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A P P E N D I X

to

P U B L I C H E A R I N G

before

SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

SENATE BILL 2881

(Establishes safety standards for gasoline stations,
prohibits self-service)

SENATE BILL 2906

(Sets safety standards for filling stations, bans self-service)

December 16, 1988
Room 403
State House Annex
Trenton, New Jersey

A P P E N D I X

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TESTIMONY OF SENATOR GERALD CARDINALE
BEFORE SENATE TRANSPORTATION COMMITTEE
FRIDAY, DECEMBER 16, 1988

THANK YOU, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.
THIS SUBJECT OF SELF-SERVICE GASOLINE IS ONE WHICH HAS HELD MY INTEREST FOR TEN YEARS. THE FIRST BILL I INTRODUCED AS A NEWLY ELECTED ASSEMBLYMAN IN 1979 WAS A BILL TO REVERSE THE BAN ON SUCH FACILITIES IN NEW JERSEY. EACH SESSION SINCE THAT TIME I HAVE EITHER ALONE OR TOGETHER WITH SENATOR FRANK GRAVES, INTRODUCED VARIOUS BILLS TO EFFECTUATE THAT END - NONE OF WHICH HAVE RECEIVED FULL LEGISLATIVE APPROVAL.

THE ISSUE IS ONE WHICH HAS AROUSED GREAT PASSION ON ALL SIDES AND TOO OFTEN THAT PASSION HAS CLOUDED CERTAIN FACTS OF THE MARKET PLACE AND CERTAIN FACTS WITH RESPECT TO SAFETY. I AM HERE TODAY NOT AS A PROPONENT OF ANY PARTICULAR BILL BUT FOR THE PURPOSE OF SHARING WITH MY COLLEAGUES WHAT I HAVE LEARNED OVER MANY YEARS OF DEALING WITH THE CONTROVERSY SURROUNDING THIS QUESTION.

WHEN I FIRST BECAME INVOLVED IN THIS SUBJECT IT WAS BECAUSE I BELIEVED THAT IT IS IMPOSSIBLE FOR THE COST OF A PRODUCT OR SERVICE TO BE LOWER IF GOVERNMENT CAUSES UNNEEDED OR UNWANTED LABOR TO BE PURCHASED BY SERVICE PROVIDEES. IN ONE SENTENCE - HIGHER OVERHEAD ALWAYS LEADS TO HIGHER PRICES. IN AN EFFORT TO SERVE THE CONSUMER IT WAS MY THOUGHT WE SHOULD NOT FORCE ALL CONSUMERS TO PAY FOR SERVICES ONLY SOME CONSUMERS WOULD WISH TO HAVE. LET THE MARKET PLACE ADJUST FOR FLUCTUATING PREFERENCES ON PRICE AND SERVICE AND EVERYONE SHOULD BE HAPPY.

I SOON LEARNED THAT SO SIMPLISTIC AN APPROACH DOESN'T WORK WITH ISSUES WHERE BASIC ECONOMIC INTERESTS ARE AT STAKE. THE CONSIDERATIONS WITH WHICH WE HAVE HAD TO DEAL OVER THE YEARS CAN BE DIVIDED INTO THREE CATEGORIES:

SAFETY - CONVENIENCE - ECONOMICS

WITH RESPECT TO SAFETY I HAVE HEARD MUCH OVER THE YEARS BUT THE MOST EFFECTIVE AND COMPREHENSIVE SUMMARY ON THE SAFETY ISSUE BY FAR THAT I HAVE EVER SEEN IS CONTAINED IN THE JUNE 29, 1988 DECISION - "KIRCHNER vs SERRAINO". THAT TRIAL ELICITED AN ORGANIZED SYSTEMATIC APPROACH TO THE SAFETY ISSUE WHICH CALLED ON THE KNOWLEDGE OF ACTUARIES, INSURANCE UNDERWRITERS, EQUIPMENT EXPERTS, FIRE SAFETY EXPERTS AND PUBLIC POLLING EXPERTS (GALLUP). IT IS A MORE THOROUGH ANALYSIS OF THE SAFETY ASPECT OF THIS ISSUE THAN ALL TEN YEARS OF LEGISLATIVE HEARINGS I HAVE ATTENDED ON THIS SUBJECT.

THE INESCAPABLE CONCLUSIONS WHICH MUST BE DRAWN FROM THE FACTS ELICITED AND INDEED THE CONCLUSION WHICH THE JUDGE DID DRAW ARE RATHER STARTLING

1. 22% OF THE PEOPLE IN NEW JERSEY HAVE PUMPED THEIR OWN GAS IN NEW JERSEY NOT WITHSTANDING OUR LAWS TO THE CONTRARY.
2. 55% OF THE PEOPLE WHO LIVE IN NEW JERSEY HAVE PUMPED THEIR OWN GAS IN OTHER JURISDICTIONS.
3. SELF-SERVICE SALES OF GASOLINE NATIONWIDE ARE 80% OF ALL RETAIL SALES OF GASOLINE.
4. NO STATE HAS EVER REPEALED SELF-SERVICE LAWS.

5. GAS STATIONS ARE LESS LIKELY TO EXPERIENCE INSURANCE LOSSES THAN ARE CHURCHES, SYNAGOGUES, MUSEUMS AND LAUNDROMATS.
6. DISPENSING OF GASOLINE BY SELF-SERVICE IS LESS HAZARDOUS THAN DISPENSING OF GASOLINE BY ATTENDANTS - THIS FROM INSURANCE SERVICE ORGANIZATION ACTUAL CLAIMS EXPERIENCE.

I HIGHLY RECOMMEND THAT THIS COMMITTEE OBTAIN THE FULL TESTIMONY IN THAT CASE, AS WELL AS THE CONCLUSIONS OF THE COURT. IT IS THE FINEST TREATISE ON SELF-SERVE VS. FULL-SERVE SAFETY THAT I HAVE EVER SEEN. I AM APPENDING SOME OF THAT TESTIMONY TO MY STATEMENT ABOVE WITH THE DECISION IN THAT CASE.



THE SECOND ISSUE IS ECONOMICS. THIS OFTEN PITS THE INTERESTS OF THE OIL COMPANIES, THE RETAIL DEALERS AND THE CONSUMERS AGAINST ONE ANOTHER IN THE STRANGEST WAYS. I AM CERTAIN THAT NO COMMITTEE MEMBER IS SO NAIVE TO SWALLOW THE ARGUMENTS OF THE VARIOUS INTEREST GROUPS WITHOUT CAREFUL EXAMINATION, BUT THE ECONOMIC ISSUE CAN BE VERY CONFUSING.

JOINT HEARINGS WERE HELD IN APRIL OF THIS YEAR BY THE PUBLIC SAFETY COMMITTEES OF THIS LEGISLATURE. THE RECORDED TRANSCRIPTS ARE AVAILABLE THROUGH LEGISLATIVE SERVICES. AT THAT HEARING IT WAS REPORTED BY THE FEDERAL TRADE COMMISSION THAT NEW JERSEY CONSUMERS "STAND TO GAIN MILLIONS OF DOLLARS PER YEAR IN LOWER PRICES," IF SELF-SERVICE GAS WERE LEGALIZED. OTHERS ARGUED THAT NEW JERSEY GASOLINE PRICES ARE THE LOWEST PUMP PRICES IN THE NATION.

BOTH ARE CORRECT.

THE LATEST AAA SURVEY OF GASOLINE PRICES NATIONWIDE ISSUED DECEMBER 15, 1988 CONFIRMS THAT IN ALMOST EVERY CATEGORY NEW JERSEY ENJOYS LOWER FULL SERVICE PRICES THAN ANY OTHER STATE. THERE IS NO COMPARISON AVAILABLE AS TO SELF-SERVICE, SINCE NO SELF-SERVE IS AVAILABLE IN NEW JERSEY.

IT IS ALSO CLEAR THAT IN EVERY STATE SURVEYED THE SELF-SERVE PRICES ARE LOWER THAN THE FULL-SERVE PRICES. THERE IS EVERY REASON TO BELIEVE THAT IF NEW JERSEY CONSUMERS WERE PERMITTED TO PUMP THEIR OWN GAS THEY TOO WOULD BENEFIT FROM LOWER SELF-SERVE PRICES AS DO THE CONSUMERS OF 48 OTHER STATES.

HOWEVER, ATTEMPTS ARE ALWAYS MADE TO CONFUSE THIS LAST POINT WITH COMPARISONS OF FULL-SERVE VS. SELF-SERVE PRICES IN NEW YORK AND PENNSYLVANIA AND TO COMPARE THOSE TO NEW JERSEY FULL-SERVE PRICES.

IF ONE IS NOT CAREFUL IT IS EASY TO BE MISLEAD INTO BELIEVING THAT FULL-SERVE IN NEW JERSEY IS CHEAPER THAN SELF-SERVE IN OUR NEIGHBORING STATES. VARIOUS TESTIMONY CAME BEFORE THE JOINT COMMITTEE HEARINGS AND I SUPPOSE WILL BE BEFORE THIS COMMITTEE AGAIN TODAY MAKING THOSE PRICE COMPARISONS. THE COMMITTEE SHOULD BE ARMED WITH CERTAIN FACTS.

SINCE GASOLINE TAXES VARY FROM STATE TO STATE WE CAN ONLY MAKE LEGITIMATE COMPARISONS IF WE COMPARE PRICES NET OF TAX.

SELF-SERVE PUMP PRICES

	<u>LEADED</u>	<u>U.L.</u>	<u>PREMIUM</u>
PENNSYLVANIA	90.5	89.9	106.9
LESS: TAX	<u>17.4</u>	<u>17.4</u>	<u>17.4</u>
NET GAS COST	73.1	72.5	89.5
NEW YORK	91.0	92.9	110.5
LESS: TAX	<u>16.4</u>	<u>16.4</u>	<u>16.4</u>
NET GAS COST	74.6	76.5	94.1

FULL-SERVE

NEW JERSEY	97.1	94.1	110.3
LESS: TAX	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>
NET GAS COST	86.6	83.6	99.8

These are not right

YOU CAN SEE BY THIS CHART THAT IF WE ELIMINATE THE TAX FACTOR IN ALL STATES, NEW JERSEY HAS MORE EXPENSIVE GAS THAN EITHER NEW YORK OR PENNSYLVANIA SELF-SERVE PRICES BY APPROXIMATELY TEN CENTS PER GALLON.

ALL OTHER FACTORS BEING EQUAL, NEW JERSEY CONSUMERS COULD SAVE MOST OF THAT TEN CENTS IF THEY CHOSE TO PUMP THEIR OWN GAS.

THAT BRINGS US TO THE THIRD SET OF CONSIDERATIONS - CONSUMER CHOICE/CONVENIENCE.

THE ARGUMENT IS OFTEN MADE THAT CONSUMERS IN NEW JERSEY LIKE HAVING SOMEONE ELSE PUMP THEIR GAS FOR THEM. I MUST CONFESS, I TOO, LIKE THAT SERVICE. HOWEVER, SHOULD MY PERSONAL PREFERENCE DEPRIVE SOME OTHER CONSUMER OF A MONEY SAVING OPTION?

WE CAN LEARN A GREAT DEAL FROM THE EXPERIENCE IN THE 48 STATES WHICH HAVE SELF-SERVE.

- 1 70% OF GASOLINE NATIONWIDE IS SOLD THROUGH SELF-SERVE OUTLETS - THIS INDICATES A HIGH LEVEL OF CONSUMER ACCEPTANCE. ✓

2. WHEN GOVERNMENTAL REGULATIONS DO NOT PREVENT SELF-SERVE, 1/3 OF THE STATION OPERATORS GO FULL-SERVE, 1/3 OPT FOR THE SPLIT ISLAND CONCEPT AND 1/3 OPT TO PROVIDE FULL SERVICE.
3. WHEN GOVERNMENT REQUIRES SELF-SERVE STATIONS TO EMPLOY A SPLIT ISLAND CONCEPT WE SEE OPERATORS INSTITUTING IN SOME CASES WIDE PRICE FLUCTUATIONS BETWEEN SELF-SERVE AND FULL-SERVE ISLANDS. THESE CASES GIVE RISE TO THE HORROR STORY COMPARISONS WE OFTEN HEAR.
4. IT IS A FACT THAT IN SOME AREAS OF OUR STATE, GAS IS UNAVAILABLE AFTER DARK BECAUSE OF FEAR OF CRIME. SELF-SERVE DOES NOTHING TO PREVENT CRIME BUT IT MAY ALLOW SOME OPERATORS THE CONFIDENCE TO REMAIN OPEN AFTER DARK, MAKING GASOLINE MORE AVAILABLE, PARTICULARLY IN URBAN AREAS.
5. THIS COMMITTEE AND OTHER COMMITTEES, AS WELL AS INDIVIDUAL LEGISLATORS ALREADY HAVE BEEN BOMBARDED WITH CONFUSING INDIVIDUAL CASE EXAMPLES OF BUSINESS PRACTICES WHICH ARE EXTRAPOLATED FROM INDIVIDUAL CASES TO UNFAIRLY CASTIGATE A WHOLE INDUSTRY.

IN THE FINAL ANALYSIS MOST GASOLINE RATAILERS ARE HONEST PEOPLE TRYING TO MAKE AN HONEST LIVING BY PROVIDING A NEEDED SERVICE. THEY ARE AS SUBJECT TO MARKET CONDITIONS AS ANYONE ELSE. WHILE IT IS TRUE THAT MANY ARE OPPOSED TO THE ADDITIONAL COMPETITIVE PRESSURES THEY WILL FACE AND THE NEED TO LOWER THEIR

PRICES TO AVOID LOSING CUSTOMERS TO SELF-SERVE FACILITIES. THERE ARE ALSO MANY RETAILERS WHO HAVE BANDED TOGETHER IN FAVOR OF SELF-SERVICE GAS. PERHAPS THEY ARE MOTIVATED BY THE THOUGHT THAT SELF-SERVE WILL ALLOW THEM TO COPE BETTER WITH THE SHORTAGE OF LABOR WE NOW FACE IN NEW JERSEY SERVICE INDUSTRIES. PERHAPS THEY ARE MOTIVATED BY A DESIRE TO EXPAND WITHOUT GOVERNMENTALLY IMPOSED FEATHER BEDDING. WHATEVER THEIR MOTIVES THEY DO EXIST. THEY HAVE APPEARED AT LEGISLATIVE MEETINGS FROM TIME TO TIME. I HAVE BEEN TO SOME OF THEIR MEETINGS AS WELL. AND THEY ARE NOT JUST A FEW.

IN THE END. IT IS NOT THE 115 OIL REFINING COMPANIES OR THE 4000 GASOLINE RETAILERS WE MUST SATISFY. I SUPPORT SELF-SERVE BECAUSE AS I SEE IT THE FREE COMPETITIVE MARKET IS THE BEST PROTECTION WE CAN OFFER OUR CONSTITUENTS AND BECAUSE IT'S PLAIN COMMON SENSE TO ALLOW IT.

HOBART E. FOUNTAIN
68 CLARKE STREET
DUMONT, NEW JERSEY 07628
201-384-1430

March 19, 1966

TO WHOM IT MAY CONCERN:

SUBJECT: FIRE RATING - GASOLINE SERVICE STATIONS

GOOD DAY;

MY NAME IS HOBART E. FOUNTAIN, I AM A INSURANCE CONSULTANT AND I RESIDE AT 68 CLARKE STREET, DUMONT, NEW JERSEY 07628.

I HAVE BEEN ASKED TO TESTIFY BEFORE YOU TODAY REGARDING THE FIRE INSURANCE INDUSTRIES RATING OF GASOLINE SERVICE STATIONS.

BY WAY OF BACKGROUND I STARTED MY CAREER IN THE INSURANCE INDUSTRY IN 1952 AS A FIELD INSPECTOR FOR THE NEW YORK FIRE INSURANCE RATING ORGANIZATION, A FIRE RATING AND STATISTICAL BUREAU REPRESENTING A MAJORITY OF FIRE INSURANCE COMPANIES WRITING FIRE INSURANCE BUSINESS IN THE STATE OF NEW YORK. IN 1972 OUR NEW YORK STATE BUREAU, AS WERE ALL OTHER STATE FIRE BUREAU'S, WAS CONSOLIDATED INTO A COUNTRYWIDE RATING AND STATISTICAL ORGANIZATION KNOWN AS THE INSURANCE SERVICES OFFICE WITH HOME OFFICE AT 160 WATER STREET IN NEW YORK CITY AND BRANCHES IN ALL 50 STATES. I WAS NAMED MANAGER OF THE INSURANCE SERVICE OFFICES OF NEW YORK AND AT THE SAME TIME A SIMILAR OFFICE WAS FORMED CALLED THE INSURANCE SERVICES OFFICE OF PENNSYLVANIA. THE INSURANCE SERVICES OFFICE IS LICENCED AS A RATING, STATISTICAL OR ADVISORY ORGANIZATION IN ALL STATES COVERING 13 LINES OF PROPERTY AND CASUALTY INSURANCE. ISO REPRESENTS SOME 1400 PROPERTY AND CASUALTY INSURANCE COMPANIES COUNTRYWIDE AND SPECIFICALLY IN THE STATE OF PENNSYLVANIA THERE ARE 357 FIRE INSURANCE COMPANIES USING ISO SERVICES.

IN CHECKING WITH THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA, DIVISION OF COMPANIES, I WAS INFORMED THAT AS OF JAN. 31, 1966

THERE WERE 198 STOCK, 160 MUTUAL AND 13 RECIPROCAL INSURANCE COMPANIES RECORDED TO WRITE FIRE INSURANCE IN THE STATE OF PENNSYLVANIA. THIS TOTAL OF 371 COMPANIES COMPARES WITH THE 357 AFFILIATED WITH ISO AS ISO REPRESENTING 96% OF THE FIRE INSURANCE COMPANIES LICENSED TO DO BUSINESS IN THIS STATE.

GETTING TO THE SUBJECT AT HAND, THE ISO HAS ON FILE AND APPROVED IN THE STATE OF PENNSYLVANIA, AND ALL OTHER STATES, A STATISTICAL PLAN WHICH CLASSIFIES VARIOUS TYPES OF OCCUPANCIES AND ASSIGNS A STATISTICAL CODE TO EACH WHICH IS USED BY THE INSURANCE COMPANY FOR IDENTIFICATION ON EACH FIRE INSURANCE POLICY THEY WRITE.

THROUGH THIS SYSTEM THERE IS A SPECIFIC CLASSIFICATION CODE NUMBER ASSIGNED TO GASOLINE SERVICE STATIONS WHICH IS 0932. ALL FIRE INSURANCE POLICY PREMIUMS RECEIVED BY THE COMPANIES ARE RECORDED WITH THAT CLASSIFICATION NUMBER AND LIKEWISE ALL FIRE LOSSES INCURRED ARE ALSO RECORDED UNDER THAT NUMBER. WHILE THIS NUMERICAL CODE NUMBERING SYSTEM IS UNIFORM IN ALL STATES, STATISTICS ARE KEPT STATE BY STATE FOR RATING PURPOSES. THEREFORE WHILE THE CLASSIFICATION SYSTEM OF 0932 FOR GASOLINE SERVICE STATIONS IS THE SAME COUNTRYWIDE THE RATES WILL DIFFER FROM STATE TO STATE AND MAY FURTHER BE BROKEN DOWN BY STATE TERRITORIAL ZONES.

IT SHOULD BE NOTED THAT THERE IS ONE THING IN COMMON ABOUT THE GASOLINE SERVICE STATION CLASSIFICATION CODE OF 0932. THIS FIRE CLASSIFICATION APPLIES TO ALL TYPES OF GASOLINE SERVICE STATIONS, WHETHER THEY BE SELF SERVICE, FULL SERVICE OR PART SELF AND PART FULL SERVICE. THE ACTUAL FIRE RATES DEVELOPED FROM THE COMPANIES FIRE PREMIUM AND LOSS EXPERIENCE ARE THEREFORE THE SAME BECAUSE THE INDIVIDUAL STATE RATE PAGES IN THE ISO COMMERCIAL FIRE MANUAL LISTS ONLY THE OCCUPANCY - GASOLINE SERVICE STATIONS - CODE 0932.

THERE IS ANOTHER STATISTICAL AND RATING ORGANIZATION LICENSED TO DO BUSINESS IN THE STATE OF PENNSYLVANIA KNOWN AS THE AMERICAN ASSOCIATION OF INSURANCE SERVICES, WHO'S HOME OFFICE IS IN BENSENVILLE, ILL. JUST OUTSIDE

OUTSIDE OF CHICAGO. IT WAS INTERESTING TO NOTE IN RESEARCHING THIS SUBJECT THAT THEY TOO PUBLISH A FIRE RATING MANUAL COUNTRYWIDE AND THEY ALSO CLASSIFY GASOLINE SERVICE STATIONS UNDER THEIR STATISTICAL CODE OF 222 WHICH RELATES TO THE ISO CODING OF 0932, FURTHERMORE, THEIR RATES, STATE BY STATE, DO NOT DIFFERENTIATE BETWEEN SELF SERVICE, FULL SERVICE FOR PART SELF AND FULL SERVICE STATIONS.

ONE CAN ONLY CONCLUDE FROM THE ABOVE FIRE RATING TREATMENT UTILIZED BY THE PROPERTY INSURANCE INDUSTRY THROUGH THESE TWO MAJOR RATING AND STATISTICAL ORGANIZATIONS THAT THE FIRE HAZARD IS CERTAINLY NO GREATER FOR SELF SERVICE THAN OTHER TYPES OF GASOLINE SERVICE STATIONS. IF THERE WAS A GREATER FIRE HAZARD NOTED FOR SELF SERVICE GASOLINE STATIONS I HAVE NEVER KNOWN THE INSURANCE INDUSTRY TO BE BASHFUL IN CHARGING HIGHER RATES. THIS HAS NOT BEEN THE CASE TO DATE.

IN FACT ONE OTHER INTERESTING NOTE IS THAT ACTUALLY FIRE INSURANCE RATES FOR GASOLINE SERVICE STATIONS IN GENERAL ARE MUCH LOWER THAN OTHER MERCANTILE CLASSES USUAL TO ANY COMMUNITY. FOR EXAMPLE THE FOLLOWING BASE RATES ARE IN THE MANUAL.

	<u>GAS STATIONS 0932</u>	<u>S.S. LAUNDRY 0913</u>	<u>BARS 0541</u>	<u>HARDWARE 0563</u>
ISO	.32	.92	1.58	1.17
AAIS	.44	1.37	1.79	1.25

IN CONCLUSION GASOLINE STATIONS HAVE A BETTER FIRE LOSS EXPERIENCE THAN MANY OTHER MERCANTILE CLASSES OF OCCUPANCIES AND FURTHERMORE THERE IS NO INDICATION THAT SELF SERVICE GASOLINE SERVICE STATIONS HAVE ANY GREATER FIRE HAZARD THAN OTHER TYPES OF SERVICE STATIONS, AND FOR ALL WE KNOW THEY MAY EVEN HAVE A LOWER FIRE HAZARD? ONLY TIME WILL TELL. THANK YOU

IF YOU HAVE ANY QUESTIONS REGARDING MY COMMENTS I WILL BE PLEASED TO TRY TO ANSWER THEM.


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Hobart E. Fountain

Members of Council:

My name is Jack N. Keefer, I live in Fayetteville, Pa. (12 miles West of Gettysburg).

On July 21, 1976 I retired from the Pennsylvania State Police after 28 1/2 years of service. For nineteen of those years I was assigned to the Fire Marshal Division, Bureau of Criminal Investigation, Harrisburg, Pa. Since my retirement I have been working as a consultant on matters pertaining to Fire Safety, Fire & Arson Investigations and Flammable and Combustible Liquid regulations, especially for attended self service stations.

During the last five years I have also been employed as an adjunct instruction at the National Fire Academy, Emmitsburg, Maryland teaching Fire and Arson Investigations.

I imagine by this time you are saying, what is an ex-state policeman doing here talking to us about Flammable and Combustible Liquids. Let me explain that under the State Fire Marshal Law, Act of 1927. P.L. 450. NO 291 the Pennsylvania State Police have adopted and enforced rules and regulations governing the use, storage and sale of gasoline, naphtha, kerosene, fuel oil, and other substances of like character within the Commonwealth of Pennsylvania. (Exclusive of Philadelphia and Allegheny Counties).

In 1957 I was assigned to the Pennsylvania State Police Fire Marshal Division, Bureau of Criminal Investigation.

In 1961 I was placed in charge of the Flammable and

Combustible Liquid Section of the Fire Marshal Division.

In 1969 I was assigned the responsibility of rewriting the State Police Regulations which included regulations governing self-service gasoline stations operating throughout Pennsylvania, except for Allegheny and Philadelphia counties.

In 1982 I testified as an expert witness in the case of Kownacki, et al. v. City of Pittsburgh. There, Judge (now Supreme Court Justice) Stephen A. Zappala ruled that a City of Pittsburgh Ordinance banning self-service was unconstitutional. This decision was later affirmed by the Commonwealth Court.

I wrote or assisted in writing the State Police Flammable and Combustible Flammable Liquid Regulation revisions in 1958, 1961, 1965 and 1971. I also served as a consultant to the State Police Fire Marshal during the latest revisions in 1984.

I have lectured on the subject of Flammable and Combustible Regulations at Cornell University, Pennsylvania Association Work Shops, the Air Force Symposium held at Hershey, Pa., and at meeting of the Associated Petroleum Industries of Pa.

During my assignment as a Deputy State Police Fire Marshal I processed more than 15,000 applications and plans requesting approval for the installation of underground and aboveground tanks, pumps, and dispensers to be used for the storage and dispensing of flammable and combustible liquids. I also inspected more than 2000 flammable liquid installations after the equipment had been installed to determine whether the

units had been installed in accordance with state regulations. Many of these inspections included attended self-service installations.

In my opinion based on my experience, my education and my personal observations during the last 30 years, I feel that complete self-service stations are as safe from a fire prevention standpoint as the conventional type of full services gasoline stations. In fact, there are many features of complete self-service which in my opinion make it even safer than the traditional method of dispensing gasoline at full service locations.

If any of the members of the Committee have any questions I would be glad to respond to them.

GEOGRAPHIC REGION	FULL-SERVICE PRICES				SELF-SERVICE PRICES				AVG PRICE
	REGULAR	UNLEAD	PREM	DIESEL	REGULAR	UNLEAD	PREM	DIESEL	
Conn.	108.5	117.1	128.3	122.4	108.0	112.0	124.8	113.4	116.3
Maine	107.5	108.4	124.1	107.1	97.9	99.6	113.1	102.3	110.2
Mass.	95.7	109.0	120.9	111.5	82.1	95.7	110.6	99.6	104.4
N.H.	96.9	109.9	115.3	90.7	97.9	98.6	114.3	83.9	106.1
R.I.	118.9	121.0	134.2	114.9	94.2	97.4	111.8	103.9	110.2
Vt.	99.0	120.0	120.0	113.0	98.0	102.0	111.0	108.0	108.1
NEW ENGLAND	105.2	111.1	124.1	110.1	98.2	102.2	115.9	104.2	110.4
* D.C.	121.6	134.4	149.4	136.8	98.8	100.1	114.9	110.0	117.8
Del.	124.9	115.4	126.5	112.0	99.9	92.4	105.9	98.5	112.1
Md.	118.1	122.3	135.3	113.1	98.3	99.9	114.5	101.0	115.4
N.C.	97.1	94.1	110.3	101.5	No Self-Service				101.1
N.Y.	102.8	103.9	117.6	107.7	91.0	92.9	110.5	102.0	103.8
Pa.	102.8	105.9	119.7	107.6	90.5	89.9	106.9	98.3	104.2
Va.	122.0	127.4	136.5	112.0	92.7	96.8	108.2	99.3	112.4
W. Va.	112.5	116.1	123.8	115.4	91.6	92.7	106.2	108.3	106.8
MID-ATLANTIC	109.1	111.0	124.0	111.1	93.2	94.4	109.4	102.3	108.0
Ill.	115.8	121.4	134.7	111.6	94.4	95.5	112.1	99.6	111.7
Ind.	116.8	121.0	132.0	114.1	91.8	90.8	106.9	100.0	108.6
Mich.	111.8	114.1	-----	95.3	96.8	95.3	-----	98.6	104.3
Ohio	113.0	117.4	134.5	115.9	90.3	90.3	111.1	99.0	112.2
Wis.	111.7	115.2	125.1	-----	95.9	95.3	107.9	-----	107.7
GREAT LAKES	114.3	118.5	133.0	109.3	93.5	93.2	109.6	99.4	109.1
Ark.	113.0	116.0	124.0	103.0	90.0	93.0	108.0	95.0	108.6
Iowa	106.0	108.0	118.0	106.0	92.0	95.0	107.0	95.0	104.3
Kans.	104.6	105.6	124.2	96.0	89.0	90.1	105.8	87.0	100.9
Minn.	123.0	116.4	129.3	-----	97.5	98.4	110.5	-----	110.9
Mo.	99.2	104.0	121.5	103.0	84.7	85.7	106.8	88.6	100.6
N.D.	113.7	115.7	130.5	105.5	96.2	96.8	108.5	97.0	110.4
Neb.	107.3	109.5	122.8	104.1	92.5	97.2	104.9	95.9	104.8
S.D.	112.4	113.3	126.3	101.5	95.4	96.5	107.4	95.7	108.2
MIDWEST	110.7	111.4	124.4	103.3	93.0	95.1	107.4	93.8	106.3
Alabama	111.3	117.5	126.4	111.4	88.5	92.8	106.2	93.9	107.1
Fla.	119.1	120.5	140.2	116.2	90.9	93.6	104.8	103.4	110.0
Ga.	104.9	114.7	122.6	96.9	85.9	92.7	103.0	88.9	103.1
Ky.	111.5	114.1	125.3	107.5	89.4	91.7	103.1	90.4	107.4
La.	117.5	121.5	129.2	115.2	91.2	95.4	106.2	104.4	111.4
Miss.	112.3	120.3	129.6	109.0	92.3	94.0	109.6	96.5	112.6
N.C.	114.1	116.6	126.9	119.2	87.3	91.0	107.0	95.1	104.9
S.C.	120.3	123.9	135.4	110.8	85.2	87.9	105.8	93.6	106.0
Tenn.	112.0	121.0	130.0	108.0	88.0	91.0	108.0	93.0	107.7
SOUTHEAST	114.3	118.9	131.2	111.6	88.9	92.4	105.6	97.1	107.9
Arizona	119.0	124.0	135.0	118.0	89.0	93.0	109.0	105.0	110.9
N.M.	114.7	120.3	128.1	96.6	92.8	97.4	108.2	86.4	108.7
Okla.	112.0	115.0	122.0	118.0	86.0	89.0	97.0	88.0	100.4
Texas	118.0	122.5	132.1	114.5	87.9	91.5	101.5	96.3	107.0
SOUTHWEST	116.4	120.7	129.8	114.6	87.8	91.4	101.9	94.3	106.0
Calif.	123.4	131.6	141.0	116.4	95.1	98.3	112.3	101.1	115.2
Colo.	114.9	118.9	127.9	113.0	88.9	92.9	103.9	104.0	107.9
Idaho	113.1	113.8	125.8	104.5	96.0	96.7	107.9	98.1	105.9
Mont.	113.2	113.2	121.3	108.9	102.6	102.4	109.6	104.7	110.7
Nev.	125.2	129.4	139.8	114.2	94.4	98.6	113.0	106.6	112.1
Ore.	102.0	108.0	119.0	101.0	No Self-Service				109.6
Utah	116.0	121.0	128.0	100.0	95.0	98.0	107.0	94.0	108.1
Wash.	118.9	126.1	134.4	109.7	87.9	91.6	104.9	100.0	107.6
Wyo.	111.9	116.9	126.9	100.9	95.9	96.9	110.9	94.0	109.2
WEST	118.6	124.9	134.3	112.2	93.7	96.7	109.6	101.0	111.8
UNITED STATES	114.1	118.3	130.2	110.7	92.2	94.3	107.9	98.8	108.9

* Includes Maryland & Virginia suburbs

NOTE: Gas price averages do not include diesel prices

COMMENTS FOR SELF-SERVE GAS BILL S-2906

JOHN STRATTON FILE

~~BY~~ SENATE MINORITY WHIP C. LOUIS BASSANO, R-UNION,

THE ISSUE OF SELF-SERVICE GAS IS ONE THAT SOUNDS ATTRACTIVE TO MANY PEOPLE, BUT IS NOT WIDELY UNDERSTOOD BY THE GENERAL PUBLIC.

