendments that I am offering as sponsor to the bill. I want to clean the bill of divorcement and the guaranteeing of the 5% and get the bill back to ground zero, and we can take it from there.

Senator, would you read --

SENATOR GERALD R. STOCKMAN: Frank, these amendments will remove the mandatory difference and will remove --

SENATOR GRAVES: The divorcement from the bill -- And then we put the bill back to where it was and then we take it from there.

SENATOR STOCKMAN: Exactly.

SENATOR GRAVES: Discussion? Roll call?

GERALDINE K. VAN HORN: Senator Stockman?

SENATOR STOCKMAN: Yes.

MS. VAN HORN: Senator Bubba?

SENATOR BUBBA: Yes.

MS. VAN HORN: Senator Graves?

SENATOR GRAVES: Yes.

Okay, Bill 682 with the two amendments is now open for public discussion. Senator Cardinale has a bill, and we are giving him an opportunity to talk about his bill, even though his bill isn't before us now because he is also a prime sponsor of the same type of legislation. Perhaps the opportunity will present itself, if both sides agree, that the two bills will become one bill before the day is over. But, by the same token, we give you the opportunity for some five minutes of your presentation of your feelings on self-service gas stations.

SENATOR GERALD CARDINALE: Thank you very much, Senator. I want to thank the Committee for hearing this item today. I think it is a very important item for the residents and the consumers of the State of New Jersey.

We are one of two states in this country where self-service is not allowed. I think in order to view what our position ought to be, we have a very good way of doing that. We can look at the experience in other areas.

I have had the very recent pleasure of driving out to the end of the Long Island Expressway in New York State and going onto Route 25 and finding there every variety of service -- full-service, split-island, and self-service is allowed -- to see what really exists. In talking to people there, I find there is no problem in getting one's car repaired. If one has emergency service necessary, it is available. I find that not every station has become self-service. There are still, in that particular area, many full-service stations, roughly a third of them-- absolute full-service stations where there is no self-service available even though it is permitted by law. Another third of them are split-island stations where there is a differential at the price pump. That differential is set by the individual dealers.

Most people tend to use the self-service pump at those stations, and there are a few, approximately one-third on that stretch of road, that are full self-service.

One can find very similar experiences in other parts of the country. I recently went into Washington, DC, pulled up into a split-island station, and paid fourteen cents more per gallon because I was tired, and I did not, personally, want

to get out and pump gas. But, that is available whether or not the market experiences -- if that kind of situation becomes available whether or not the laws mandate that it be available.

There have been a number of negatives raised. What is the safety factor in a self-service gas station? If we look at insurance statistics, how do the insurance companies rate the safety risk? Because of the automatic shutoff devices on the automatic fire protection systems that are very frequently associated with and are parts of some of the bills we have introduced, there is no appreciable difference in safety. If anything, some of the self-service stations are going to be safer.

Another issue that gets raised as a negative is employment. Are we going to be putting large numbers of people out of work? I think we have to look back at the time when, and I can remember back that far, and I hope there are some others in the room who can, when we had mostly "Mom and Pop" grocery stores. We didn't have any Shop-Rites and King Supermarkets, we didn't have very many A & Ps or Bohacks -- Bohack was around in those days. I can remember some of the same kinds of arguments being made. Aren't we going to put all these people out of work? Would we go back today to shining our own shoes because we have put bootblacks out of work? We have a bootblack stand down in the basement. Are we going to mandate that people not shine their own shoes? Are we going to mandate that people not fix their own homes? Why are we mandating that a simple operation be done at waste of employment -- waste of employment?

There are some positives that are very real. Price is, of course, one of them. In every survey that has been done by an independent agency, there has been shown to be a significant price differential between self-service and full-service gasoline. And, certainly one can make the argument that there is going to be a self-service station somewhere that charges more than a full-service station somewhere. And there are going to be price differentials from one part of the country to another that are going to be general price differentials. But, in any given situation, it is just pure logic. If there is a lower labor cost, and if there is a higher volume because of automation, the price to the public is going to, by normal market forces, be less.

There is another factor; there is convenience. I can remember being in gas lines and sort of doing a "slow burn" as the gas attendant would go and fill one tank, and then fill another tank and then another. They are not all as efficient as they possibly could be filling several cars at one time, and we have long lines developing. People could not get out and pump their own gas because we mandated that in the law that that could not happen, so there is a convenience factor as well.

SENATOR GRAVES: Okay, Senator. Basically, your input is that you put into the record the convenience that you feel will be given the public by self-service, the savings that will be given to the public by the self-service, and that the employment factor will not be anywhere near what those who are enemies to such legislation have portrayed.

Basically your legislation now is similar to our legislation, the only difference being, since the two parts of it that were just brought out of the record by our three votes, is that the legislation that is before us compels that there be at least one island in attendance for every one or two islands of non-



attendance for self-service. This would also portray to the public the differential of prices from one island that is serviced to another island that is not serviced.

So, to the best of our knowledge, the bills are exactly the same after the two amendments that we just made -- the so-called Dorsey Amendment and the Dumont Amendment, which we have now taken out of S-682.

SENATOR CARDINALE: Let me compliment you on taking the divorcement out. I think it is an issue that has to be addressed, but I think it is a separate issue from the self-service issue. It shouldn't be confused.

On the split-island issue, I would just like to make one further comment.

SENATOR GRAVES: That is right because that is the difference between our two bills.

SENATOR CARDINALE: It is really the difference between the bills. In Philadelphia they have split-islands. They put this in about two years ago. After one year's experience, what they found happening was that because of the differentials, some of which were real differentials and some of which were artificial differentials, because the dealers didn't want to bother pumping gas-- they changed and went to full self-service in Philadelphia, and that happened about a year ago. The public tended not to use the full-service pump on the split-island station.

I would guess that our experience would be very, very similar in New Jersey. We are not that far away and the people are not that different. People are going to opt for it, especially in these days -- the lower price that is going to be available to them by pumping their own gas.

But, there are some stations. Particularly -- go into Princeton. In Princeton they have an ordinance that says that you can only have one island. What is going to happen in a station like that if we mandate split-island? The availability of self-service gasoline is not going to be available to the people who live in Princeton. It is just a problem that I think we have overemphasized, I think the market will take care of it because if there are a number of people who want full-service, who want someone to pump their gas, there is going to be someone filling that market. Some station is going to fill that market, and some dealer is going to be smart enough to say, "I want to capture that customer." He is going to capture that customer.

And that is what has actually happened -- it is sort of nice to think about, but we can look at, where has it actually happened? My original statement -- the eastern end of Long Island -- go and look at it. You don't have to go there; you can go almost anywhere where there is self-service allowed. And, you find that not every station is self-service because there are both markets. I think that has held with the surveys.

Relative to your original comment, I'd like to say that I am perfectly amenable to your suggestion that we join the bills, and I would hope that we would join them in a form that allows, at least at some point in time, for full self-service to be a reality in New Jersey

SENATOR GRAVES: Even if it did become a reality that for the first five years, you would have to have both and phase out or something like that. I don't know -- some time constraints.

SENATOR CARDINALE: Well, I would like to argue with the five years, but I certainly could suggest that that would be something that would be acceptable



to me as --

SENATOR GRAVES: (interrupting) But you are amenable to putting the two bills together based upon the information. Okay, Senator, thank you.

SENATOR CARDINALE: Thank you very much.

SENATOR GRAVES: All right. Who wants to be the first? Jerry, do you want to be the first?

JERRY FERRARA: (speaking from audience) (inaudible) -- so that we can get what feelings they have for the bill. I think the objections --

SENATOR GRAVES: If it is okay by you then, I understand there is Assemblywoman Ogden here. Assemblywoman, five minutes.

A S S E M B L Y W O M A N M A U R E E N O G D E N: Senator Graves, members of the Committee, I certainly realize that my Assembly Bill, A-439, is not before your Committee today, but it is very similar to your bill, before it was amended.

SENATOR GRAVES: Has it passed the Assembly yet?

ASSEMBLYWOMAN OGDEN: No, it hasn't, but I just ask for this opportunity to express my support for self-service. I believe, as Senator Cardinale has expressed previously, that the consumers would be very well served by serving themselves. The studies have shown that with self-service that the price does decline between 3¢ and 9¢. From just reading the paper this morning, I noticed that the new study says that the average decline is closer to 11¢. I, frankly, felt that the gas tax should have been tied into this self-service. I think that those who wish to save the 5¢ could get out and pump their own gas, and this might have made the passage of that easier. However, that is past history.

I have driven extensively throughout the country, and I have also spent a fair amount of time in self-service states such as Florida, South Carolina, and Maine. I have had the same experience as Senator Cardinale did out in Long Island. That because self-service is allowed in these states, it does not mean that is entirely what has happened. In fact, I find that in most of these smaller towns that they really have either the mini-service or the full-service instead of self-service, and it is really out on the highways that you basically find the self-service. I have never found a repair problem out on the highways or in the towns because, of course, there are also independent repair shops, and there are road-service agencies.

I have found discrimination actually against New Jersey motorists. Several years ago when I first became acutely aware of this problem, I made the mistake of pulling up to a gas station just on the Connecticut line and found, because I didn't go into self-service, that I was paying about 25¢ more a gallon. That really was a shock.

I find that in our community and on the outskirts, there actually is illegally occurring now self-service, particularly between the hours of say five and nine or ten o'clock at night, when there are so many motorists stopping for gas. They get impatient when there are only one or two attendants there, and the motorists get out and pump their own gas. This is occurring without the benefit of any of the warning signs or the directions.

I understand that one of the problems is the question of accidents. However, research says that most of these accidents that occur at gas stations are occurring in the lube bays or in the restrooms. I feel that the motorists who aren't accustomed, because it isn't their job eight hours a day pumping gas, will actually be more careful. I feel that since the motorists are out of their

cars and pumping the gas that there is no possibility of them, for instance, turning on the motor or driving off with the pump in the gas tank.

I feel that another plus would be, particularly in the towns in my district -- that there is a tremendous decline of supermarkets in these towns. They are all out on the highways, and we would love to have Seven Elevens, but we don't have room for those either. I see a trend occurring in many other states in which gas stations are now going, as Senator Cardinale was saying, full-circle back to the general store in which they are starting to sell a lot of products, and I think that this is a possibility of increased activity for the gas station and economic productivity.

That basically sums up what I would like to say, Senator Graves. I don't know whether I have taken my five minutes or not, but I do hope that some form of self-service will be reported favorably out of this Committee. Thank you.

SENATOR GRAVES: I can assure you, I hope so too. Thank you.

Cliff Zukin, Director of the Eagleton Poll?

C L I F F Z U K I N: Good morning. I am neither proponent nor an opponent of self-service. I am going to give you opinions, facts about opinions.

We conducted a survey on self-service gasoline, and the survey was commissioned by our Co-Petroleum Products Company. It is a little bit different than what you are used to coming from Eagleton. Most of our polls are for the public or are done for State government agencies.

We have two stipulations that we put on contract research for private concerns. First, is that the question must be a legitimate question on public policy. Since we are all sitting or standing in this room, I would say it fits the bill. Second, is that the data must be made public at some time, and that is why we don't work for a lot of private clients. It is because they want to control the data for longer than we would allow.

The questions were drafted by Eagleton after consultation with Arco. All survey work, sampling, interviewing and data analysis was conducted by Eagleton. The report was transmitted to Arco without comment, and then they made it public.

The first thing we asked people was whether they favored --

SENATOR STOCKMAN: Mr. Chairman, before we get to the facts -- Excuse me, there is an interesting public policy question that I would like to ask you, if I may.

SENATOR GRAVES: Senator Stockman?

SENATOR STOCKMAN: You indicated that the two criteria are that it be an issue of public importance, and then that the results be made public at some point. Is there any time frame within which that disclosure has to be made under Rutgers policy?

MR. ZUKIN: Yes.

SENATOR STOCKMAN: What is it?

MR. ZUKIN: Within twelve months.

SENATOR STOCKMAN: Twelve months?

MR. ZUKIN: Right.

SENATOR STOCKMAN: So that a survey could be done by Eagleton and the results kept private for a twelve-month period. Do you have any reason as to why it is that long?

MR. ZUKIN: Mainly, it is for State government. I would say that 95%

of our clients are State government.

SENATOR STOCKMAN: I'm talking about the criteria when you undertake a study for a private interest.

MR. ZUKIN: We have the same criteria.

SENATOR STOCKMAN: I'm only concerned with the criteria when you are dealing with the private interest, and I gather that it is, in some instances, that information would be kept private for twelve months. What I am trying to get at is, why so long a period of time?

MR. ZUKIN: Right. We originally promulgated the rule as a policy of dealing with public clients that was later extended to all work that we do. The reason for that -- the rationale was that State government who are most of our clients, need the time to plan. We would transmit a report to the Department of Commerce and Economic Development --

SENATOR STOCKMAN: That is not needed for the private sector, I wouldn't think. I don't want to belabor the point or take this Committee's time, but I would like to suggest back to Rutgers, to Eagleton -- as long as it has come to my attention. It is an interesting matter that I was totally unaware of. In my opinion, a twelve-month delay in revealing information that is done in a study form for private interest is too long. It should be greatly reduced -- perhaps a maximum of 30 days at the most because I think you appreciate, when one from Eagleton comes forward with a study, it has implicitly a right or wrong -- a certain aura of added credibility, a certain added aura of official, State government perhaps, stamp of approval. So, I would at least, as long as we have the opportunity at a Committee hearing like this, Mr. Chairman, with your approval, send back at least my own sentiments that a twelve-month delay period, potentially-- and I am not saying it occurred in this study. I don't know the length of time you have had these figures before they were revealed. I suspect they were revealed quickly because of the results they showed. But, nevertheless, I don't think Eagleton should kept under wraps potentially that long, a study totally commissioned by a private interest. And, I would appreciate at least turn --

MR. ZUKIN: I will take it up with our Advisory Board.