IT IS GENERALLY BELIEVED THAT NEW JERSEY IS AT A DISADVANTAGE WHEN IT COMES TO SERVICE STATION PRICES, BECAUSE OUR STATE DOES NOT HAVE SELF-SERVICE GAS. NOTHING COULD BE FURTHER FROM THE TRUTH.

IN FACT, NEW JERSEY'S GASOLINE PRICES ARE ALREADY AMONG THE LOWEST IN THE NATION. THAT IS TRUE EVEN IF ONE TAKES INTO ACCOUNT THE RECENT TWO-AND-A-HALF CENT INCREASE IN THE GAS TAX ENACTED TO HELP THE STATE RENEW THE TRANSPORTATION TRUST FUND.

MILE FOR MILE, NEW JERSEY'S ROADWAYS ARE AMONG THE MOST HIGHLY TRAVELLED IN THE COUNTRY. THIS CREATES A GREAT DEMAND FOR GASOLINE AND A MARKET CONDUCIVE TO THE LOCATION OF A LARGE NUMBER OF SERVICE STATIONS IN THE STATE. IN TURN, THIS RESULTS IN GREATER COMPETITION AND INCREASED CHOICE TO THE CONSUMER, HELPING GENERATE LOW PRICES.

SELF-SERVICE

ANY PRICE REDUCTION FROM SELF-SERVICE GAS WOULD BE SHORT-TERM AND ILLUSORY.

SELF-SERVICE GAS STATIONS WOULD ACTUALLY DECREASE COMPETITION OVER TIME. GAS COMPANIES WOULD FAVOR OPERATING LARGE GAS STATIONS WITH HIGH VOLUME AND HIGH PROFIT MARGINS OVER THE SMALL "MOM AND POP" STATIONS THAT PROVIDE COMPLETE CAR CARE FACILITIES AND EMPLOYMENT FOR YOUTHS.

WHEN SMALL STATIONS ARE ELIMINATED, CONSUMERS WOULD HAVE LESS ACCESS TO GASOLINE. SINCE THE DEMAND FOR GASOLINE CONTINUES TO GROW, A CUT IN THE AVAILABILITY AND THE SUPPLY, WOULD ACTUALLY PRODUCE AN INCREASE IN PRICES.

NEW JERSEY HAS A LARGE NUMBER OF PETROLEUM REFINERIES IN THE STATE. THE PEOPLE OF NEW JERSEY MUST LIVE WITH THE BY-PRODUCTS OF THESE REFINERIES. THEY DESERVE SOME BENEFIT FROM HAVING THESE FACILITIES LOCATED IN THE STATE.

THE TECHNOLOGICAL CHANGES WHICH HAVE BEEN MADE TO DISPENSING EQUIPMENT ARE NOT SUFFICIENT TO ELIMINATE THE NEED FOR TRAINED ATTENDANTS. THE GREATER HAZARDS ASSOCIATED WITH CUSTOMERS OPERATING PUMPS ARE REFLECTED IN THE HIGHER GENERAL LIABILITY INSURANCE PREMIUM RATES CHARGED TO SELF-SERVICE STATIONS.

SELF-SERVICE

THIS LEGISLATION WILL ALSO HELP PROTECT CONSUMERS FROM INFLATIONARY PRICING STRATEGIES. AN EXAMPLE OF THIS WAS EVIDENT FOLLOWING THE RENEWAL OF THE TRANSPORTATION TRUST FUND. WHEN THE NEW JERSEY GAS TAX WAS INCREASED BY 2.5 CENTS TO FUND NEEDED TRANSPORTATION PROJECTS, GAS STATIONS INCREASED THE PRICE AT THE PUMPS BY 3 CENTS. THIS RESULTED IN A WINDFALL OF \$29 MILLION FOR THE GAS COMPANIES.

THE FACTS CLEARLY POINT OUT THAT THE IMPLEMENTATION OF SELF SERVICE GAS IN NEW JERSEY WOULD CREATE AN INCONVENIENCE FOR OUR MOTORISTS, REDUCE JOB OPPORTUNITIES FOR OUR YOUTH, REDUCE SERVICES AVAILABLE FOR MOTORISTS, AND INCREASE PROFITS FOR THE OIL COMPANIES.

THE IMPLEMENTATION OF SELF-SERVICE GAS SERVICE IN NEW JERSEY WOULD, OVERTIME, REDUCE COMPETITION AND SERVICE. PEOPLE WOULD BE PAYING MORE MONEY FOR LESS SERVICE, WHILE THE GAS COMPANIES WOULD BE MAKING MORE MONEY BY OFFERING LESS TO THE CONSUMER.

I WILL CLOSE MY TESTIMONY BY ASKING ONE SIMPLE QUESTION: IF SELF-SERVICE GAS STATIONS WILL LOWER THE PRICE OF GASOLINE IN NEW JERSEY, WHY IS IT MORE EXPENSIVE IN THE SURROUNDING STATES THAT ALREADY HAVE IT?

I THANK THE COMMITTEE FOR LETTING ME SPEAK ON THIS BILL. I WILL BE HAPPY TO ANSWER ANY QUESTIONS THE COMMITTEE MAY HAVE.



*New Jersey Gasoline Retailers' Association
and
Allied Trades, Inc.*

JERRY M. FERRARA, Exec. Director

66 MORRIS AVENUE • SPRINGFIELD, N. J. 07081 • 201-686-1000 • 376-0066

April 28, 1988

Mr. David Scheffman
Bureau of Economics
Federal Trade Commission
Washington, D.C.

Dear Mr. Scheffman:

In a news release on Tuesday, April 26 re self-serve gasoline prices in New Jersey vis-a-vis several other areas, you are quoted as saying New Jersey motorists are paying a 17¢ "premium" on leaded and unleaded gas, over similar grades on full serve in various locations.

I am astounded at the reports because there is absolutely no factual basis for it, in that, in New Jersey the average retail dealers are not making in its entirety 17¢ above their wholesale cost. Your report released under the title of your position with the Federal Trade Commission's Bureau of Economics has caused irreparable harm to the 4,000 gasoline retailers in New Jersey. Even the AAA has testified that New Jersey prices were among the lowest in the entire country.

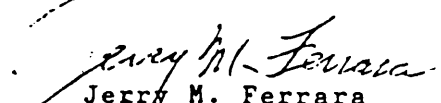
In fact, the AAA survey on full serve prices currently shows that motorists are paying an average of 24¢ more per gallon than for full service in New Jersey.

I am requesting that you furnish us with the raw data as to how you arrived at this so called "17¢ premium", and if an error has been made (which I believe will prove out), that the corrected information be released in the same manner as your previous report.

If no correction is forthcoming, I am sure that the FTC's image will be tarnished both in New Jersey and before the various congressional committees that would be interested in the truth.

Looking forward to an early reply and a resolution of this matter, I am,

Sincerely,


Jerry M. Ferrara
Executive Director

JMF:ikm



New Jersey Gasoline Retailers' Association and Allied Trades, Inc.

JERRY M. FERRARA, Exec. Director

66 MORRIS AVENUE • SPRINGFIELD, N. J. 07081 • 201-686-1000 • 376-0066

May 6, 1988

To Members of Senate and Assembly Law and Public Safety Committee

In a news release Tuesday, April 26, Mr. David Scheffman, Director of the Federal Trade Commission Bureau of Economics, issued a report saying New Jersey motorists are paying a "17¢ premium" for leaded and unleaded regular gasoline over similar grades for full service in various locations.

We have requested he furnish the raw data as to how he arrived at this so-called "17¢ premium". (See attached letter).

As you know, even at the joint hearing, no such statements were made. (I'm sure they would have, if it were true).

We have also asked our Congressional delegation to follow through on this request

In an attempt to make it much clearer and to eliminate any differences in taxes or dealer wholesale cost, we are using the average gross profit margin per gallon in cities referred to by the FTC report, and compared them with New Jersey retailers margin. All figures were obtained from the Lundberg report, which is often used as reference.

APPARENT AVERAGE MARGINS FULL SERVICE

	ular Leaded	Regular Unleaded
Long Island, N.Y.	13.95	17.95
Philadelphia, Pa.	25.94	34.19
Providence, R.I.	24.05	30.66
Boston, Mass.	N/A	N/A
Newark, N.J.	5.29	11.73

As you can observe, Mr. Scheffman has gotten something backwards!

We sincerely believe that when all the "smoke is cleared", New Jersey motorists are well served.

Sincerely,

My HUSBAND, a brawny-looking man, had injured his back and could barely walk. On the way to the doctor, we stopped for gas at a self-serve station. I dragged my eight-months-pregnant form out from behind the steering wheel and began pumping.

Two men nearby looked at my husband, who was resting in the car, and then glanced at me. "Well," I heard one say to the other, "they *are* liberated, you know."

—ELLEN McQUARRIE (Lowell, Ariz.)

Jerry M. Ferrara
Executive Director

Without any thought to pros or cons on self service, the article from Readers Digest "Life in These United States" brought a "chuckle" to me.

22x



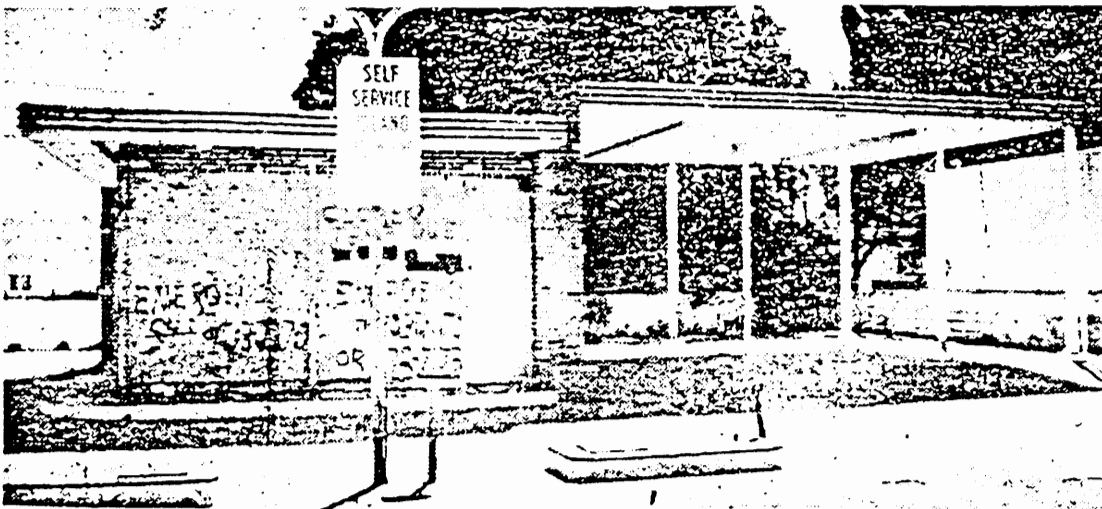
The State

Fort Lauderdale News and Sun-Sentinel

How stations like this...



...are creating stations like this



HOW THE BIG (COMPANY RUN STATION) "ATE UP THE INDEPENDENT".
THIS WAS A SPLIT-ISLAND STATION (SELF-SERVE AND FULL-SERVE).
WHEN IT CLOSED, THE AVAILABILITY OF REPAIR FACILITIES WENT
WITH IT.

PROBLEMS OF SMALL RETAIL STATIONS

In the period of January 1972 through 1987, service station outlets dropped from 222,000 to approximately 100,000. While the loss of this many business opportunities within the general economy would be disturbing, a decrease of this magnitude within just one sector is disastrous. It is predicated if this trend continues, an additional 20,000 will go out of business by 1991. This will not only mean that 140,000 businessmen have lost the opportunity to compete in our economic system, but the consumers will be deprived of 140,000 alternative sources of fuel and automotive repair services of the competitive prices generated by their operation.

New Jersey has already lost approximately 2,000 outlets and many more can be expected if current policies of the Major suppliers continue.

In 1983 and 1984, most companies have generally followed the pattern of declining to renew existing leases as they come due if the station involved did not sell at least 40,000 gallons per month. It appears that this minimal gallonage target is now even higher which points to an even greater attrition in the near future.

BACKGROUND OF GASOLINE MARKETING

Prior to 1972, the oil companies' outlook on their service station was one of the proverbial "garbage dump" in that profits were made on the producing fields and gasoline was a by-product that had to be disposed of.

Crude oil could be produced from a well for as little as .12¢ per barrel (42 gallons) and it was pumped out as fast as possible and the attempts to "unload" as much as possible lead to the "gas price wars" of the early '50s. Profits were made from the well depletion allowance and other tax incentives.

In 1972 - 1973 a discernible change started to take place and the advent of the "Mid East Crisis" while delaying the change only accelerated and reinforced the view that profits could more readily be achieved "Downstream". "Downstream" being from the refiner to the consumers' gas tank and "Upstream" meaning from the well head to the refinery.

While in other States "direct takeovers" of retail operations become more prevalent, The New Jersey Franchise Practices Act slowed things down a little here.

One Eastern City had 35 outlets of a particular company in 1972 and remaining now are only 5, all directly operated as self service outlets without any auto repair or emergency facilities.

PUMPER (GAS ONLY) STATIONS IN NEW JERSEY

The past few years the "pressure" in New Jersey has been on for "gas only" high volume stations.

Several companies are presently engaged in a "big push for the "gas only" concept.

485 MADISON AVENUE
NEW YORK, N.Y. 10022
(212) 752-3322

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THE JIM BRANCH REPORT #4018

TOPIC: "SELF SERVING SELF SERVICE"
(Gas Stations)

ANNOUNCER: JIM BRANCH

DATE: TUESDAY, JULY 20, 1982

IF YOU LOOK CLOSELY AS YOU DRIVE ALONG ROUTE FOUR IN NORTHERN NEW JERSEY, YOU WILL FIND TWO NEW GASOLINE STATIONS OWNED BY A MAJOR OIL COMPANY ON BOTH SIDES OF THE HIGHWAY. IF YOU LOOK CLOSER YOU'LL SEE THEY ARE BUILT IN THE CHARACTERISTIC MANNER OF SELF SERVICE GASOLINE STATIONS...LOTS OF PUMPS AND A SMALL CLOSET SIZE CHASHIERS BUILDING, NO GARAGE, NO EQUIPMENT THOUGH THEY'RE STILL AGAINST THE LAW IN NEW JERSEY. AND IF YOU LOOK CLOSER STILL YOU'LL SEE THE WORDS "EXPRESS SERVICE" OVER THE PUMPS...AND SOME DRIVERS PUMPING THEIR OWN GAS...THOUGH THAT'S STILL ILLEGAL. THE MAJOR OIL COMPANIES OBVIOUSLY HAVE SOME FRIENDS IN TRENTON...AND THERE IS A MOVE AFOOT...TO ADD NEW JERSEY TO THE LIST OF STATES TAKING PART ~~IN THIS~~ MONUMENTAL RIP OFF. I'M NEWS DIRECTOR JIM BRANCH AND I'LL TALK ABOUT SELF SERVING SELF SERVICE ON THE JIM BRANCH REPORT FOR WRFM.

NEW JERSEY STATE SENATOR FRANK GRAVES OF PASSAIC IS THE SPONSOR OF A BILL...ONE OF MANY...THAT WOULD PERMIT STATIONS TO ALLOW CUSTOMERS TO PUMP THEIR OWN GAS...SUPPOSEDLY AT A GREAT FINANCIAL SAVINGS TO THE CUSTOMER. GRAVES NOTES THAT NEW JERSEY AND OREGON ARE THE ONLY TWO STATES IN THE UNION THAT DO NOT HAVE SELF SERVICE STATIONS. THE BIG OIL COMPANIES ARE MUCH IN FAVOR BECAUSE THEY ARE INTERESTED IN BUILDING AND BUYING AND SUPPLYING STATIONS THAT DO NOTHING BUT PUMP HIGH VOLUMES OF GASOLINE. THOUGH THE MAJOR OIL PRODUCERS HAVE BARELY BEGUN SWITCHING FROM SUPPLYING INDEPENDENT OWNERS TO THE COMPANY OWNED STATIONS...THE INDEPENDENTS ARE CONVINCED IT WOULD ONLY BE A MATTER OF TIME WHEN THE HIGH VOLUME COMPANY CROWD WOULD REFUSE TO RENEW CONTRACTS WITH THE FAMILY OWNED BUSINESS. THESE SKELETONS OF STATIONS IN NEW JERSEY THAT HAVE BEEN GOING UP LATELY ARE OWNED BY THE BIG OIL COMPANIES. BUT GRAVES SAYS IT WILL MEAN LOWER PRICES FOR THE CONSUMER AND NOTES THAT EVERYWHERE THERE ARE SELF SERVICE STATIONS...THE PRICE IS LOWER THAN THE FULL SERVICE ISLAND. HOW TRUE, HOW TRUE. BUT SENATOR GRAVES HAD BETTER TAKE A CLOSER LOOK AT THE PRICES AT THE SELF SERVICE ISLAND AND THE FULL SERVICE ISLAND. THE STATISTICS SAY SELF SERVICE IS ELEVEN PERCENT LOWER ON THE AVERAGE THAN FULL SERVICE. BUT

25X

Approved for Release by NSA on 09-11-2013 pursuant to E.O. 13526

OVER

485 MADISON AVENUE
NEW YORK, N.Y. 10022
(212) 752-3322

THE JIM BRANCH REPORT #6035

TOPIC: "SELF SERVICE"
(Gas Stations/New Jersey)

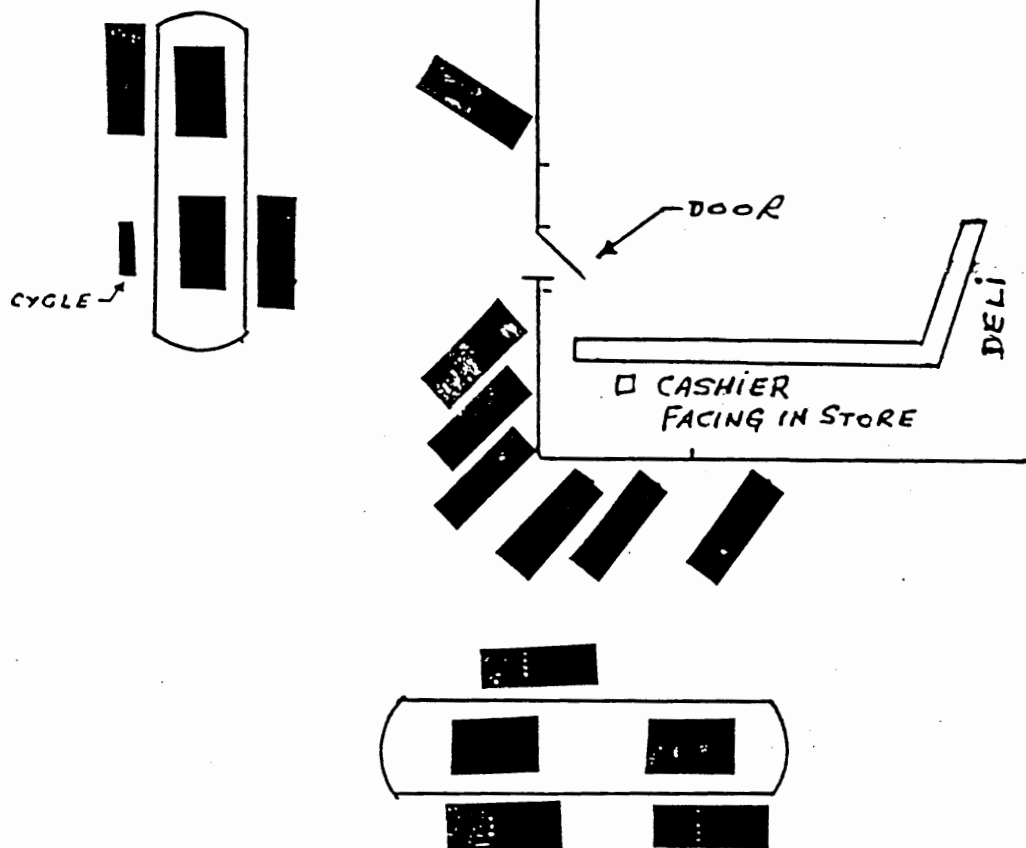
ANNOUNCER: JIM BRANCH

DATE: FRIDAY, SEPTEMBER 7, 1984

AND ONCE MORE, THE VOICE OF THE TURTLE CAN BE HEARD THROUGHOUT THE LAND. THE OIL COMPANIES ARE GEARING UP FOR SELF SERVICE IN NEW JERSEY, CONFIDENT THEY CAN BUY OFF THE LEGISLATORS WITH CAMPAIGN CONTRIBUTIONS SO THAT THEY WILL REPEAL THE LAW THAT FORBIDS SELF SERVICE STATIONS IN THE GARDEN STATE. AND SO THAT THEY CAN PERPETUATE THE FALSE IMAGE THAT SELF SERVICE STATIONS SAVE THE PUBLIC MONEY. I'M NEWS DIRECTOR JIM BRANCH AND I'LL TALK ABOUT SELF SERVICE ON THE JIM BRANCH REPORT FOR WRFH.

THERE HAS BEEN A MAJOR OVERHAUL IN THE LAST TWO YEARS EVIDENT AT COMPANY OWNED SERVICE STATIONS IN NEW JERSEY, ONE OF THE LAST TWO STATES IN THE U.S. THAT DOES NOT PERMIT SELF SERVICE GASOLINE STATIONS. THE STATIONS ARE OBVIOUSLY BEING REMODELED WITH SELF SERVICE IN MIND, WITH THE PUMPS LINED UP IN A FASHION FOR PUBLIC PUMPING. NOW THE OIL COMPANIES ARE BRAGGING THIS SUMMER THAT THE GASOLINE PRICES AT THE SELF SERVICE ISLAND ARE SIXTEEN CENTS BETTER, ON THE AVERAGE, THAN AT THE FULL SERVICE ISLANDS IN THE STATES THAT DO ALLOW SELF SERVICE, THUS THEY SAY THEY ARE SAVING THE PUBLIC THAT MUCH MORE MONEY. WHAT THEY DON'T SAY IS THAT THE PRICE OF FULL SERVICE IN NEW JERSEY IS BETTER THAN ALMOST ALL OF THE SELF SERVICE PRICES IN OTHER STATES, AND THAT IT ISN'T A SIXTEEN CENTS SAVINGS THEY'RE TALKING ABOUT, BUT A SIXTEEN CENTS PENALTY ADDED ON TO THE GASOLINE PRICE, TO AVOID HAVING TO SERVE YOU. THE STATIONS IN NEW JERSEY MAKE A GOOD PROFIT ON THEIR GASOLINE, WITHOUT ADDING AN ADDITIONAL SIXTEEN CENTS. IT'S LIKE THE MONEY YOU ALLEGEDLY SAVE FOR PAYING CASH FOR GAS. THAT TURNS OUT TO BE ADDITIONAL PENALTIES ADDED FOR USING YOUR CREDIT CARD. AGAIN, THE CONFLICT SEEMS TO BE OVER WHETHER TO CALL IT A PENALTY OR A SAVINGS. SINCE SEVERAL COMPANIES ARE COMPETITIVE, CHARGING THE SAME PRICE FOR CREDIT PURCHASES THAT THE OTHER COMPANIES CHARGE FOR CASH ONLY, IT WOULD APPEAR THE WORD PENALTY IS A BETTER ONE THAN THE WORD SAVINGS. DO YOU HONESTLY

GLADES ROAD

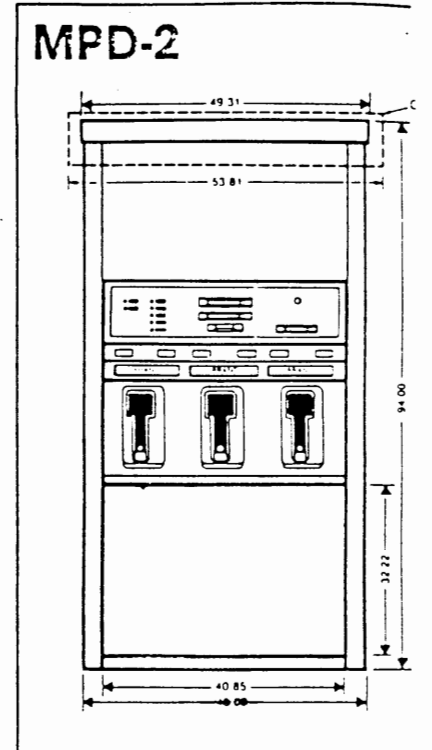
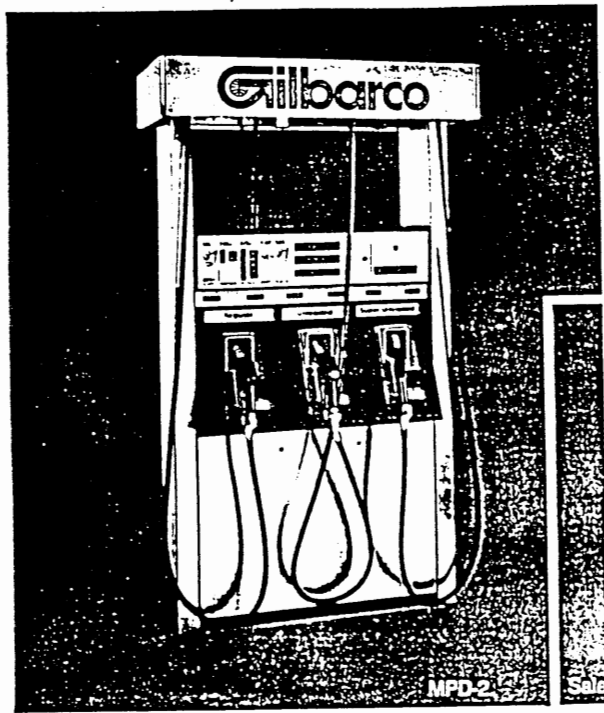


BUTTS ROAD

ROCA LATON, FLORIDA

Gilbarco

MPD-2 & Salesmaker-2

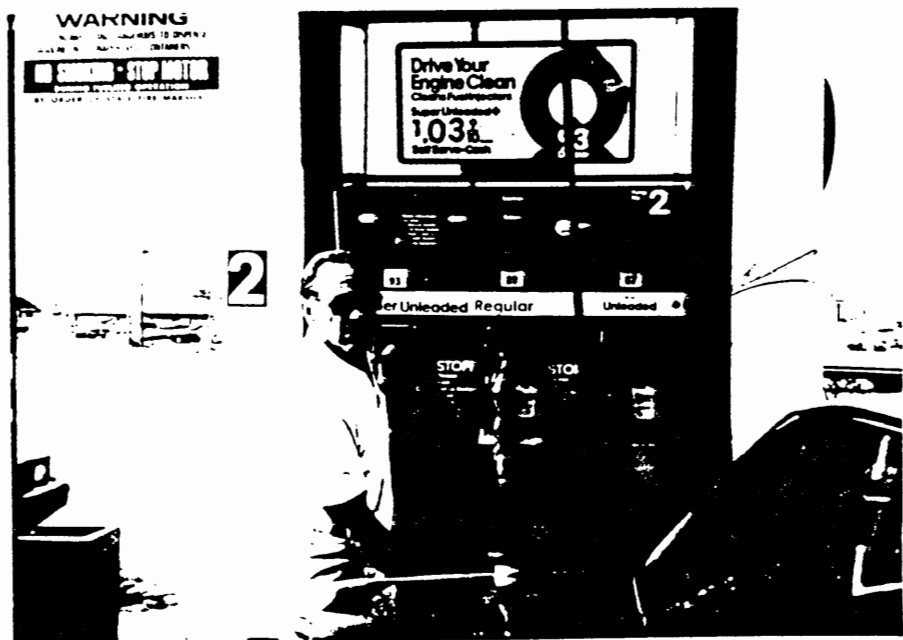


NOTE: DIMENSIONS OF MULTI-PRODUCT DISPENSER BASIC TYPE PUMP USED IN STATIONS TODAY. IT IS 4-FEET WIDE, AND IN THE EVENT OF A SPILL, CUSTOMER SERVING SELF IS NOT VISIBLE TO CASHIER IN KIOSK OR CONVENIENCE STORE.

MULTIPLY THIS BY SEVERAL ISLANDS AND PUMPS PER ISLAND, AND DECIDE WHICH IS SAFER--A REMOTE CASHIER OR AN ATTENDANT?

PHOTO PROVIDED BY N. J. MOTORIST, VENICE, FLA., 1988

Economy	
Self Serve	89.9
Full Serve	127.9



U.S. oil week

February 17, 1986

inside report on trends in petroleum marketing without the influence of advertising

Woman burned **Gas hose dangerous**

A recent incident involving the faulty OPW 33-C pump hose swivel underscores the need to identify and replace these units.

Recently, a Washington, D.C.-area woman was sprayed with gas at a self-serve pump because of the faulty swivel. She then went into the station, passed too close to a space heater and her dress caught fire.

OPW recalled the units in July 1984, but currently there are around 30,000 faulty units unaccounted for.

What to do

If you currently are using a 33-C swivel, you should remove it immediately and send it to: Building C, Dover Corp., OPW Div., 9393 Princeton-Glendale Rd., Cincinnati, Ohio 45240.

OPW will send you a free replacement. In the meantime, the nozzle can be directly attached to the hose. —Jay Pinkert



Fireman hoses burning pump ripped from island when a customer drove away with the nozzle in his car's gas tank. Quick thinking by mechanic Cliff Elliott, who doused the pump, and attendants, who pulled emergency switch to cut off electricity at the station, averted a major explosion at Mike Holton's station in Cape Coral, Fla. Incident received media coverage praising Holton's employees for preventing flames from reaching underground tanks.

TRUE I

GAS SPLASH-BACK

CINDA KOCHEN
BOULDER, COLO.

We had just finished filling our car's gas tank when we heard the mother and her little boy scream. My husband and I stood there dumbfounded — the woman was speaking Arabic and we couldn't understand her. Finally she blurted out, "Gas, eyes!"

The child had gotten out of the car to watch his mother fill up the tank. The mother began squeezing the pump handle before the nozzle was completely inserted in the tank. The force of the gasoline coming from the hose hit the metal flap just inside the tank, causing gasoline to splash back on her skirt and into the eyes of her watching child.

While my husband carried the terrified child to a nearby spigot and flushed his eyes with water, I ran to the station to call 911, our city's emergency number.

When the ambulance arrived, the paramedic continued flushing the boy's eyes, using a saline solution. He also removed the boy's clothing, explaining that the fumes from his gasoline-soaked shirt were being inhaled and could cause asphyxiation as well as irritate the skin. The boy was then taken to the hospital for observation and to check if he had swallowed any gasoline.

Now whenever we get gas, we make sure our children are out of the way and that the nozzle is fully inserted before squeezing the handle. ■

Boy, 3, backs car, killing grandmother

Associated Press

GLEN BURNIE, Md. — A 3-year-old boy in an idling car at a gas station put the vehicle in reverse and it backed over his grandmother, killing her, police said.

When the car started to drift backward Friday night, attendants heard 3-year-old Irene T. Phillips yell and saw her put her hands on the back of the car to try to stop it.

The attendants saw two young children and a woman in the front seat, said station manager Phil Bailey.

"She yelled for someone in the car to hit the brake and apparently they hit the accelerator instead," said Bailey, who wasn't at the station at the time.

The attendants said the woman turned and ran but remained in the car's path. She tripped and the car ran over her.

Phillips, of Severn, was pronounced dead on arrival at the Shock Trauma Center in Baltimore.

Police said Phillips had placed the gear shift in the park position when she went out to pump her own gas, but left the motor running.



a quarterly magazine published
by the Amoco Oil Company.

THE JOURNAL-NEWS, TUESDAY, FEBRUARY 2, 1988

Gas attendant burned as gasoline, car ignite

By Pati Nash
Staff Writer

A 17-year-old attendant at the Mobil Car Wash, Route 59, Nanuet, was recovering Monday from burns he suffered Sunday when a car being filled by a motorist burst into flames.

Christopher Clarke of 167 Parrot Road, West Nyack, received second- and third-degree burns on his hands, face, neck and back when the auto at the self-service island ignited shortly after 8 p.m., police said.

Clarke said he noticed that gas was spilling on the ground and yelled to the man. Moments later, he said, he was trapped by flames in the cashier's booth.

"One of the doors wouldn't open,"

Clarke said. "I ran through the flames, and I was on fire. I jumped in the snow and started rolling around."

Nanuet Fire Chief Socky Trojahn said the probable cause of the fire was fumes leaking from the gas tank hitting the exhaust system.

The motorist, who was not identified by police, was uninjured.

Trojahn said the car wash was slightly damaged, along with the car.

Clarke said he didn't panic, but that when one of the tires on the car popped, he thought the pumps were about to explode.

A Clarkstown police officer in a patrol car observed the fire and called the Nanuet Fire Department. Firefighters had the fire under control within five minutes after they arrived.

You can't take it with you

Bonnie Lee Wilson forgot about the self-service pump nozzle in her car's tank after she purchased gasoline at a competitor's station in Leesburg, Fla. She drove into a congested intersection with the nozzle wedged in the tank and gasoline spewing behind her car. When flames erupted, Wilson jumped from the moving vehicle and ran to safety.

Glenn Strickland, an attendant at Smith's Amoco station across the street, saw the flames and reacted — fast. Strickland hurdled a hedge, ran into the busy intersection, jumped into the car, which was moving about 20 miles an hour, and stopped the vehicle. He pulled the nozzle from the gasoline tank, while the pump — about seven feet away — burned. He then ran back to his station, got a fire extinguisher, and put out the blaze before the Leesburg fire department arrived. No one was injured.

The dealer at the station where the mishap occurred said the nozzle from the pump had been wedged tightly into Wilson's tank. When she drove away, the nozzle stuck in the tank and pulled down the pump. An automatic safety valve closed off the main fuel line in the base of the pump and prevented a major gasoline spill.

When asked about his heroic effort, Strickland attributed it to instinct. "I saw this car going down the highway and no one doing anything to stop it. So I did," he said. ■



Glenn Strickland, an attendant at Smith's Amoco in Leesburg, Fla., prevented disaster with heroic action.

FuelLine

JUNE 1986

Station owner, swivel manufacturer among those expected to be charged

Lawsuit imminent in service station burn victim tragedy

By George Soules

On January 14, 1986 Susan Long walked into the cashier's booth at Gaithersburg Gulf in Gaithersburg, Maryland to wash her hands. A few seconds later she ran out of it—burning alive.

"I suspect each of the parties would look to others at fault since it's a series of events that led to the horrible disaster."

—Atty. Neil Axel

Station owner Robert Scheidegger rushed to douse the flames that enveloped Long's body but the ghastly damage had been done. Long was rushed by helicopter to the Washington Hospital Center in Washington, D.C., where she was placed on the critical list, suffering

second and third degree burns over 60 percent of her body.

Long survived. However, the responsibility for her accident is just beginning to rear its litigious head.

When Long entered the kiosk at the self-serve station, her clothing was wet—it had been sprayed by gasoline when the OPW 33-C swivel (like the one pictured above) on the pump she was using came apart. Inside the booth, Long came into contact with an electric space heater which ignited her clothing.

Questions immediately come to mind. Was the heater defective or poorly situated? Did the station's personnel respond properly and expeditiously to the incident?

According to the report filed by Montgomery County (Maryland) Fire and Rescue Services agent Sergeant Douglas Alexander, the station attendants acted correctly, and no fire code violations were found at the facility.

Asbury Park Press/Sunday, October 30, 1988

'Full-serve' station solely missed

Savings add up to no small talk with local mechanic

Every 10 days my gasoline tank runs low and I have to go to the self-service station for a fill up. My wife says she doesn't know how to use self-service pumps. I'm not sure I believe her. You see, the one who gets gasoline has to pay. Ergo, she pleads ignorance.

I tell her, "There's nothing to it. I'll teach you how." She counters with, "That's not my job." That's true enough. She has her jobs, I have mine, and (I hope she doesn't read this) her jobs are tougher than mine.

Gasoline stations in Florida pretty much specialize in self-service, with one lane for full service. This lane is seldom used, since the prices are way out of line.

New Jersey has mostly full-service stations. Reasons for this are that stations have been ripped off by guys who took off without paying and because some yutzes were pumping their gasoline while smoking. So to save themselves from going broke and from being blown up, they went for full-service, with no change in prices. I like that. Yeah for New Jersey!

Last Sunday I made my regular visit to the station for gasoline. I also needed air. This place once had a nice metered air hose pump where you could tell when you had reached your 30 pounds of air pressure in the tires. This was great for me since I'm not very good in measuring pressure with hand gauges. I can't get the darn things to go over 20

Gray Matters

**LOU
KAPLAN**



pounds. I seem to let out 10 pounds of good air every time I use the gauge.

I couldn't find the old air hose. I asked the clerk in the center store, "Where's your air?" She answered, "We don't have it anymore. We have a new air supply station," and pointed to it. She forgot to tell me that it was activated by quarters.

They were selling air! Just as they were selling the use of vacuum hoses for cleaning up cars. I didn't look around but I'll bet they're also charging a fee for water. And another thing I'm not crazy about — sometimes you have to guess how much gasoline you're going to get and pay in advance. Also, I lost a lot of tank caps at these stations.

Give me the good old days when a gasoline station, in addition to all the car servicing, was a neighborhood center, like Irv Randall's in Neptune, N.J. I used Irv for 20 years. He would give me gasoline, oil, check the tires and water, and wash the windshields. Often I would manage to slip in a couple of questions about the car: "Why the knocking?

Why does it stall? How come the motor races?"

Good old Irv would lift up the hood, take a look, maybe make an adjustment or two. No charge. And, he was an ace mechanic. He knew we would give him all of our repair jobs and, boy, did we have car repair jobs with five cars in the family. Two for me and my wife and one each for the children. We also bought two more for our two dogs.

When I had to make long trips Irv would give me road maps, free, and tell me which were the best roads. We would talk about the kids — Howie's no-hitter, Dave's great football game, Carol's cheerleading. We would talk about local politics, about Neptune's great basketball teams under Larry Hennessy, etc.

Nowadays you can't get any of this neighborly stuff at the self-service stop. You're lost? Tough. You need air? Take deep breaths. Something wrong with your car? Tough. You need water? Go to the ocean. You got a problem? Who cares.

Self-service stations are one big pain!

□ Lou Kaplan, a retired chemist who formerly lived in Neptune and Lakewood, has opted for condominium living in Florida and writes about it and people in retirement in this column, which appears alternate Sundays.

Kissing 'check your oil' and 'thanks' goodbye

M. R. MONTGOMERY

You may recall the major television advertising campaign for Exxon, which used to be Esso, those letters meaning Eastern States Standard Oil. Exxon doesn't mean anything. It was a collection of letters generated by a computer and approved by a customer-relations expert. For some reason, the letter "x" is very big in corporate name-changes. New England Telephone is NYNEX. US Steel became USX, and imports its steel from Korea.

The campaign was to introduce a visibly palpitating public into the exciting world of Exxon, after nearly a hundred years of Standard Oil. And the theme of the campaign was that nothing of interest had happened in South Harbor or Harleyville except the big news that Esso was Exxon, now. Things would be the same, by cracky, that was the message. Fred and Billy Bob would still be down there adjusting tappets, under the Exxon sign.

Well, say goodbye to what was. A half-dozen Exxon dealers in our neighborhood are changing the signs again, because Exxon has declared that it will sell no gasoline and make no credit available to small stations. The one I deal with is typical: two hydraulic lifts in the service bays, four pumps, and people banging on frozen brake drums and rusted-out exhaust pipes. In 20 years on the corner, the greatest volume of gas they ever pumped was 32,000 gallons in a month, and that was before OPEC got us by the short hairs.

Exxon told the owner it was 50,000 gallons a month or he could go fish. So now it's Mobil. This is not because Mobil is in favor of the community gas station and service garage. It won't even be Mobil gasoline, it'll be whatever

he can get from a middle man. Mobil's contribution will be the credit card and the credit system that goes with it.

If Exxon owned or leased the property, he would be fishing. Fortunately, he leases it from a local real estate company, and they're happy to have a businessman on the corner who pays his rent on time.

The average small station marks up gasoline anywhere from 10 cents to 15 cents a gallon. This pays for the kid who pumps it in the car, washes the windshield, and checks your engine's precious mechanical fluids. What the

The corner gas station is where louts turn into mechanics, and that is an important thing to remember. Practically every man in North America was a lout once, and then learned how to do something useful, like change fan belts.

oil companies want is one person, on their payroll, sitting in a booth and taking in the money. After all, if the station owner is making money on repairs and road service and so forth, they're not getting any of it, and not getting any of it is what drives big corporations crazy.

A Mobil dealer across town has been told to lower his prices, stay open until midnight, rip out the service bays and put in a mini-mart. In this case, Mobil owns the lease, and he's in serious trouble. "If I wanted to own a grocery store," he says, "I'd own one now."

If the big oil company owns the station, they can sell gasoline for less. This is very good for people who think it's fun to get gasoline on their hands on the way to work. About as many people know how to check automatic transmission fluid levels as know how to skirt a mink. There are more guns in glove compartments than tire-pressure gauges.

What we have here is the decline and fall of the service sector, which is supposed to be the savior of the American economy.

Worse, we lose the on-the-job training system. Not just education in auto mechanics, but training for life itself. The corner gas station is where louts turn into mechanics, and that is an important thing to remember. Practically every man in North America was a lout once, and then learned how to do something useful, like change fan belts. And they learn how to say "thank you." It is not necessary to learn how to say "thank you" sitting inside a booth with a handwritten sign on it reminding the customer that the money is locked in a safe and the attendant has no key.

What can you learn how to do in a self-service gas station? You don't even learn how to count good; the pumps and the automatic change-calculating cash register do that. Working in a service station teaches you how to look out for the customer's interests. Working in a self-service station just teaches you how to look out for the customers.

Louts go to work in big corporations now, where they hire other people to say "thank you." These are people who can't change a battery cable, but who have graduated from customer-relations programs. And a "thank you" from a customer relations expert is about as sweet as a kiss from a duck.

Boston Globe 27 July 87
M.R. Montgomery is a Globe columnist.

Point Counterpoint

Savings a vain promise

By JERRY M. FERRARA
Special to The Press

CONSUMERS IN New Jersey have been recently subjected to a barrage of numbers which seems to indicate the solution to all our economic woes would be self-service gasoline in New Jersey. They would have you believe the savings would be 5-11 cents a gallon. Let's look at the facts:

- Price surveys by the Automobile Association of America and oil trade journals indicate New Jersey has the lowest average gasoline price in the country.

- Virginia AAA indicates that the price in that state is 7.5 cents a gallon higher than New Jersey although the Virginia tax is only .04 cents higher.

In recent statements, proponents of self-service such as Shell Oil Company proclaimed a .05 cents savings, yet at the same time their retail dealers were selling at only .03 cents above cost. Another proponent claimed a .07 cents potential saving. If these were true, the gasoline dealer would have to pay the consumer for buying gas. In surrounding states, it's a question of semantics. Was the self-service price lowered or the full-serve price raised?

At the legislative hearing in Trenton, the committee was challenged to visit Pennsylvania and see the proof that with all differences in taxes being considered, the self-serve price wasn't any lower than the full-serve price in New Jersey.

Proponents claim that New Jersey should have what 48 other states have.

- Only four states had laws forbidding self-serve and it just moved in.

Now many cities in Pennsylvania, Connecticut, Massachusetts and New York to name a few, have had to resort to ordinances based on safety in an attempt to reverse the trend and the costly path through the courts where they have been upheld. Pittsburgh and Erie

are two that have annual attempts to legalize it.

The real reason is not only safety but the demise of the neighborhood station and, with it, the unavailability of repairs and emergency service. This cannot be replaced by the mass marketer who follows the path of the supermarkets, shopping centers and super pumpers out to the major highways. The fact that the self-service bill presently proposed does not require both full and self service islands will only accelerate the closing of the local stations.

WHEN IT'S REALIZED that 70 percent of all the stations are owned, or their leases controlled, by the major oil companies, their power is awesome.

One flick of a pen and one or many stations could be wiped out. One major company has over 100 stations on their dispose list. There were 6,000 stations in 1963, 4,800 in 1981 and it's expected to be 4,000 by 1988.

The big oil companies are in favor of high volume, gas only, self serve stations as they are more conducive to being directly operated by themselves. If you would believe that 16 major companies would be more competitive than 4,000 small independent retailers, let's look at the record again. In the wholesale price of gasoline and heating oil they follow each other up or down as night follows day with only tractions separating them.

Proponents claim self-serve would be more convenient, a time saver.

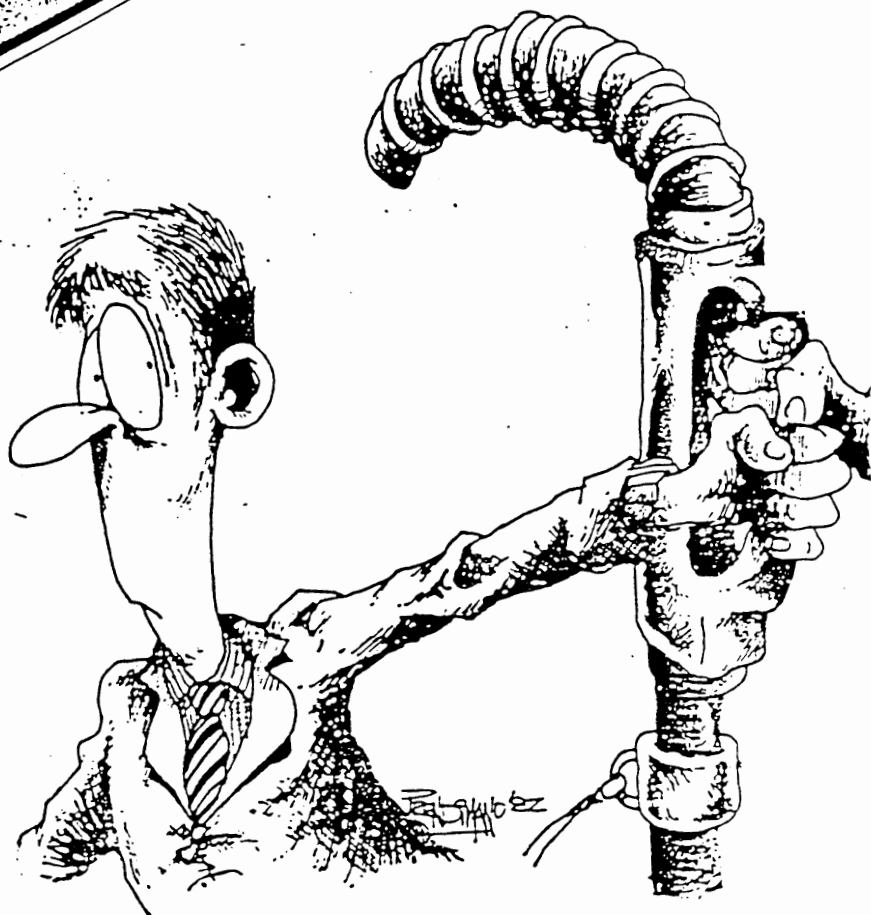
Let's look at the picture of the new self-serve stations. It's a multi-island station with computerized pumps and the cashier encased in the proverbial bomb shelter as a protection against holdups. You are required to leave your car to prepay your purchase lest you pull out without paying. If you desire a fillup, you leave a credit card or a large sum of money. Then you gas up your car, returning for your credit card or change.

One consumer posed the question of protection from a four-wheeled cowboy who grabs her purse and rides off into the darkness. It has happened.

The computerized pumps are so efficient they can be programmed for day or nighttime, rush hour and slow period pricing, and changed from an oil company control center miles away.

As for safety, it has to be self evident that there is greater potential for problems between an experienced attendant pumping gas or hundreds of individuals as well as the mother who has to decide which of her young sons gets the thrill of filling up the family car.

The proposition of it being the consumer's free choice is questionable in view of the oil companies' past and present practices of producing, refining, pricing and control of our energy re-



Self-service will cost

DEAR EDITOR:

In the past several years I have traveled from Vermont to Virginia, and from Massachusetts to Michigan, also to Canada on three different occasions, traveling from Windsor to Halifax. Let me tell you that on the basis of my experience with self-service gas stations, New Jersey won't want self-service.

I predict that if self-service gasoline stations come to New Jersey, the price that we pay for gasoline now will be the self-service price, and the full-service price will increase by 10 to 15 cents per gallon.

Also, those who can least afford to pay an increase in gas prices will be the most affected by self-service, namely the older and handicapped drivers. They will be forced to go to the full-service pump and pay the new higher price.

Believe me, or check for yourself, New Jersey now has the lowest gasoline prices of any state that I have visited, and with full service, so why mess with it? Do you really believe that gas prices will be lower if self-service comes into being? Prices won't be lower, they will be higher!

Lee Dunham,
Franklin Park

Self-serve gas: Hindrance or help?

DEAR EDITOR:

Self-service gasoline stations in New Jersey will seriously hinder the ability of senior citizens and physically disabled persons to get gasoline. For some people, self-serve would be an inconvenience; for many senior citizens and persons with disabilities, self-serve would be an impossibility.

George Fry Jr.'s recent letter stating his experience of finding full-serve stations in other states directly contradicts my own. I have found full-service islands to be few and far between in other states. And, where they are available, the price is generally at least 25 cents higher than self-serve. This is blatant discrimination against those who are unable to pump their own gas.

Self-serve creates a dilemma for a mother with children in car seats: Leave the young child unattended while paying the bill or take the child from the car seat every time she fills her tank? Also, the thought of pumping one's own gas in pouring rain or bitter cold is hardly appealing to most people.

Janice McGrane,
Elizabeth

Burlington County Times



"BUT LOOK AT ALL THE ADVANTAGES!"

STAR LEDGER
SEPT 24, 1988

READERS' FORUM

Legislator opposes self-service gas bid

DEAR EDITOR:

With regards to your editorial concerning self-serve gas, it would seem to me that much of the editorial is misdirected as to where the hypocrisy exists. As for the "vacuum of legislative inaction," none existed in this area until it was determined by the editorial and the above concerning self-service. I take issue with the editorial and the above comment on the basis of the experience that I have had personally in the marketing of gasoline and allied products for a good number of years.

The crux of the issue is not when new regulations should be enacted, but whether the existing law should be changed at all.

A recent ruling by Burlington County Superior Court Judge Martin L. Haines found that the 1949 law banning self-service gas for safety reasons was unconstitutional. Judge Haines held that measures have now made it safe for motorists to pump their own gas and directed the Legislature to come up with a self-serve law within six months.

While the question of self-serve stations should rightly be decided by the Legislature, to impose a stringent time frame to do so indeed goes beyond the jurisdiction of the judicial branch of government. The business of the Legislature is to legislate; the business of the judiciary is to uphold the laws that are enacted, not create them. The state attorney general recognizes these boundaries and is right in appealing the judge's decision.

In addition, to devise legislation which takes into concern all of the pertinent issues within such a timeframe would be irresponsible, particularly at the present time, when the Legislature has been, and presumably will continue to be overwhelmed by the auto insurance crisis and ocean pollution.

Judge Haines is right in calling attention to the safety hazards. However, he is wrong in thinking they have diminished; today, hazards exist in even greater volume.

With the advent of an automatic shut-off valve in the nozzle, it is now more likely for the pump to lock on an inexperienced person and gas to spill. In addition, there is the matter of the new Stage II gas dispensing systems which all states are now required to implement. The system consists of a double hose—one carrying gas to the car, a second returning vapors to the tank. The system includes a new nozzle with a vapor tight seal that is twice as heavy and complicated making it more difficult to dispense gas.

Safety factors notwithstanding, to implement self-service on the basis that exist in other states is purely a consumer ripoff. A similar episode erupted a few years back with the implementation of separate rates for cash and credit customers. Instead of lowering rates for cash customers, stations merely raised them for credit customers—an example of real "savings" to the consumer.

Several months ago, David T. Scheffman, director of the Federal Trade Commission's Bureau of Economics, claimed New Jersey consumers would stand to gain millions of dollars a year if the state ban on self-service gasoline stations were to be lifted. The FTC's position is absolutely wrong.

38x

Self-service unfair

I totally disagree with the recent court decision allowing self-service gas stations in New Jersey. Having driven in 15 states this year, I have seen many problems associated with self-service. Both the senior citizens and the disabled community can look forward to higher prices and poorer service. Additionally, they will have to get accustomed to much slower service. Is this fair?

Safety is another large factor. Will motorists sometimes accidentally spill gas on their clothes? How about the drunken drivers who an attendant can refuse to serve? Will he or she become an even greater hazard?

For those only interested in cost and under the mistaken impression that our gas will be cheaper, look at the facts. Competition will be lessened as the independent service station owner becomes an anachronism. Company-owned stations will completely dominate, and I believe that translates into fewer jobs.

I saw the problems with self-service this year from Maine to Florida. Poorer service and, in almost every case, higher prices. No thanks.

PAUL A. OLAND
Gloucester County Freeholder
Woodbury

Under the current system, New Jersey has possibly the lowest prices on the East Coast. If self-service comes into being, prices will change dramatically. While the public may pay an initial low price for self-serve gas, they will eventually end up paying as much or more than they now do at a full-service station.

In addition, under the new system, the gap between self- and full-service gas prices would continue to grow with the price of full service gas increasing an average of 20 cents per gallon more than the self-service price. It is therefore unconscionable for anyone selling gasoline to reap the gross profit margins that full-service will demand.

What would happen, in effect, is that the public would wind up paying a large premium for the full service they now receive at a fair price. The benefits, if any, of self-service, are short-lived and in reality, decidedly not in the best interests of the state's consumers. Self-serve stations also pose an inconvenience for the elderly, handicapped and others, who for whatever reason, could not comply.

The fact that 48 out of 50 states now tolerate self-service doesn't make it right. As a matter of fact, it would indicate that we here in New Jersey are more sensitive to the needs of our citizens. That's why Sen. Walter Rand (D-Camden) and I will soon introduce legislation which would continue the prohibition of self-service gas stations and strengthen the safety standards imposed on the method of dispensing gasoline. New Jersey has always looked out for the consumer and to deviate from the current process, especially in this area, would be less than responsible.

FORMER EXXON → Laurence S. Weiss,
WHOLESALE Senator, 19th District,
DISTRIBUTOR Middlesex

Asbury Park Press/Sunday, September 18, 1988

COMMENTARY.

Self-serve 'gas' will not benefit N.J. motorists

By SHERRY CONOHAN
Press Staff Writer

The slow boil I had begun as soon as I pulled into the service station quickly rose to a fast rolling boil when

the attendant asked for \$14.85 to pay for the gasoline he had pumped into my rental car — a compact Chevrolet — which wasn't even completely empty.

In New Jersey, you couldn't squeeze that much gasoline into the automobile's gas tank.

But this wasn't New Jersey. It was Clayton, Mo., a suburb of St. Louis, and I was at the full-service island of a self-service gasoline station. I was being charged \$1.30 per gallon of regular unleaded gasoline — a whopping 42 cents per gallon more than at the self-serve island.

The full-service price was nearly 50 percent more than the 88 cents per gallon self-service price. And I was outraged.

Such experiences have been a common occurrence when I have been driving in other states outside of New Jersey, but in the past I merely gritted my teeth and swallowed the anger, secure in the knowledge that it was only a temporary aggravation. In a short time I would be back home in New Jersey, where there are no self-service stations with their outrageous rip-offs of the full-service customer.

But this time it was different. I thought of the recent Superior Court decision in Mount Holly that, if allowed to stand unchallenged, would clear the way for self-service to come to New Jersey gasoline stations, and my blood began to boil. If there ever was a consumer issue for the state of New Jersey to step into to protect its citizen, it's the self-service station. Thank heaven, Attorney General Cary Edwards now has decided to appeal the ruling.

If self-service is allowed into the state, full service will cost more — a whole lot more, just like in Clayton, Mo. — and the price of self-service gasoline won't be any less.

After I returned home last week, I checked the price of gasoline at area service stations and found I could buy it for 87, 88 and 89 cents per gallon — the same price as for self-service in Clayton, Mo. — but I would get full-service for my money.

I dare say, if self-service is allowed into the state, full service will cost more — a whole lot more, just like in Clayton, Mo. — and the price of self-service gasoline won't be any less.

We will have given up a lot. I also would like to state emphatically that I do not want to pump gasoline. I do not know how, and I am not interested in learning. I buy gasoline on my way to and from work, and I have no desire to stand there in a good suit or

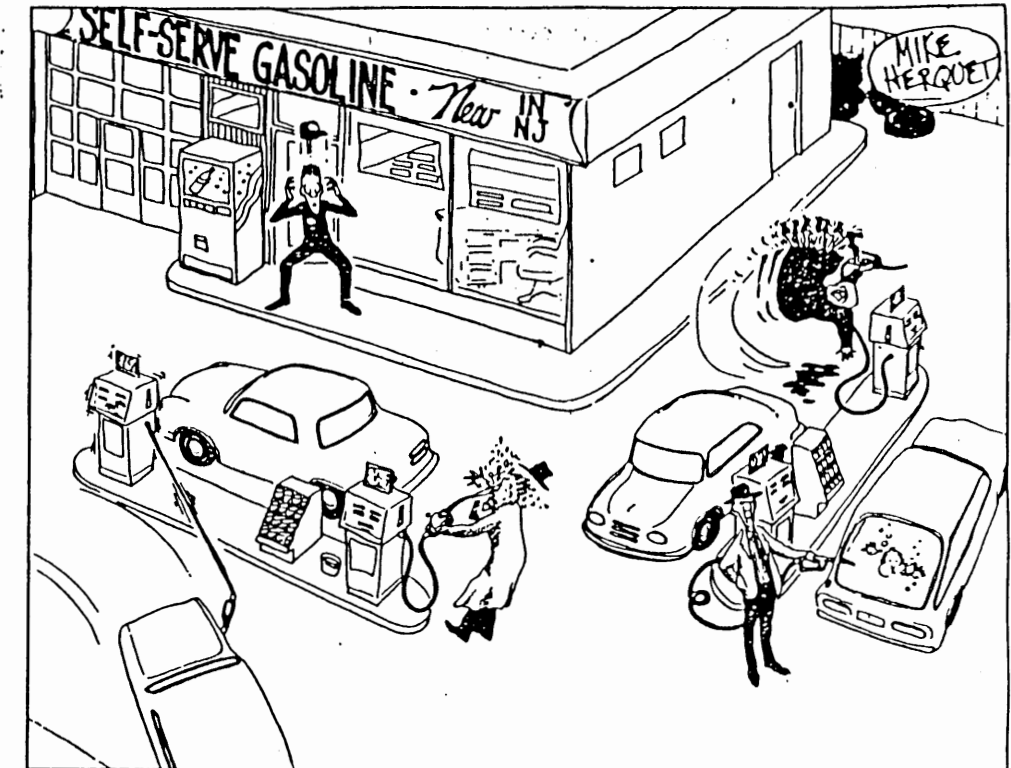
dress and high heels and watch gasoline drip down the front of my clothes. I suspect many men are equally undersus of soiling their clothes.