SENATOR GRAVES: Draw your analysis of what the results were.

MR. ZUKIN: We asked people about self-service gasoline at two different points in the questionnaire.

At the first one, we told them that self-service is currently prohibited in New Jersey. If there is a bias in this question, it would be against self-service gasoline. There are some people who, without firm opinions, would acquiesce to the current status of law. Despite that introduction, we found that self-service should be allowed -- or 65% felt that self-service should be allowed, and 23% felt that it should be prohibited. Twelve percent offered no opinion.

We then read people four statements about self-service gasoline, two in favor of self-service and two opposed to self-service, and we asked them if they agreed or disagreed with each. The major reason why the public is in favor of self-service gasoline appears to be a feeling that it would lower prices. Sixty-three percent of the New Jersey public agreed with the statement that self-service would increase competition and lower gasoline prices for consumers. Twenty-eight percent disagreed.

People also agreed by a margin of 57% to 33% that self-service would be more convenient for motorists by offering more choices when buying gasoline. By



a margin of 37% to 56%, with a remainder undecided, State residents disagreed that cars would be more poorly maintained with self-service as they would be inspected less often for possible trouble. In fact, there is greater disagreement among those who had used self-service in the past. Among that group who had used self-service and had direct experience with it, 34% agreed and 65% disagreed. About the only negative thing we found with regard to self-service gasoline was the public concern that it could be a safety hazard. The statement that we read people went, "Self-service would be a safety hazard as people not used to pumping gasoline would have accidents." Overall statewide 63% agreed with this, 32% disagreed, and 5% offered no opinion. The difference was much narrower among those with direct experience who had used self-service in the past; it was 51% in favor and 46% in opposition.

After we had read people those four statements and got their opinions, we went back to a general question about self-service gasoline to see if our talking about the factors of cost, convenience, maintenance and safety changed any opinions. They had heard a little argument, both two, for, and two against. When we asked again, we found 62% felt that self-service should be legalized, 30% said that it should not be legalized, and 8% had no opinion. We came out of it with a two to one margin that we initially found.

The other question that we really went into briefly about self-service is whether or not people would use it, and this is where surveys, I will caution, were less useful. As any pollster knows who has had to try to predict an election, they are less good a guide to future behavior than they are a guide to what people have done in the past. So, this data is softer than other survey data.

Of those people who buy gasoline in the State, about 80% of the State, one-third said they would use self-service either all or most of the time if it was convenient in that there was a station nearby. Sixty percent of the gas-buying public said that they would use self-service at least once in a while. About 40% said that they would not use self-service gasoline.

That is basically the findings of the report, which I think all members were sent. If you have any questions, I would happy to answer them.

SENATOR GRAVES: Okay, thank you.

Len Ruppert, New Jersey Petroleum Council? Good morning.

LEN RUPPERT: Good morning. My testimony is going to take on a sharply different form. We have supplied you with copies of the testimony. At that point, you had not made your decision on the deletion of divorcement and the other sections. I think it would be helpful, Senator, if -- we were in the back of the room unfortunately -- we knew for certain what sections now were out of the bill. The divorcement sections, 1114, are out. Okay, I'm sorry.

SENATOR GRAVES: And the guaranteed 5% price reduction.

MR. RUPPERT: Differential. All Right. In that case, you have asked people to be brief, and I can be brief because I think really the previous witnesses, particularly Senator Cardinale and Assemblywoman Ogden, have made most of the points I would make. Therefore, I will not be redundant.

I want to tell you that we think that self-service is a marketing concept that is being used in 48 other states and is long overdue in New Jersey. The point was made, and I think well, that the people who prefer attendant service -- it is still going to be available for them in the State. You have heard from the

Eagleton Foundation and, certainly, we see marketplace results in other states, which all add up to showing that the sizable portion of the public prefers this option. That is the ultimate test after all -- how the public votes in spending its money on this issue.

Speaking to the one point that was made in the Eagleton poll, we feel that this method of dispensing gasoline is proved to be safe, whenever it conforms with the **nationally** recognized safety regulations. In the statement to the bill, you correctly note that the National Fire Protection Association has found no difference in fire experience between self-service and regularly attended service stations. I think there may be more detailed testimony from other people later, but we are very pleased to see that you have included NFPA Standard Number 30 in the bill. That has done the job everywhere else, and I believe it will do the job here.

Also very relevant, Senator Rodgers, to the safety situation is the fact that insurance companies make no distinction in rates between the two types of stations. If there was any evidence of greater safety hazards, it is my belief that the underwriters would not allow that to be true. But, it is true.

I am skipping through my testimony. You have covered the points on there being other facilities available. In truth, if anyone thinks for a moment that the oil companies are going to abandon their existing dealer networks, which cost them vast sums, they are simply not considering economics in the situation. It hasn't happened elsewhere; it won't happen here, I believe, and this opportunity to offer self-service, I also believe, will offer new business opportunities to many of the dealers in marginal locations at this point.

The only point I can speak of is split-island. I know you feel that that should be included in the bill. We feel that adds some unnecessary overhead and could mitigate the price saving. Many locations would give split-island anyway. At others, the requirements might not be practical, and it is our feeling that the decision on that should be left in reality to the individual dealer and the owner of the station. I gather that there may be proposed some phase-in procedure, and when we see that, we can comment.

There is not much more that I want to take your time for, in view of what you have talked about previously. I am not a marketer; I am a representative of a trade association. There are many marketers here, including one gentleman sitting beside me, who is a Vice President of the Arco Company. Before turning to the first of those people, this gentleman -- I again assure you that all I know about it from the industry viewpoint is that New Jersey consumers would benefit if they had this option available to them. So, we support the combined bill you are talking about. We feel it would be a definite step forward for New Jersey in the public interest, and we commend you really for considering this action.

The gentleman next to me is Mr. Reilly of the Atlantic Richfield Company, and with your permission, I defer to him.

SENATOR GRAVES: Do you have anything that hasn't already been said?

MR. REILLY: (responding) I would like to address just one issue --

SENATOR GRAVES: Go ahead.

MR. REILLY: (continuing) if I can, Mr. Chairman, and I am going to put aside my remarks because, for the most part, they are repetitive.

SENATOR GRAVES: Please do.

E. G. REILLY: (begins testimony) -- the issue of whether or not there ought to be a provision that requires a split-island, self-serve in the bill. I think that there should not be for two reasons, one of which has been addressed, that it makes it impossible for the individual who wants to go full self-serve to lower his overhead enough to give the consumer the lowest possible price that he might otherwise be able to do. The second reason is that there is a capacity problem if there were a provision in the bill requiring that.

Our experience with Arco, and we market nationwide, self-serve across the country, is that the vast majority of motorists use self-serve. What happens when you have a split-island provision is that one of the islands, if there is more than one, gets jam packed, and the one that requires full-serve simply is underutilized. So, it is just a question of capacity that isn't properly utilized with the total capacity --

SENATOR GRAVES: I was going to save my response to that until later, but I'll give it now, and maybe I will get it over with once and for all.

The reason that I included that in the legislation is that there are areas in the State where maybe there is only one station for miles around. And, if that one station went completely self-service just overnight, my concern was for a handicapped person, the senior woman driver -- you know, other states have done it for a period of time, and that generation has grown into the use of the self-service. But, just to pump down on a seventy year old woman -- the fact that she is going to have to hop out of her vehicle and start using a self-service station was a concern to me. And I felt that it should be phased in over a period of time. That is why the legislation that is portrayed here had it. If there was a limitation, I am not so much concerned about it.

There are other areas where there are station after station, but there are some areas where that one station does serve that entire community.

MR. REILLY: Mr. Chaiman, I have worked, I guess, for the past twenty-five or thirty years with dealers, independent dealers across the country, and in that thirty years, I have never once heard a complaint from anyone -- and, believe me, I get a lot of complaints about a lot of things -- of a dealer who would not serve someone who was handicapped. So, while I think that is a genuine concern, in reality, I don't believe that happens.

In addition, there really aren't too many places where there is only one station. A lot of us wish there was, but there really aren't. And, again, I just don't think in reality that that happens.

SENATOR GRAVES: Okay. But, I wanted to address myself as to why I put it in the bill. All right, thank you very much.

MR. REILLY: Thank you, Senator.

SENATOR GRAVES: Charles Maguire, dealer?

CHARLES MAGUIRE: Senator, thank you very much for letting me appear before your group today. My name is Charles Maguire, and I am a Shell dealer in Oceanport, New Jersey. I also have the honor of having been elected by my peers, other Shell dealers in the State of New Jersey, as their national representative to Shell's National Dealers Council.

I come before you today to speak in favor of self-service gasoline legislation. I'll keep it brief because I was also going to speak about divorce-ment. I am for self-service for a variety of reasons.



I believe it is a more cost-efficient way for me to sell my gasoline. In this regard, and in the competitive market that we have out there among dealers, I think that this will definitely be reflected in lower prices to the pumps. It is consumer oriented; it is going to lower the costs to the customer.

Something I would like to address though is definitely the split-island concept. I had, as one of my factors for being for self-serve, a safety factor. I have five stations on the shore, and they are all twenty-four hour stations. During the past four years, I have had nine armed robberies. If the stations were self-serve, I would want my stations to be full self-serve at night and my people protected in a bullet-proof booth from potential robberies. It is a definite danger out there to my employees. Thank goodness, none of them have been shot. And, the police have caught nine out of nine. It is definitely a danger, and I would like to continue the twenty-four hour operation with protection for my employees.

Self-serve legislation in New Jersey has come up year after year, and in most of the years, has been defeated by the New Jersey Gasoline Retailers' Association. Gentlemen, the Association does not -- I repeat -- does not represent all 4,851 stations in the State of New Jersey. Many of the Associations' members do not share all of its views. I firmly believe that self-service legislation will result in lower consumer prices, and I further believe that most dealers in the State of New Jersey would favor this legislation.

Thank you.

SENATOR GRAVES: Thank you. Go ahead. Senator Bubba?

SENATOR BUBBA: When you say you were going to come in on divorcement, I would be interested in knowing, are you for or against divorcement?

MR. MAGUIRE: Against divorcement at this time, Senator, because I see where self-serve has been tried in 48 different states and has sort of a track record. Divorcement, to my knowledge, has been tried in two states, I believe, Maryland and Connecticut, and it is a little too soon to tell. There are an awful lot of ramifications that go along with divorcement.

SENATOR BUBBA: Do you consider yourself a wholesaler or a retailer?

MR. MAGUIRE: A retailer.

(commotion from audience)

SENATOR GRAVES: Okay, hold off out there. I don't want you to suffer missing the rest of this.

Victor J. Ficuciello? Is he here? Do you have anything different to add?  
V I C T O R J. F I C U C I E L L O: No, not really, Senator. I just want to say that I am for self-serve, and all the points that I wanted to make pretty much have all been made. I just wanted to know if you wanted any comments from us on divorcement --

SENATOR GRAVES: What area are you from, sir?

MR. FICUCIELLO: I am from Freehold, Ocean and Monmouth Counties.

SENATOR GRAVES: Okay, thank you.

SENATOR BUBBA: And I would also be interested in whether you are for or against divorcement.

MR. FICUCIELLO: Right now I am against divorcement connected with self-serve unless --

SENATOR BUBBA: How many stations do you have?

MR. FICUCIELLO: Two.

SENATOR GRAVES: Thank you.

Michael Shabo?

M I C H A E L S H A B O: Good morning. My name is Mike Shabo. I am from Bergen County. I have two Shell service stations and I am for self-serve. I have nothing more to add --

SENATOR BUBBA: And divorcement?

MR. SHABO: As far as divorcement, I really don't understand it. I am afraid of the unknown, and I recommend that it be studied further, and when we know the results, I might be for it. Right now, I don't understand it.

Thank you.

SENATOR GRAVES: Thank you, sir.

William Ramsey?

W I L L I A M R A M S E Y: Mr. Chairman, members of the Committee, it is an honor to appear before you today.

SENATOR GRAVES: What do you have to add that hasn't been said?

MR. RAMSEY: I would like to add that I have had active experience with my employer in states that offered self-serve. There are a couple of points that were addressed in terms of split-island, self-serve being mandated that I think, based on my experience, are unnecessary. I have worked both in Michigan and Illinois at the onset of self-serve in those two states. I have seen the marketplace really provide a broad range of services.

We have done an estimate in our marketing network in the State of New Jersey. We feel that 60% of our units will offer split-island, self-service even with a law enabling full self-service. We feel that 20% of our stations will make no conversion whatsoever, and approximately 20% will move to a full self-serve mode. In other words, what I am saying is, that roughly eight out of ten of our stations in the State of New Jersey, we believe, will offer full-service even under a situation where full self-service is permissible.

One of my concerns on the issue of split-island, self-service is one of economics. The savings to the customer in self-service are based on real and honest labor savings enjoyed by the dealer who runs the service station. Staffing for both modes of service tends to add redundant labor that allowing the dealer to freely select the most efficient operation of his particular station does not encumber him.