I want to leave the pumping of gasoline to those appropriately dressed for the job.

I also am concerned for my safety. People who work at service stations generally know enough not to smoke around the gasoline pumps. I say "generally" because I have seen it happen on occasion — at which time I have been quick to scold the offender for so doing.

But with every Tom, Dick and Harry — and Nancy, Susan and Sally — taking turns at the pump at a self-service station, often stopping for gasoline while in a hurry to get somewhere, I worry that some joker isn't going to bother to leave his or her cigarette in the car and then — Voooooom — Booom! We could all go up in an explosion and ball of fire. It's dangerous.

No, I prefer to leave the pumping of gasoline to the professionals.



Indeed, it was the safety issue that led to the banning of self-service at gasoline stations in a law passed by the New Jersey Legislature in 1949. The legislators were concerned about potential fire safety problems posed by people dispensing their own gasoline.

That law was affirmed by the state Supreme Court in 1952. It remained standing until Aug. 17 when Superior Court Judge Martin L. Haines, sitting in Mount Holly, struck it down in response to a lawsuit filed by Kirchner Brothers Oil Co., Inc., of Haverford, Pa., which owns about 20 service stations in New Jersey. Kirchner claimed the law is antiquated and that customers ought to have a choice between self- and full-service.

Haines, who initially held on June 29 that he could not overturn the law because it had been affirmed by the Supreme Court, eventually sided with Kirchner a month and a half later, holding that the law violates the state constitution because it exceeds the police power of the Legislature. He also said that with modern im-

provements, safety is no longer an issue. Haines, however, immediately suspended his ruling for six months to give the Legislature a chance to draft regulations on self-service.

The bill then came back in the state's court. The state Labor Department, which was the defendant in the Kirchner suit, and the attorney general's office, which represented the Labor Department in the court case, had to decide whether they would appeal the decision.

Edwards came through on Friday, announcing the state would appeal the decision because it "poses a significant challenge to the prerogative of the Legislature to enact laws it deems to be in the public interest." He said the Legislature has spoken on the issue of self-service gasoline stations.

William J. Clark, assistant commissioner of labor, who is in charge of enforcing service station regulations, made clear his feelings, however, even before Edwards acted. He was against self-service.

"One of the fundamental facts is that gasoline is a hazardous sub-

stance," he said. "It has been listed by every national group as a hazardous substance. It is poisonous. It has fumes. It is highly flammable. By every criteria, it's an extremely hazardous substance."

"Ask a druggist," he continued. "There are lots of things that are not as hazardous as gasoline and they have to be sold through a registered pharmacist. I don't understand the (court) ruling that it's not hazardous. It's a substance that should be controlled."

Besides Attorney General Edwards, the consumer has a couple of other influential friends — the leaders of the Democratic-controlled state Senate and the Republican-controlled Assembly.

Senate President John F. Russo, D-Ocean, flatly opposes self-service. He urged that the court decision be appealed. "Or it's the consumer who's going to pay for this," he said.

Assembly Speaker Chuck Hardwick, D-Union, said he has "grave concerns" about the possible price difference between full-service and self-service gasoline, and how that

difference would affect handicapped and elderly drivers who cannot handle gasoline dispensers by themselves. Which is good, as far as he goes. I hope he also would be concerned about the rest of us who just don't want to pump gasoline.

Back in Clayton, Mo., I suppose I should have considered myself lucky I found a gasoline station that offers full-service so that I didn't have to pump gasoline. It's the only one in town — as far as I have been able to determine on frequent visits there to see my mother — that offers a full-service island. All the others are strictly self-service.

I found that to be the case in most instances when I have bought gasoline in other states outside New Jersey. They laugh when you ask for full-service. Real guffawed. "You want what?"

I've always been pleased that New Jersey is one of the last two holdouts against the self-service station, along with Oregon. Let's hope it continues to be.

Carry on, Mr. Edwards. We're rooting for you.

Attorney general appeals self-service gas ruling

By NICHOLAS G. KATSARELAS
Associated Press Writer

TRENTON — Attorney General Cary Edwards will appeal a judge's ruling last month that would have overturned the state law banning motorists from pumping their own gas.

Edwards said Thursday the ruling exceeds the power of the judge, and that the Legislature has made clear its opposition to self-service stations.

"The Legislature has spoken on the issue of self-service gas stations," Edwards said. "It is the responsibility of the Office of Attorney General to defend the Legislature's prerogative to do so."

Burlington County Superior Court Judge Martin L. Haines ruled Aug. 17 that the 39-year-old ban on self-service was based on safety considerations that are no longer valid.

Lawmakers said when they approved the 1949 law that motorists would endanger themselves if they tried to pump their own gas.

Immediately after issuing his ruling, Haines suspended it for six months in order to give the Legislature an opportunity to enact regulations complying with his decision.

But legislators said they were in no hurry to change the law, and charged that Haines was overstepping his authority by dictating to the Assembly and Senate what it should do.

In a statement issued by his office late in the day, Edwards said the court ruling "poses a significant challenge to the prerogative of the Legislature to

enact laws it deems to be in the public interest."

New Jersey and Oregon are the only two states that prohibit self-service stations.

Opponents of self-service said it would force layoffs and increase accidents by motorists unable to use the pumps properly, but would not guarantee cheaper gasoline. They were led by the New Jersey Gasoline Retailer's Association and Allied Trades Inc., which represents about 3,000 service stations in New Jersey.

Jerry Ferrara, executive director of the association, said he expected the state would appeal.

He said he refutes Haines'

contention that safety considerations are no longer valid.

"The technology of the nozzle hasn't changed" since 1949, and is just as hazardous to motorists who don't know how to properly use it, he said.

Supporters of allowing motorists to pump their own gas said the law is antiquated, that customers should have a choice between self-service and full-service, and that self-service aisles would save consumers money.

The New Jersey Petroleum Council, which represents the state's largest oil companies, had been working to lift the ban.

THE STAR-LEDGER, Friday, September 16, 1988

State to appeal self-serve ruling

Attorney General Cary Edwards yesterday announced the state intends to appeal a Superior Court decision striking down the state's 39-year-old ban on self-service gasoline stations.

"It's the Attorney General's Office's responsibility to defend the prerogative of the Legislature," Edwards said. "We're (the Attorney General's Office) not taking a position for or against self-service gas stations. The Legislature has spoken on the issue of self-service gas stations."

In August, Superior Court Judge Martin L. Haines in Mt. Holly ruled a 1949 statute banning self-service gas stations was no longer reasonable.

The judge stayed his ruling for six months to allow the Legislature time to draft appropriate regulations.

Kirschner Brothers Oil Co., a firm that operates 18 gas stations in South Jersey and is the plaintiff in the litigation, argued the law was obsolete because it was based on safety considerations.

If Judge Haines' ruling stands, the only state prohibiting self-service stations would be Oregon.

Hurley opposes self-serve gas

MILLVILLE — Allowing customers to pump their own gas would serve the interests of large oil companies, state Sen. James R. Hurley, R-Cape May-Cumberland, said Tuesday.

Hurley vowed to lead the fight in the New Jersey legislature to stop gas stations from offering self-service gas. The controversy over self-service gas stations arose after a Superior Court Judge ruled last week that a 39-year-old ban on self-service is unconstitutional.

The judge gave the legislature six months to come up with regulations dealing with self-service gas stations.

Supporters of self-service gas stations say that it will save consumers money, but Hurley disagrees.

"Self-service gas does not represent a break for consumers," Hurley said. "That's a myth. The fact is that oil companies reap a tremendous windfall by offering self-service gas at a nominal discount, or no price reduction at all, and then jacking up the price tremendously at full-service pumps."

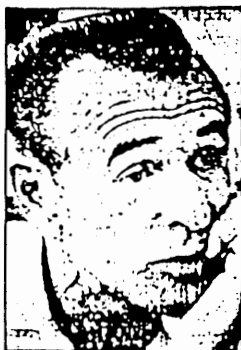


Speaking out/At Burlington Center

"Speaking Out" asks residents of a South Jersey community their opinions on local, state and national issues. It appears weekly.

Reporter: Denise Ferrarelli
Photographer: Al Schell

Should New Jersey eliminate its ban on self-service gasoline stations?



JIM LEONARD

East Stokes Road, Willingboro, consultant engineer.

"No. I don't want to pump my own gas, and I don't want my wife to pump her own gas. If the big oil conglomerates want to sell a product, they ought to provide the service. Self-service is more than a matter of saving a few bucks. You lose the trained eye of an attendant who could advise you that something's wrong with your car."



DOLORES TROTTO

Donna Drive, Burlington Township, homemaker.

"No. I think self-serve could be dangerous. It also could cause a lot of confusion at the stations with people getting out of their cars while other cars are pulling in. I don't want to pump my own gas. I'd rather wait for service."



HELENE McCANN

Ridgley Street, Mount Holly, dental assistant.

"No. I think the ban should stay. I wouldn't pump the gas myself. I prefer service. I don't want to get dirty. Besides, I don't know how to use the pumps. I'm not mechanically inclined."



DOMINIC MAURONE

Route 130, Delran, retiree.

"No. You don't get the proper care for your car at a self-service station. There's no attendant to check the oil, battery, radiator or transmission. Plus, I don't like to pump gas. I'm paying for the gas, so it should be put in my car."



LORRAINE NAHILL

Cinnaminson Avenue, Palmyra, home health aide.

"No, because I can't pump gas. I don't know how. I think most older people wouldn't know how to do it either. Self-service would be unfair for them. I'd say that most women don't know how to pump their own gas."



TRISH McVEIGH

Fernwood Road, Moorestown, homemaker.

"Yes. The ban isn't in keeping with the times. Forty-eight other states seem to know what's safe and what's not. Self-service is convenient and fast. I've lived in other states where self-service is legal, and I never saw any accidents. I don't think it's dangerous. It speeds things up."

Senator: Self-Serve Gas Hurts The Public

By FRANK HERRICK

State House Reporter

42x
A state senator yesterday called on the attorney general to appeal a court ruling which would permit self-service gas stations in New Jersey, charging that it would create a windfall for the oil companies at the expense of the consumer.

Senate Minority Leader James Hurley, R-Cape May, said that the state should attempt to block the self-service stations or, failing that, pass a law limiting the cost difference between gasoline prices at a self-service pump and a full-service pump.

A Burlington County Superior Court judge recently ruled that banning self-service stations was unconstitutional.

"Self-service gas does not represent a break for the consumers," Hurley said. "The fact is that oil companies reap a tremendous windfall by offering self-service gas at a normal discount, or no price reduction at all, and then jacking up the price tremendously at full-service pumps."

Hurley said the loss of the full-service stations would be three-fold — sharp price increases, loss of jobs and the disappearance of small gas stations which could not compete against the larger company-run stations.

The larger companies, he said, "would immediately act to cut payrolls and institute one-man cashier window arrangements."

"The people who would get hurt the most by self-service would be the small retailers," Hurley said. "The small stations pride themselves on courteous, painstaking service to the consumer, but they would immediately get squeezed out because they would lose their edge, that of offering service at competitive prices."

He said the record is clear that consumers have not benefitted from self-service in other states.

Pointing to Pennsylvania, Hurley said the cost of gas at a self-service station was \$1.09 per gallon, while the same gas in New Jersey at a full-service station was 87-cents.

"But the real outrage was that the same station in Pennsylvania charged \$1.45 for full-service gasoline," he stated.

In Delaware, retailers were charging as much as 50 cents more per gallon for full service, Hurley added.

"If self-service gas is instituted in New Jersey, the large majority of customers will lose out because many people are unable or prefer not to pump their own gas," Hurley said. "Self-service is something

many elderly and handicapped individuals cannot physically take advantage of. In addition, many business people and well-dressed individuals do not want to risk getting grease or a gassy smell on their clothes or skin.

"The problem is, if we start to offer self-service gas stations in New Jersey, the oil companies will fight to keep that system in place," he continued. "Once they get something in their clutches, they never let go. So let's not become part of that trap in the first place."

Hurley said that if it becomes impossible to block the self-service system, he will work in support of legislation which would cap the difference in cost of gas between self-service and full-service to five cents per gallon.

Opinion

Vineland, N.J.,

Thursday, July 16, 1987

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Self-service gas?

Want to pump your own gas?

Never in New Jersey, not on Sunday or any other day. It's banned by law. New Jersey and Oregon are unique among the 50 states in that respect.

A Pennsylvania gasoline distributor, Michael Kirschner, of Haverford has filed suit in Burlington County to upset the New Jersey ban. He operates a string of gasoline stations in South Jersey. He says the ban is a restraint of trade.

That's a different tact than the big oil companies took in 1982. They tried to get the legislature to lift the ban. That effort failed when it ran into the opposition of the independent dealers led by the New Jersey Gasoline Retailers Association.

To be fair, there's no reason why a gasoline station shouldn't be able to operate its business as it wants. If any particular customer doesn't like it, he can take his business elsewhere. That's the consumer's most powerful weapon, and it explains, to some degree, why some businesses succeed and some fail.

The legislature, however, is responsible for the public welfare. It would seem that a full-service station is safer than a self-service station. It would also seem that coming away from a pump with hands reeking of gasoline is not the best prescription for good health. Those were legitimate concerns of the legislature, and judges should walk carefully over ground already tilled by the people's representatives.

Gas-and-go stations are neither wise nor practical for handicapped people and some senior citizens. And there's a tendency among station owners in other states to gouge those who use the full-service islands.

As for restraint of trade, New Jersey always has had some of the lowest gasoline prices in the country, despite the fact that it bans self-service stations. There's tough retail gasoline competition in New Jersey where wars keep individual stations on their toes and prices in line.

The Retailers Association claims that the self-service concept is designed to drive out the independent dealer, resulting in fewer stations, less competition and eventual higher prices. If that's true, self-service is no way to promote vigorous trade.

New Jerseyans enjoy relatively low gasoline prices — even without taking into consideration Jersey's low 8-cent state tax — and the courts should make sure the system is broke before they set out to fix it.

COURIER-POST, Friday, July 24, 1987

AS READERS SEE IT

Self-service gas stations: N.J. doesn't need them

Re: Article in which Mike Kirschner advocates self-service gas stations for New Jersey (C-P 7/9). I didn't realize that New Jersey and Oregon are the only states that do not permit self-service stations.

Congratulations, New Jersey, for not permitting such gas stations. Before the famous "oil embargo" of the 1970s, gas stations were known as service stations. Those were the days when you could pull into a station, get your tank filled up, have the oil checked and windows washed.

Then all of a sudden the oil companies came up with the brainstorm of saving the consumer money with self-service. This idea worked in the beginning when the consumer accepted the savings idea and started to do the work of the gas station. Out the window went the service at the service stations.

After the service was discontinued,

the price of gasoline also went up drastically to where there is no longer a savings for self-service.

I am a traveling salesman and have fueled up in many out-of-state gas stations. I try to make it back to New Jersey as soon as possible. While in Baltimore last month, I stopped at the self-service station during a thunderstorm. I pulled into the full-service lane rather than get soaked. For this service, I paid 75 cents more than if I got out of my car and serviced my own car.

Thank you, New Jersey, for keeping me in my warm and dry car.

JOSEPH L. NOVAK
Marlton

Won't help consumers

I note with concern the action by Kirschner Oil Co. to force self-service gas stations in New Jersey.

I have spent over 40 years driving for business and pleasure, often in self-service states. The imposition of self-service is contrary to consumers' interest. It can only benefit oil marketers.

Self-service offers no savings to consumers. In fact, self-service in other states is higher than our full-service. Then a 20- to 35-percent markup is added for full-service.

To compound the insult, self-service stations often require you to go in and pay in advance. There is also the effect on employment, safety, the elderly, the handicapped and emergency service.

A move to self-service offers New Jersey consumers no economic advantage. It is just another step to reduce the quality of life.

J. EDWARD LAMPMAN
Haddonfield

The Times

TRENTON, N.J. MARCH 24, 1985

Self-service gas stations? No thanks

I see that one of our senators has nothing more to do than wish an additional hardship on the voters he is supposed to represent. I refer to the proposal for legislation that would permit New Jersey gasoline stations to join the 48 states that presently inconvenience their citizens and those who travel throughout their borders. He wants New Jersey to allow self-service stations.

We have traveled through many of the states over the past two or three years and find two basic facts to be

true. 1. Gasoline prices are higher in those states than in New Jersey, even with the motorist pumping his own gas. 2. The so-called attendant is concerned only with collecting the money. He will not move out of his cozy little booth or other secure sheltered area, while you struggle in all kinds of weather to pump gas (forget about needing oil). When you are through, you must make another trip in the rain or snow, cold or heat, to settle the bill. All this inconvenience to pay a higher price or, at best, the same price.

Who is benefited by this system? Not the motorists, not the employees who stand to lose their jobs. Perhaps the owners of the stations may benefit, but I understand that they are not anxious for the change.

Our friend the senator claims that New Jersey is out of date, along with one other state. If better prices, more convenience, and better employment are out of date, then please give us the old-fashioned concept.

Gibson LeRoy
Trenton

44X

Lawyer Says ARCO Took Him to the Cleaners

Gas at \$9 a gallon? Sounds ridiculous, but that's what Scott Olin wound up paying at an ARCO self-serve last week.

Olin, a Center City attorney and experienced self-pumper, stopped at the ARCO serve-your-own, Cottman and Lawndale avenues, to fill up his tank. His gas meter was registering dead on empty because he had just returned from a 200-mile round trip to Pottsville. He paid the attendant for \$10 worth of the regular and went to pump his own.

The attendant inside the mini-market should have activated the tank for \$10, but Olin wasn't convinced that he was given his money's worth since the pump shut off when it reached \$7. And that's when the excitement began.

Olin waited for about a minute and a half after the shut-off and then plucked the nozzle from the car's tank to hang it up and report the rip-off to the attendant. But as the nozzle was making its way back to the holder on the side of the pump, the gas started to flow again. It sprayed all over Olin's hair and suit, also the hood of the truck parked directly behind him.

"A very large Rocky type," says Olin, stormed out of the truck and started ranting about the finish on his truck's hood, which was now blistering and cracking. The hood had just been painted and gasoline on fresh paint does funny things like that. And the truck driver started suggesting funny things that he had in mind for Olin's car.

The truck driver decided that the whole mess would be forgotten if Olin would pay him \$150 to cover the cost of repainting the hood. Olin didn't like the deal and the truck driver liked Olin even less for that. That's when Olin decided that the police ought to hear what was happening.

The police arrived and wrote up a formal complaint in which Olin agreed to pay the truck driver for the

damage to the hood. The deal was set for \$60. Olin paid it the next day.

Olin couldn't resist telling me the story, especially since he wanted to know if I thought that the truck driver should be paid.

There was no doubt in my mind that the truck driver should be paid, but Olin wasn't the one who should be doing the paying. I recommended that Olin approach ARCO for the money. After all, the pumps belong to ARCO and so a malfunctioning one should certainly be their responsibility.

So Olin called ARCO. Customer service reps, two of them, were friendly, courteous, and sympathetic. But both of them told Olin that there was nothing that could be done for him. They also told him that malfunctioning pumps happen from time to time and cause problems for the consumer. But never did they suggest an investigation of the pump to find out if the pump had somehow failed to do its job.

I started thinking about cheaper gas at self-serves. If the gas companies weren't going to stand behind their consumer-operated equipment, then self-serve, for the money it saves, just wouldn't be worth it.

So, I put a call in to the public relations office at ARCO. If there was anyone at the company who would clear up this mess and get Olin his money back, it was a public relations officer. PR people work to make their companies look good.

The PR rep suggested, right off the top, that Olin might have been the one that malfunctioned. Maybe the pump was working all along, he argues, and maybe Olin's tank was too full to accept \$10 worth of gasoline. I presented, in Olin's place, all the arguments. Like why would Olin have removed the nozzle before the \$10 was registered, and how could the tank be full and shut off the pump at \$7 if the man had just returned from a trip that ran his tank to borderline empty?

So a tank investigator was sent out to determine whether or not the pump did, on that fateful day, malfunction. No money for Olin, said the PR rep until the investigation was concluded.

I gave them a week. And the results are in. I don't have any details of the pump investigation, but obviously someone determined somewhere along the line that Olin wasn't the one who malfunctioned. A check for \$65 will be in Olin's hand within the next week.

But too bad ARCO didn't give carte blanche to its customer service reps to award money up to reasonable limit — \$100, let's say — to consumers who have been abused by the self-service pumps. Olin agrees that the arrangement would make a lot of sense.

"I didn't want this issue to end up in court. Then we'd end up blasting each other and wasting a lot of time and money.

"I tried to reach an amiable agreement through proper channels at ARCO, but I was rebuffed for my good intentions," says Olin.

9125100

New Jersey Gasoline Retailers Association;
In view of your strong efforts, may I share
this recent material with you.
M. G. F.

(The following is adapted from the text
of my observations in a letter to the
Automobile Club of Central New Jersey)

Dear Sirs:

I should like to present a view held by many New Jersey drivers.

If there are legislative proposals, now or in the future, for the installation of self service gasoline service stations, some points should be heeded.

Attendants are normally trained for this work. Yet we are inviting uninitiated and untrained (the usual customer) persons to engage in an operation in which the person is expected to have specific training dealing with the discharge of volatile and soiling substances. It is common knowledge that the service bay is a situation which is potentially lethal through accidental ignition and the self service experience is that it is not and can not be viably monitored. Consequently, it presents dangers serious enough to merit its negation.

Dramatically speaking, there are abundant reports of flammable death or injury involving customers attributed to spilled volatile fluids on clothing and driveways or simply soil from being unduly exposed as well as the demanded physical presence on the service bays. A customer can not be expected to wear proper protective attire, it is compromising to the person's clothing to be expected to function, regardless of how well the person is attired.

During inclement weather, you are often requiring or urging a person to leave his or her vehicle while parked in a compacted, trafficked area and be exposed to the elements while being otherwise distracted by the requirement of being directly engaged and in charge of the discharge of volatile fluids.

page 2

Aside from that particular situation you are urging or requiring uninitiated persons to be exposed to scarcely monitored use by other customers of the service bays exposing them to potentially physically threatening mishaps which may result from spills or inadequate or improper vehicle operating performance of those other customers of likewise uninitiated status in often congested or busy service bays.

Furthermore, the customer is not actually forced but is strongly encouraged by arbitrarily imposed pricing differentials which impose unjustified (and still unexplained and vague) surcharges to foster the self service. This also fosters negligence on the part of vehicle operators for such as clean windshields and headlights, contributing to lower the level of safety and car care of vehicle operators in New Jersey, if adopted.

The only beneficiary seems to be the major oil companies whose disdain, evidently, for the independent dealer is rather obvious. Some would say it is for the consumer as well.

There seems to be no place for unsupervised or undersupervised discharge of volatile fluids. New Jersey already has a good record for driver safety, let's also keep it civilized.

It is hoped that this will be helpful in considerations and deliberations. Your interest is appreciated.

Sincerely,

M. G. Frankel, Ph.D.

77 Grover Avenue
Princeton, N. J. 08540

47X

GALLUP STUDY OF
CONSUMERS' EXPERIENCE WITH
SELF-SERVICE GAS PUMPS

Conducted for:
Brandt, Haughey, Penberthy,
Lewis & Hyland

July 1987

The Gallup Organization, Inc.
53 Bank Street
Princeton, New Jersey 08540

GO 87165

— The Gallup Organization, Inc. —
48x

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INTRODUCTION

This is a report on a survey conducted by The Gallup Organization designed to investigate among adults in New Jersey their experience with self-service gas pumps.

The specific objectives of the study were to determine the following among licensed drivers who purchase gasoline:

1. Frequency of purchasing gasoline for a motor vehicle;
2. Incidence of having ever bought gas at a station in any state where the respondents themselves pumped the gas.

Those who have had experience with a self-service gas pump were asked:

3. The approximate number of times they have used a self-service gas pump;
4. The last time they used this type of pump;
5. Whether or not they ever pumped their own gas at a station in New Jersey.

All respondents were asked:

6. The approximate number of miles they drive a year.

— T. C. H. P. 5/1x

Design of the Sample

For this study, a representative sample of adults in New Jersey was screened to include only those who have a driver's license and who ever purchase gasoline for a motor vehicle. A total of 505 interviews were conducted by trained members of the Gallup staff during the period of July 7 - 15, 1987.

The composition of the sample, design of the sample, table of recommended sampling tolerances and a copy of the questionnaire can be found in the Technical Appendix.

ANALYTICAL PLAN

Demographic and behavioral variables were used in analysis. These variables are described below.

Sex

Male
Female

Age

18-24 years
25-34 years
35-49 years
50 and older

Education

College (complete or incomplete)
High school graduate
Less than high school graduate

Frequency of Purchasing Gas

Once a week or more often
2-3 times a month
Once a month or less often

Number of Miles Drive Annually

Less than 5,000
5,000 to less than 10,000
10,000 to less than 15,000
15,000 or more

Most Recent Use Of Self-Service Gas Pump

Within past three months
More than three months ago

Nielsen County Size Code

Counties are divided into four classes, based on population size. If a county is part of a metropolitan standard area (MSA), the size of the MSA overrides the size of the county itself, as can be observed in the definitions. All telephone exchanges are assigned to the county into which a plurality of the exchange's listed numbers fall.

- A. Telephone exchanges assigned to counties belonging to one of the 25 largest MSA's.
- B. Telephone exchanges assigned to counties not in A that either have a population over 150,000 or belong to a MSA with a population over 150,000.
- C. Telephone exchanges assigned to counties not in A or B that either have a population over 40,000 or belong to a MSA with a population over 40,000.
- D. Telephone exchanges assigned in counties not in A, B, or C.

KEY FINDINGS

- The large majority (82%) of New Jersey licensed drivers who ever purchase gasoline said they do so at least once a week.
- Slightly more than one in two (55%) reported they have patronized a station in some state where they, themselves, pumped the gas. When further questioned, 20% of all New Jersey licensed drivers who ever purchase gasoline reported they have pumped their own gas at a station in New Jersey.
- Those who have ever used a self-service gas pump reported doing so an average of 50 times. However, the median of 10 times is considerably lower due to some consumers who are very frequent users of self-service gas pumps.
- Nearly four in ten (38%) adults who have ever used a self-service gas pump reported using one within the past month, while a total of 53% last used a self-service gas pump no more than three months ago.

Frequency of Purchasing Gas

The Question: *About how often do you, yourself, purchase gasoline for a motor vehicle? Would you say: (READ EACH)*

Among all New Jersey licensed drivers who ever purchase gasoline, the large majority (82%) said they purchase gasoline for a motor vehicle at least once a week. Fourteen percent buy gas about two to three times a month and 3% purchase gas about once a month.

<u>Frequency of Purchasing</u>	<u>Total Sample %</u>
Once a week or more often	82
About 2-3 times a month	14
About once a month	3
Less often than once a month	*
Don't know	<u>1</u>
Total	100
Number of Interviews	(505)

*Less than one-half of one percent.

Ever Used Self-Service Gas Pumps

The Question: *As you may know, in some areas there are self-service gasoline stations where you can pump the gas yourself. Have you ever bought gas at a station in any state where you, yourself pumped the gas?*

Slightly more than one in two respondents (55%) reported they have at some time bought gas at a station where they, themselves, pumped the gas. Forty-five percent account for those who indicated they have never patronized a station in any state where they pumped their own gas.

<u>Ever Used Self-service Pump</u>	<u>Total Sample %</u>
Yes	55
No	45
Don't know	*
Total	100
Number of Interviews	(505)

* Less than one-half of one percent.

A demographic analysis reveals that men are twice as likely as women (72% vs. 36%) to have ever used a self-service gas pump. Among the age groups, adults under 50 reported a higher incidence of use (63%) than did those 50 and older (41%). Additionally, self-service pumps have been used by a higher proportion of the college educated (64%) than by those with less than a college education (49%).

As might be anticipated, those who purchase gas frequently, that is at least once a week are more likely than others to have used a self-service gas pump (58% and 40%, respectively). Relatedly, the incidence of having used a self-service pump is directly related to the number of miles driven annually, being lowest among those who average less than 5,000 miles (26%) and increasing to a high of 77% among those who drive at least 15,000 miles a year.

	<u>Ever Used Self-Service Gas Pumps</u>				<u>Number of Interviews</u>
	<u>Yes</u> %	<u>No</u> %	<u>Don't Know</u> %	<u>Total</u> %	
Total Sample	55	45	*	100	(505)
<u>Sex</u>					
Male	72	28	*	100	(260)
Female	36	64	*	100	(245)
<u>Age</u>					
18-24 years	61	39	0	100	(71)
25-34 years	70	30	0	100	(119)
35-49 years	58	41	1	100	(146)
50 and older	41	58	1	100	(159)
<u>Education</u>					
College -	64	36	*	100	(258)
Non-college	49	51	*	100	(244)
<u>Frequency of Purchasing Gas</u>					
Once a week or more often	58	42	*	100	(420)
Less than once a week	40	59	1	100	(83)
<u>Number of Miles Drive Annually</u>					
Less than 5,000	26	73	1	100	(113)
5,000 to less than 10,000	57	43	0	100	(130)
10,000 to less than 15,000	63	36	1	100	(123)
15,000 or more	77	23	0	100	(128)

*Less than one-half of one percent.

Number of Times Used Self-Service Pumps

The Question: *About how many times have you been to a self-service gasoline station where you pumped the gas yourself? Just your best estimate.*

Among those who have ever used a self-service gas pump, one in three (34%) said they have pumped their own gas no more than five times. Nearly one in five (18%) have used a self-service pump 6-10 times while 11-20 times was mentioned by 10%. A total of 29% have used a self-service gas pump more than twenty times (12% - 21-50 times; 11% - 51-100 times; 6% - more than 100 times).