I am very much concerned about the safety problem: robberies and holdups during the wee hours of the night. If split-island must be a part of New Jersey legislation, I would like to see it considered as a provision that would mandate it -- let's say 12 hours a day rather than 24 hours a day. I think one of the great benefits to the motoring public of self-service is the increased availability of gasoline over hours not normally convenient or, heretofore, economic for dealers to operate. I think we are going to see an increase in the number of 24-hour stations if dealers can properly protect their employees during the hours of darkness.

SENATOR GRAVES: Thank you.

MR. RAMSEY: Is divorcement going to be discussed at this time, or could I be --

SENATOR GRAVES: We are on the Senate bill, sir. Stay on the bill.

MR. RAMSEY: Okay.

SENATOR GRAVES: If a Senator wants to ask you a direct question, then--

SENATOR BUBBA: I know where he stands on divorcement.

SENATOR GRAVES: Okay?

MR. RAMSEY: Okay. That is all I have to say, sir.

SENATOR GRAVES: Thank you.

Carl Braun, Vice President, largest jobber in the State of New Jersey. Is that description proper? Is he here? Carl Braun? (no response)

Okay, Jerry Ferrara? Everybody hold their breath.

J E R R Y F E R R A R A: Okay, Senator, you won't hold your breath while I am talking.

SENATOR GRAVES: Good morning, Jerry.

MR. FERRARA: Good morning, Senator.

SENATOR GRAVES: We have been going around and around for three years.

MR. FERRARA: Well, in all deference to two new Senators on the panel --

SENATOR GRAVES: You have five minutes. Go ahead.

MR. FERRARA: Senator, I think that in giving an opponent --

SENATOR GRAVES: Mr. Ferrara, you have five minutes. Take your microphone.

MR. FERRARA: Well, with the comment that this is not a fair hearing, if the opponents of the bill, where we are trying to save the Committee time by not putting a lot of dealers on -- to limit me to five minutes is like telling me that I might just as well not speak because there is no way that I can lay out the problem of my opposition to self-serve, Senator -- if you are going to cut me to five minutes, I'll shoot at the pricing and make a note of the fact that you rather shut me off. I didn't expect that. I thought that in waiving the right of putting a lot of people on, that you would give me the courtesy --

SENATOR GRAVES: You're burning up your time.

MR. FERRARA: I know I'm burning up my time because it is a sheer waste. I will just tackle the thing that seems to be in everybody's mind -- consumer opinions and prices.

We heard the Eagleton Poll on consumer opinion, and I have a lot of respect for the Eagleton Poll in most instances. But when it came to consumer opinions, let's take the National Petroleum News Fact Book, 1982, that just came out in June. In June of this year -- this is a book put out by National Petroleum News. These are the facts -- how self-service appeals to the motorists in states that have self-service: Pennsylvania, 36%; New York, 37%; Delaware, 55%; Maryland, 58%; Connecticut, 47%; Vermont, 23%; Maine, 28%; Massachusetts, 30%; New Hampshire, 37%; Rhode Island, 44%, an average of 39½%. It is interesting to note that Delaware and Maryland, where they appeal the greatest, they have divorcement and there are no company-operated stations.

I notice that Shell did a pretty good job in entertaining the consumer directors of this State. All I can do is quote from the newspapers, and I have to jump around for limited time.

SENATOR STOCKMAN: Mr. Chairman, let me interrupt. Mr. Chairman, may I suggest, under the circumstances -- I don't want to infringe on the Chairman's directions, but I think the witness is perhaps being a little flustered with his five-minute time limit. I agree that there are a lot of dealers here who could be paraded up, and we could be here a lot longer time. In view of who he represents, and in view of the tremendous job you have done in getting through nine witnesses,



I wonder if we can't expand his time to, say, 10 minutes?

SENATOR GRAVES: Let the Chairman judge it as it goes along.

Go ahead, Jerry. Slow down.

MR. FERRARA: I'm not simmering down because the problem is --

I'm not excited, Frank.

SENATOR GRAVES: I didn't say simmer down. Go ahead.

MR. FERRARA: The point is I have to leave out some important things that these gentlemen haven't heard.

SENATOR GRAVES: Okay.

MR. FERRARA: You and Senator Rodgers could be bored with this. You've heard it three times.

SENATOR GRAVES: Let us flag you down when we feel the time is here. You give us what you think is the meat.

MR. FERRARA: Well, I'm going to go to consumer opinions and prices, for the time being. If you will give me more time, I'd like to back upon the safety aspects and a few other things.

SENATOR GRAVES: I'll give you the time.

MR. FERRARA: On the consumer opinions, it is pretty hard to go out and take an opinion in New Jersey when they don't really know all the facts. Notwithstanding the thing, here is the one survey that I just made that indicates the states that have it. I want to highlight the fact that the two states where divorcement was, they are all more in favor of self-serve.

CAMCA apparently is a group of consumer directors from New Jersey. Shell took the time to entertain these people twice at lunch to propose their program, and here is what CAMCA has to say, only reading from a newspaper article, "Despite the arguments of one major oil company, a statewide consumer organization remained skeptical about the future of self-serve stations in New Jersey." I am going to jump around. "In April, representatives of Shell Oil Company, New Jersey's third largest gasoline distributor, attempted to woo the consumer organizations into endorsing self-serve gasoline stations. Twenty members of the organization, representing county and municipal consumer affairs offices throughout the State, remain unconvinced and uncommitted to the self-serve course. It looks simple in its service, but it is really a complicated issue," said Constance Fogarty, who serves as CAMCA'S secretary.

I think the public should have access to the same arguments we have before a decision is made. Now, remembering that they were exposed to several hours of dialogue with the company promoting self-serve -- we talked about supermarkets.

Shell Oil, and I quote, "There is no doubt some neighborhood stations will close with the advent of self-serve." Rogers acknowledges. This gentleman is from Shell Oil Company. It is like the coming of the large-scale supermarkets in the 1930's. I drove out to neighborhood grocery stores, to the big chain stores that replaced the corner drug store. That is competition, and in the long run, people can say that it wasn't for the worse.

You have heard Mrs. Ogden testify about the loss of the markets in the town -- the supermarkets were out on the highway, and she would welcome self-serve now in order to bring in the Seven Eleven. Supermarkets consolidated all the services under one roof. What we do with self-serve now -- we are going to delight in saying, "You can come here for gas and go to a large, new multi-mart that was

opened up for your repairs." Supermarkets today are going back. Grand Union has just gone back now to have the delicatessen.

SENATOR GRAVES: But, Jerry, this legislation doesn't compel you to have a self-serve. It permits you.

MR. FERRARA: Yes, but it does. Because I have jumped around, I would like to point out that 70% of the service station properties in New Jersey are owned or lease/controlled by an oil company. By being owned, they own the property in its entirety or long-term leased with Jerry Ferrara or with Senator Graves, in turn, leasing it to Senator Bubba as an operator. With that kind of hold, they exercise an economic power that is beyond belief.

We have service stations being closed down now on the basis that they are uneconomical. I'll give you three quick examples: A station in Cape May -- the dealer was there for three generations, owned by the Exxon Oil Company. Exxon told him that they wanted to close it down. It was uneconomical. He offered to buy it. They said, "Yes, but not as a service station." Then the excuse was, if they let him put it in writing, "I have a restrainer trade," but they said, "Well, their tanks are possible leakers." Give me the benefit of the doubt.

We move on up to the hundreds -- there are over a hundred of them involved.

Another dealer -- fifty years with the company, owned his own property, but didn't own the tank. They wanted to close it down because the tank was a potential leaker. Let's give them that benefit of the doubt.

Move up further -- A family owns the property, owns the tanks that are comparatively new. The company does not want to serve them because it is uneconomical. A Congressman had to step in to get that dealer a three-month leeway to find an in-between distributor.

Uneconomical? How it is uneconomical to draw one truckload of gasoline a week for you or a truckload to this gentleman every day. The course of that truckload is the same. So, what I am trying to point out, with the economics, we haven't got a free choice. They can shut us down by showing us a rent -- we had a rent bill some years past, and the lights went out on Jerry Ferrara.

SENATOR GRAVES: Please come back on it.

MR. FERRARA: I don't know whether that is a Freudian thing that is telling me something. I don't know, but in any case, we haven't got it.

If you wanted to go to Shell -- what you are reading in the newspaper about price -- how can a gentleman quote this, "There will be a savings to customers of approximately 5¢ per gallon according to Rodgers." At the time of this interview, and this is me now, Shell wholesale price to the dealer was \$1.01 and 8/10's. It was being sold in New Jersey for as little as \$1.04 and 9/10's. Where the devil would a 5¢ savings come to?

In a campaign last November, somebody made an issue of a 7¢ saving to the dealer. If that gentleman had driven up the highway from his office to the home, we would have had to pay you 5¢ to buy the gas to make you save 7¢. So, we are dealing with semantics here. **Is your** self-serve price going to go down, or is the full-serve price going to go up?

We have some photographs, if the gentleman will follow me, to show you what is happening. We're learning to play the numbers game. And, the New Jersey dealer is going to have to play the numbers game; I'm telling you right now that

it will look like every other state where there is a 5¢ or 10¢ saving. If this were a court, Senator, I would address you as, "Your Honor, could we recess the Court? Let's go to the scene of the crime, take buses over to Pennsylvania, tour the stations, brand for brand, and come back into New Jersey." If New Jersey prices aren't as equal to the self-serve prices in Pennsylvania, I will plead guilty, and you can sentence me to putting the lights out.

SENATOR GRAVES: How much more is the tax in Pennsylvania?

MR. FERRARA: All taxes being equal, I want a fair deal --

SENATOR GRAVES: They are not equal. They are more.

MR. FERRARA: No, no. What I am saying is, let's compare the prices, which we will do, showing you the prices of self-serve in New Jersey. Giving them the benefit of the fact that we have lower taxes, we are still lower.

Merit, which in the past testified very heavily that they wanted just pure self-serve and not split-island, is one of the biggest culprits, as you will see with some photographs which I think are much easier.

Let's get to pricing because damn it, everytime we get -- pardon the expression, my wife will kill me -- everytime we get to the problem of pricing, we talk about how cheap self-serve is going to be. This is not Jerry Ferrara talking. I am, but let me give you the facts. It is not my survey.

Well, I'll start going. A letter from the Virginia AAA to my counterparts, Virginia Retail Gasoline Association: AAA Fuel Gage Report surveyed 6,000 service stations, all major traveled routes throughout the continental United States, compiled gasoline prices for holiday weekends. In studying the report for the Memorial Day weekend, copy attached, I noticed that New Jersey has the lowest average gasoline price in the entire country. Yet, New Jersey does not permit self-serve gasoline pumps, usually the less expensive method of buying gasoline.

On the average, Virginia motorists pay an additional 7½¢ per gallon over the New Jersey price, although Virginia gasoline sales tax is only an extra 3¢.

In Maryland, motorists pay 4.4¢ less than Virginia, but the Maryland gas tax is only 2¢ less per gallon, which indicates that on average over self-serve stations -- we're talking price again -- we were 4¢ under that.

Now, I would defy any of you to make that tour yourself, and find out if I am wrong.

Various other surveys made by various other newspapers: Washington Post -- I furnished, I believe, you gentlemen with some of that. In fact, the envelopes are here; we can pass them out. I came up here like a "shot out of a gun." Here is the Washington Post, a survey in the Washington Post. We took those prices, and they were comparatively low. That was when we were talking about \$1.00 per gallon. There, in Washington, the cheapest price they have freeze-noticed in the Maryland/DC area are all major brands. The major brand stations were no less than what you could have bought in New Jersey, and I speak from personal experience. When we came back to Maryland, there was only one gas station open by an inn there, we pulled up, and we hit the self-serve pump for a lark. What a lark that was! We looked at the pump, and we were paying one penny more than the highest priced dealer in New Jersey. He was pumping gas in my car and ridiculing that I was a lousy window wiper, since my experience has dwindled. His



price was higher -- that this self-serve price was higher, taxes being equal again -- there was a penny difference in tax at that time than this dealer who was the highest priced Exxon dealer in the State of New Jersey.

If you can prove to me, and I make that offer -- If you can prove to me that prices on the whole are cheaper, I'll succumb to self-serve. I'll support it. But isn't it strange that the biggest scrap, when we say that the majors want gas only, high volume, self-serve stations, it is being conducive to them taking over? Very happily they will agree with your bill once you pull the divorcement. If they are not interested in taking over the stations, and that is not why they are promoting self-serve, why don't they agree that they will not operate them? It is no loss to them; they still beat us over the head for rents, and they still own the land. They still, economically, can kill us.

Jobs? Initially, there will be 5,000 jobs go by the board. As the smaller stations get wiped out with the repairmen and that mechanic goes out of business, he is going to go into industry. He is letting go of the most important aspect we have for jobs -- the low entry level that we take the guys off the street and teach them. Back when CETA first came aboard on on-the-job training, we had 93% completion in every program that took place because we took the ethnically deprived and we trained them. They stayed there and they had a chance to learn something.

I see by the witness list that labor is scheduled to testify. I would assume that their numbers might be more interesting.

As far as safety is concerned, I have furnished you with an article from the June API Magazine. API is the American Petroleum Institute, which says, "Let's go with the National Fire Code." Several years ago, they went to the National Fire Code to ask them to permit the automatic nozzle. That is the one that you put a latch on. They asked for that as a convenience to the customer. They wouldn't have to hold the nozzle. This year in their June issue of the API Magazine, an ad hoc committee has found out that they have problems with these nozzles. They want the Fire Code now to change it because they found out that with the computer pumps and the game that is played today -- I'll describe the computer pump to you. When the consumer puts the nozzle into the pump, it can be left on.

Now, convenience? Senator Cardinale talked about convenience. Do you know what the new image of self-service is, gentlemen? What convenience? First of all, computer pumps or otherwise, you are going in and you are going to prepay your gasoline. Do you want to try it in Washington? You have to leave a credit card there or a twenty-dollar bill if you want to fill up. You prepay the gasoline; then you walk back to your car, and then you fill it up. In walking back to the car, when they turned the pump on, that gas sprayed all over the customers. Again, are they really interested in the consumer or do we experiment first?

We lost a dealer, an attendant in Atlantic City. He was pumping gas when his buddy came up to pump gas alongside of him. He turned the pump on, grabbed the nozzle, turned to talk to him, and as he did, he sprayed him all over with gasoline. Foolishly, they went into the office and lit a cigarette. All right? This is an experienced man.

SENATOR GRAVES: You got the wrong side of the argument on that one.

MR. FERRARA: No, no. I haven't got the wrong side of the argument. He was a fool for lighting a cigarette, but he did get sprayed.

SENATOR GRAVES: He was an attendant? Okay. Jerry, let's get to the --

MR. FERRARA: All right, I'll wrap it up -- five minutes --

SENATOR GRAVES: The cold facts. I'm not going to sit here and try to refute what you say.

MR. FERRARA: No, no. I'm not trying to "beat a dead dog," I'm trying to hit all the different items -- safety and convenience and what have you.

SENATOR GRAVES: All right.

MR. FERRARA: As far as that goes -- as far as safety, we have found from our colleagues here in the State that the biggest lark for the average woman who comes in with a station wagon full of kids is to have one of the kids go out and pump the gas. That is safe?

You know, we can holler and build a big picture. I'm not trying to tell you that everybody who pumps gas is going to burn to death. But, I think in all fairness --

AUDIENCE: (laughter)

SENATOR GRAVES: We love you, Jerry. I love you anyway.

MR. FERRARA: But, gentlemen, I think that your job here is to hear all the facts as presented on both sides. I make a public offer to you. Again, the biggest issue, Senator, has been price. That is all I hear on the airways -- how the public is going to save. I say it is the biggest rip-off that is going to come down to the public, and our dealers are going to do it because they've got to play the numbers game. You can't give something away for nothing.

But, it is like the big sales -- 50% off. Fifty percent off of what? The guy that has 50% off gets them all in because the poor guy that has his price down to 20% is dead. It is a numbers game.

I don't blame my fellow dealers in the rest of the country; they had to react to it. They got to the point where they felt "to hell with it," so it looks better. Their profit margin is still not great, but they are surviving.

If this Committee really has the interests of the consumer, they will have to do a little bit more studying on what the pricing is, and I would be honored to furnish the transportation --

SENATOR GRAVES: Jerry, you told us that three and one-half years ago.

MR. FERRARA: But, it hasn't changed.

SENATOR GRAVES: I think you want to transport me someplace, but you don't want me to come back, Jerry.

AUDIENCE: (laughter)

MR. FERRARA: Senator, for the record, for all it is worth -- my name being Ferrara, we do not use cement shoes anymore, and we do not kiss you on the cheek. We do entertain you. We take you to one of the Italian festivals in Paterson, feed you those zeppoles -- do you know what they are? Those hot dough-nuts?

SENATOR GRAVES: Yes.

MR. FERRARA: (continuing) -- a pitcher of ice water, and when we put you by the Great Falls, good-buy, Senator. Thank you.

AUDIENCE: (laughter and applause)

MR. FERRARA: Oh, I'm sorry. Have you got a question?

SENATOR STOCKMAN: I would like to say before you leave, Jerry, that while I find myself on the other side of the issue from you, I have got to congratulate you. You deserve tremendous credit for what you have done for retail gas dealers. You are a great lobbyist, and for years you have been successful on this issue. And, I think you are to be complimented.

AUDIENCE: (applause)

MR. FERRARA: Thank you. I would have rather the comment come without the preface that you were on the other side of the issue -- that the facts would change your thinking, Senator. Thank you.

SENATOR GRAVES: Jerry, you, for ten years, have held this State away from self-service gas stations.

MR. FERRARA: Senator?

SENATOR GRAVES: Is Senator Gagliano here? He wants to make a statement.

MR. FERRARA: I hope there are some citizens. There are some strange names to me in the audience. I hope we listen to some of the citizens or consumers and find out what they have got to say.

SENATOR GRAVES: What strange person do you want to come up next, Jerry?

MR. FERRARA: What?

SENATOR GRAVES: What strange person?

Okay, Thomas Anderson?

MR. FERRARA: Well, he is a colleague with some pictures to show you.

SENATOR GRAVES: All right, let's get back on an even keel. Thomas Anderson.

T H O M A S   A N D E R S O N: Good morning. What I've brought you here today are some pictures of exactly what self-service is all about. These pictures were taken across the river in Pennsylvania, and they are listed with an explanation under each picture.

The self-service sign is on the left, and the full-service sign is on the right. As you will note on the first picture, there is a 16¢ per gallon difference between self-service and full-service. A lot of people would say that that is a 16¢ savings. That is a 16¢ boondoggle.

On the other picture right below it, there is an even greater savings of 24¢ per gallon. He gets \$1.13 for self-serve and he gets \$1.37 per gallon for full-serve. Again, that is not the case of a savings to the consumer. What has happened here is that they have taken the self-service price and just increased it by 24¢ per gallon for full-service. This is not fair for those who are handicapped and the people who can't pump their own gasoline for one reason or another -- for the elderly, for those who are dressed and want to go out -- Why we are opposed to it mainly is because it is going to shed a bad light on the dealer, and he has been taught this method of merchandising because it is a fool's method. All they are doing is fooling the public.

As far as the other picture is concerned, you will notice on the right-hand side, it is a Merit station on Admiral Wilson Boulevard in Camden where they have gasoline for \$1.01 per gallon, as compared to a self-service station in Philadelphia -- a Merit -- for \$1.07 per gallon. Again, we are back to that situation, Senator, where we are talking about the tax. That, basically, is even more than the difference in the tax between Pennsylvania and New Jersey. And, so



you see, you are getting full-service in New Jersey for less than you are paying for self-service on the other side of the river.

On the back side, there is a comparison, and this one is a rather startling comparison because these two stations pictured here are directly across the road from each other. The one at the bottom is a company-operated Arco on the Admiral Wilson Boulevard in Camden, and you can see the sign outside on the picture, which says that they sell gasoline for \$.99 and 9/10's, while the dealer tank wagon price was \$1.01. On the top is the dealer-operated station, exactly on the other side of the boulevard where they are selling gasoline at \$1.04 and \$1.06. There is just no way possible that a dealer can compete with his own supplier, who is also his landlord, and now he is his competitor,

It is just a game that you cannot possibly win, and so, the end result will be, if you don't have self-service and divorcement, self-service can't possibly work either.

SENATOR GRAVES: All right. Is Senator Gagliano back? I keep sending out messages. Senator Gagliano has to go on. Is he in the next room?

Alfred Baer? Okay, Alfred Baer?

A L F R E D B A E R: Good day, ladies and gentlemen, and Senator Graves. I have an article from the Newark Star Ledger today in which they claim to be against the self-service stations. Can I submit it to you?

SENATOR GRAVES: Thank you.

MR. BAER: (continues) I trust my information will fall on fertile soil. I trust that the people here have run service stations for a period so they have been on both sides of the fence, and they understand the issue.

I am against self-service stations due to the safety factor and the large unemployment factor in this State. It is hovering on 10% and I would hate to see anyone lose a job over this. I feel we may better serve the public with full-service stations. When they need toilets, free maps and directions, we provide them.

Local service stations are going the way of the 5¢ cup of coffee. Awake service station operators and public-at-large. Your local service station is going the way of the 5¢ cup of coffee. Do your part. Support the divorce bill, Senate Bill 455, which comes up for vote on July 22. The bill prohibits service stations from being run by big oil companies in direct competition with the independents.

B.P. in Boundbrook currently retails gasoline for \$1.11 and 9/10's for regular, and \$1.17 and 9/10's for regular no-lead. They want to charge me more, \$1.15 plus and \$1.19 plus on the wholesale level through their local jobber for the same gasoline. This is not the American way.

Prior to company-owned stations, we could earn a living and pay our bills. Help me stay in business. We have been independent since 1924, blemish free. Today we own our own equipment, and without fair competition, we will have to close our doors.

SENATOR GRAVES: Are you speaking on the divorcement bills or self-service?

MR. BAER: Both, sir.

SENATOR GRAVES: All right. Will you refrain from divorcement?

MR. BAER: I have one more sentence, please.

Write, call and visit your officials. Let them hear from America's

little guys and gals that made this country.

Alwin C. Baer, Boundbrook, New Jersey -- I am against self-service because I feel the public should be protected from themselves. I have been to North Carolina and I have lived in Florida.

I feel you have many noble and good points, Senator Graves, but I feel you are going too fast on this issue, and as Jerry Ferrara said, "Take a little time, please." You may be correct on some of your points, but I think you are going far too fast, and you are not protecting my interests and the public's interests on this divorce bill. I hold stock in many of the major oil companies in this world -- Royal Dutch, Standard Oil of Ohio, Standard Oil of New Jersey, Consolidated Oil and Gas, Allen Oil of New Jersey -- I have been on both sides of the fence, and I want a fair shake and a fair piece of the apple pie that is in this country.

Thank you for your time.

AUDIENCE: (applause)

SENATOR GRAVES: Andrew Loring? (not present)

Carmen Chobin?

C A R M E N C H O B I N: Good morning.

SENATOR GRAVES: Good morning, sir.

MR. CHOBIN: I used to have a station on 27th and Somerset. My name is Carmen Chobin of Town and Country Getty, and right down the road -- 2.8 miles away -- they opened a company station. After a period of time and as of right now, I am out of business. That is all I have to say.

SENATOR GRAVES: Okay, thank you.

I think I called you while you were out. Will you introduce yourself for the record?

R O B E R T L O R I N G E R: Robert Loring.

SENATOR GRAVES: Go ahead, sir.

MR. LORINGER: I own two stations -- a Sunoco and a Getty station in Willingboro. Right now, I find that it seems as though I am the only independent dealer left between Camden and Trenton who Getty has. That is what my salesman tells me. They are buying back their stations -- not buying them back, they are just waiting for the dealers to dry up.

SENATOR GRAVES: Okay, we are on self-service.

MR. LORINGER: Okay. With self-service -- I don't know why I am up here. Okay? I am against self-service, but my point is that I am here about divorcement, I guess.

SENATOR GRAVES: Okay, but the bill before us is self-service gas stations.

MR. LORINGER: The only thing I can say about self-service is that I wouldn't want my wife getting out of the car late at night to pump gas for herself. I don't think you would either. It has a lot of bad points, and I don't believe there is going to be any savings to the consumer. I don't think that is true, and I think Jerry Ferrara pointed that out. That is about all I can say about self-service.

If you want to talk about divorcement, I can tell you a lot of things about the oil company.

SENATOR GRAVES: Carol Glade? She is not here? (no response)

James Morford? Is he here?

AUDIENCE: Yes, Mr. Chairman.

SENATOR GRAVES: Okay.

J A M E S M O R F O R D: Good morning, Mr. Chairman, members of the Committee. I am James Morford, Director of Governmental Relations from the New Jersey State Chamber of Commerce.

I am here to express the support of the New Jersey State Chamber for the self-serve gasoline station issue. It is our belief that it is in the best interests of the consuming public. As one of only two states that do not have self-serve gas stations, it is time, in our view, that we approve this widely accepted marketing mechanism.

I know as a consumer who has traveled in a number of the other states, that I utilize self-service when all I need is a gas fill-up. Of course, when I need some other kind of specific service, I seek out that specific service, and they have never been with my experience, not available.

It is not a question of safety, and we have noted that in the statement appended to Senator Grave's bill -- that the National Fire Protection Association code regulates and permits such operations as being safe. We don't want to take a great deal of time, but we just want to express the support of the State Chamber on this issue.

Thank you, Mr. Chairman.

SENATOR GRAVES: Senator Bubba?

SENATOR BUBBA: I just want to know if the State Chamber has a position on divorcement?

MR. MORFORD: Yes, we do, Senator Bubba.

SENATOR BUBBA: What is that position?

MR. MORFORD: The State Chamber is opposed to the divorcement issue.

SENATOR BUBBA: All right.

SENATOR GRAVES: Carol Glade, Director of Consumer Affairs, County of Morris? Good morning.

C A R O L G L A D E: Good morning, I am sorry I missed my call. My name is Carol Glade, and I am the Director of the Morris County Office of Consumer Affairs. As a Consumer Affairs Director on a county level, I hear many of the grass roots consumer problems, and also from the average consumer, which I think the problem we have to address today is regarding the average consumer.

Today's market has made cost a primary consumer concern.

First of all, I would like to address Mr. Ferrara's comment. I would like to clarify a point. Shell Oil Company did not entertain the Consumer Directors of this State. I may remind Mr. Ferrara that he was also invited to address the members of our organization called CAMCA, and we would have accepted his invitation to lunch had he invited us also.

SENATOR GRAVES: Are you available for lunch?

MS. GLADE: Sure, why not?