These data resulted in a median of 10 times and an average of 50 times. The large difference between the mean and median can be attributed to some consumers who are very frequent patrons of self-service gas stations.

<u>number of Times</u>	<u>Total Have Used Self-Service Pumps</u> %
1-2 times	15
3-5 times	19
6-10 times	18
11-20 times	10
21-50 times	12
51-100 times	11
More than 100 times	6
Don't know	<u>9</u>
Total	100
Mean	50
Median	10
Number of Interviews	(291)

As can be observed below, among those who have used a self-service gas pump, men reported doing so an average of 65 times, considerably higher than the average of 19 reported by women. Among the age groups, 18-34 year olds reported using a self-service gas pump an average of 66 times, compared to the average of 45 among 35-49 year olds and the mean of 35 among those 50 and older.

Those who used a self-service gas pump within the past three months reported pumping their own gas an average of 70 times, more than twice the average of 30 among those who last used a self-service pump more than three months ago.

	<u>Average Number of Times Used Self-Service Pumps</u>	<u>Number of Interviews</u>
Total Have Used Self-Service Pumps	50	(291)
<u>Sex</u>		
Male	65	(201)
Female	19	(90)
<u>Age</u>		
18-24 years	65	(46)*
25-34 years	66	(83)
35-49 years	45	(90)
50 and older	35	(69)
<u>Last Time Used Self-Service Pump</u>		
Within Past 3 months	70	(154)
More than 3 months ago	30	(137)

*Sample size too small for reliable statistical analysis.

— The Gallup Organization, Inc. —
62X

Most Recent Time Used Self-Service Gas Pumps

The Question: *When was the last time you, yourself, pumped the gas? Was it:*
(READ EACH)

Nearly four in ten adults (38%) who have ever used a self-service gas pump reported having done so within the past month. Two in ten (19%) said they last pumped their own gas two to five months ago and 18% mentioned six months to a year ago. One in four (25%) account for those consumers who said it has been more than one year since they last used a self-service gas pump.

<u>Last Time Used</u>	<u>Total Have Used Self-Service Pump</u>
Within the past month	38
2-3 months ago	15
4-5 months ago	4
6 months to a year ago	18
More than one year ago	<u>25</u>
Total	100

Number of Interviews (291)

The incidence of using a self-service gas pump within the past month was reported by a substantially higher proportion of men (45%) than women (24%). Additionally, 18-34 year olds (50%) are much more likely than those 35 and older (31%) to have used a self-service pump within the past month. Respondents who drive an average of at least 15,000 miles per year also reported a higher incidence of recently using a self-service pump (48%) than did those who drive fewer miles (32%).

	Last Time Used Self-Service Pump				Total %	# of Int.
	Within Past Month %	2 to 5 Months Ago %	6 to 12 Months Ago %	More than a Year Ago %		
Total Have Used Self-Service Pumps	38	19	18	25	100	(291)
<u>Sex</u>						
male	45	19	15	21	100	(201)
Female	24	20	22	34	100	(90)
<u>Age</u>						
18-34 years	50	16	12	22	100	(129)
35-49 years	32	18	23	27	100	(90)
50 and older	28	25	20	27	100	(69)
<u>Number of Miles Drive Annually</u>						
Less than 10,000	31	23	17	29	100	(106)
10,000 to less than 15,000	35	17	18	30	100	(80)
15,000 or more miles	48	17	18	17	100	(103)

Ever Pumped Own Gas In New Jersey

The Question: *Have you ever pumped your own gas at a station in New Jersey?*

Adults who have ever used a self-service pump were further asked if they have ever pumped their own gas at a station in New Jersey. Slightly more than one in three (36%) reported they have pumped their own gas at a station in New Jersey while 63% responded negatively.

When these data are based on the total sample, it can be observed that 20% reported having pumped their own gas at a station in New Jersey.

<u>Ever Pumped Own Gas In New Jersey</u>	<u>Total Have Used Self-Service Pumps</u> %
Yes	36
No	63
Don't know	<u>1</u>
Total	100
Number of Interviews	(291)

<u>Ever Pumped Own Gas In New Jersey</u>	<u>Total Sample</u> %
Yes	20
No	34
Don't know	1
Not asked	<u>45</u>
Total	100
Number of Interviews	(505)

*Less than one-half of one percent.

Among those respondents who have used a self-service gas pump in any area, nearly three times as many men (46%) as women (16%) indicated they have pumped their own gas in New Jersey. The incidence of having pumped their own gas in New Jersey is also higher among 18-34 year olds (46%) than among those 35 and older (30%).

Adults who drive an average of 15,000 or more miles each year (57%) are much more likely than those who drive fewer miles (27%) to have ever pumped their own gas at a New Jersey station.

<u>Ever Pumped Own Gas In New Jersey</u>					
	<u>Yes</u> <u>%</u>	<u>No</u> <u>%</u>	<u>Don't</u> <u>Know</u> <u>%</u>	<u>Total</u> <u>%</u>	<u>Number of</u> <u>Interviews</u>
Total Have Used Self-Service Pumps	36	63	1	100	(291)
<u>Sex</u>					
Male	46	53	1	100	(201)
Female	16	84	0	100	(90)
<u>Age</u>					
18-34 years	46	53	1	100	(129)
35-49 years	35	64	1	100	(90)
50 and older	24	74	2	100	(69)
<u>Number of Miles Drive Annually</u>					
Less than 10,000	26	72	2	100	(106)
10,000 to less than 15,000	29	71	0	100	(80)
15,000 or more	57	42	1	100	(103)
<u>Last Time Used Self-Service Pump</u>					
Within past 3 months	53	45	2	100	(154)
More than 3 months ago	17	82	1	100	(137)

66x

Number of Miles Drive Annually

The Question: *On the average, approximately how many miles do you, yourself, drive a year? Would you say: (READ EACH)*

Nearly three fourths of all New Jersey licensed drivers who purchase gasoline drive less than fifteen thousand miles a year. Specifically, 27% drive under five thousand miles, 25% drive between five and less than ten thousand, and another 22% between ten and fifteen thousand miles. Equal proportions of drivers (12%) claim they drive between fifteen to less than twenty or twenty thousand or more miles per year.

<u>Number of Miles Drive Annually</u>	<u>Total Sample %</u>
Less than 5,000	27
5,000 to less than 10,000	25
10,000 to less than 15,000	22
15,000 to less than 20,000	12
20,000 or more miles	12
Don't know	<u>2</u>
Total	100

Number of Interviews (505)

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THE GALLUP ORGANIZATION, INC.
JULY, 1987

1

Q.1 FREQUENCY OF PURCHASING GAS
BASED ON TOTAL SAMPLE

	FREQUENCY OF PURCHASING GAS												
	=====												
	SEX		AGE				EDUCATION				ONCE A WEEK OR MORE		
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS GRAD.	A WK OR MORE	2 - 3 TIMES A MONTH	ONCE A MONTH OR LESS
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL RESPONDENTS	505	260	245	71	119	146	159	258	202	42	420	66	17
WEIGHTED BASE	833	427	405	108	178	232	300	317	326	186	684	118	29
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
FREQUENCY													

ONCE A WEEK OR MORE OFTEN	684	380	303	100	156	193	229	263	269	149	684	-	-
	82.1	89.0	74.8	92.4	87.3	83.1	76.5	82.8	82.6	79.7	100.0	-	-
ABOUT 2-3 TIMES A MONTH	118	37	81	7	20	33	48	42	46	29	-	118	-
	14.1	8.6	20.0	6.2	11.5	14.4	16.1	13.4	14.0	15.8	-	100.0	-
ABOUT ONCE A MONTH	28	9	19	1	2	6	18	11	8	8	-	-	28
	3.3	2.0	4.7	1.3	1.2	2.5	6.1	3.5	2.5	4.5	-	-	96.5
LESS OFTEN THAN ONCE A MONTH	1	-	1	-	-	-	1	-	1	-	-	-	1
	0.1	-	0.2	-	-	-	0.3	-	0.3	-	-	-	3.5
DON'T KNOW	3	2	1	-	-	-	3	1	2	-	-	-	-
	0.3	0.4	0.3	-	-	-	1.0	0.4	0.5	-	-	-	-

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THE GALLUP ORGANIZATION, INC.
JULY, 1987

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2

J.1 FREQUENCY OF PURCHASING GAS
BASED ON TOTAL SAMPLE

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS		NIELSEN COUNTY SIZE CODE			
	=====					=====		=====			
	TOTAL	< 5K	5K - 10K	10K - 15K	15K OR MORE	WITHIN PAST 3 MONTHS	THAN 3 MONTHS AGO	A	B	C	D
TOTAL RESPONDENTS	505	113	130	123	128	154	137	416	57	32	-
WEIGHTED BASE	833	228	207	186	193	241	211	701	83	48	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
FREQUENCY	-----										
ONCE A WEEK OR MORE OFTEN	684	152	170	171	181	204	189	567	74	42	-
	82.1	66.8	82.2	91.9	93.6	84.4	89.5	81.0	89.0	86.9	-
ABOUT 2-3 TIMES A MONTH	118	56	32	14	8	32	16	108	8	1	-
	14.1	24.6	15.3	7.6	4.0	13.3	7.4	15.5	9.6	2.2	-
ABOUT ONCE A MONTH	28	19	5	1	3	6	5	22	1	4	-
	3.3	8.2	2.5	0.6	1.4	2.3	2.3	3.2	1.4	8.8	-
LESS OFTEN THAN ONCE A MONTH	1	1	-	-	-	-	-	-	-	1	-
	0.1	0.4	-	-	-	-	-	-	-	2.1	-
DON'T KNOW	3	-	-	-	2	-	2	3	-	-	-
	0.3	-	-	-	0.9	-	0.8	0.4	-	-	-

716

Q.2 EVER USED SELF-SERVICE GAS PUMPS
BASED ON TOTAL SAMPLE

	SEX		AGE					EDUCATION			FREQUENCY OF PURCHASING GAS		
											=====		
											ONCE	2 - 3	ONCE A
											A WK	OR TIMES A	MONTH
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS GRAD.	OR MORE	OR MONTH	OR LESS
TOTAL RESPONDENTS	505	260	245	71	119	146	159	258	202	42	420	66	17
WEIGHTED BASE	833	427	405	108	178	232	300	317	326	186	684	118	29
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EVER USED													
YES	453	309	144	66	124	135	123	202	169	82	393	48	10
	54.4	72.4	35.4	61.1	69.8	58.2	41.0	63.6	51.7	43.8	57.5	40.6	36.5
NO	377	117	260	42	54	96	175	114	156	105	290	68	18
	45.3	27.4	64.1	38.9	30.2	41.3	58.4	36.1	47.8	56.2	42.4	57.9	63.5
DON'T KNOW	3	1	2	-	-	1	2	1	2	-	1	2	-
	0.3	0.3	0.4	-	-	0.5	0.6	0.4	0.5	-	0.2	1.5	-

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THE GALLUP ORGANIZATION, INC.
JULY, 1987

Q.2 LVER USED SELF-SERVICE GAS PUMPS
BASED ON TOTAL SAMPLE

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS		NIELSEN COUNTY SIZE CODE			
	5K - 10K - 15K OR MORE					WITHIN THAN 3 PAST 3 MONTHS		A B C D			
	TOTAL	< 5K	< 10K	< 15K	MORE	MONTHS	AGO				
TOTAL RESPONDENTS	505	113	130	123	128	154	137	416	57	32	-
WEIGHTED BASE	833	228	207	186	193	241	211	701	83	48	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
EVER USED											
YES	453	60	119	118	149	241	211	378	44	30	-
	54.4	26.4	57.4	63.5	77.1	100.0	100.0	54.0	52.7	63.1	-
NO	377	166	88	67	44	-	-	320	39	18	-
	45.3	72.8	42.6	35.9	22.9	-	-	45.6	47.3	36.9	-
DON'T KNOW	3	2	-	1	-	-	-	3	-	-	-
	0.3	0.8	-	0.6	-	-	-	0.4	-	-	-

13X

07/16/87 NJ GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

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Q.3 NUMBER OF TIMES USED SELF-SERVICE PUMPS
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

	FREQUENCY OF PURCHASING GAS												
	SEX		AGE				EDUCATION				ONCE A		
	=====		=====				=====				=====		
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS. GRAD.	A WK OR MORE	2 - 3 TIMES A MONTH	ONCE A MONTH OR LESS
TOTAL RESPONDENTS	291	201	90	46	83	90	69	166	105	19	254	28	8
WEIGHTED BASE	453	309	144	66	124	135	123	202	169	82	393	48	10
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TIMES													

1 - 2	66	21	45	12	16	18	19	27	32	8	56	8	3
	14.7	6.8	31.6	18.0	12.5	13.1	15.0	13.2	18.9	9.7	14.2	16.3	28.1
3 - 5	84	61	24	13	21	32	17	41	30	13	73	7	2
	18.6	19.6	16.5	19.7	16.9	23.4	14.1	20.5	17.7	16.0	18.6	15.5	21.3
6 - 10	82	61	21	11	13	35	23	29	34	19	72	9	1
	18.1	19.6	14.9	17.2	10.1	25.9	18.6	14.5	20.1	23.0	18.2	18.7	13.7
11 - 20	46	31	15	6	13	10	17	19	17	10	43	3	-
	10.1	9.9	10.6	9.2	10.5	7.4	13.6	9.6	10.0	11.9	11.0	5.8	-
21 - 50	55	41	15	8	16	16	15	29	15	12	46	8	1
	12.3	13.1	10.4	12.5	12.5	12.0	12.5	14.1	9.2	14.1	11.8	16.8	10.6
51 - 100	51	40	10	9	18	13	11	25	20	5	42	8	-
	11.2	13.1	7.2	13.4	14.4	9.7	8.8	12.4	11.6	6.3	10.8	17.8	-
MORE THAN 100 TIMES	29	24	5	4	9	7	10	15	5	8	25	1	3
	6.3	7.6	3.4	5.4	6.9	4.9	8.0	7.5	3.0	10.1	6.3	2.1	26.3
DON'T KNOW	40	32	8	3	20	5	11	16	16	7	36	3	-
	8.7	10.3	5.3	4.6	16.2	3.6	9.3	8.0	9.6	8.9	9.2	7.1	-
MEAN	50.24	65.32	19.42	64.94	66.40	44.84	34.77	69.21	33.77	36.59	50.14	49.09	65.99
MEDIAN	9.9	10.4	5.3	9.2	11.6	9.5	10.2	10.2	9.5	9.5	9.9	9.4	5.6

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4.3 NUMBER OF TIMES USED SELF-SERVICE PUMPS
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS		NIELSEN COUNTY SIZE CODE			
	TOTAL	< 5K	5K - 10K	10K - 15K	15K OR MORE	WITHIN PAST 3 MONTHS	THAN 3 MONTHS AGO	MORE			
								=====			
								A	B	C	D
TOTAL RESPONDENTS	291	31	75	80	103	154	137	239	31	21	-
WEIGHTED BASE	453	60	119	118	149	241	211	378	44	30	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
TIMES											
1 - 2	66	14	30	9	12	71	46	55	6	5	-
	14.7	22.5	25.0	8.0	8.1	8.6	21.6	14.6	13.1	17.8	-
3 - 5	84	11	14	30	29	55	49	68	9	8	-
	18.6	18.7	11.4	25.7	19.5	14.6	23.1	17.9	20.3	24.9	-
6 - 10	82	7	15	30	24	43	39	73	2	6	-
	18.1	11.4	13.0	25.3	16.4	18.0	18.2	19.4	5.4	20.0	-
11 - 20	46	3	19	13	10	20	25	44	-	2	-
	10.1	5.8	15.8	11.2	7.0	8.5	12.0	11.6	-	6.6	-
21 - 50	55	5	15	15	20	34	21	45	10	1	-
	12.3	8.5	12.9	12.7	13.5	14.3	9.9	11.8	22.1	3.3	-
51 - 100	51	6	6	10	29	37	14	41	5	5	-
	11.2	10.5	4.9	8.1	19.6	15.3	6.6	10.8	10.5	17.1	-
MORE THAN 100 TIMES	29	7	10	1	11	19	10	24	1	3	-
	6.3	11.4	8.2	0.8	7.3	7.7	4.7	6.4	2.3	10.4	-
DON'T KNOW	40	7	10	10	13	32	8	28	12	-	-
	8.7	11.2	8.8	8.2	8.5	13.1	3.8	7.4	26.3	-	-
MEAN	50.24	42.32	41.99	28.82	79.12	70.18	29.66	51.02	56.52	34.48	-
MEDIAN	9.9	6.2	10.0	8.9	11.3	11.9	5.9	10.0	8.7	6.2	-

15X

GJ07165 NJ GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

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3.4 LAST TIME USED SELF-SERVICE PUMPS
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

											FREQUENCY OF PURCHASING GAS		
	SEX		AGE					EDUCATION			=====		
	=====		=====					=====			ONCE		
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS GRAD.	A WK OR MORE	2 - 3 TIMES A MONTH	ONCE A MONTH OR LESS
TOTAL RESPONDENTS	291	201	90	46	83	90	69	166	105	19	254	28	8
WEIGHTED BASE	453	309	144	66	124	135	123	202	169	82	393	48	10
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
LAST TIME													

WITHIN THE PAST MONTH	173	138	35	34	60	44	35	65	74	34	147	22	4
	38.2	44.7	24.3	52.1	49.4	32.4	28.0	32.3	44.0	41.5	37.3	45.9	42.9
2 - 3 MONTHS AGO	68	45	23	13	14	21	20	36	21	12	57	10	1
	15.1	14.7	16.0	19.3	11.6	15.6	16.4	17.7	12.5	14.2	14.5	21.2	11.1
4 - 5 MONTHS AGO	19	13	6	1	3	3	11	9	10	-	19	-	-
	4.2	4.3	3.9	2.2	2.7	2.6	8.5	4.6	5.7	-	4.8	-	-
5 MONTHS TO A YEAR AGO	79	48	32	9	14	30	25	38	19	23	73	7	-
	17.5	15.4	22.2	13.1	10.9	22.5	20.4	18.8	11.1	27.9	18.5	14.2	-
MORE THAN A YEAR AGO	113	65	48	9	33	36	33	54	45	13	98	9	5
	25.0	21.0	33.7	13.4	26.5	27.0	26.6	26.7	26.7	16.4	24.9	18.7	46.0
DON'T KNOW	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

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2.4 LAST TIME USED SELF-SERVICE PUMPS
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS - =====		NIELSEN COUNTY SIZE CODE			
	=====					MORE WITHIN THAN 3 PAST 3 MONTHS		=====			
	TOTAL	< 5K	< 10K	< 15K	MORE	MONTHS	AGO	A	B	C	D
TOTAL RESPONDENTS	291	31	75	80	103	154	137	239	31	21	-
WEIGHTED BASE	453	60	119	118	149	241	211	378	44	30	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
LAST TIME -----											
WITHIN THE PAST MONTH	173	16	39	41	71	173	-	144	19	9	-
	38.2	26.6	33.1	34.7	48.0	71.7	-	38.1	43.9	31.0	-
2 - 3 MONTHS AGO	68	18	18	13	19	68	-	53	10	5	-
	15.1	29.8	15.5	10.8	13.0	28.3	-	14.1	22.1	17.7	-
4 - 5 MONTHS AGO	19	-	5	8	6	-	19	18	-	1	-
	4.2	-	4.3	6.5	4.0	-	8.9	4.7	-	3.5	-
5 MONTHS TO A YEAR AGO	79	8	23	21	27	-	79	67	6	7	-
	17.5	12.5	18.9	17.7	18.0	-	37.6	17.6	12.6	23.9	-
MORE THAN A YEAR AGO	113	19	34	36	25	-	113	97	9	7	-
	25.0	31.1	28.2	30.3	17.0	-	53.5	25.5	21.3	23.9	-
DON'T KNOW	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

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0197165 NJ GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1997

Q. 5 EVER PUMPED OWN GAS IN NEW JERSEY
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

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	FREQUENCY OF PURCHASING GAS												
	SEX		AGE					EDUCATION			ONCE A WK OR MORE		
	=====		=====					=====			=====		
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	GRAD.	H.S. < HS GRAD.	2 - 3 TIMES A MONTH	ONCE A MONTH OR LESS	
TOTAL RESPONDENTS	291	201	90	46	83	90	69	166	105	19	254	28	8
WEIGHTED BASE	453	309	144	66	124	135	123	202	169	82	393	48	10
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EVER PUMPED	-----												
YES	165	141	23	37	51	47	29	77	58	30	148	12	5
	36.4	45.7	16.3	56.0	41.0	35.0	23.9	38.2	34.4	36.6	37.7	24.9	45.9
NO	283	163	120	28	73	87	92	121	109	52	240	36	6
	62.6	52.7	83.7	41.6	59.0	64.2	74.4	60.2	64.7	63.4	61.1	75.1	54.1
DON'T KNOW	5	5	-	2	-	1	2	3	2	-	5	-	-
	1.1	1.6	-	2.3	-	0.8	1.7	1.6	0.9	-	1.2	-	-

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SJH7165 GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

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J. S EVER PUMPED OWN GAS IN NEW JERSEY
BASED ON THOSE WHO HAVE USED SELF-SERVICE PUMPS

10

NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS		NIELSEN COUNTY SIZE CODE			
*****					*****		*****			
					MORE					
*****					*****		*****			
5K - 10K - 15K OR					WITHIN THAN 3					
TOTAL < 5K < 10K < 15K MORE					PAST 3 MONTHS		A B C D			
-----					-----		-----			
291	31	75	80	103	154	137	239	31	21	-
453	60	119	118	149	241	211	378	44	30	-
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
165	17	29	34	85	129	36	140	16	8	-
36.4	27.9	24.0	29.2	57.1	53.3	17.0	37.1	36.5	27.5	-
283	43	87	83	63	109	174	233	28	22	-
62.6	72.1	72.8	70.8	42.2	45.1	82.5	61.6	63.5	72.5	-
5	-	4	-	1	4	1	5	-	-	-
1.1	-	3.2	-	0.7	1.5	0.5	1.3	-	-	-

GJ0716 GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

Q.6 NUMBER OF MILES DRIVE ANNUALLY
BASE ON TOTAL SAMPLE

11

	FREQUENCY OF PURCHASING GAS													
	SEX		AGE					EDUCATION			ONCE A WK OR MORE			ONCE A MONTH OR LESS
	=====		=====					=====			=====			=====
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS GRAD.	A WK OR MORE	2 - 3 TIMES A MONTH	OR LESS	
TOTAL RESPONDENTS	505	260	245	71	119	146	159	258	202	42	420	66	17	
WEIGHTED BASE	833	427	405	108	178	232	300	317	326	186	684	118	29	
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
NUMBER	-----													
LESS THAN 5,000	228	65	163	10	35	56	118	59	80	88	152	56	20	
	27.3	15.2	40.2	9.0	19.8	24.1	39.3	18.7	24.5	46.9	22.2	47.6	68.6	
5,000 TO LESS THAN 10,000	207	87	121	34	45	51	76	83	90	34	170	32	5	
	24.9	20.2	29.8	31.5	25.5	21.8	25.3	26.3	27.5	18.4	24.9	27.0	18.0	
10,000 TO LESS THAN 15,000	186	119	67	26	47	51	62	84	75	27	171	14	1	
	22.3	27.8	16.5	24.3	26.4	21.8	20.5	26.4	22.9	14.6	24.9	11.9	3.7	
15,000 TO LESS THAN 20,000	97	72	25	23	32	27	15	38	35	24	91	7	-	
	11.7	17.0	6.2	21.4	17.9	11.8	5.0	12.0	10.8	13.1	13.3	5.7	-	
20,000 OR MORE MILES	96	84	12	15	16	38	25	45	42	8	90	1	3	
	11.5	19.6	3.0	13.8	7.1	16.4	8.5	14.3	12.8	4.2	13.2	0.9	9.6	
DON'T KNOW	19	1	18	-	2	10	4	7	5	5	10	8	-	
	2.3	0.3	4.4	-	1.3	4.1	1.5	2.3	1.6	2.9	1.4	6.9	-	

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0017165 NJ GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

Q.6 NUMBER OF MILES DRIVE ANNUALLY
BASE ON TOTAL SAMPLE

12

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS		NIELSEN COUNTY SIZE CODE			
						MORE					
						WITHIN THAN 3					
						PAST 3 MONTHS					
	TOTAL	< 5K	< 10K	< 15K	MORE	MONTHS	AGO	A	B	C	D
TOTAL RESPONDENTS	505	113	130	123	128	154	137	416	57	32	-
WEIGHTED BASE	833	228	207	186	193	241	211	701	83	48	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
NUMBER											

LESS THAN 5,000	228	228	-	-	-	34	26	194	20	14	-
	27.3	100.0	-	-	-	14.0	12.4	27.6	24.1	28.9	-
5,000 TO LESS THAN 10,000	207	-	207	-	-	58	61	174	21	13	-
	24.9	-	100.0	-	-	23.9	28.9	24.8	24.6	26.2	-
10,000 TO LESS THAN 15,000	186	-	-	186	-	54	64	153	25	7	-
	22.3	-	-	100.0	-	22.2	30.4	21.9	30.0	14.8	-
15,000 TO LESS THAN 20,000	97	-	-	-	97	43	26	85	7	6	-
	11.7	-	-	-	50.5	17.9	12.4	12.1	7.9	12.8	-
20,000 OR MORE MILES	96	-	-	-	96	47	32	76	11	8	-
	11.5	-	-	-	49.5	19.6	15.0	10.9	13.3	17.3	-
DON'T KNOW	19	-	-	-	-	5	2	19	-	-	-
	2.3	-	-	-	-	2.2	0.8	2.7	-	-	-

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DEMOGRAPHICS

	SEX		AGE					EDUCATION			FREQUENCY OF PURCHASING GAS		
											ONCE A WK	2 - 3 OR TIMES A MONTH	ONCE A MONTH OR LESS
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	GRAD.	GRAD.	MORE	MONTH	LESS
TOTAL RESPONDENTS	505	260	245	71	119	146	159	258	202	42	420	66	17
WEIGHTED BASE	833	427	405	108	178	232	300	317	326	186	684	118	29
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
WHAT WAS LAST GRADE OR CLASS YOU COMPLETED													
NONE, OR GRADES 1-4	3	3	-	-	-	-	3	-	-	3	3	-	-
	0.4	0.7	-	-	-	-	1.0	-	-	1.7	0.5	-	-
GRADES 5,6,7	19	5	14	-	4	10	5	-	-	19	14	5	-
	2.3	1.1	3.5	-	2.1	4.3	1.7	-	-	10.2	2.0	4.6	-
GRADE 8	40	23	17	-	-	4	37	-	-	40	13	19	8
	4.8	5.4	4.3	-	-	1.6	12.2	-	-	21.6	1.9	16.2	29.2
HIGH SCHOOL, INCOMPLETE	124	71	53	17	8	33	66	-	-	124	119	5	-
	14.9	16.5	13.1	15.7	4.7	14.0	22.0	-	-	66.5	17.4	4.2	-
HIGH SCHOOL, GRADUATE	303	151	152	39	72	74	113	-	303	-	250	42	9
	36.4	35.2	37.5	35.8	40.3	31.8	37.6	-	92.8	-	36.5	35.8	32.3
TECHNICAL, TRADE OR BUSINESS	23	14	10	5	5	3	10	-	23	-	20	4	-
	2.8	3.2	2.4	4.3	3.0	1.4	3.4	-	7.2	-	2.9	3.0	-
COLLEGE, UNIVERSITY, INCOMPLETE	131	62	69	33	39	38	19	131	-	-	106	20	4
	15.7	14.5	17.0	30.3	21.8	16.2	6.3	41.3	-	-	15.6	17.4	14.6
COLLEGE, UNIVERSITY, GRADUATE	186	99	88	15	50	69	46	186	-	-	156	22	7
	22.4	23.1	21.6	13.9	28.1	29.7	15.5	58.7	-	-	22.8	18.7	23.9
UNDESIGNATED	3	1	2	-	-	2	1	-	-	-	3	-	-
	0.4	0.2	0.5	-	-	0.9	0.3	-	-	-	0.4	-	-
WHAT IS YOUR AGE													
18-24	108	67	42	108	-	-	-	48	43	17	100	7	1
	13.0	15.7	10.3	100.0	-	-	-	15.1	13.3	9.1	14.7	5.8	5.0

GJ07165 NJ GAS PURCHASERS
THE GALLUP ORGANIZATION, INC.
JULY, 1987

DEMOGRAPHICS

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	SEX		AGE					EDUCATION			FREQUENCY OF PURCHASING GAS		
											=====		
	TOTAL	MALE	FE- MALE	18-24 YEARS	25-34 YEARS	35-49 YEARS	50 + YEARS	COLL.	H.S. GRAD.	< HS GRAD.	ONCE A WK OR MORE	2 - 3 TIMES A MONTH	ONCE A MONTH OR LESS
WEIGHTED BASE	833	427	405	108	178	232	300	317	326	186	684	118	29
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
25-34	178	93	85	-	178	-	-	89	77	12	156	20	2
	21.4	21.8	21.0	-	100.0	-	-	28.1	23.6	6.5	22.8	17.4	7.6
35-49	232	106	127	-	-	232	-	107	77	46	193	33	6
	27.9	24.7	31.3	-	-	100.0	-	33.7	23.7	24.9	28.3	28.4	20.1
50-99	300	162	138	-	-	-	300	65	123	111	229	48	19
	36.0	37.9	34.1	-	-	-	100.0	20.6	37.7	59.4	33.6	41.2	67.2
UNDESIGNATED	14	-	14	-	-	-	-	8	5	-	5	8	-
	1.6	-	3.3	-	-	-	-	2.6	1.6	-	0.7	7.2	-
WHAT IS YOUR RACE													
WHITE	732	381	351	91	152	200	278	279	296	154	600	102	27
	87.9	89.0	86.6	83.7	85.2	86.1	92.8	88.1	90.9	82.5	87.7	87.2	93.6
BLACK	63	26	37	10	18	25	10	22	23	19	54	10	-
	7.6	6.1	9.2	9.1	10.0	10.8	3.4	6.8	6.9	10.1	7.8	8.1	-
SOME OTHER	33	21	13	8	8	6	9	12	7	14	27	5	2
	4.0	4.9	3.1	7.2	4.7	2.6	3.1	3.7	2.1	7.4	4.0	3.8	6.4
UNDESIGNATED	4	-	4	-	-	1	2	4	-	-	3	1	-
	0.5	-	1.1	-	-	0.5	0.7	1.4	-	-	0.5	0.9	-
RESPONDENTS SEX IS:													
MALE	427	427	-	67	93	106	162	161	164	102	380	37	9
	51.3	100.0	-	61.7	52.2	45.4	53.9	50.6	50.4	54.5	55.7	31.1	30.2
FEMALE	405	-	405	42	85	127	138	157	162	85	303	81	20
	48.7	-	100.0	38.3	47.8	54.6	46.1	49.4	49.6	45.5	44.3	68.9	69.8