AUDIENCE: (laughter)

MS. GLADE: (continuing) Okay. I speak here today as a member of CAMCA. I do not represent the entire membership because the organization, first of all, is not designed to take a stand on an issue. But, the organization will gladly discuss any points with any organization.



I brought a statement with me if you would like to pass it out.

SENATOR GRAVES: This is on self-service?

MS. GLADE: Yes.

SENATOR GRAVES: Okay.

MS. GLADE: (continuing) Self-service sale of gasoline is an issue of major consumer concern in interest. It may well be the most important consumer issue addressed by the Legislature in 1982.

As we know, New Jersey is only one of two states in the nation that does not allow the choice of self-service gasoline. Therefore, an important economic point is also at stake here, and that is the operation of the free enterprise system of competition and free choice. This not only includes the free choice of the product, gasoline, but also as a method of service, convenience and cost. What other consumer product market eliminates the choice of these similar factors?

For example, a consumer can choose to shop at a small specialty shop, a major department store or a discount store. The selection of service, convenience and cost are decided upon by the consumer. Almost every retail industry has increased productivity and reduced costs by streamlining services and changing marketing strategies. The grocery and restaurant industries are only two examples.

Why is the gasoline market any different?

SENATOR GRAVES: Carol, do you want to condense it?

MS. GLADE: Okay. I won't talk about the Eagleton Poll other than most consumers do favor it.

I will address some of the oppositions. Some opponents claim that automobiles may be poorly maintained with the reduction of full-service stations, and I address that by saying that the general maintenance of a privately-owned automobile has always been the responsibility of the owner and the consumer. Education and information is the only answer here to resolve this dilemma.

Right now, I think few consumers feel that service stations give full-service today. New Jersey's annual reinspection will also help to eliminate this possible problem.

The reduction of manpower in a period of high inflation and unemployment is also a concern, but productivity and automation has always reduced the number of jobs available. The number of jobs, hopefully, will not be reduced, but the type of job will change.

For example, an attendant may become a key-house operator rather than a pumper.

In Denver, Colorado, and I would like to quote from Claire Volano, who is the Consumer Director in Denver: "The market has changed radically. Outlets once known for tire sales are now entering the routine auto maintenance market. Doughnuts and gas go hand-in-hand. Resistance by traditional stations may be expected, but the market cannot maintain a status quo solely to protect traditional mechanisms. We have no shortage of repair facility, nor has safety become an issue."

Safety concerns should be addressed; however, the consumer education is a must. Precautions can be taken to reduce risks such as installing the automatic shutoff nozzles, larger warning signs, and clear, illustrated instructions.

Resistance to the concept of change is often exaggerated, and there may be reluctance, but once it is tried, these objections disappear as the novel becomes the usual.

Self-service will benefit, hopefully, the business community as well. It will reduce overhead, cost, crime and theft. And these are just a few economic factors.

Many consumers are willing to pay the higher cost of full-service and full-convenience. However, they should not be forced to pay this if they do not want the service. Full choice and increased competition are essential.

I urge you to favorably consider Senate Bill Number 374. This bill allows the Legislature to consider the merits of self-service gasoline without the introduction of any other type of factors. Self-service gasoline in New Jersey will keep the economic market strong and healthy by preserving the freedom of choice.

That is my main point. The consumer should be given the choice.

SENATOR BUBBA: Are you aware of the divorcement legislation also before this Committee?

MS. GLADE: Yes, I am. I have seen all the bills.

SENATOR BUBBA: Do you have a position on it?

MS. GLADE: I think divorcement should be dealt with as a separate issue. The issue at hand should be --

SENATOR BUBBA: I understand, but do you have an opinion on divorcement?

MS. GLADE: Yes, I think that divorcement would, again, limit competition and the economic market should take its role.

SENATOR BUBBA: Okay.

MS. GLADE: Thank you.

SENATOR GRAVES: Okay, thank you.

Russell Heeren?

R U S S E L L H E E R E N: Senators, I am Russell Heeren, and I am Chairman of the New Jersey A.A.R.P. Legislative Committee. We represent 50,000 seniors in the State of New Jersey.

We did a short survey, and we found that approximately 60% of our seniors are in favor of self-service. There are some things that I would like to point out from other states.

On June 10th, our Committee --

SENATOR GRAVES: (interrupting) All right. Please, if you want to stay in the room, stay with it. If not, leave the room.

Go ahead, sir.

MR. HEEREN: (continuting) On June 10, 1982, the Committee unanimously adopted a motion to support self-service gasoline in New Jersey.

I would like to point out that we have a woman who is 72 years old on our Committee. She has traveled across the country during the past few years. At age 72, going from here to California, she has pumped her own gas, and the only time she hasn't been able to do it has been back in her own State of New Jersey.

I would like to give you some comments from other states from Claire Volano from Colorado. Here is one on self-service: "I have spoken with contacts involved in self-service for the handicapped, and they concur that self-service

outlets have not been a issue. Again, the option of the range of service is of utmost importance."

In Florida, we have a great number of our seniors traveling back and forth and residing there. We have a number of chapters of A.A.R.P. in Florida, and I have some comments -- just very briefly -- that they did a survey, and asked, "Do you use self-service gasoline pumps in preference to full-service?" The response was 60% "yes" and 6% "no."

I have had arthritis for 70 years, but I have no difficulty using the pump.

There are 112 members in this chapter, and the vote for the self-service pump was 90%. This is from Florida, of course.

I can go on with a few more, but I think that will give you an idea of how seniors feel about it. I personally live in a rural area, and I can go at least 15 miles in any direction, and there is no large, self-service station. At 7 P.M. in the wintertime, there isn't a gas station open. At 9 P.M. in the summer, there isn't a gas station open. These are not all large dealerships, so if there was a chance of having self-service at these pumps, we at least would be able to get gas at almost any time. I think safety is one of the big factors. We have found no problem with safety for seniors or otherwise.

I thank you very much for your time.

AUDIENCE: (Applause)

SENATOR GRAVES: William Scott, Executive Director of Essex County Office of the Handicapped? Is Mr. Scott here? (no response)

Larry Ray, Gasoline Jobbers' Division?

AUDIENCE: Someone makes mention that Bill Scott is there.

SENATOR GRAVES: Okay. Mr. Scott, will you come up? Good morning.

W I L L I A M S C O T T: Good morning, Senator. Good morning, everyone. My name is Bill Scott, and I am here speaking as a consumer, in addition to speaking as the Chairperson of the New Jersey Association of County Representatives of Disabled Persons. I am also Director of the Essex County Office of the Handicapped.

The issue is obvious to everyone. Our concern as disabled persons is, if self-service islands solely exist in New Jersey, as they do in some other states, this would cause a serious hardship, and in some cases, could prevent many disabled persons from traveling the roads in the State of New Jersey.

I have traveled by car from New Jersey as far south as North Carolina, and as far north as Canada. I have driven through Pennsylvania and many other states. Self-service islands are a serious problem when someone is running low on gas and has serious difficulties either getting out of the vehicle and pumping their own gas, or in some cases, where both hands are involved with a disability, or in some cases where there is a weakness of the limbs or vasticity, as in the case of cerebral palsy individuals, it is almost an impossibility to pump gas oneself.

In addition to the safety factor having been brought up earlier, it is an increasingly greater safety hazard to handicapped persons. This is applied to elderly handicapped persons who also do a great deal of driving, and may not even be mobility impaired, but may have other serious difficulties related to age and a disability.



We are in support of S-682, which calls for split-island stations. We realize that the cost of everything is going up. The cost of operating costs is going up as well, and that affects the handicapped population as well as it does the rest of the world. Therefore, we understand the need to cut back in the amount of the cost of a gallon of gasoline, and every penny saved is good for everyone. However, solely self-serviced stations would be a problem, as I mentioned; split-island stations would allow for a cutback in the cost of gas, and also allow for an island that would provide service to those that are in need of it.

We feel that where there is only one island, that island should be serviced. It should be manned. We also feel that a handicapped person should not be penalized if there is a difference in price as the law allows a 5% difference in price. A handicapped person should be allowed to use a self-service pump or be serviced at the same rate as the self-service pump.

I am also a member of the Board of Directors of D.I.A.L., which is the major Independent Living Service Center for the State of New Jersey, and I am a life member of the Eastern Paralyzed Veterans' Association.

All of this points to the extensive concept of independence and mobility of handicapped persons today. This would allow us to have a better opportunity at acquiring a job, as well as recreation and anything else that should be enjoyed by citizens today.

I thank you for hearing me.

SENATOR GRAVES: Thank you, Mr. Scott. Thank you for coming.

AUDIENCE: (Applause)

SENATOR GRAVES: Is Senator Gagliano back yet? (no response)

Larry Ray, Gasoline Jobbers' Division of the Fuel Merchants' Association?

L A R R Y R A Y: My comments are limited to the divorcement legislation. I would like to defer the self-service issue to the Executive Director of the gasoline marketers.

SENATOR GRAVES: Who is that?

MR. RAY: Francis Haviland, the next on on the list.

SENATOR GRAVES: Okay, thank you, sir.

F R A N C I S H A V I L A N D: Senator Graves, gentlemen, I am Francis Haviland, the Executive Director of the Gasoline Jobbers' Division of the Fuel Merchants' Association of New Jersey. Our members service about 1200 retail outlets and about 5000 commercial accounts. We pump about 25% of the gasoline sold in the State of New Jersey.

We wish to take this opportunity to offer our comments for your consideration and deliberation on Senate Bill Number 682, which would permit the self-service gasoline market in New Jersey for retail outlets having two or more pump islands requiring both self-serve and full-serve islands in any given location.

A recent study of jobber-supplied outlets revealed that of the outlets surveyed, a surprising 70% had only one pump island. Incidentally, the town in which I live, Wyckoff, there are 13 service stations. Only four have two pump islands.

The same study showed that an additional pump island would cost anywhere between \$15 thousand and \$30 thousand for pumps, control equipment, and installation,

depending on the location in the State, and if property size and local zoning restrictions permit an additional pump island. Such an expenditure is not economically justifiable when the outlay will not increase the dealer's return on investment or enhance his earnings.

Despite many beliefs to the contrary, gasoline demand is not elastic. The potential gasoline market is not increased by lowering prices, giving premiums, or introducing self-service. The only thing increased by such marketing practices is the potential for transferring present demand from one location to another, the one offering the best current inducement to buy.

It appears that the refiner marketers, the major proponents and exponents of self-service, are more concerned with increasing their share of the market than with inherent concern for their future welfare of the independent resaler and the American motorists.

Wherever self-service has been introduced in the past, the refiner marketers have taken substantial margins of profit to the detriment of the independent resalers and their employees who have historically provided necessary products and services to maintain the safety and efficiency of their customers' vehicles.

In 1981, Amoco and Shell, both strong proponents of self-service and gas only locations, moved into the number one and number two positions in the country in gasoline marketing. With Amoco and B.P. posting pump prices lower than the buying price of their competitive dealers, and with Exxon posting \$1.15 and 9/10's for leaded regular at a salary-operated station, while charging leasee dealers \$1.13 and 3/10's for the same product, there is no room for the alleged 4¢ or 5¢ reduction in price.

In 1978, when self-service was earlier discussed, the proponents at that time were talking a 4¢ differential and how self-service would be a boon to the consumer, providing a savings of up to \$40.00 per year. At that time, even then, your dealer's gross margin at Citgo stations was 2.3¢, Amoco was 4.3¢, Exxon was 3.1¢, Shell was 3¢, Sunoco was 3.3¢, and Mobil was 2.4¢ -- even in those days when margins were better than they are now, there was no room for a 4¢ differential. Now they are talking a 5¢, 6¢ or maybe a 7¢ differential, which is just not in the ball park if independent dealers and jobbers are going to stay in business.

The refiners push for a share of the market as evidenced by the proliferation of gas only stations. To my knowledge, I don't believe the refiner marketer has built a full-service station in New Jersey in the last three years.

The question of differential brings to mind what happened in Chicago when they approved self-service. They had a 5% differential mandated. The full-service price went up 5¢ at the pump so that the self-service price could remain 5¢ under. Now, I don't believe that the consumer benefitted in every way from that move.

Speaking of price -- I believe they just gave you a copy of this, didn't they, Senator?

SENATOR GRAVES: Yes.

MR. HAVILAND: Okay. I'll just refer to one thing in it, and this is a quote from the State AAA pointing out the difference of price is favorable to New Jersey over surrounding states: "Rather than driving the price of gasoline

down," as Staskewicz, the Director, said, "these figures indicate the passage of self-service legislation most likely will drive the price of full-service gas up." To make self-service meaningful, major oil companies, which will become the principal operators, will find it necessary to subsidize their retail operations from earnings accrued from other operations from their company -- production, refining, etc. -- known as upstreaming in operations.

Independent dealers and jobbers do not have upstream earnings available to them for subsidization of their pump prices, and will, consequently, face loss of volume and profits and loss of jobs.

The economic resources available to the proponents of this bill are in no measure available to the independent operators. Reduction in manpower and increased unemployment is inherent in any conversion to self-service. Stations that are converted to self-service have had reduction in manpower. Whether an attendant or the car owner pumps the gasoline, the dealer's cost for light, heat, taxes, telephone, insurance, amortization, licenses, and maintenance remain the same. The only possible reduction expense can remain through elimination of personnel, and even that will not allow for lower retail pricing to the consumer under present market conditions.

Wherever self-service has appeared, the major oil companies have taken substantial volumes and profits to the detriment of the independent dealers and their employees who have historically provided the products and services essential for maintaining safety and prolonging the efficient operation and life of the vehicles. This results in layoffs and further unemployment.

At present in New Jersey, there are several stations that only pump gas with retail prices that are only slightly under market conditions. At many of these locations, you can readily purchase a quart of milk or a dozen eggs, but try to purchase a necessary windshield wiper or a shield beam lamp needed to pass State inspection, and you strike out.

The advent of self-service would result in the proliferation of this type of outlet as it has happened in other states. Reduction of services would hamper highway safety and result in poor maintenance with higher costs to the consumer.

We sincerely appreciate your taking the time to listen to our comments and hope you will keep them in mind when considering any legislative action that might ensue. The viability of the independent petroleum marketer as a responsible and necessary segment of the gasoline distribution system must be maintained. Legislation which could seriously affect earnings of and signal the possible demise of independent dealers and jobbers must be carefully evaluated. We must strive to keep jobs and employment up rather than go to self-service, which will result in layoffs and loss of jobs.

Thank you.

SENATOR GRAVES: Thank you, sir.

AUDIENCE: (applause)

Richard Weinroth? Go ahead.

R I C H A R D W E I N R O T H: Thank you, Senator Graves. I am going to be very brief. My name is Richard Weinroth, and I am from the law firm of Sterns, Herbert and Weinroth. I am here on behalf of Merit Oil. I would like to address two issues briefly which I don't believe have been completely covered before.



The first is the availability of service in areas where self-service has been implemented. I would like to give the Committee a copy of the study that was done by Lunberg Organization, which covers the Cities of Boston, Baltimore, New Haven, Long Island, Washington, D.C., and Philadelphia, indicating that in none of these areas, all of which permit some variety of self-service, is there more than 24% completely self-service stations. In other words, at least 75% of the stations in those areas provide some sort of service. I would just like to leave that with the Committee.

The other point that I would like to address is on the split-island concept. Again, I will be very brief. Merit Oil recently undertook a study in the Philadelphia area, which has a substantial number of split-island stations remaining, although it is no longer mandated, and I have approximately 30 pictures, but surprisingly enough, I think that those pictures which were passed out by Mr. Ferrara, tell the same story that these pictures tell. That is that there is a spread between the self-service and the full-service islands of anywhere up to 25¢ based on our study. For whatever reason that happens -- whether it is an artificial inflation of the cost at the full-service pump to drive the people to the self-service pump -- it is difficult to address because there are some many different stations that we are dealing with here. The fact remains though that people in those situations do not avail themselves to the full-service pump. They only avail themselves to the self-service pumps. For that reason, we would respectfully submit that any type of undertaking should permit the full self-service in order to achieve the benefits which we believe the Committee or the Legislature is seeking to achieve by way of self-service.

Thank you very much, Senator.

AUDIENCE: (applause)

SENATOR GRAVES: Mr. Teschner? Is Mr. Teschner here? (no response)

Jerry Donofrio?

J E R R Y D O N O F R I O: Senator, gentlemen, I am the only person on this list who does not have an incorporated title after his name. I am a businessman, and I am a citizen of New Jersey. Furthermore, I have a lot of disagreement with full-service.

I would like to qualify myself by first stating that my average yearly driving is approximately 50,000 miles per year as an independent businessman, covering the states of New England, and previously covering Canada also.

This computes to approximately 3600 gallons of gasoline a year that I have to enter into my vehicle and approximately 65 quarts of oil. With New Jersey costs, this comes out to \$4500 a year that I spend for gasoline if purchased in the State of New Jersey.

Costs in other areas, which are self-service stations -- Connecticut, Massachusetts, Vermont, New Hampshire, Maine, New York and Pennsylvania -- it would come out to \$5000, and full-service would come out to \$5300. There is a disparity of over \$800 more that it is going to cost me annually if I have to buy self-service gas in the State of New Jersey because it is definitely going to go up.

I experienced the onset of self-service, mini-service and split-island when I lived in Syracuse, New York in the mid-70's. I saw the price of gasoline climb 4¢ or 5¢ within weeks at self-service pumps, with full-service riding another 5¢ to 6¢ above that.

Currently, driving through Connecticut, which is a little further than the end of Long Island and a little further than Philadelphia, through Maine and Vermont, I have experienced price differentials as high as 32¢ at Arco stations, especially in Connecticut between split-islands. Furthermore --

SENATOR GRAVES: (interrupting) -- Could we have one meeting out there, please? Thank you. Go ahead.

MR. DONOFRIO: Furthermore, the price in New Jersey at the same time of these large price differentials, of their self-service or mini-services, New Jersey prices during the same day were a difference of 15¢ between here and Connecticut. That means that I was getting full-service at Getty, Exxon or whatever station in New Jersey -- full-service: windsheild checked, fan belt checked, hoses checked, radiator checked, everything checked on my car if I wanted it -- for \$1.20 when yet I had to go up through Connecticut that same day, get another tank at the end of Connecticut going to Rhode Island. I had nothing checked, and I had to pay \$1.35 per gallon for the same product at the same station.

There is no benefit to the consumer under these instances.

AUDIENCE: (applause)

SENATOR GRAVES: All right, you must be done then, right? Are you finished?

MR. DONOFRIO: No, sir.

SENATOR GRAVES: Okay, then what are the applause for?

MR. DONOFRIO: I have no idea. According to this poll that was taken, I recognize a fact in here that 55% of the people had never entertained themselves at a self-service pump. Fifty-five percent is a substantial number of the respondents to this questionnaire. Forty-four percent of the people said they have used it, but my question is, how many of that 44% have used it on a regular basis, as I do, and many other traveling business persons do? Quite truthfully, I don't like to get out of my car in the middle of the wintertime, in the rain, whether it is protected overhead or not -- you do get cold, you do get wet, and furthermore, I don't like to have my hands have the stench of gasoline when I have to go to a meeting, as you would not like to have the stench of gasoline on your hands. It is impossible to pump gas without getting the stench permeated throughout your entire suit, your body or your hair. There have been many meetings that I have gone to when my hands were dirty, and there is no place to wash your hands at any of these self-service facilities.

SENATOR GRAVES: We are not entertaining legislation that will compel us to have self-service. This is America; it is permissible.

MR. DONOFRIO: My point is, it is permissive, but I will have to pay more money for full-service at a full self-service station, a split-island --

SENATOR GRAVES: (interrupting) I don't blame --

MR. DONOFRIO: (continuing) I just pointed it out, Senator. In the State of New York right now, it is \$1.45 in most places for full-service. Okay? Connecticut has a smaller differential in taxes. It is at least 10¢ more right now in the State of Connecticut, and in the majority of places, it is 15¢ to 20¢ more for full-service -- full-service, which we get today in New Jersey.

As far as full-service prices versus self-service prices in the State of New York, I can testify to this -- at a B.P. station in Albany, New York right now, which is a full-service station, their price is less than self-service stations

in the same area.

To experience a self-service station in most states right now, I have to, if I want to fill up -- what I do with them is I give them \$40.00 -- I ask for a receipt because I have experienced cases where I have had to put \$20.00 out, and when I go back to them, the individual says, "You only gave me \$20.00." But, I did give him \$40.00 because it takes \$27.00 sometimes to fill my car depending upon the price, which is always higher in other states. When I come back, he says, "Twenty dollars is all you gave me." Well, I have an argument with that, so what I do now is, I give him the \$40.00, I ask for a receipt, I go out to my car, pump the gas, and then I go in and get my change and get another receipt for the amount of gas that I deposited in my tank. It is not convenient. Full-service is convenient.

Thank you.

AUDIENCE: (applause)

SENATOR GRAVES: Thank you. Francis A. Forst? All right, Frank Forst is evidently not here.

MR. FORST: (answering) Yes, sir.

SENATOR GRAVES: I called your name, sir.

MR. FORST: I am sorry.

F R A N C I S   A .   F O R S T: Senator, I have copies of my testimony if you want them. Senator Graves, I come here today, as you will see in my statement, to oppose the bills that are under consideration. I do it reluctantly with you as the sponsor. One, because you know the great love and respect I have for you, but I hope --

SENATOR GRAVES: (interrupting) I know, because Jerry just pushed me over the Falls.

MR. FORST: (continuing) I didn't hear his testimony because of the crowd, but I say that sincerely -- that I hope honest people can differ. As you know, I live in Jamesburg, New Jersey, and I appear today as a private citizen and as Business Manager of the New Jersey Turnpike Employees' Union, Local 194, the International Federation of Professional and Technical Engineers, AFL-CIO.

I appreciate the opportunity to express my views of self-service, which as I said before, I oppose. In fact, at its legislative conference this past January, the New Jersey State AFL-CIO voted unanimously to oppose legislation permitting self-service.

There are so many reasons against the legislation and only one in favor. Let's take the favorable reason first.

It is said that motorists will save perhaps 4¢ or 5¢ a gallon. Proof has been submitted on both sides of this question, and in our opinion, none are valid. No one can predict what will happen in New Jersey, which is a corridor state, densely populated, and a large consumer of motor fuel. One axiom is certain, however, and that is that motorists will be charged as much as the traffic will bear. Oil companies will continue to maximize profits, disappointed that their profit growth was not as large as last year as over previous years, even though their profits are enormous. Oil companies show no tendency to pass their profits onto consumers by lowering prices. There is no reason to believe that labor savings in the oil business will accrue to the motorists. Granted, there may be an immediate lowering of price to evidence success with the legislation,



but we can anticipate that in the long run, and probably not too long at that, that the prices will be increased because of gas shortages, Opek raises its prices, or some other excuse. In return, motorists will lose the last services freely granted.

Have you noticed that there is no consumer demand for self-service? Except for oil company sponsored polls which are self-serving, if I am permitted a pun, there has been no consumer outcry. Letters to the editor have all been signed by oil executives, and the prodding of the media has been intensified by oil advertisers.

The ill effects of self-service are innumerable. Motorists leave an air temperature controlled vehicle and step into whatever weather God provides at the time. I have personal experiences from the bitter cold of the Rocky Mountains where your hand sticks to the nozzle, and from the excessive heat and humidity of St. Louis in July. I have had to pump gas in the snow, and in the most relentless rain in other states.

Machines take only exact money and make no change. Some require payment in advance although filling up cannot be estimated. Self-service dispensers are not equipped with automatic grippers, so the motorist will stand and squeeze the handle during the pumping operation. In freezing weather, the skin sticks to the metal. In inclement weather, the experience is drenching, and I have had both of those experiences.

Spilled gas and fumes are a terror to all the occupants of the vehicle. Washrooms are frequently unavailable, and those that are have inadequate soap and toweling. But, one does not have to smoke a cigarette, cigar or pipe. After pumping gas and carrying it back into the vehicle, everyone in the vehicle is afraid. I have had experiences with my wife and my children with that where I got back into the car after pumping gas in Pennsylvania, and they smelled the gas on my hands and things, and they were concerned in the car.

A person could, in fact, be "dressed to kill," if you will, and after a bout with the self-service, have to re-wash, redress, re-cologne, re-perfume or just go back home and forget about where they intended to go.

AUDIENCE: (laughter)

SENATOR STOCKMAN: That might be for the better.

MR. FORST: That, Senator Stockman, is why I put that little piece in there.

Although I mentioned price before, there is one phase of pricing which greatly concerns me, and it should concern you. That is the discriminate pricing to force motorists to accept self-service. More and more I have experienced and have heard other experiences where the difference between service and no service was greatly widened to avoid providing service. The no-service price was consistent with general area pricing, but the service price was from 30¢ to 50¢ per gallon higher. I, personally, went with Charlie Marciante last February to Ft. Lauderdale. We went to one of these no-service stations where the price of no service was \$1.32 and 9/10's per gallon, and the service price was \$1.57 and 9/10's per gallon. I have traveled back and forth across the United States in a Winnebago, over 8,000 miles, and I can attest that the practice is becoming more widespread.

A friend told me in Wyoming that the difference was 50¢ a gallon, and when he asked the dealer why, the dealer said, "I don't want to be bothered with

pumping gas. Go pump your own gas."

The many women I have spoken to have expressed great fears of danger, especially after dark if they are required to vacate a safely locked car.

I gave a copy of this testimony to my wife last night to read, and she said, "They won't get me to pump gas. What will I do with my handbag? What happens if I pull into a gas station, and I have to carry my handbag with me, and there is nobody around, and I have to walk to wherever the attendant is to pay him? Do I carry my handbag or do I leave it in the car? And, if there are some mean-spirited looking people around, do I get out of the car at all? What do I do with my handbag while I am pumping the gas and trying to put the levers --" She made a good point herself last night, and I wish she were here to testify.

Any motorist traveling alone is safer at a service station, knowing that an attendant is available before leaving a vehicle. Unattended service areas, supported only by a clerk frequently secluded in a building removed from the gasoline area, are havens for crime in the most violent nature. The protection of an attendant approaching the vehicle is far more secure than having to pull up to a seemingly deserted gas island, exit the vehicle, and look for someone to communicate with in order to get fuel.

Having gone over these facts, the lack of auxiliary service is significant. However, there is no windshield washing, no oil checking, no radiator or battery water checking unless one does it one's self. Where are the rags, paper towels, water cans, etc.? Where does one clean up after? How many motorists risk overheating, motor burnouts and poor visibility because of no service? How many accidents result for the lack of these services? How, in fact, can anyone be "gung ho" for no service?