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0087105 NJ GAS PURCHASERS
THE ALLUP ORGANIZATION, INC.
JULY, 1987

*** DEMOGRAPHICS ***

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	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE PUMPS - =====		NIELSEN COUNTY SIZE CODE			
	TOTAL	< 5K	5K - 10K	10K - 15K	15K OR MORE	PAST 3 MONTHS	MORE THAN 3 MONTHS AGO	A	B	C	D
TOTAL RESPONDENTS	505	113	130	123	128	154	137	416	57	32	-
WEIGHTED BASE	833	228	207	186	193	241	211	701	83	48	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
WHAT WAS LAST GRADE OR CLASS YOU COMPLETED											
NONE, OR GRADES 1-4	3 0.4	-	3 1.5	-	-	-	-	-	-	3 6.4	-
GRADES 5,6,7	19 2.3	9 3.9	-	-	5 2.4	9 3.8	5 2.2	15 2.2	4 4.5	-	-
GRADE 8	40 4.8	22 9.8	13 6.3	5 2.7	-	10 4.2	5 2.2	30 4.3	4 4.5	6 13.0	-
HIGH SCHOOL, INCOMPLETE	124 14.9	56 24.8	18 8.8	22 11.9	27 14.2	26 10.8	27 12.7	91 12.9	21 24.6	13 26.6	-
HIGH SCHOOL, GRADUATE	303 36.4	76 33.5	86 41.4	70 37.5	66 34.1	87 35.9	66 31.0	261 37.2	28 33.2	14 28.9	-
TECHNICAL, TRADE OR BUSINESS	23 2.8	4 1.6	4 1.9	5 2.7	11 5.6	8 3.5	8 3.6	20 2.9	1 1.5	2 4.4	-
COLLEGE, UNIVERSITY, INCOMPLETE	131 15.7	31 13.8	37 17.9	26 13.9	33 16.9	37 15.2	42 19.6	114 16.2	14 17.3	3 6.2	-
COLLEGE, UNIVERSITY, GRADUATE	186 22.4	28 12.2	46 22.4	58 31.2	50 26.2	64 26.5	59 28.1	167 23.8	12 14.4	7 14.5	-
UNDESIGNATED	3 0.4	1 0.4	-	-	1 0.5	-	1 0.5	3 0.4	-	-	-
WHAT IS YOUR AGE											
14-24	108 13.0	10 4.3	34 16.5	26 14.2	38 19.7	47 19.6	19 9.0	99 14.1	6 7.7	3 6.2	-

848

** DEMOGRAPHICS **

	NUMBER OF MILES DRIVE ANNUALLY					LAST TIME USED SELF- SERVICE TUMPS		NIELSEN COUNTY SIZE CODE			
	TOTAL	< 5K	5K - 10K	10K - 15K	15K OR MORE	PAST 3 MONTHS	MORE THAN 3 MONTHS	A	B	C	D
WEIGHTED BASE	833	228	207	186	193	241	211	701	83	48	-
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-
25-34	178	35	45	47	48	75	50	152	17	9	-
	21.4	15.5	21.9	25.4	24.9	30.9	23.6	21.7	19.8	19.6	-
35-49	232	56	51	51	66	65	70	196	24	13	-
	27.9	24.6	24.4	27.2	33.9	26.9	33.3	27.9	28.4	26.8	-
50-99	300	118	76	62	40	55	68	240	37	23	-
	36.0	51.7	36.7	33.1	20.9	22.6	32.4	34.3	44.1	47.4	-
UNDESIGNATED	14	9	1	-	1	-	4	14	-	-	-
	1.6	3.9	0.5	-	0.5	-	1.8	1.9	-	-	-
WHAT IS YOUR RACE											
WHITE	732	193	185	167	173	215	181	608	79	45	-
	87.9	85.0	89.1	90.1	89.5	89.0	85.6	86.7	94.3	93.2	-
BLACK	63	20	17	8	15	18	21	60	-	3	-
	7.6	9.0	8.4	4.6	7.8	7.3	9.9	8.5	-	6.8	-
SOME OTHER	33	13	5	8	4	9	7	30	4	-	-
	4.0	5.5	2.5	4.2	2.0	3.7	3.5	4.2	4.5	-	-
UNDESIGNATED	4	1	-	2	1	-	2	3	1	-	-
	0.5	0.5	-	1.1	0.6	-	1.0	0.5	1.2	-	-
RESPONDENTS SEX IS:											
MALE	427	65	87	119	156	184	126	360	41	26	-
	51.3	28.5	41.7	64.0	80.9	76.1	59.5	51.4	49.3	53.5	-
FEMALE	405	163	121	67	37	58	86	341	42	22	-
	48.7	71.5	58.3	36.0	19.1	23.9	40.5	48.6	50.7	46.5	-

85X

COMPOSITION OF THE SAMPLE

	<u>Percent</u> <u>%</u>
Total Licensed Drivers Who Purchase Gasoline	100.0
<u>Sex</u>	
Male	51.3
Female	<u>48.7</u>
	100.0
<u>Age</u>	
18-24 years	12.9
25-34 years	21.4
35-49 years	27.9
50 and older	36.0
Undesignated	<u>1.8</u>
	100.0
<u>Education</u>	
College	38.1
High school graduate	39.1
Less than high school graduate	22.3
Undesignated	<u>.5</u>
	100.0

T.C.H.P.

87x

DESIGN OF THE SAMPLE

The sample used for this survey was a proportionate stratified random digit telephone sample drawn from telephone exchanges serving the state of New Jersey.

The random digit aspect of the sample is used to avoid "listing" bias. According to the most recent estimates from the Bureau of the Census, there are 87.5 million households in the United States, and just over 92% of them contain one or more telephones. Telephone directories only list about 74% of such "telephone households", and numerous studies have shown that households with unlisted telephone numbers are different in several important ways from listed households. Moreover, nearly 15% of listed telephone numbers are "discontinued" due to household mobility and directory publishing lag, and it is reasonable to assume that a roughly equal number are working residential numbers too new to be found in published directories.

In order to avoid these various sources of bias, a random digit procedure designed to provide representation of both listed and unlisted (including not-yet-listed) numbers is used. The design of the sample ensures this representation by random generation of the last two digits of telephone numbers selected on the basis of their area code, telephone exchange (the first three digits of a seven digit telephone number), and bank number (the fourth and fifth digits).

The selection procedure produces a sample that is superior to random selection from a frame of listed telephone households, and the superiority is greater to the degree that the assignment of telephone numbers to households is made independently of their publication status in the directory. That is, if unlisted numbers tend to be found in the same telephone banks as listed numbers and if, in general, banks containing relatively few listed numbers also contain relatively few unlisted numbers, then the sample that

H. C. H. R.
88X

In order to qualify for the survey, potential respondents (those 18 years of age or older) were required to meet two additional criteria: they had to possess a driver's license, and they had to have purchased gasoline for a motor vehicle.

The dataset containing the data from all completed interviews was then combined with the demographic data obtained from those who did not pass the screening qualifications and the combined dataset was weighted in order to bring the demographic characteristics of this combined sample into alignment with the most recently available Census Bureau estimates of the characteristics of adult residents of the state of New Jersey. When this step was completed, the dataset was purged of data records belonging to non-qualified New Jersey residents, and tabulations were produced on the remaining (qualified) respondents.

The procedures used to draw the sample, collect the data, and weight the sample of completed interviews were thus designed to allow the projection of survey results to the total population of New Jersey residents who fulfill the screening requirements of the survey.

SAMPLING TOLERANCES

In interpreting survey results, it should be borne in mind that all sample surveys are subject to sampling error, that is, the extent to which the results may differ from what would be obtained if the whole population surveyed had been interviewed. The size of such sampling errors depends largely on the number of interviews.

The following tables may be used in estimating the sampling error of any percentage in this report. The computed allowances have taken into account the effect of the sample design upon sampling error. They may be interpreted as indicating the range (plus or minus the figure shown) within which the results of repeated samplings in the same time period could be expected to vary, 95 percent of the time, assuming the same sampling procedure, the same interviewers, and the same questionnaire.

The first table shows how much allowance should be made for the sampling error of a percentage:

Recommended Allowance For Sampling Error of a Percentage

In Percentage Points
(at 95 in 100 confidence level)*

	-----Sample Size-----				
	<u>500</u>	<u>400</u>	<u>300</u>	<u>200</u>	<u>100</u>
Percentages near 10	3	3	4	5	7
Percentages near 20	4	5	5	7	9
Percentages near 30	5	5	6	7	11
Percentages near 40	5	6	7	8	11
Percentages near 50	5	6	7	8	12
Percentages near 60	5	6	7	8	11
Percentages near 70	5	5	6	7	11
Percentages near 80	4	5	5	7	9
Percentages near 90	3	3	4	5	7

*The chances are 95 in 100 that the sampling error is not larger than the figures shown.

The table would be used in the following manner: Let us say a reported percentage is 33 for a group which includes 500 respondents. Then we go to row "percentages near 30" in the table and go across to the column headed "500". The number at this point is 5, which means that the 33 percent obtained in the sample is subject to a sampling error of plus or minus 5 points. Another way of saying it is that very probably (95 chances out of 100) the average of repeated samplings would be somewhere between 28 and 38, with the most likely figure the 33 obtained.

In comparing survey results in two samples, such as, for example, men and women, the question arises as to how large must a difference between them be before one can be reasonably sure that it reflects a real difference. In the tables below, the number of points which must be allowed for in such comparisons is indicated.

Two tables are provided. One is for percentages near 20 or 80; the other for percentages near 50. For percentages in between, the error to be allowed for is between those shown in the two tables:

Recommended Allowance for Sampling Error
of the Difference

		In Percentage Points (at 95 in 100 confidence level)*				
		<u>Percentage near 20 or percentages near 80</u>				
TABLE A	Size of Sample	<u>500</u>	<u>400</u>	<u>300</u>	<u>200</u>	<u>100</u>
	500	6				
	400	6	7			
	300	7	7	8		
	200	8	8	8	9	
	100	10	10	11	11	13
		<u>Percentages near 50</u>				
TABLE B	Size of Sample	<u>500</u>	<u>400</u>	<u>300</u>	<u>200</u>	<u>100</u>
	500	7				
	400	8	8			
	300	8	9	9	12	
	200	10	10	11	14	16
	100	13	13	13		

*The chances are 95 in 100 that the sampling error is not larger than the figures shown.

91x

Here is an example of how the tables would be used: Let us say that 50 percent of men respond a certain way and 40 percent of women respond that way also, for a difference of 10 percentage points between them. Can we say with any assurance that the 10-point difference reflects a real difference between men and women on the question? The sample contains approximately 500 men and 500 women.

Since the percentages are near 50, we consult Table B, and since the two samples are about 500 persons each, we look for the number in the column headed "500" which is also in the row designated "500". We find the number 7 here. This means that the allowance for error should be 7 points, and that in concluding that the percentage among men is somewhere between 3 and 17 points higher than the percentage among women we should be wrong only about 5 percent of the time. In other words, we can conclude with considerable confidence that a difference exists in the direction observed and that it amounts to at least 3 percentage points.

If, in another case, men's responses amount to 22 percent, say, and women's 24 percent, we consult Table A because these percentages are near 20. We look in the column headed "500" and see that the number is 6. Obviously, then, the 2-point difference is inconclusive.

DIALING RESULTS

In the course of telephone interviewing, data are routinely kept on the result of all calling attempts made on the sample of telephone numbers used in a telephone survey. In the present survey, 505 completed interviews were completed using 1755 telephone numbers from a random digit sample.

Up to five calls were made to each telephone number in an attempt to complete an interview, and this was extended to eight calls in the case of "refusals", since interviewers were instructed to make up to an additional three calls to attempt to gain cooperation among those who refused to cooperate the first time they were asked.

The final disposition of all telephone numbers used in the sample for this survey is:

1755	Total telephone numbers used
1311	Working residential numbers (conservative)
1161	Working residential numbers (liberal)
1063	Households contacted
736	Households cooperated
624	Respondents screened
539	Respondents eligible (Licensed drivers who have purchased gasoline)
505	Completed interviews

The overall response rate is a product of the contact rate ($1063/1311=81\%$), the cooperation rate ($736/1063=69\%$), and the completion rate ($505/539=94\%$) -- thus, the response rate is 53%.

It is important to note however, that this calculation conservatively assumes that all of the telephone numbers that were not answered on any of the five attempts are numbers associated with a residence. Since the sample is a random digit sample, this assumption can not be made with assurance.

It is noteworthy that of the 1311 numbers assumed to represent working residential numbers in the dialing disposition table presented above, 219 received a final result code of "no answer," and for 150 of those, interviewers recorded "no answer" as the disposition of each of the five calling attempts.

A liberal assumption would count as working residential numbers only those numbers known to be associated with a household. Under the liberal assumption -- i.e., subtracting the "no answer on all calls" from the 1311 "working residential numbers," -- the contact rate increases to 92% (1063/1161), and the overall response rate increases to 59%. It seems reasonable to assume that the actual situation lies somewhere between these two extremes, and that the average response rate, 56%, is a fair representation for this survey.

1 [] Male 2 [] Female

Time Started: _____

Time Ended: _____

Length: _____

GO 87165

THE GALLUP ORGANIZATION

A TELEPHONE SURVEY

JULY 1987

Interviewer's I.D. _____

Interviewer's Name: _____

Date: _____

Rep: _____

Page: _____

Nielsen City Size Code: 1()A 2()B 3()C 4()D

Introduction: Hello, I am _____ calling from The Gallup Organization in Princeton, New Jersey. I would like to ask some questions of the YOUNGEST MALE 18 years or older who is at home.

IF MALE IN HOUSEHOLD NOT AVAILABLE, RECORD 7 AND ARRANGE FOR CALL BACK. I
NO MALE IN HOUSEHOLD, ASK:

I would like to ask some questions of the OLDEST FEMALE 18 YEA
or older who is at home.

A. Do you currently have a license to drive an automobile?

1 [] Yes

2 [] No _____

y [] Don't know _____

GO TO Q. 901 PAGE 3

(MARK ON QUOTA SHEET - FAILED SCREENER 6a)

B. Do you, yourself, ever purchase gasoline for a motor vehicle?

1 [] Yes

2 [] No _____

y [] Don't know _____

GO TO Q. 901 PAGE 3

(MARK ON QUOTA SHEET - FAILED SCREENER 6b)

Call Back:

Date: _____

Time: _____

TELEPHONE NUMBER

--	--	--

 -

--	--	--

 -

--	--	--	--

96X

ASK ALL DRIVERS WHO PURCHASE GASOLINE:

1. About how often do you, yourself, purchase gasoline for a motor vehicle? Would you say: (READ EACH)

1 ☐ Once a week or more often
2 ☐ About 2-3 times a month
3 ☐ About once a month
4 ☐ Less often than once a month
y ☐ Don't know (DO NOT READ)

2. As you may know, in some areas there are self-service gasoline stations where you can pump the gas yourself. Have you ever bought gas at a station in any state where you, yourself pumped the gas?

1 ☐ Yes
2 ☐ No' ☐ - GO TO Q. 6
y ☐ Don't know ☐

3. About how many times have you been to a self-service gasoline station where you pumped the gas yourself? Just your best estimate.

Number of Times

4. When was the last time you, yourself, pumped the gas? Was it: (READ EACH)

1 ☐ Within the past month
2 ☐ 2 - 3 months ago
3 ☐ 4 - 5 months ago
4 ☐ 6 months to a year ago
5 ☐ More than a year ago
y ☐ Don't know - DO NOT READ

97X

5. Have you ever pumped your own gas at a station in New Jersey?

1 ☐ Yes

2 ☐ No

y ☐ Don't know

6. On the average, approximately how many miles do you, yourself, drive a year? Would you say: (READ EACH)

1 ☐ Less than 5,000

2 ☐ 5,000 to less than 10,000

3 ☐ 10,000 to less than 15,000

4 ☐ 15,000 to less than 20,000

5 ☐ 20,000 or more miles

y ☐ Don't know - DO NOT READ

Now just a few questions for statistical purposes only.

ASK EVERYONE:

Q01. What was the last grade or class you completed in school?

1 ☐ None, or grades 1-4

2 ☐ Grades 5, 6, 7

3 ☐ Grade 8

4 ☐ High school, incomplete

5 ☐ High school, graduate, Grade 12

6 ☐ Technical, Trade or Business

7 ☐ College, University, Incomplete

8 ☐ College, University, graduate

Second
Digit

1

1

2

2

3

3

4

4

5

5

6

6

7

7

8

8

9

9

0

903. What is your race? Are you white, black or some other?

1 [] White

2 [] Black

3 [] Some other

904. May I please have your zip code?

So that my office can check my work in this interview, if it wants to, may I have your name.

PRINT CLEARLY

INTERVIEWER VERIFY AND RECORD TELEPHONE NUMBER

AREA CODE

PHONE

905. 1 [] Male

2 [] Female

906. Circle number of call on which this interview was completed.

1

2

3

4

5

I HEREBY ATTEST THAT THIS IS A TRUE AND HONEST INTERVIEW

(INTERVIEWER'S SIGNATURE)

99x

AN ACTUARIAL ANALYSIS OF THE
RELATIVE HAZARDS OF
FULL AND SELF SERVICE GASOLINE STATIONS

THIS REPORT WAS PREPARED FOR
BRANDT, HAUGHEY, PEMBERTHY, LEWIS & HYLAND

BY
HUGGINS FINANCIAL SERVICES, INC.
DECEMBER, 1987

WARREN P. COOPER

Mr. Cooper is a Member of the Casualty Actuarial Society, the American Academy of Actuaries, the International Actuarial Association and several regional actuarial bodies. He has served as an officer or director in each and has participated in many of their standing committees and task forces.

His business career began in the middle 1950's with the Chubb Group of Insurance Companies where he specialized in business and market research as well as actuarial matters. He organized and led Chubb's first actuarial department, attaining the office of Vice President and Actuary. He also had responsibility for state regulatory matters and industry relations.

Late in 1975 Cooper joined the INA Corporation as Vice-President - Corporate Actuary and had professional responsibility for all the actuarial activities within the Corporation and direct management responsibility for the 85 individuals in the property/casualty actuarial department. Subsequently, with a decentralization of the corporate staff, Cooper became Senior Vice President - Actuary, Insurance Company of North America, with responsibilities in the direct, reinsurance, international and title insurance companies of the fleet.

In the summer of 1982, at a time of rapid and significant change in Jersey's regulatory posture, he responded to the opportunity to join the New Jersey Insurance Department as Chief Actuary and principal advisor to the Commissioner. Among many other tasks he was given responsibility for title regulation, directly and as the Department's interface with the public advocate. During this period Cooper attended meetings of and addressed not only the New Jersey Association but the American Land Title Association as well.

After resigning his regulatory post in the fall of 1984, he joined Huggins Financial Services, Inc., as Vice President and Consulting Actuary. Since then he has involved himself with a wide ranging practice: actuarial, marketing, strategic planning, financial analysis and planning, executive searches and regulatory counseling among others. He has been retained in various consulting positions, including the examination process, by the States of Delaware, New Jersey, and New York.

During his career Cooper has been continuously active in professional and regulatory pursuits. He has been particularly active at the National Association of Insurance Commissioners (NAIC) where he has chaired or served as a member of many advisory committees during his time as an industry representative. While a regulator, he was Jersey's principal participant in NAIC matters, serving on various committees and task forces and usually standing in for the commissioner at the executive committee and plenary sessions.

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The purpose of the report is to analyze the relative insurance hazards of full service and self service gasoline stations. To accomplish this we analyzed past loss data in order to determine what premium rates should be charged for these two types of gasoline stations in the future. If the past loss experience indicates that one type of station should pay a significantly lower premium in the future then that type of station has a lower loss potential and is a better insurance risk.

We used industrywide data as reported to Insurance Services Office (ISO) in our review. ISO is the ratemaking and statistical organization for General Liability insurance in this country. Their data base includes the experience of virtually every insurance carrier writing General Liability insurance. Our analysis was confined to liability insurance as self service and full service stations are charged the same rate for property insurance. There is no separate property loss experience for self service and full service stations.

We conducted our study using countrywide data. The experience for individual states is not credible enough for our purpose.

Conclusion

The loss experience indicates that the following rates should be charged per \$1,000 of sales.

Full Service	\$1.6810
Self Service	\$1.3166

Dividing the indicated self-service rate of 1.3166 by the indicated full service rate of 1.6810 yields a factor of 0.78. This is a statistically significant result that indicates that self service gas stations are less hazardous than full service gas stations.

Liability Insurance

)
There are three ways an insurance company can write liability insurance on a gas station (either full service or self service). They can issue a monoline general liability (GL) policy, a package policy (which includes liability and property) or a garage policy. Under a garage policy there is no rating distinction between full service and self service stations. Our analysis will therefore be confined to monoline GL policies and the liability portion of package policies.

Prior to 1985 there were two classifications for rating gasoline stations. Full service stations were rated under code 55411 which used payroll as an exposure basis, i.e., the rates were calculated and expressed as a function of payroll. Self service stations were rated under class 55423 which used gross receipts as an exposure basis. The rates were therefore not directly comparable as they used two different exposure bases.

In 1985 ISO introduced their simplified commercial lines manual which modified the rating structure for gasoline stations. Full service stations are classified under code 13450, self service stations under code 13451 and combination type stations are classified under code 13452. The exposure basis is now the same for all three classes - total sales. This exposure basis is the same as gross receipts so that the rates for self service stations are on the same basis as before. There is no experience yet available under the new rating scheme.

Definitions

The following is a definition of terms used on this report.

Policy Year Data

This term refers to the segregation of data by the effective year of the policy. For example policy year 1984 refers to all policies that have an effective date in the time period from January 1, 1984 and December 31, 1984.

Exposure

A unit of measurement for which insurance rates are expressed. Exposure units vary by line of insurance (automobile, homeowners, professional liability, etc.) and should possess the following qualities:

- ° They should vary with the hazard.
- ° They should be stable and not subject to large fluctuation.
- ° They should be easily measurable.

For example, the exposure unit for personal automobile insurance is one automobile and rates are expressed on a "per automobile" basis. The exposure unit for lawyers professional liability insurance is one lawyer and rates are expressed on a "per lawyer" basis.

Earned Exposures

This term is defined for an individual policy as the percentage of the policy term that has expired times the original exposure unit. For example assume that a personal automobile policy is written for a one year term to be effective on January 1, 1987. As of January 1, 1987, there is one written exposure unit and no earned exposure units because none of the policy has expired. As of July 1, 1987 however 50% of the policy term has expired and the earned exposure count is 1/2 of a unit.

Earned Premium

This term is defined for an individual policy as the percentage of the policy term that has expired times the total premium for that policy. The concept is identical to the earned exposure concept explained above.

Policy Year Incurred Losses

A policy year incurred loss figure is the sum of the losses paid on all policies effective in a given year plus the amount of money held in reserve to pay additional sums for claims that have occurred on the same group of policies.

Pure Premiums

The portion of the premium rate that is designed to cover losses only. For example if the premium rate is \$100 and the company needs \$35 of this premium to cover its expenses (commission, operating expenses and taxes) then the pure premium would be \$65.

Basic Limits Losses

The sum of all losses where each bodily injury liability loss is truncated at \$25,000 and each property damage liability loss is truncated at \$5,000. For example assume that there were three bodily injury liability losses in 1987 one for \$5,000, one for \$10,000 and one for \$100,000. For the sake of simplicity assume that there were no property damage liability losses. The 1987 basic limits losses would therefore be \$40,000 (\$5,000 + \$10,000 + \$25,000). The truncation values of \$25,000 for bodily injury and \$5,000 for property damage are the industry standards used in general liability ratemaking.

Credibility

The amount of credence that an actuary assigns to a given body of data. It ranges from 0 to 1 and is based on the number of claims in the experience period.

Loss Development

This term refers to the change in the evaluation of losses over time. Insurance companies are required to carry in reserve the dollar amounts necessary to settle claims that have occurred but have not yet been paid. Since these amounts are necessarily estimates they will change over time.

Actuarial Analysis

In our analysis we used industry wide GL loss data as reported to ISO under their commercial statistical plan. It includes experience on both monoline GL policies and package policies.

The data base consisted of 5 policy years of data (1980-1984) evaluated as of March 31, 1986. The report contained detailed exposure, premium and loss data.

Our analysis was conducted on a countrywide basis as the data for individual states lacked sufficient credibility to produce accurate results. The countrywide data was much more meaningful and reliable.

Our analysis consisted of calculating expected 1988 premium rates for full service and self service stations. We first calculated pure premiums. By pure premium we mean that part of the premium that covers losses only (not

commission and expenses). Our next step was to calculate trended exposures for each policy year. This was accomplished in Exhibit 5. Column (2) contains the actual earned exposures for each policy year. For full service stations the exposures listed are earned payroll figures. In order to calculate pure premium for each class on a comparable it was necessary for us to convert the full service exposures to a gross receipts basis. This was accomplished in column (2) by multiplying all of the class 55411 exposures by a factor of 9.4. This figure means that payroll is 10.6% of gross receipts for full service stations ($1/10.6\% = 9.4$). This 10.6% figure was obtained by using payroll and gross receipts data for the states of Oregon and New Jersey. We used Oregon and New Jersey because these are the only two states that do not allow self service stations. All of the gas stations are therefore full service. This is appropriate because we are converting payroll to gross sales for full service stations. Policy year payrolls for gasoline stations and garages from 1979 to 1983 were used to project 1985 payrolls. The total projected payrolls for both states was \$641,832,000. This figure was divided by the total 1985 gasoline sales for both states of \$6,051,750,000 to yield a ratio of 10.6%. The total gasoline sales figure was derived by multiplying the 1985 estimated number of gallons of gasoline sold in Oregon and New Jersey by the 1985 countrywide average retail price of gasoline. The calculation was $\$1.196 \times 5,060,000,000$.

The next step was to trend the adjusted exposure to anticipated 1988 levels. This was accomplished by using a 4% annual inflation factor. We selected this figure after a review of trends in wages for manufacturers and contractors and trends in exposure data for service stations. The trended exposures are contained in column (4) of Exhibit 5.

Exhibit 6 contains the calculation of the expected ultimate losses. The first column contains actual basic limits losses by policy year. Basic limits are \$25,000 and \$5,000 for bodily injury and property damage respectively. We confined our analysis to basic limits losses in order to improve the accuracy of our results. This is because large claims are subject to a great deal of random fluctuation and by limiting each claim to a certain amount the effects of these fluctuations are dramatically reduced. This is standard actuarial practice for all liability lines of insurance.

The policy year losses are not fully developed as the evaluation date is March 31, 1986. It was, therefore, necessary for us to apply loss development factors to these immature losses to calculate ultimate incurred losses by policy year. The source of these factors was countrywide data reported to ISO for general liability insurance. The actual factors used are contained in Exhibit 7 and are shown separately for bodily injury and property damage liability. The development factors shown in Exhibit 6 are dollar weighted averages of the separate bodily injury and property damage factors from Exhibit 7.

After developing the losses to an ultimate level it was next necessary to trend them to the loss level expected to prevail in 1988. We trended the bodily injury and property damage losses by using annual trend factors of +8.9% for bodily injury and +7.7% for property damage. These figures were obtained by using trends in average claim costs for bodily injury and property damage liability. The source of this data is industry data reported to ISO for

general liability. The actual data is contained in Exhibit 8. The ultimate incurred losses in Exhibit 6 were obtained by multiplying the developed incurred losses of column (3) by the trend factors in column (4). This yields anticipated 1988 losses for each policy year.

Exhibit 4 displays the pure premium calculations. Column (1) contains the trended exposures by policy year. Column (2) contains the corresponding projected ultimate losses. Dividing the figures in Column (2) by those in Column (1) yields the pure premium in column (3). Listed below are the indicated pure premium for all policy years combined:

<u>Class</u>	<u>Pure Premium</u>
Full Service	.8519
Self Service	.6184
Total	.7252

These indicated pure premiums were not fully credible for pricing purposes. It was therefore necessary to calculate a credibility weighted pure premium for each class. This was accomplished in Exhibit 3. Column (1) contains the indicated pure premium from Exhibit 4. Column (2) contains the number of claims in the experience period for each class. Column (3) contains the credibility of the indicated class pure premiums. It was calculated by taking the square root of the number of claims divided by 5000. The credibility weighted pure premium was calculated by multiplying the indicated class pure premium by its credibility and adding to it the average pure premium multiplied by one minus the class credibility. This effectively gives us an average of the indicated class pure premium and the pure premium for both classes combined.

The last step in our analysis was to calculate premium rates from the pure premium data. This was accomplished by dividing the credibility weighted pure premium by an expected loss ratio. By doing this we loaded up the pure premium with an additional amount of money designed to cover company expenses. The calculation of the expected loss ratio is contained in Exhibit

2. It is simply 100% less company expenses expressed as a percent of premium. The expense provisions contained in Exhibit are recent industry averages for general liability insurance.

The indicated premium rates are 1.6810 and 1.3166 for full service stations and self service stations respectively.

Actual Experience

The countrywide actual experience for full service and self service gas stations is contained in Exhibit 9. Total limits actual earned premiums are compared with total limits incurred losses. On a countrywide basis the five year loss ratio for self service stations was 79.4% versus the five year loss ratio of 93.9% for full service.

The earned premiums are the actual total limits premiums charged. The loss ratio is the quotient of the total limits incurred losses divided by the earned premium. From an actual experience standpoint the experience of the self service stations was better for the five policy years in questions. While this data cannot be used to generate premium rates it does indicate that in the past the premium charged for full service stations was inadequate when compared to the premium charged for self service stations.