Senator, I broke down on Route 34 a month ago, and my car overheated. I didn't know what to do when the car overheated. I had to go to a service station. And, that man came and he cooled it down, and he eventually had a special gear that he took the cap off with, and he very carefully attended to it. What would a woman, or even a man, do in a service area where there is no attendant and their car is overheating as many of them do in the heat of the summer or the cold of the winter?

How can we forget the days of the recent past when we had gas shortages -- the odd/even days -- the five dollar limit, the five dollar maximum -- the no-topping of tanks -- the emergency controls necessary under unpredictable times? If we had self-service, who would decide who was odd and who was even, who was allowed to get in the line and who wasn't allowed to get in the line? And, how many experiences have I had when I represented the fellows and women who pumped gas on the Turnpike at the Exxon stations with the fights, and the other allegations as to who was in line? What happens when one customer jumps ahead of the other in line?

There is really no management control of the customer and the product when there is no attendant. After all of that, how about the jobs? A reasonable estimate suggests that there are 30,000 jobs affected statewide in a year. I stopped at a station on the way down to get gas. I don't make these stories up. I said to the girl who was pumping gas, "How long have you been here?" She said, "About two months." I said, "How much do you get paid?" I am not going to tell you how much that was. I said, "How many other people work here?" She said,

"Twelve workers." I said, "I am going down to help save your job. I am going down to help those workers save their jobs."

How many youths are kept off the street? How many have learned a trade, repairing cars and trucks while pumping gas? The number must be in the millions. These are entry-level jobs. Entry-level jobs are the biggest problem of unemployment today. The highest percentage of unemployed are our youth.

Service stations provide jobs, expense money in hard times, summer jobs for students, a training ground for future mechanics who can't afford fancy technical schools, income to meet expenses, opportunity, a chance at the future -- maybe own their own station someday -- hope for the future.

What can the motivation be for no-service stations which can overcome these points? Because everyone else is doing it? I hope not. Because the oil companies want it? I hope not. Because the media is pushing it to placate their customers? I hope not. Because some are led to believe they can save a few pennies? I hope not.

The public is safe from few ignominies these days. No-service gas stations will take another service people are accustomed to having. They will close out another job market, and I believe, Senator, in New Jersey, it just isn't worth it.

Let me conclude by saying this: To me the job issue, while we have all these other issues, is paramount. To me, the fact that young people have a place to find work for a few hours or a few days or a few days a week, where they can earn a few dollars and help with people's cars, is paramount. I would not want to be a Senator, voting for these bills, who has to stop at a gas station on his way home and look that youngster in the eye. I don't want to be the person who drives out of Trenton and stops in Lawrenceville, and says, "I just voted to do away with your job today." I wouldn't want to be that person. I wouldn't even want to go to Paterson, Mayor. Maybe after my opposition to your bill, I wouldn't want to go there anyway, but I love the city as you do.

I thank you very much for giving me the opportunity to address you.

AUDIENCE: (applause)

SENATOR GRAVES: Charlie, this is your real test. Let's see if you can top this one. The honorable, the most respected --

CHARLES MARCIANTE: Thank you, Senator Graves, members of the Committee. I know I cannot be as eloquent as Frank Forst or Jerry Ferrara. I don't have any lengthy testimony to present, but I would like to just outline to you some of the reasons why the State AFL-CIO is opposed to the proposal of self-service.

We had a resolution adopted at our recent convention in 1982 opposing the self-service concept. The most important reasons stressed were those outlined by both Jerry and Frank. On the basis of the service station providing a job for kids, I don't think there is anyone in this room, and certainly because of the great preponderance of people from service stations, but if you take any cross-sections of any one of the municipalities in this State, there is probably not a kid who has not worked in a gas station at one point in time in his life.

Today those jobs are so important because of the high rate of unemployment that we have, and more particularly, it provides, in many instances, a second job for a breadwinner, if you will, who just can't seem to make it on the



cost of living, and the second job provides a chance just to get by. I can assure you that that is the case. There are members of my own family who are in that circumstance at the present time.

One of the dangers that we see in this type of legislation is the fact that there are an awful lot of unhandy people around this country, and particularly here in New Jersey, on walking up to a self-service thing and beginning to pump their own gasoline. It scares me to think of the idea of rivers of gasoline flowing all over the place, and people with cigarettes dangling from their mouths who don't realize the dangers that are inherent with the pumping of gas. Sure, you can try to educate them, but, in the meantime, how many are we going to lose?

In this high crime area, to get out of a car, in some instances, is pure damn suicide unless you've got an agreement with the people in the area who know what the score is and know who you are. You know it, and I know it, and we shouldn't kid anyone over that fact. And I am only talking about self-preservation.

Pennsylvania and New York have rates on their gasoline that is higher than New Jersey, except in the surrounding areas, and most recently, Pennsylvania's gas prices have come to conform with ours where they might be a penny or two cheaper. But, Pennsylvania is a self-service state. They don't change your oil, they don't wipe your windshield. You walk up and do all those nice things yourself.

Frank stressed the fact of the dirt, grease, cold, oil, heat, and all the other factors. Certainly they are items that should be considered for opposing this type of legislation.

Actually, the gas stations are the training ground of America, and it is so basic to our whole concept. Since Henry Ford invented the machine that put us on the road, it has been the thing that has propelled America to be number one in the world as far as mechanics are concerned. We owe it directly to the service station industry itself.

The idea of savings going to result from people getting out of their car and pumping their gas is really a joke because in New Jersey, we enjoy some of the lowest prices of gasoline of any state in the nation except, possibly, those that are located right in the oil producing states themselves. As soon as approval is given for self-service, the price will go down for a while, and then what they will do is, they will put a tremendous offset, so there is no real savings to the person who is going in for the self-service. Sure, there will be, but it is an artificially held high price. For that reason, we ask that you not even consider favorably the bills that provide for self-service gas stations.

That is the extent of our testimony.

AUDIENCE: (applause)

SENATOR GRAVES: Thank you, Charlie.

Of the four remaining speakers, do any of you have anything different to say that has not been portrayed here?

Go ahead, sir, introduce yourself.

JACK FOSTER: My name is Jack Foster. I guess in speaking of organizations, I represent the long, suffering public. I hear a lot of talk that we are one of the two remaining states that doesn't have self-service. I also note that New Jersey has the highest cancer rate in the country. I don't see any state

passing legislation to catch up with us, so, therefore, I don't think two wrongs make a right.

I think mine would be a story of rebuttal. I think I should get my glasses changed or I had better check the currency I am using. Since June 17, I have traveled from Maine to Florida. The only state I saw that had comparable prices to New Jersey was just across the river, and with their 6¢ differential in tax, they were still paying 8¢ more than we are paying. So, therefore, they were paying 2¢ more across the river from New Jersey for self-service. When you get away from the coastline which borders New Jersey, which makes them competitive -- I noticed up in the Poconos that I pay \$1.31 for the same gas.

The next lowest state was Connecticut where I paid 10¢ more for self-service than I paid here. I paid \$1.18 and 9/10's there, and I paid \$1.08 here at an Arco station. Incidentally, I noticed that Arco actually feels that they have this legislation passed because their gas stations now are being served with these type of pumps with the meter inside. You have to get out of the car, go in and tell them how much you want, come out and tell the guy outside to pump the gas, and then go back inside and pay for it. I mean, that is good self-service. But, this is what Arco is doing already.

I note that one gentleman said that the senior citizens are for this. I, for one, am against it, and I have talked to plenty of them. They even made a comment about a 71-year old woman pumping gas. I don't think that is really a good comparison. Jessie Helms, at age 70, produced children. That is an exception instead of a rule.

AUDIENCE: (laughter)

SENATOR GRAVES: We're going to charge an entertainment tax here.

MR. FORSTER: (continuing) It may be funny to some, but I think it is a serious matter. I think it is very serious when you see people come up here and testify to put something self-imposed, something which is hard and harsh, on the American public. I take exception with the senior citizen representative. I don't think he represents it. I talked to our group, and we are diametrically opposed to this thing.

Let me give you an instance in Georgia where I stopped for gas, good old Texaco -- the cheapest they found there was one of the "el cheapo's," \$1.32 and 9/10's. The actual manned station -- the man pumps were \$1.49. I saw a senior citizen pull up there and sit there. He sat there for five minutes, and nobody came over because they were too busy selling cantelopes and taking money from someone else. I went over and I volunteered. I said, "Sir, if you will pull over to this pump, I will try to save you 17¢ a gallon because I don't think you can afford it." It is bad enough that Reagan is taking the money from us without Arco doing it. We don't want to join that crusade. And this is part of it.

We heard someone make a conception about -- we had two conflicts of testimony from those who are "pro" in this thing. One of them came up and said that he did not feel that this would create any type of unemployment. Yet, we had another representative come up here and say that this will be a total labor savings. If they are not going to cut out any employment, how are they going to save on labor?

I think Senator Cardinale said that there is a difference of 14¢ between

the self-service islands in other states and the full-service islands -- 14¢! Another person came up and said 25¢. That proves that they are trying to force something on the public. They are trying to rob them.

I just saw now that James Watt gave the whole eastern coast away. Now, must we give New Jersey away? Don't they have enough? What more do they want?

They say that the public doesn't use these serviced islands. They don't use them because they do not get the service; they are chased away. They are actually chased over to someone else -- pump your own "cotton-picking" gas or you don't get it.

Now they talk about appall. I've got some of that. I carry three or four credit cards, but I don't get a chance to use them because nobody wants them anymore. You can if you want to though, they are good for opening doors.

I noticed that they took this poll after they tried to brainwash us. They sent us all these "cotton-picking" letters, telling us how much money we were going to save. Again, I come back to the point -- Am I using a different currency, or are my glasses wrong? I did not see one saving on the entire sea-coast from June 17 -- this poll wasn't taken a year ago. This is what I just did, and I paid this out of my "cotton-picking" Social Security money, which is diminishing too. This poll was taken after they sent these letters out and told us about the tremendous savings we were going to get. We're not going to get a "cotton-picking" penny.

Another thing that scared me was when, as a consumer and as a voter -- it was strange and it was very scary -- for me to sit back here and listen to the testimony from the oil companies. They didn't come in here and testify, asking you to pass this legislation. They felt that it was in their pocket. They are telling you how they want it tailored, and that is a scary thing for me. It is scary to think that why have a hearing when their minds are made up that they are going to get it -- a foregone conclusion. What is this, a farce? Why do they come in and say, "Well, we understand this legislation, but what we would like, what we want to do --." Sure, they see what they have gotten away with in the other states, so now they are trying to shove it to us.

The only state in the nation cheaper than Pennsylvania is Texas, and they get the "cotton-picking" oil for nothing.

I heard another guy come up here and talk about this terrific protection he can get if he puts glass-enclosed cages around his employees. I am all for protecting employees, but I'll be damned if I want to pay for it. I am the one paying for that glass, and I don't intend to. He said that the police caught the culprits. Thank God that we have cops. What are we going to do now? Are we going to have self-service cops? Is that going to be our next thing?

Well, I guess I said plenty. But, what I want to tell you and impress upon you is, let's talk about the little guy down the end of the line -- the guy who is paying for all this "cotton-picking" stuff. I don't think any person in this room wearing a badge saying that they are for self-service actually paid a cent for that "cotton-picking" badge. It was donated. We are the guys who are paying for all this stuff. We are the consumer, and we are taking a "kick in the pants." It is about time you started looking out for us for a change. Look into us.

We are the largest potential voters in this State, and, darn it, we are



going to get aroused . We have got to do something. I'll be darned if we want to see our gas raised like it was during the last month or two. I paid \$.96 and 9/10's per gallon, and within three weeks, it went up to \$1.14. I noticed that that was just after they paid \$1000 a plate dinner for Reagan down in Texas. Hell, Nancy got her china cheaper than that.

I have these papers -- I didn't make these things up. One in five is jobless in the United States -- one in five -- 20% unemployment, and you are going to help it more? Where is that kid going to be able to get his hotrod or moped or something like that? Where is he going to get the money for school? The money he earns during the summer vacation is money so he can pay his way through school -- high school, college. I know lots of kids who pump their way through college, and probably some of you, but you may want to deprive someone else of it.

Watts actually gives the whole "cotton-picking" east coast away. Where does the oil money flow? -- Down there in Texas where they can pay \$1000 a plate. These are things that are in the newspapers. The whole trouble with the United States today is that we have the greatest media of communication, but damn it, we can't talk to each other.

Thank you.

AUDIENCE: (applause)

SENATOR GRAVES: That applause deserves an encore.

Okay, do you have something different to add, sir?

MR. CARR: Yes, I do, sir.

SENATOR GRAVES: Okay, what is it?

B O B C A R R: My name is Bob Carr, and I am a Sunoco dealer and a member of the Association. I have been a dealer for ten years. I would just like to point out a couple of things as soon as you are done.

Those of us who forget history are destined to repeat it. A leopard can't change its spots. The oil shortage that increased the price of gasoline from 39¢ a gallon to over \$1.00 a gallon was created by the oil companies, the oil companies that had profits that increased 600% to 800%, to the extent that the Federal government had to put an excess profit's tax on their excess profits, which the public paid for. They are pushing this, and they are pushing this for only one reason -- to increase their profits. And, their increased profits come from where? I'm sure you know as well as I do -- your pocket, and my pocket -- everyone's pocket. If this was going to benefit the consumer, I don't think you would see the oil companies pushing it. If it is going to benefit the oil companies, they are going to push it. And, sir, they are pushing it, as you well know.