Actuarial Analysis of Gasoline Stations
Full Service vs Self Service
Calculation of Premium Rates

<u>Class</u>	<u>Pure Premium (a) (1)</u>	<u>Premium Rate (b) (2)</u>
55411 - Full Service	.8304	1.6810
55423 - Self Service	.6504	1.3166

(a) Exhibit 3

(b) (a) = (1)/49.4% (the expected loss ratio from Exhibit 2). The premium rate is that indicated for \$25,000 of coverage.

Exhibit 1

112x

Actuarial Analysis of Gasoline Stations
Full Service vs Self Service
Calculation of Credibility Weighted Price Premium
General Liability Insurance

<u>Item</u>	<u>Expense Provision</u>
Production	25.0%
General Expenses	12.5
Taxes, Licenses and Fees	3.8
Unallocated Loss Adjustment Expense	4.3
<u>Profit</u>	<u>5.0</u>
Total Expense Provision	50.6%
Expected Loss Ratio (100% - 50%)	49.4%

Exhibit 2

113x

Actuarial Analysis of Gasoline Stations
Full Service vs Self Service

Calculation of Credibility Weighted Price Premium

<u>Class</u>	<u>Pure Premium (a)</u>	<u>Number of Claims (b)</u>	<u>Credibility (c)</u>	<u>Credibility Weighted Pure Premium (d)</u>
	(1)	(2)	(3)	(4)
Full Service	.8519	3486	.83	.8304
Self Service	.6184	2428	.70	.6504
Total	.7252			

- (a) Exhibit 4
 Number of classes for the 5 policy years used in the analysis
 (c) (2)/5000
 (d) $(4) = (1) \times (3) + [1.0 - (3)] \times \text{avg. (1)}$

Exhibit 3

114X

Actuarial Analysis of Gasoline Stations
Full Service vs. Self Service
Calculation of Pure Premiums

<u>Class</u>	<u>Policy Year</u>	<u>Trended Exposures(a)</u> (1)	<u>Ultimate Losses(b)</u> (2)	<u>Pure Premium(c)</u> (3)
Full Service	55411 1980	2,819,896	1,594,014	0.5653
	1981	2,996,148	2,221,223	0.7414
	1982	3,029,589	2,013,519	0.6646
	1983	2,865,784	3,118,349	1.0881
	1984	2,976,433	3,565,040	1.1978
	Total	14,687,850	12,512,145	0.8519
Self Service	55423 1980	2,254,656	865,800	0.3840
	1981	2,920,263	1,545,264	0.5292
	1982	3,330,931	1,574,102	0.4726
	1983	3,844,533	3,155,066	0.8207
	1984	5,070,843	3,632,422	0.7163
	Total	17,421,226	10,772,653	0.6184
Total	1980	5,074,552	2,459,814	0.4847
	1981	5,916,411	3,766,487	0.6366
	1982	6,360,520	3,587,620	0.5640
	1983	6,710,317	6,273,415	0.9349
	1984	8,047,276	7,197,462	0.8944
	Total	32,109,076	23,284,798	0.7252

- (a) Exhibit 5
(b) Exhibit 6
(c) (3) = (2)/(1)

Exhibit 4

115x

Actuarial Analysis of Gasoline Stations
Full Service vs. Self Service
Calculation of Trended Exposures

<u>Class</u>	<u>Policy Year</u>	<u>Earned Exposures(a)</u> (1)	<u>Adjusted Exposures(b)</u> (2)	<u>Trend Factor(c)</u> (3)	<u>Trended Exposures(d)</u> (4)
Full Service	55411 1980	219,130	2,059,822	1.369	2,819,896
	1981	242,203	2,276,708	1.316	2,996,148
	1982	254,780	2,394,932	1.265	3,029,589
	1983	250,510	2,354,794	1.217	2,865,784
	1984	270,634	2,543,960	1.170	2,976,433
	Total	1,237,257	11,630,216		14,687,850
Self Service	55423 1980	1,647,455	1,647,455	1.369	2,254,656
	1981	2,219,160	2,219,160	1.316	2,920,263
	1982	2,632,484	2,632,484	1.265	3,330,931
	1983	3,159,926	3,159,926	1.217	3,844,533
	1984	4,334,577	4,334,577	1.170	5,070,843
	Total	13,993,602	13,993,602		17,421,226
Total	1980	1,866,585	3,707,277	1.369	5,074,552
	1981	2,461,363	4,495,868	1.316	5,916,411
	1982	2,887,264	5,027,416	1.265	6,360,520
	1983	3,410,436	5,514,720	1.217	6,710,317
	1984	4,605,211	6,878,537	1.170	8,047,276
	Total	15,230,859	25,623,818		32,109,076

- (a) In payroll for class 55411; in gross receipts for class 55423; (000 omitted)
- (b) Class 55411 exposures adjusted to a gross receipts basis
- (c) Factor to convert actual exposures to a 1988 level, assuming a 4% annual trend factor
- (d) (4) = (2) x (3)

You Are Viewing an Archived Copy from the New Jersey State Library
 Actuarial Analysis of Gasoline Stations
 Full Service vs. Self Service
 Calculation of Ultimate Losses

<u>Class</u>	<u>Policy Year</u>	<u>Incurred Losses(a)</u> (1)	<u>Development Factor(b)</u> (2)	<u>Developed Losses</u> (3)=(1)x(2)	<u>Loss Trend Factor(c)</u> (4)	<u>Ultimate Losses</u> (5)=(3)x(4)
55411	1980	770,233	1.072	825,862	1.930	1,594,014
	1981	1,127,032	1.110	1,250,963	1.776	2,221,223
	1982	1,018,596	1.213	1,235,610	1.630	2,013,519
	1983	1,451,148	1.422	2,063,173	1.511	3,118,349
	1984	1,334,152	1.925	2,567,967	1.388	3,565,040
	Total	5,701,161		7,943,475		12,512,145
55423	1980	416,648	1.071	446,037	1.941	865,800
	1981	778,869	1.107	861,833	1.793	1,545,264
	1982	789,045	1.212	956,460	1.646	1,574,102
	1983	1,469,769	1.421	2,088,316	1.511	3,155,066
	1984	1,491,540	1.774	2,646,000	1.373	3,632,422
	Total	4,945,871		6,998,646		10,772,652
Total	1980	1,186,881	1.072	1,271,898	1.934	2,459,814
	1981	1,905,901	1.109	2,112,795	1.783	3,766,487
	1982	1,807,641	1.213	2,192,070	1.637	3,587,620
	1983	2,920,917	1.421	4,151,490	1.511	6,273,415
	1984	2,825,692	1.845	5,213,868	1.380	7,197,462
	Total	10,647,032		14,942,121		23,284,798

- (a) Basic limits losses evaluated as of 3/31/86
 (b) Obtained by dollar weighting the bodily injury and property damage factors from Exhibit 7
 (c) Using annual trends of +7.7% for property damage and +8.9% for bodily injury

Exhibit 6

117x

Actuarial Analysis of Gasoline Stations
Full Service vs. Self Service
Loss Development Factors

Evaluation Point (months)	Factor to Ultimate	
	<u>Bodily Injury</u>	<u>Property Damage</u>
27	2.096	1.500
39	1.451	1.326
51	1.211	1.217
63	1.102	1.130
75	1.065	1.092

Exhibit 7

118X

Actuarial Analysis of Gasoline Stations
- Full Service vs. Self Service
Calculation of Annual Trend Factors

Countrywide
Premises and Operations (Subline Code 313)
Based on Average Incurred Claim Cost Data
Basic Limits
Monoline-Multiline

All Companies Reporting to ISO

Bodily Injury

(1) Policy Year Ending	(2) \$25,000 Basic Limits Incurred Losses *	(3) Number of Incurred Claims **	(4) Average Incurred Claim Cost Actual	(5) Exponential Curve of Best Fit
12/31/79	\$164,557,381	19,136	\$ 8,599	9,321
12/31/80	187,043,522	17,608	10,623	10,149
12/31/81	210,780,169	17,987	11,718	11,050
12/31/82	258,935,962	20,980	12,342	12,032
12/31/83	261,090,006	20,053	13,020	13,100
12/31/84	307,763,085	22,523	13,664	14,264

- (6) Average Annual Incurred Claim Cost Trend.....+8.9%
(7) Selected Annual Incurred Claim Cost Trend.....+8.9%

Property Damage

(8) Policy Year Ending	(9) \$25,000 Basic Limits Incurred Losses *	(10) Number of Incurred Claims **	(11) Average Incurred Claim Cost Actual	(12) Exponential Curve of Best Fit
12/31/79	\$ 96,705,004	93,930	\$1,030	1,114
12/31/80	106,469,217	85,932	1,239	1,200
12/31/81	122,322,282	88,104	1,388	1,292
12/31/82	151,454,060	105,389	1,437	1,392
12/31/83	166,306,513	112,898	1,473	1,499
12/31/84	195,291,237	125,998	1,550	1,614

- (13) Average Annual Incurred Claim Cost Trend.....+7.7%
(14) Selected Annual Incurred Claim Cost Trend.....+7.7%

* Developed to an ultimate settlement basis.
** Developed to 87 months.

Policy Year Ending	Trend Factors	
	Bodily Injury	Property Damage
12/31/83	(1.089) ⁵ 167 = 1.554	(1.077) ⁵ 167 = 1.467
12/31/84	(1.089) ⁴ 167 = 1.427	(1.077) ⁴ 167 = 1.362

Exhibit 8

119X

Actuarial Analysis of Gasoline Stations
Full Service vs. Self Service
Actual Experience

Countrywide

<u>Class</u>	<u>Policy Year</u>	<u>Earned Premium(a)</u> (1)	<u>Incurred Losses(b)</u> (2)	<u>Loss Ratio</u> (3)=(2)-(1)
Full Service	55411 1980	2,816,330	1,279,974	45.4%
	1981	2,462,020	2,048,930	83.2
	1982	2,351,343	1,453,277	61.8
	1983	2,190,835	2,787,309	127.2
	1984	2,609,129	4,099,558	157.1
	Total	12,429,656	11,669,047	93.9%
Self Service	55423 1980	2,394,793	110,551	4.6%
	1981	2,186,582	1,135,291	51.9
	1982	2,055,772	1,329,423	64.7
	1983	2,226,781	2,784,211	125.0
	1984	3,154,989	4,185,694	132.7
	Total	12,018,917	9,545,169	79.4%

(a) Total Limits earned premium

(b) Total Limits incurred losses developed to an ultimate settlement level.

Exhibit 9

120X

Resume of Michael S. Kirschner

- Graduated Pennsylvania State University, 1966, Bachelor of Arts
 - selected as one of 13 "Outstanding Graduating Seniors"
- Employed by Kirschner Bros. Oil Co. from 1966 to present
 - President since 1972
- Board Member, Society of Independent Gasoline Marketers 1979-87
 - Second Vice President- 1981
 - First Vice President- 1981-83
 - President- 1984-85
 - Chairman, Executive Committee- 1985-87
- Have testified before numerous House and Senate Committees on various petroleum issues, as well as various governmental agencies, including the Federal Trade Commission, Internal Revenue Service and Environmental Protection Agency,
- Kirschner Bros. Oil. Co. owns and operates approximately 25 stations in The greater Delaware Valley. Approximately 20 stations are located in New Jersey. The company employees nearly 300 people and has been in business for 55 years.

OPINION TESTIMONY OF MICHAEL KIRSCHNER

Background

I have personally been involved in the petroleum industry and specifically retail marketing of gasoline and other petroleum products since 1966. I have served as President of Kirschner Brothers Oil Co. since 1972. In addition, I have throughout my professional career held a number of positions within various professional and trade organizations, most notably President of the Society of Independent Gasoline Marketers of America (SIGMA). The Society is the largest trade association of independent dealers, having a membership of over 18,000.

Kirschner Bros. Oil Co. also operates stations in both New Jersey and Pennsylvania. Thus, we have been able to acquire data from our own company operations by which a comparison of self-service and full-service can be made.

From the perspective of safety and fire prevention I can categorically state that there is no greater hazard presented by self-service dispensing of gasoline when compared with full-service. This statement is supported by the following:

a) A review of our accident records for the period 10/1/85 through 10/1/87 reveals a total of 8 personal injury claims and 4 property damage claims related to dispensing of fuel. (We are unable to ascertain whether the "fuel" is gasoline, diesel fuel or kerosene.) These accidents are broken down as follows:

i). Three "driveaway" cases, one occurring at a New Jersey location. I cannot determine the location of the remaining incidents.

ii). One vehicle striking a fuel dispenser.

iii). Of the 8 accidents involving personal injury, only one involved injury to a customer and this accident occurred at a full-serve location in New Jersey. The injured customer was allegedly splashed with fuel by the attendant. The remaining accidents all involve workmen's compensation claims and generally related to employees being splashed with fuel.

During this same period of time our company dispensed approximately 120 million gallons of gasoline. Using an assumed average sale of 10 gallons, which I believe to be a conservative number, this results in an accident ratio to customers of one accident per 12 million transactions or a ratio of one accident per 1.5 million transactions if one was to include accidents to employees in this analysis. As to the incidents of customers leaving before conclusion of the transaction, our data shows that this has occurred only three times in totality and at least one of the transactions occurred at a full-serve station. The extremely low record of such accidents when compared to the modest volume of a company such as ours again demonstrates quite convincingly that the threat to safety is extremely slight.

I believe that this very low rate of accidents is attributable to the fact that customers who self-serve their own vehicles recognize fully the inherent volatility of gasoline and thus treat the filling process with great care. Moreover, the self-service customer has only one vehicle to attend - his own - therefore, the distractions of multiple customers and multiple transactions are not present as is the case in our New Jersey stations where full-service is mandated.

In the full-serve context, attendants can be distracted by the multiplicity of transactions at any one time (several vehicles; some customers specifying dollar amounts to be purchased, thus requiring that meters be watched; a customer requesting that other fluids, such as oil, be checked, etc.) All of these transactions, oftentimes simultaneous, coupled with a high-volume station heightens the possibility for an accident, no matter how well-trained and efficient an attendant may be.

In my opinion one of the most potentially dangerous aspects of gasoline dispensing is the reliance upon automatic filling nozzles or fill "clips".

These devices are permitted in New Jersey locations and yet can present a hazard even to an attendant. Self-service facilities traditionally do not use fill clips as a general rule, thus assuring that a human being is attending the filling process.

b) From my involvement in various organizations at the national level which affect my industry, I know that there are various regulatory frameworks already in place which address the very issues which the New Jersey statute purported to deal with, yet these regulations do not protect by prohibition. Rather, regulations, such as NFPA-30 and OSHA and hundreds of state and local fire code regulations, have been developed and continue to be refined in response to technological change by revisionists who include the very organizations and professions which were directly and publicly opposed to the self-concept of self-service at its inception and for some years thereafter. These regulations permit self-service as a means of dispensing gasoline while imposing certain operating requirements which do protect the public. Will these regulations assure the elimination of service station accidents? No system of regulation can guarantee a success rate of 100%. However, the track record of self-service in the 38 years since the adoption of the ban upon self-service sales in New Jersey has clearly demonstrated that there is no unusual causal relationship between self-service dispensing and service station accidents. The existence of these regulations has apparently persuaded 48 states in our country to permit self-service sales.

c) Equipment improvements have been significant. Although, the technical aspects of these advancements will be left to other witnesses to be presented to the court, as a retailer and a purchaser of this equipment, it is readily apparent to me that the type of dispensing equipment existing today is materially changed from that which existed when self-service began to develop, and since the commencement of my own involvement in this industry in 1966. Not only are pump dispensers themselves safer, but the other components, including nozzles and hoses, have kept pace with the needs of the industry and the various hazards associated with our industry which in my judgement transcend the method of dispensing the product. For example, the danger of a motorist driving away from the station with a hose still in its tank (something which occurs with equal frequency in a full-serve station) has been addressed with a breakaway hose which immediately

separates and additionally stops the flow of product. Likewise, the latest versions of fill nozzles also deal positively with the "driveaway" problem. These technological improvements simply did not exist in the early stages of self-service.

The possible implementation of Stage II Vapor Recovery regulations in New Jersey should also not be ignored. Quite simply, Stage II will require that a "seal" be maintained between the tank and the fill nozzle throughout the filling process. This will require a human being to physically hold the fill nozzle in such a way to assure this constant seal, since the design of fuel tank opening varies with each model automobile. These regulations will impose a virtually impossible burden upon gasoline retailers since it will require a significant increase in personnel under the present full-serve system in this state, since each vehicle will have to be personally served by an attendant. In addition, despite any added employees, the fueling necessarily will be slower since customers will have to wait for the availability of an attendant. All of these factors will increase the cost of gasoline to an intolerable level.

The addition of personnel as a result of Stage II is only part of an overall problem relating to employees. Our company, like virtually all other companies in this industry, simply cannot hire sufficient qualified personnel for any increases in staff. Presently, it is difficult enough to satisfactorily attract and, more importantly, retain competent employees. Only 67% of our employees have a high school education or higher. The average term of employment of half of our island attendants is approximately 2 months or less, while more than 77% of attendants do not remain with the company for more than 6 months. In our self-serve locations in Pennsylvania where there is a significantly higher dependence upon cashiers, the average age of our cashier employees is close to 30, while the average age of an attendant is less than 21. Nearly one-third of our cashier employees remain in our employ for longer than one year.

From the data available from our company, I conclude that the cashier at a self-service station is older, better educated and more reliable as an employee and is in a better position to more adequately and safely control the sale of gasoline.

Adoption of a self-service program in New Jersey would also alleviate a significant operational and consumer problem which will occur upon the

adoption of Stage II.

d) Our records reflect that incidents of criminal activity at our various station sites are less in self-service locations. This is attributable to the fact that a significantly greater number of transactions are conducted where the attendant is in a secure kiosk. In New Jersey, it is not uncommon for the island attendant to have substantial amounts of cash on his or her person at any given time. Even in areas where "safe boxes" are utilized by the attendant who frequently will place the "wad of bills" in the box or where stations have adopted an "exact change" requirement during selected business hours, there is still a greater likelihood of crime.

e) There is a significant level of experience on the part of New Jersey residents presently. Although a representative of the Gallup Organization will testify as to state-wide surveys, I have acquired data with respect to our own operations in New Jersey pertaining to self-service dispensing of fuels other than gasoline. In 1987 our company sold a total of 10 million gallons of diesel fuel and 1 million gallons of kerosene. A total of 1.2 million gallons of diesel fuel and over 100,000 gallons of kerosene were dispensed from the Route 73 station which is the subject site in this litigation. These fuels are not considered "flammable" by the state and therefore do not fall within the self-service prohibition. These fuels are dispensed from pumping equipment virtually identical to dispensers used at our location for gasoline. The total combined gallonage for diesel and kerosene translates into approximately 50,000 customer transactions. It is readily obvious that a considerable percentage of existing customers already are experienced in self-service dispensing of fuels. To illustrate the absurdity of the present situation in New Jersey, I have personally observed a customer at our Route 73 location who obtained auto-diesel fuel by self-service, then filled two containers with kerosene, only then to drive to the gasoline island and wait for an attendant to fill a small container with gasoline for the customer's lawn mower.

In my opinion and based upon my experience in self-service sales of gasoline and other fuels for over 20 years that the implementation of a program of self service gasoline sales in New Jersey will be no more hazardous than the present system of full-serve and can conceivably be less hazardous in the light on some of the considerations mentioned above.

Implementation should not be without regulation, however. It is recommended that the following be considered within the scheme of regulation which would be adopted to permit self-service:

1. Adoption of NFPA-30A in its entirety.

2. Despite the apparent permission within NFPA-30A for fill "clips" on filling nozzles, there should be a suitable amendment to the regulations which would prohibit use of fill "clips" or any similar automatic fill device. This will assure that a human being is attending the nozzle throughout the entire filling process.

3. An attendant should be on the premises at all times that a station is open for business. There are several advantages:

a) Presence of an attendant assures supervision over emergency "kill" switches in the event of any emergency which arises.

b) Presence of an attendant will assure control over individuals attempting to fill unauthorized containers, since the dispensing equipment can be immediately shut down in the event of an attempt to dispense product into an unapproved container. Additionally, the presence of an attendant likewise assures control over any other abnormality, such as an intoxicated or careless individual attempting to dispense gasoline.

c) Presence of an attendant will enable the handicapped to be able to secure gasoline products or other assistance even at odd business hours.

CONCLUSION

The petroleum industry now has approximately 40 years of experience with self-service. That experience, as demonstrated and reported in various trade journals relied upon in our industry, has been extremely positive - so much so that self-service accounts for nearly 80% of the total gasoline sold in the United States today, including New Jersey and Oregon. If one were to

subtract the gallonage of these two states from the total, this percentage would be even higher.

The experience of Kirschner Bros. Oil Co. is no different from the national experience. Self-service is a proven means of dispensing gasoline to the motoring public which allows the sales to be performed in an extremely safe manner, while also addressing the demands of the consumer for a more efficient and more careful process. Customers want choice and less waiting time.

When New Jersey's statute prohibiting self-service was adopted, there was virtually no experience with this means of dispensing. Machinery was generally suspect, and the degree of technology primitive in the late 1940's. However, since the passage of that law, there have been significant and material changes in the circumstances which supported the action of the Legislature in 1949. Self-service dispensing of gasoline was presumed to be so dangerous that prohibition was appropriate to protect the citizenry from itself. Because of the novelty of the concept at that time, the prohibition was justifiable and New Jersey was not the only state to prohibit self-service sales. However, in the nearly 40 years which have transpired since the adoption of that law, there has been some substantial changes in the circumstances and assumptions which supported that action.

The mere passage of time is not the relevant consideration. What is germane is the experience and knowledge which has been acquired during that passage of time. What that experience has shown is that the self-service "threat" is no more dangerous than its full-serve counterpart. True, gasoline is flammable. However, its volatility is not altered by the method of dispensing. With appropriate regulation self-service dispensing is as acceptable and safe a method as full-serve, and the time has come for implementation of such a system in New Jersey.

Self-service already is a reality in New Jersey to a far greater extent than one might imagine at first blush. The Gallup poll commissioned by our company indicates that the majority of New Jersey residents are already familiar with self-service. Virtually every police and public works department in this state as well as various State and federal departments and agencies utilize self-service at their own facilities. Does the fact that these facilities do not sell at retail make a difference? It should not. We have discovered that Fort Dix, New Jersey sells gasoline at the Post

Exchange station by self-service. Since Fort Dix is a significant employer of civilians and is also an "open" post, the number of self-service transactions must be large. Many commercial facilities also service their own vehicles.

It must be concluded that a significant portion of this state's population is already quite knowledgeable in the self-service process. In addition, there are adequate controls in place already or capable of easy implementation which can assure the safety of New Jersey citizens to the same level as that associated with full-serve. The continuation of the ban simply imposes an unreasonable and unnecessary restraint upon my ability to conduct and manage my own business.

JUN 30 1988

MARTIN L. HAINES, A.J.S.C.

NCT FOR PUBLICATION WITHOUT THE
APPROVAL OF THE COMMITTEE ON OPINIONS

KIRSCHNER BROTHERS OIL CO., a New Jersey Corporation,	:	SUPERIOR COURT OF NEW JERSEY
Plaintiff,	:	LAW DIVISION
	:	BURLINGTON COUNTY
vs.	:	
	:	DOCKET NO. L-35630-87
CHARLES SERRAINO, Commissioner of Labor and Industry,	:	
Defendant.	:	OPINION

Decided: June 29, 1988

S. David Brandt and William F. Hyland, Jr. for
plaintiff; Elizabeth R. Hurtubise on the brief (Brandt,
Haughey, Farberthy, Lewis & Hyland, A Professional
Corporation, Attorney)

George W. Fisher, Deputy Attorney General, for
defendant (W. Cary Edwards, Jr., Attorney General)

HAINES, A.J.S.C.

New Jersey, by virtue of N.J.S.A. 34:3A-1 et seq.,
prohibits the operation of self-service gasoline stations.
Only Oregon, of all the other states, has imposed a similar
prohibition. Plaintiff contends that the statute is
unconstitutional and must therefore be set aside.

The statute was enacted in response to safety concerns.
It is safety and safety alone which is the subject of this
litigation. The statute is constitutional if it addresses
safety concerns reasonably; it is unconstitutional if it
does not. That is the theory upon which the case was tried.

Economic consequences of the statute or its abolition are not considerations. This court concludes that the statute, while reasonably premised when adopted in 1949, is no longer so premised and, except for our Supreme Court's decision in Reingold v. Harter, 6 N.J. 182 (1951), would have to be set aside. Reingold upheld the constitutionality of the statute and this court, on principles of stare decisis, is bound by that determination. It is for the Supreme Court alone, if it agrees with the conclusions reached in this opinion, to reverse its Reingold decision.

N.J.S.A. 24:23-1 provides:

It shall be unlawful for any owner, operator or employee of an owner or operator of any retail filling or service station, where gasoline or other inflammable liquid is sold and dispensed to permit any purchaser, customer or other person not connected with the ownership or operation of such filling or service station to use or manipulate any pump, hose, pipe or other device for measuring, pumping or dispensing gasoline or other inflammable liquid for the purpose of filling the tank of a motor vehicle, or any barrel, drum, can or other container with gasoline or other inflammable liquid.

Other sections of the same statute require service stations to have attendants with not less than one full working day of supervised practical experience. Violators are subject to penalties of \$10.00 to \$200.00.

The Reingold court considered the constitutionality of the statute on the basis of a record which consisted only of testimony presented to a legislative committee. The

committee heard from representatives of the New Jersey Gasoline Retailers Association and the Standard Oil Development Company, a gasoline dealer, a fire marshal and a fire chief, all of whom believed that self-service stations were unsafe, particularly with reference to fire hazards. Speaking against the legislation was one service station operator, his attorney and the seller of an automatic gasoline dispensing device. They believed that self-service stations could be operated safely. The Committee also considered a number of articles, briefs and petitions.

No case, until this one, has provided the courts with a trial record addressing the self-service gasoline station safety issue. Much more is known about service station operations today than in 1949 and this record contains much more information than the legislative record. The evidence presented here is much more detailed, much more authoritative and much more recent. All witnesses here were subject to cross-examination, all exhibits were subject to objection. The contrary was true at the legislative hearing. The facts are dramatically different than those

The parties have presented the Court with a copy of the Appellate Division's decision in Agway Petroleum Corporation vs. John Fera, Commissioner of Labor & Industry et al., A-3730-77, decided in 1979. Agway relied on Reingold and held the statute constitutional. The opinion is unpublished and not binding on this court. No record, except pleadings, was presented to the Appellate Division which therefore did not consider any changed factual circumstances in reaching its conclusions. The decision is not regarded as significant in the present setting.

considered by the Legislature. For example, the representative of the New Jersey Gasoline Retailers Association testifying in 1949, named eight states which then prohibited self-service stations. None of those states prohibit them now.

Kirschner Brothers presented a document entitled "Proposed Findings of Fact" which, with one minor exception, contains an accurate recital of the evidence. Those findings are adopted by the Court (after deleting the minor exception) and appear in the appendix attached to this opinion, thus avoiding an unnecessarily long factual recital here. The findings, however, need to be summarized.

Kirschner Brothers proved convincingly that self-service stations are at least as safe and perhaps even safer than full-service stations. An insurance underwriter, experienced in assessing risks, testified that there was no basis to conclude, for insurance purposes, that the risk of loss or injury in a self-service station was any higher than that in any other station. Actual claims experience was provided through an actuary who concluded, on the basis of extensive data, that self-service stations were less hazardous than those with attendants. An equipment expert and a fire safety expert testified to significant technological improvements in gasoline dispensing equipment, the use of which made self-service stations no more hazardous than other stations. A representative of the Gallup Organization made an extensive, statistically

accurate survey of New Jersey motorists, and reported not only that 55% of them have fueled their own vehicles in other states but that approximately 22% of them have done so in New Jersey, notwithstanding the statutory prohibition. Records of all stations maintained by the Mobil Oil Corporation and the Exxon Company show an infinitesimal number of accidents occurring, whether or not the station is self-service.² Exxon experienced one accident per forty five million customer transactions during the period 1985-1987; Mobil experienced one accident per one billion customer transactions for the period 1983-1987. A fire safety expert reported that a number of fire safety organizations, originally opposed to the self-service concept, have dropped their opposition. Kirschner and its witnesses agree that reasonable safety regulations covering the operation of self-service stations are both desirable and necessary; they insist that prohibition based upon safety considerations is wrong.

The defense contentions were presented through three directors of gasoline retail associations in Minnesota, Pennsylvania and New Jersey who had service station experience and the Assistant Director of the New Jersey Department of Labor which enforces the service station law. These contentions, based upon this testimony, the

² The records do not include accidents which occurred in work areas.

Most of the Commissioner's safety concerns are ones which apply to full-service stations and self-service stations alike. The evidence included video presentations which showed that attendants in gas stations smoked while

dispensing gas, left engines running, were inattentive and often responsible for too many pumps to permit careful supervision. Customer's were depicted smoking at full-service as well as self-service stations. Gasoline splashes occur at both. Automatic devices are used at both. Leaded gasoline can be pumped into unleaded tanks at both. Although the potential for human error seems logically greater at self-service stations because more people are involved, one witness indicated that service station attendants, by reason of over-familiarity with gasoline and its uses, were more careless. The same witness found evidence of more smoking at full-service than self-service stations. The defense witnesses had no data concerning accidents at either self-service stations or full-service stations. Witnesses for both parties agreed that service station attendants were hard to keep; the turnover rate in New Jersey is 230%.

In the final analysis, the only surviving defense contentions going to the validity of the statute are (1) attendants provide mechanical attention by looking under automobile hoods, thus improving the prospect of safe operation; and (2) experience shows that more repair services are available at full-service than self-service stations. In short, the Commissioner's case is based primarily upon the convenience and safety factors attending the superior inspection and repair capacities of full-service stations. His claim that cashier-pump

controllers do not provide as much safety as attendants, was undermined by the Kirschner experts who showed that self-service stations are at least as safe as full service stations. Much was said as well about careless attendants; their inattentiveness is little different, in effect, than that of cashiers. No figures were provided from either party concerning the effect on safety concerns of engine inspections and repair facilities.