I would just look around at members of the news media, if any of them are still here, and I would ask them to check and see who receives donations from the oil companies for their campaigns and how they vote on legislation such as this.

Thank you, sir.

AUDIENCE: (applause)

MS. VAN HORN: Will you spell your last name?

MR. CARR: C-A-R-R

SENATOR GRAVES: All right. Members of the Senate, do we have anything

to add to it? Senator Cardinale? Is he back here? Why don't you come up and sit down with us, Senator?

There are still split-isles here.

SENATOR CARDINALE: You still have split-islands. I wonder if I might ask what the Committee's feeling is on allowing a phase-in?

SENATOR GRAVES: I can tell you what the sponsor's feeling is. I am still in favor of split-isles. I want to be able to guarantee that handicapped person that there is going to be an island to service him no matter where the station is.

SENATOR STOCKMAN: I'm not.

SENATOR BUBBA: You are not in favor of split-isles?

SENATOR STOCKMAN: No. I think if you are going to do it, I can't reconcile split-islands.

AUDIENCE: We can't hear you back here.

SENATOR STOCKMAN: I sympathize with self-service, and I have given a lot of thought to the question of split-island, and I don't see where it really is the way to go. I would prefer it being out of the bill, and I would so move.

SENATOR BUBBA: Well, before we get to moving that amendment --

SENATOR GRAVES: (interrupting) Well, that may put the two bills together.

SENATOR BUBBA: Oh, okay, sure.

SENATOR GRAVES: Sure.

SENATOR STOCKMAN: If I have some concurrence. If I don't --

SENATOR GRAVES: If he gets a second and he gets -- if it is only 2-2, I'll vote with him. Go ahead. I am the last one to vote. He moves it, is there a second to it?

SENATOR RODGERS: I personally feel that if you are going to have a split-island, I think it should be permissive. That is the way I feel about it.

SENATOR BUBBA: Well, I would support permissive.

SENATOR STOCKMAN: Well, I have thought about that Frank, if I may be heard.

SENATOR GRAVES: I'm not going to be pigheaded about it. I am going to go along with you.

SENATOR STOCKMAN: If it is permissive, you don't have it. As I understand it, the bill is designed to allow for, and the only reason we don't have self-service is because there is a specific law on the books in New Jersey now that prohibits it. So, if you permit it, I don't think you would move when I think you are through in terms of permissive. I mean, that is implicit.

SENATOR GRAVES: I feel more comfortable than ever by the statistics that were given here that the majority of the stations still have serviced islands, even with states that have had this for a long time. The reason I had injected that three and one-half years ago, when I first sponsored this legislation for the gasoline dealers who didn't come to my dinner, is that I firmly believed that there would be a runaway. The handicapped and the seniors would be denied. But the overwhelming evidence here is that they just didn't evaporate. You convinced me yesterday without even buying me breakfast that in Long Island where they have had it, that they have one-third, one-third, one-third. So, if that is the entertainment, the sponsor isn't going to object

to it. Is that the move? Has it been seconded?

SENATOR RODGERS: I make a move that it be permissive.

SENATOR GRAVES: Okay. Seconded. Discussion? Roll call?

MS. VAN HORN: Senator Stockman?

SENATOR STOCKMAN: Yes.

MS. VAN HORN: Senator Rodgers?

SENATOR RODGERS: Yes.

MS. VAN HORN: Senator Bubba?

SENATOR BUBBA: Yes.

MS. VAN HORN: Senator Graves?

SENATOR GRAVES: Sustained.

Okay, I invite you to become cosponsor of S-682.

SENATOR CARDINALE: I accept your invitation.

SENATOR GRAVES: All right. S-682 -- I don't know how we legally can put it together or just make him cosponsor of S-682.

MS. VAN HORN: We can (inaudible).

SENATOR GRAVES: Okay, and make it a cosponsored bill instead of a prime sponsored.

SENATOR CARDINALE: All right, for release of the legislation --

SENATOR STOCKMAN: I'm confused. My memory is short. You told me you were going to vote with me on that motion?

SENATOR GRAVES: I said if it came into me at 2-2, I would.

SENATOR STOCKMAN: No, no, when I first talked to you about it.

SENATOR GRAVES: I'll change my vote.

SENATOR STOCKMAN: I'm just a little confused.

SENATOR GRAVES: No, I said that if it came in at 2-2, I would vote with it. It is 4-0.

All right, will someone move to release the bills?

SENATOR BUBBA: Before -- I'm going to speak on it. I don't know if you want me to speak on it before you move it or not. When you had asked me, before the Committee session began, to entertain removing certain portions of that bill --

SENATOR GRAVES: Divorcement and the 5% --

SENATOR BUBBA: (continuing) I believe that, as the sponsor of the bill, you have a right to have the bill heard on your basis, and that is why I agreed to that. I really believe that if we are going to take action on self-service legislation that we must also take action at the same time on divorcement. I think that while it may be a good idea, for whatever reason, to have the two bills separated and give people a chance to vote for self-service on the floor, with or without divorcement -- let's say without divorcement -- I do believe that, at the same time, that people ought to be able to vote on the floor for or against divorcement. I have a personal opinion, and a strong one, that if it is only for a short period of time, there should be some period of time where we can be convinced that small retailers are not going to be driven out of business by major oil companies. That is not to say that there are wholesalers who deal within the State of New Jersey who should not be -- or let's say, set apart from divorcement. If a wholesaler is dealing in the State of New Jersey, and he does not operate and would be barred from operation of retail stations,



I would have no objection to him operating in the State of New Jersey. But, I do believe if you are going to consider legislation as serious as this, that another aspect of it is divorcement. If we don't have time today, maybe the bill should be laid over until -- or until we can address the divorcement problem at your request, or --

SENATOR GRAVES: I would suggest this, Senator Bubba. I am of a mind to release this, and everyone is here. I am just as determined to release it as ever, but I would ask the Senate President not to put it up until this Committee dealt either for or against divorcement. And, I would do it within the next thirty days.

SENATOR BUBBA: I have no reason to doubt you. If that is the way -- then I'll support the bill.

SENATOR GRAVES: Okay. Will someone move to release the bill?

SENATOR RODGERS: I would make a motion that the bill be released without recommendation. Personally, I was opposed to self-service. How I am going to vote on the floor is a matter of seeing exactly what the reaction is to having the bill released. But, I would make a motion to release the bill without recommendation.

SENATOR STOCKMAN: Mr. Chairman, I would second that motion. My position is that self-service is a widely accepted marketing practice, and I think the New Jersey public should not be denied that choice. I think the most difficult issue is the question of handicapped. I am satisfied that there will be adequate stations to deal with handicapped people, and that is why I will second the motion to release this bill.

SENATOR RODGERS: I would like to say further that I think it is about time that the other 35 members of the Senate had an opportunity to study it and also formulate their own opinions.

SENATOR STOCKMAN: I agree, and I also think divorcement is a separate issue that has to be dealt with, but I think it is separate from what we are talking about.

SENATOR BUBBA: All right. So, as I understand it, this bill will be released, and there is no caveat to be held until divorcement comes up.

SENATOR GRAVES: Not as the Senate President.

SENATOR RODGERS: That is a matter of the Chairman asking the President --

SENATOR BUBBA: Well, yes, but I don't know what your "without recommendation" means though.

SENATOR RODGERS: It means that we are releasing it to the entire Senate, and we are not telling them what we are going to do or how we are going to vote.

SENATOR BUBBA: All right. I thought you meant that you didn't want it held up.

SENATOR RODGERS: No.

SENATOR GRAVES: Okay, are there any discussions? Roll call.

MS. VAN HORN: This is on S-682 with Committee members without recommendation.

Senator Stockman?

SENATOR STOCKMAN: Yes.

MS. VAN HORN: Senator Rodgers?

SENATOR RODGERS: Yes.

MS. VAN HORN: Senator Bubba?

SENATOR BUBBA: Yes.

MS. VAN HORN: Senator Graves?

SENATOR GRAVES: For about four years, we have wrestled with this program -- Senator Rodgers, Senator Dorsey, Senator Foran, and myself. We released legislation a number of years ago, and it was so riddled when it got to the floor that myself, as sponsor, withdrew any further consideration for it. What most people must understand is that this legislation does not compel anyone to do anything. It gives the some 5 million vehicles in the State of New Jersey and their drivers the right to use the self-service station if they so desire.

I have got to believe that competition will prevail, and I have got to also believe that none of us are giving any votes here predicated upon who bought lunch and who didn't go to lunch and who was brought into a luncheon. I know that I have no fears on any check in that particular category whatsoever, and I strongly support this legislation, and I will fight for it on the floor of the Senate, and I vote "Aye."

SENATOR RODGERS: I move we adjourn.

SENATOR GRAVES: Thank you, Frank.

(Hearing concluded)

TESTIMONY OF LEONARD H. RUPPERT

EXECUTIVE DIRECTOR

NEW JERSEY PETROLEUM COUNCIL

BEFORE

SENATE LAW, PUBLIC SAFETY AND DEFENSE COMMITTEE

JULY 22, 1982

Gentlemen:

I am Len Ruppert, executive director of the New Jersey Petroleum Council, a trade organization representing oil companies which supply most of the gasoline and other oil products sold in our state.

Self-service at gasoline stations, which the bills before you, S-682 and 374, would permit, is a marketing concept used and endorsed by the consuming public in 48 other states. It is long overdue in New Jersey and we as an industry endorse the concept. The whole purpose of self-service outlets is to offer the motoring public a wider choice of purchase options. It would offer the buyer of gasoline the opportunity to buy our product at normally lower prices if he decides self-service better fits his needs. If he prefers attended service, he has only to choose a different station offering that option.



Both public opinion polls, such as that conducted by Eagleton, and marketplace results in other states have shown that a sizeable portion of the public prefers this type of service. That is the ultimate test - how the public chooses when spending its money.

It is our position that this method of dispensing gasoline has proved to be safe when it conforms with nationally recognized safety regulations. As the statement to this bill correctly notes, the National Fire Prevention Association has found no difference in fire experience between self-service and regularly attended service stations. We are pleased to see NFPA Standard Number 30 included in the bills before you.

Also relevant to the safety situation is the fact that insurance companies make no distinction in rates between conventional stations and self-serve facilities. If there was evidence of greater safety hazards, this would not be the case.

Opponents would have you believe that if self-service is permitted it would sound a death knell for existing full-service stations. They say if your car broke down or you needed a tire or fan belt fixed you would have nowhere to turn.

This is fiction. It ignores the fact that New Jersey citizens often travel in other states where they can see the situation themselves. Obviously, citizens in 48 other states do get their cars fixed.

As any motorist knows, there is now available to him an abundance of service facilities of all types eager to obtain his business. And anyone who thinks that the oil companies will abandon their existing dealer network, which represents a huge financial investment for them, is simply not considering the economics. It has not happened elsewhere; there is no reason to believe it would happen here. In fact, the opportunity to use the self-service option can offer new business opportunities for dealers in locations that now are marginally profitable.

Speaking specifically of S-682 and S-374 the bills have many similarities in language, although in their present forms there are significant differences.

682 would require what is known in the industry as "split-island" service, or a combination of self-service and attended service at the same station, while the other bill would not. The same bill, 682, would demand a guaranteed 5% price differential and also includes divorcement provisions so that refiners and wholesalers would not be able to operate their own stations.

The language on divorcement has no real place in this bill; it is a separate subject entirely. Self-service is a marketing method designed to meet public demand. Divorcement, on the other hand, does unjustified harm to our industry with no benefits to the public. It could cause some of the smaller companies to literally go out of business here. The history

here, as I know it, is that the divorcement sections were inserted by floor amendment from a predecessor bill by the sponsor of S-455 two years ago. They were never taken out again, but I urge you to do so now, with divorcement considered separately. Mixing the subjects together really muddies the water. It is not a question of one being a trade-off for the other and we ask that you not consider them that way. We urge you to set aside the divorcement provisions in sections 10 through 14 of Senate Bill 682 for separate review.

The "split-island" requirement that self-service facilities also be attended, as are conventional stations, could well reduce a major advantage of these facilities. By adding unnecessary overhead, it would mitigate the price-saving features. Also, in actual practice many locations likely would offer split-island service anyway. At others, the requirement would not be practical. This decision should be left to the owner and operator.

Section 8 of Bill 682, which requires a 5% price differential between self-service sales and full-service sales, also would be better eliminated. In a constantly changing cost situation, much of it out of our control because of OPEC and other factors, there is no way to guarantee prices. The experience with self-service elsewhere, as later witnesses will document, is that self-service stations offer substantial price savings. But a requirement such as this in the law could prevent this form of marketing from being put into practice here.

We do have suggestions for what the industry considers needed amendments. We are submitting for your consideration specific language for a substitute version of Senate 682 and also endorse Senate bill 374 with specific technical amendments to that bill, depending on which of the bills you may favor.

Since I am not a marketer, but a representative of a trade association, I believe that many of the questions you may have about self-service can better be answered today by other witnesses who will follow. These witnesses from individual companies are familiar with the marketplace and can be more specific when discussing such matters as prices.

But before turning to the first of these witnesses, let me again assure you for the industry that New Jersey consumers would benefit if the self-serve choice was made available to them. We therefore would support, with suggested amendments, the proposals now before you for removing the present ban on self-service from the state law books. It will be a forward step for New Jersey to take in the public interest and we commend you for considering such action.

Thank you for your kind attention.

\*\*\*