A. The Role of the Court in Addressing the Validity of the Legislation.

Unquestionably, courts must be extremely circumspect when considering a challenge to the constitutional validity of a statutory enactment. Judicial deference must be paid to the will of the Legislature whenever reasonable men may differ as to whether its approach is constitutionally sound. "[J]udicial decisions from the time of Chief Justice Marshall reveal an unswerving acceptance of the principal that every possible presumption favors the validity of an act of the Legislature." New Jersey Sports & Exposition Authority vs. McGrana, 61 N.J. 1, 6 (1971), appeal dismissed, 409 U.S. 943 (1972). The Court went further, stressing

...the strong presumption of validity and our solemn duty to resolve reasonably conflicting doubts in favor of conformity to our organic charter. Moreover, the conclusions reached in such cases demonstrate that in effectuating this salutary policy, judges will read the questioned statute as implying matters requisite to its constitutional viability if it contains terms which do not exclude

such requirements. [at 61 N.J. 8]

A court may find a statute to be invalid only when there is no "state of facts either known or which could reasonably be assumed [which] affords support for the law" Reingold, at 196: Taxpayers of Manasquan v. Bergen County Board of Taxation, 98 N.J. 263 (1985).

Nevertheless the police power, pursuant to which the self-service statute was enacted, must be exercised in a way that bears "a substantial relation to the public health, safety or welfare; otherwise there would be an unwarranted intrusion on the basic right of private property". Fasing v. Mayor & Bor. Coun. of Montvale, 123 N.J. Super. 304, 307 (Law Div. 1973), aff'd 129 N.J. Super. 461 (App. Div. 1973). The power may be exercised "only in those areas where regulation is needful for the ~~common~~ good, i.e., public health, safety, morals or general welfare, and then only by reasonable means substantially connected with the public interest designed to be advanced". Movant v. Paramus, 30 N.J. 523, 544 (1959).

Stated simply, regulation must be reasonable. In Katchmar Realty Co. v. Webster, 20 N.J. 114 (1955), the Court said:

The police function cannot be expressed in terms of a definitive formula that will automatically resolve every case, for its quality and scope are ~~commensurate~~ with the public exigencies arising from ever-changing social and economic conditions. But it is basic to zoning, as with every exercise of the police power,

that it be contained by the rule of reason; constitutional due process and equal protection ordain that the exertion of the authority should not go beyond the public needs; there cannot be unnecessary and excessive restrictions upon the use of private property or the pursuit of useful activities; a substantial intrusion upon the right infringes essential individual liberties immune to legislative interference. The restrictions may be so unreasonable as to be confiscatory, and the regulation then transgresses the organic law as arbitrary and oppressive.

The police power is the public right to reasonable regulation for the common good and welfare. Constitutional principles of due process and equal protection demand that exercise of the power be devoid of unreason and arbitrariness, and the means selected for the fulfillment of the policy bear a real and substantial relation to that end. [at 122-123]

In Southland Corp. vs. Edison Twp., 217 N.J. Super. 158 (Law Div. 1986), aff'd, 220 N.J. Super. 294 (App. Div. 1987), a case involving the regulation of service stations by a municipality, the trial court said: "The lesson of this case is that when governmental action comes under either due process or equal protection scrutiny, the fundamental question for the reviewing court is whether the ordinance exceeds the rule of reason because there is either no public need to act upon or because the restrictions imposed unreasonably and irrationally exceed the public need." [217 N.J. Super. at 174]

The only concern of the Legislature when adopting the self-service statute was public safety. It had no other issue before it. Safety was the concern of the Supreme Court in Reingold as well. In that case, the Court said:

Gasoline is a highly inflammable and explosive substance; and because of the potential hazards to health and safety, the mode and manner of its use are subject to reasonable regulation under this branch of the police power. [at 191]

....The factor of operative safety was the subject of inquiry at the hearing; and we must presume that the Legislature functioned wholly within its allotted sphere. We cannot say, on the showing made, that self-service of this article of Commerce is so free of inherent risks to life and property as to render the utter proscription of that means of distribution arbitrary and oppressive and in no sense a service of the general interest which justifies the exertion of the police power. [at 192-193]
....

It suffices to say in this regard that, according to expert opinion induced at the legislative hearing, the difficulty is one of "adequate supervision over the attendants" to insure maintenance of "contact with a customer," which would "require policing." [at 193]

As against the public's interest in price economy, public security against the perils of explosions and fires in the use of gasoline prevails. [at 193]

Prohibition of the self-service device as a means of distribution of this highly flammable commodity is permissible if the Legislature

may reasonably conceive that method to be dangerous to the public health and safety. [at 195-196]

Legislative conclusions concerning gasoline hazards were based upon uncontradicted assumptions in 1949. Substantial changes in knowledge and practice have occurred since then. The current overwhelming evidence is that very few safety hazards exist in either self-service or full-service stations and that self-service stations are probably less hazardous than full-service stations. These facts have been widely recognized; only two of our fifty states now prohibit self-service. Consequently, the statute is no longer reasonable; it does not meet a public safety need; it constitutes an unnecessary and therefore arbitrary regulation of private business.

The Commissioner argues that the presence of look-under-the-hood attendants at full service stations and the presence of more repair facilities in those stations are considerations, standing alone, sufficient to sustain the legislation. These theories find support in the testimony of the defense witnesses based only upon their practical experience travelling from one gasoline station to another. No basic data was assembled. No statistics were made available. No facts whatsoever were presented as to whether any substantial number of motorists were inconvenienced or placed in a position of risk because an attendant did not look under their hoods or because more service stations did not have repair facilities. The theories, while having some

logical appeal, are therefore speculative.

Assuming, however, that the inspection and repair concerns are real, are they enough to sustain the validity of the statute? The answer is "yes", only if the concerns make the self-service prohibition, in the language of Karobimar, "reasonable regulation for the common good and welfare". [20 N.J. at 122-123] That is a doubtful proposition at best. The arguments were not made to the Legislature when the statute was adopted, a fact - which, while not controlling, affects the reasonableness question. Approximately 80% of all gasoline sold in the United States is sold through self-service facilities. Presumably, that figure would be matched in New Jersey if it did not have its prohibition in place. The prevention of a business undertaking of that dimension in order to improve repair facilities or opportunities for the motoring public appears to be an improper intrusion into private business undertakings. The repair concerns, if present, should be addressed by regulation, not prohibition.

B. Stare decisis

In 1949 the Reingold Court decided that the statute in question was constitutional and that conclusion has never changed. Normally, this court is bound by such precedent. In Smith v. Brennan, 31 N.J. 353 (1960), the court said that "stare decisis is a principle of adherence, for the sake of certainty and stability, to precedents once established."

[at 361]

Generally, the doctrine prohibits a trial court from disobeying an appellate court decision; deference to the decision is expected. Thayer v. Shannon 95 N.J. Super. 298, 301 (Law Div. 1967). In Winton v. Lawton 32 N.J. Super. 351 (App. Div. 1954), the court said: "Respondents contentions run full-square into the decision of the Court of Errors and Appeals in Tears v. Wynn, (supra, 104 N.J.L. 357), and we are bound by the opinion of our State's then highest court." [at 355]

Kirschner argues that changed circumstances require this court to ignore the stare decisis doctrine. It points to decisions resulting in the modification or reversal of long-standing precedents. In Collopy vs. Newark Eye & Ear Infirmary, 27 N.J. 29 (1958), the Supreme Court overturned the common law doctrine of charitable immunity. In Harvard Enterprises Inc. vs. Board of Adjustment of the Township of Madison 36 N.J. 362 (1970), the court acknowledged its obligation to reconsider policies "in the light of new evidence and changed circumstances". [at 368] It points to one instance in which a trial court adopted this approach, Burlington County NAACP vs. Township of Mt. Laurel 161 N.J. Super. 317 (Law Div. 1978), aff'd, 92 N.J.L. 158 (1963). In that case the trial court refused to apply Vickers vs. Township Committee of Gloucester Township 37 N.J. 232 (1962), which sustained an ordinance prohibiting trailer parks. It did so on the basis of changed circumstances and

was affirmed without comment as to any stare decisis issue by the Supreme Court which expressly overruled Vickers.

These cases merely affirm the proposition that the Supreme Court is free to reverse its prior decisions. They do not support the contention that a trial court may reverse, modify or ignore the law as established by a higher appellate court. The fact that the Supreme Court, in Mount Laurel, affirmed the trial court's refusal to apply Vickers is not to the contrary; the high court simply agreed with the lower court's decision, ignoring any stare decisis question.

Consequently, while this court finds that the police power enactment here challenged was not and is not based on reasonable safety concerns, it cannot provide relief. Reingold requires the conclusion that the statute is constitutional.

APPENDIX

FACTS PROPOSED BY KIRSCHNER BROTHERS OIL CO.

AND ACCEPTED BY THE COURT

1. Self-service sales of gasoline account for 80% of all retail gasoline sales in the United States.

2. Sales of gasoline by self-service dispensing has been permitted in 45 of 50 states since 1974 and 48 of 50 states since 1979. No state has ever repealed or subsequently prohibited self-service after having permitted it.

3. The insurance industry makes no distinction between self-service and full service gasoline filling stations in determining premium class rates. Further, based upon actual premium rates charged, gasoline filling stations as a class are less likely to experience losses than many other non-residential activities, including churches, synagogues, museums and self-service laundries. This data is obtained from the Commercial Lines Manual and the Insurance Services Organisation (ISO), widely used in the insurance industry and the data is therefore considered reliable. (Report to John Klagholz, Exhibit P-6).

4. Based upon the report and testimony of John Klagholz, Plaintiff's insurance expert, there is no basis

for an insurance underwriter, whose function it is to assess the degree of risk and the likelihood of hazard, to conclude that the dispensing of gasoline by a customer through self-service means is more likely to result in a loss or injury. This testimony is based upon credible data, was not rebutted by Defendant, and is deemed reliable. (Klagholz, supra.)

5. Based upon the testimony of Plaintiff's actuary expert, Warren Cooper, the dispensing of gasoline by self-service means is less hazardous than the dispensing of gasoline by an attendant. This conclusion is supported by data derived from actual claims experience collected from the Insurance Service Organization (ISO) records¹ and the method of analysis described in the report of the Plaintiff's witness as utilized acceptable actuarial techniques. The data and testimony is credible and unrebutted by Defendant.

6. At the time of adoption of N.J.S.A. 34:3A-1 et seq. in 1949 and the Supreme Court's decision in Reingold v. Harper, 6 N.J. 182 (1951), self-service was a novel and unknown process which accounted for less than 1% of gasoline

¹Approximately 97% of insurance companies report their claims experience to ISO. (Testimony of W. Cooper).

sales in the entire United States. Dispensing equipment was primitive, lacked safety features and was difficult to operate by the average motorist and, in fact, was designed to be operated by an attendant. There was virtually no reliable data or experience available to the New Jersey Legislature at the time N.J.S.A. 34:3A-1 et seq. was considered and adopted. (Testimony of Frank Breesa).

7. There have been significant technological advancements in dispensing equipment, including, but not limited to, automatic shut-off devices, remote control consoles, and break-away hoses, which have materially improved the safety of gasoline dispensing by self-service. It is the testimony of Joseph Lux, Plaintiff's equipment expert, and Jack Keefer, Plaintiff's fire safety expert, that as a result of such technological improvements, self-service gasoline dispensing is no more hazardous than dispensing by an attendant, and perhaps may even be safer. Further, the safe operation of such equipment is within the ability of the average motorist. This testimony is found to be credible and un rebutted by the Defendant. (Report of Joseph Lux, Exhibit P-3; Report of Jack N. Keefer, Exhibit P-4).

8. At the time of the adoption of N.J.S.A. 34:3A-1 there was no substantive regulatory framework governing the dispensing of gasoline by self-service. Since that time,

however, a code regulating self-service gasoline sales has been developed and is presently referred to as NFPA-30A. This code has been adopted as part of the New Jersey Uniform Fire Code (P-11 in evidence, Interrogatory No. 34). NFPA-30A is intended to be a basis for regulation and may be supplemented by legislative action. (Testimony of Jack Keefar; Seymour Rubenstein). This code, or variations thereof, is in effect in virtually all states east of the Mississippi River which permit self-service. (Western states, generally, rely upon the Uniform Fire Safety Code prepared by the Western Fire Marshall Association). (Testimony of Brian Ettasvoldt).

9. Approximately 55% of New Jersey residents have experience with fueling their own vehicles, having done so in some other state which permits self-service. Moreover, approximately 22% of New Jersey residents have fueled their own vehicle in New Jersey, notwithstanding the statutory prohibition. This data is based upon a survey performed by the Gallup organization, using reliable sampling techniques, and is deemed credible. Said data and results were not rebutted by Defendant. (Report of Gallup Organization, Exhibit P-10).

10. Based upon analyses performed by Mobil Oil Corporation and Exxon Company, witnesses produced by Plaintiff, data obtained from safety records kept by said

companies in the normal course of business reflect that accidents related directly to the dispensing of gasoline, regardless of method, occur with infinitesimal frequency compared to the total number of consumer transactions occurring during the period of review.² This data is found to be credible and obtained from records kept in the ordinary course of business. No contrary data with respect to incidents of accident and/or death or injury were introduced by Defendant.

11. According to the report and testimony of Jack Keefer, Plaintiff's fire safety expert, various fire safety organizations, including the Fire Marshalls Association of North America and the National Fire Protection Association, were originally opposed to the self-service concept at its inception but have subsequently withdrawn their opposition to self-service sales based upon a demonstrable record of safety. (Exhibit P-4).

12. Plaintiff's fire safety expert, based upon more than twenty years of experience with fire safety and flammable liquids, has concluded that there is no causal

²Exxon's experience was 1 accident per 45,000,000 customer transactions during the period 1985-1987. (Report of John Adkins, Exhibit P-9). Mobil's experience was 1 accident per 1,000,000,000 customer transactions for the period 1983-1987. (Testimony of Edward Dransfield).

relationship between self-service dispensing of gasoline and fires arising at gasoline filling stations. Fires occurring at such stations generally occur in service bays and rest rooms as a result of carelessness and/or vandalism. This testimony was unrebutted.

13. Plaintiff's fire safety expert has concluded that present regulations, particularly NFPA-30A, accompanied by certain modification as suggested by this witness and others, are adequate from a fire protection and fire safety standpoint to assure minimization of hazards at self-service stations, thereby rendering self-service sales as safe or perhaps safer than attendant-served dispensing. This testimony and conclusions are deemed credible, supported by reliable data and prior experience, and unrebutted by any evidence produced by Defendant.

14. The State of New Jersey has, since 1949, adopted no standards for training of service station attendants and relies exclusively upon service station owners and operators to provide for appropriate training of attendants. The State of New Jersey conducts no regular inspection program or any other supervision of gasoline sales in New Jersey other than as to calibration of dispensers. (Exhibit P-11).

15. New Jersey permits self-service dispensing of diesel fuel and kerosene. The equipment utilized in dispensing such products is identical to that used in

dispensing gasoline. (Report of Michael Kirschner, Exhibit P-2).

16. No witness produced by the Defendant introduced any data related to accidents or injury arising from dispensing of gasoline at retail regardless of the method of dispensing. Nor did Defendant present any reliable statistical data or other evidence to compare the relative safety of self-service dispensing of gasoline with attended serve.

APPENDIX

DEFENSE CONTENTIONS OF CHARLES SERRAINO,
COMMISSIONER OF LABOR AND INDUSTRY

1. Cashiers in self-service stations who control the operation of gasoline pumps have many distracting responsibilities.
2. Notwithstanding the presence of a cashier who has to activate the pumps, customers can act improperly (smoke, use wrong containers) after the activation.
3. Cashiers, even under existing codes, can be as much as 100 feet away from the pumps.
4. Attendants are likely to be closer to pumping activity than cashiers.
5. Risk regarding gasoline is inherent due to its flammable nature.
6. Self-service stations require regulation in order to be as safe as full-service stations.
7. Supervision and regulation are essential to the safe dispensing of gasoline.
8. Many more people (thousands) are in contact with gasoline in self-service stations than in full-service stations and most are untrained, thus creating increased accident risks.
9. There is less security for customers in self-service stations than in full-service stations.
10. While all but two states permit self-service stations, a number of municipalities do not.
11. The presence of attendants increases the likelihood that safety measures will be taken.
12. Slip and fall risks are greater in self-service stations, affecting more customers.
13. Attendants in full-service stations look under the hood, providing an opportunity to correct common mechanical problems such as broken fan belts, low water and low oil.

14. Experience shows that after self-service stations are permitted a smaller number of stations operate repair facilities, thus inconveniencing motorists and decreasing mechanical safety.
15. The Federal EPA estimates that approximately 15% of United States motorists violate the environmental laws by putting leaded gas into vehicles which are designed to receive only unleaded gas.
16. Dangers perceived in the operation of self-service are those resulting from gasoline splashes, running the use of illegal automatic devices, smoking and decreased protection from potential criminal activity.

- Resume -

Joseph H. Lux
1506 Ilchester Drive
Greensboro, North Carolina 27408
(Tel: 919/299-9014)

Birth Date: August 28, 1925 - Paterson, New Jersey

Education: New Jersey Institute of Technology, BSEE

Supplemental Programs: Financial Planning and Control - December 1981
Managing Self and Others in a Transition Period -
- May 1982

Associations: Registered Professional Engineer, State of New Jersey
American Society of Mechanical Engineers
American Petroleum Institute
Stammount Forest Country Club

License 27E107
04 11-2-59
EXPIRES 4/30/88

Employment History

October 1945 - February 1951

Westinghouse Electric Corporation
Sales Office
Newark, New Jersey

Application and sale of industrial electrical equipment.

February 1951 - March 1962

Sier Bath Gear & Pump Company
North Bergen, New Jersey

Application and sale of heavy duty rotary pumps to petroleum and chemical users throughout the United States, and through consulting contractors worldwide.

Progressed from Sales Engineer to Sales Manager, responsible for international network of manufacturer's representatives.

March 1962 - September 1966

Sier Bath Pump Division of Gilbarco Inc.
West Springfield, Massachusetts

Sier Bath Pump Division was acquired by Gilbarco to complement their existing centrifugal pump line. My assignment was "to double sales volume in three to five years." It was doubled in three years and almost tripled in 1966. In 1966, Gilbarco relocated its U.S. operation to Greensboro, NC, and I was promoted to the Service Station Equipment Division with instructions to repeat my Sier Bath performance.

Page 2.
Joseph H. Lux
Resume - continued

September 1966 - July 1967

Product Sales Manager, Service Station Equipment

This was primarily a period of learning the product and the distributor network.

July 1967 - May 1969

Eastern Regional Manager with sales territory from Maine to Florida, and west to the Mississippi River.

Supervised five Field Sales Managers, and sixty Distributors.

May 1969 - January 1975

Domestic Sales Manager

Supervised three Regional Managers, and fourteen Field Sales Managers, with 135 Distributors.

During this period we focused on increasing sales to Independent Oil Jobbers, and improving our Distributor Organization. Also during this period, new programs were initiated to create the image of Gilbarco as a "Distributor Oriented" company.

Prior to the oil embargo, which stopped construction of new stations, our distributor sales almost tripled. I also negotiated a contract with Mobil Oil Corporation for the supply of round pumps. Mobil was our first new Major Oil customer in twenty-five years. I developed a special presentation to promote self-serve gasoline, which resulted in the rapid growth of this concept.

January 1975 - March 1979

General Sales Manager.

Responsible for Export Sales in addition to Domestic Sales.

During this period, we continued to improve sales through distributors, and I established a National Accounts Program to focus on Major Oil targets. This program now has five account representatives, and is highly successful.

In 1977, we introduced our first electronic dispenser into a market where competition had a three-year lead. The success of our efforts are generally recognized throughout the industry.

March 1979 - August 1983

Vice President Marketing and International Marketing Coordinator

The basic purpose of this position is to develop all marketing goals, forecasts, plans, programs, and budgets in line with corporate policies and objectives; build, maintain, direct, and motivate the organization required for their attainment; and, otherwise, assure optimum corporate sales and profit performance.

Responsible for a staff of 80 Marketing/Sales personnel, with 57 MPT.

INTRODUCTION

The sale of gasoline to the general public began in 1865 when Gilbert & Barker Mfg. Co., West Springfield, Mass. developed a machine for installation in homes to convert naphtha (gasoline) to a vapor for illumination. Gilbarco is the oldest gasoline pump manufacturer in the U.S., and has been continuously involved in the evolution of gasoline pumps since 1910. Most of the information in this report was furnished from their archives, and is representative of dispensing equipment for the period covered.

(Page 1)

In the late 1890's and early 1900's,
gasoline was dispensed from a drum into
a pail or can, then poured into the auto-
mobile tank through a funnel.

1

The first gasoline pump was developed
in 1910. Bulk gasoline was delivered to
the automobile owner's underground drum,
and he pumped it into the tank - the first
self service.

2

First "computing" pump, introduced in
early 1930's - many were still in use in
the 1940's.

3

In 1939 this model was introduced. Like
all pumps in use at that time - and until
much later - it was designed for use by
the service station mechanic. To operate
the pump you first had to turn a crank to
reset the computer to zero, then turn on
another switch to start the pump motor.

4

SELF SERVICE TRIAL

WITNESS SCHEDULE

MARCH 7, 1988 P.M.

MICHAEL KIRSCHNER

JOSEPH LUX

JACK KEEFER

MARCH 8, 1988 A.M.

HOWARD DRANESFIELD

JOHN KLAGHOLZ

WARREN COOPER

MARCH 8, 1988 P.M.

JOHN D. ADKINS

LEONARD WOOD

WARREN LUESSEN

BRUCE WEHR

(Page 2)

During World War II, gasoline pump manufacturers converted to military products, and no new retail gasoline pumps were available. The pumps we have illustrated are typical of those used in service stations until pump production resumed in 1946, with the same pre-war models.

In 1947 the pump manufacturers produced their first "post-war" models. They were designed to be used by service station mechanics - not different from the pre-war model. Relatively few of these were in use when N.J. prohibited self service dispensing of gasoline in 1949.

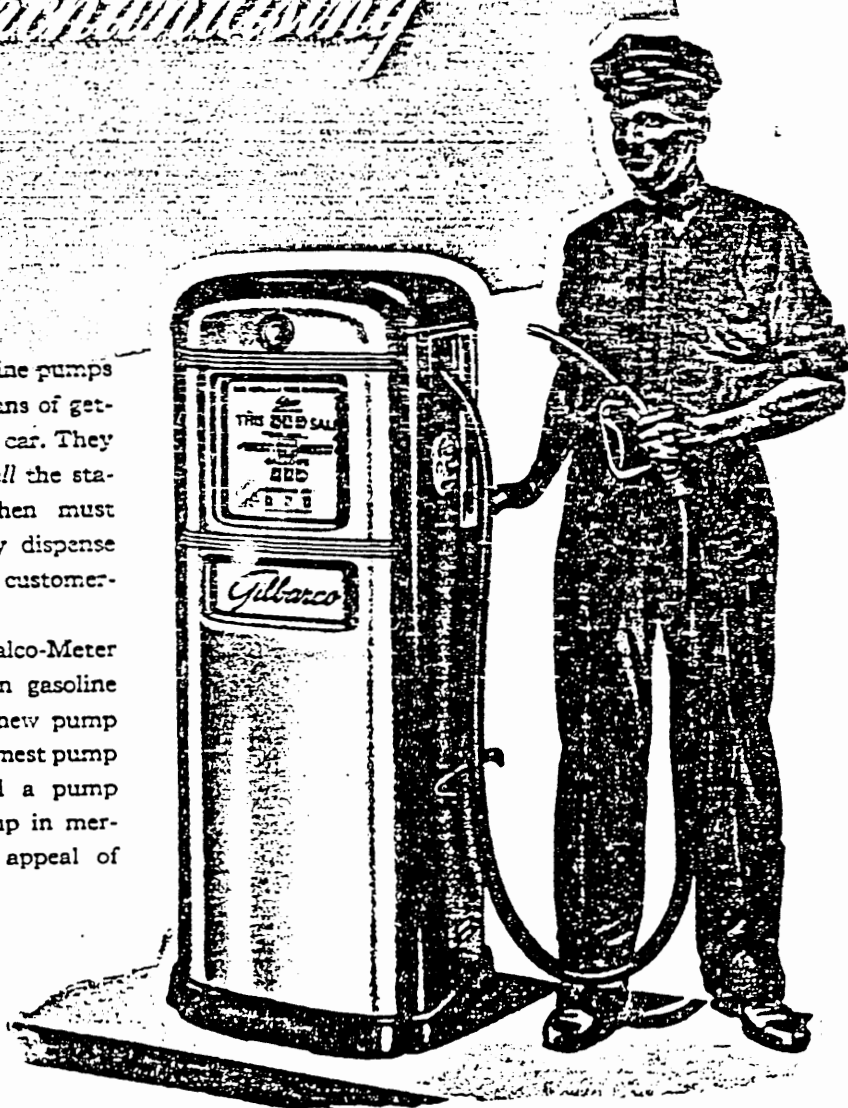
5

164x

Modern Gasoline Merchandising

Today and in the future gasoline pumps must be more than just a means of getting gasoline into a customer's car. They in themselves must help to *sell* the station to passers-by — and then must *merchandise* the product they dispense by making possible quick, customer-pleasing service.

In Gilbarco's new 996 Calco-Meter you will find the ultimate in gasoline merchandising machines. A new pump ... a *low* pump ... the handsomest pump on the market today — and a pump which will more than back up in merchandising performance the appeal of its striking beauty.



(Page 3)

Self-service gasoline was not significant in the U.S. during the 1950's and 60's, but was growing rapidly in Sweden. U.S. gasoline marketers noted this trend, and anticipated a possible growth in their local markets. One of the major problems was that the current pump designs required the consumer to crank the computer back to zero before removing the nozzle and turning the motor on. Subsequent computer designs eliminated the "crank-reset" and substituted a spring-loaded reset mechanism. The only problem was that it required "the strength of a football player" to turn the pump handle. A major improvement was made in 1968, with the development of the electric reset. Now a consumer could reset the computer and turn on the motor with the touch of a finger. More important, for the first time, the ability to turn the pump on could be moved from the pump mechanic to a remote location - the cashier. The self-service "system" was born in the U.S.A.

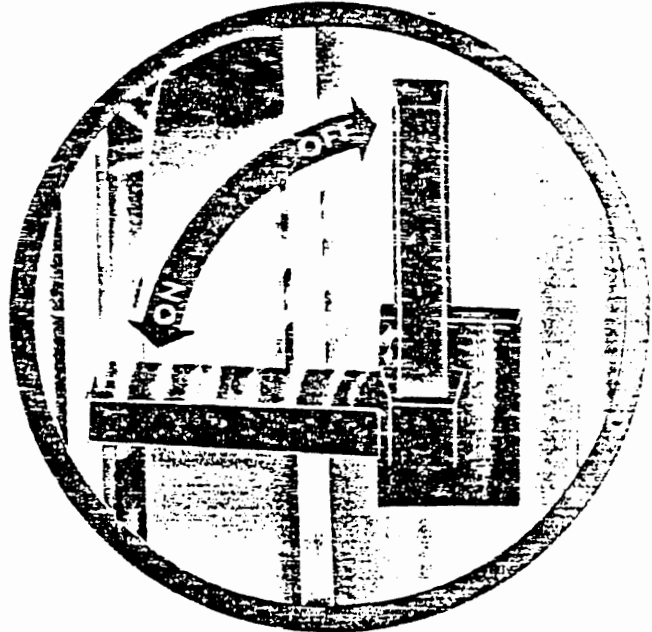
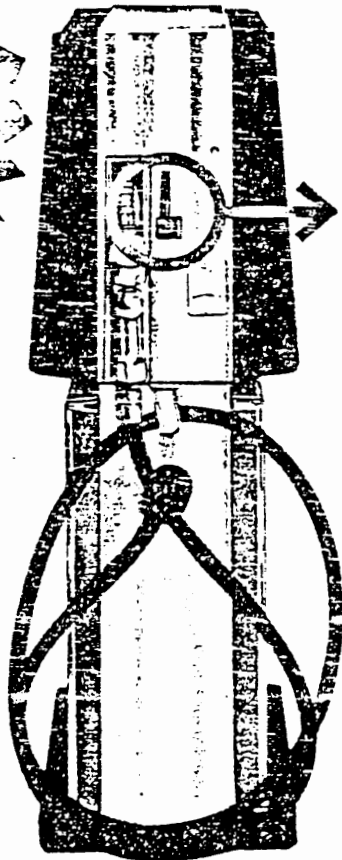
The electric reset provided a significant safety feature - the consumer was unable to pump gasoline until it was authorized by the cashier. The cashier could observe that the motorist was not smoking, was not using an unauthorized container, and was following safe procedures. The cashier could also stop the flow of gasoline immediately in the event of an accident.

6

1168x

Gilbarco

ELECTRIC RESET



Simplifies pump operation . . .

Reduces maintenance costs . . .

on computer,
on linkage . . .
on operating handle.

Don't pay for a GILBARCO ELECTRIC RESET by not having one!

The most costly maintenance elements in a gasoline pump are the operating linkage and computer . . . and the new GILBARCO ELECTRIC RESET overcomes the major cause of damage to these parts. This system replaces manual two-lever operations, thus eliminating the problem, inconvenience, and expense of a pump out of service due to "reset" mishandling.

With this mechanism on a pump there is no worry of broken pins and linkages, or of damage to the computer—because the pressure you apply with one finger sets into motion a smooth, controlled-torque, electrically-driven power train which resets the computer to zero and then turns on the power to the pump.

It is impossible to "scramble" the computer using a GILBARCO ELECTRIC RESET.

This unit is FOOLPROOF . . . cannot be stopped at a partial resetting. Once the wheels start to turn, the computer continues to zero even if the reset is switched off before zero is reached.

And there is built-in safety protection. The GILBARCO ELECTRIC RESET is equipped with a thermal overload to break the circuit should binding occur in the computer.

Improve your island service and get long range savings—don't pay for a GILBARCO ELECTRIC RESET through repairs on operating linkage and computer.

169x

(Page 4)

By 1969, over half the states had accepted self service gasoline retailing. The instruction plate told consumers to shut off engine, stop smoking, remove nozzle and place in tank, turn handle on, and pump gas.

With the rapid acceptance of self service in the early 1970's, the pump manufacturers began to focus their attention on a "user-friendly" pump design, rather than one designed for a service station mechanic.

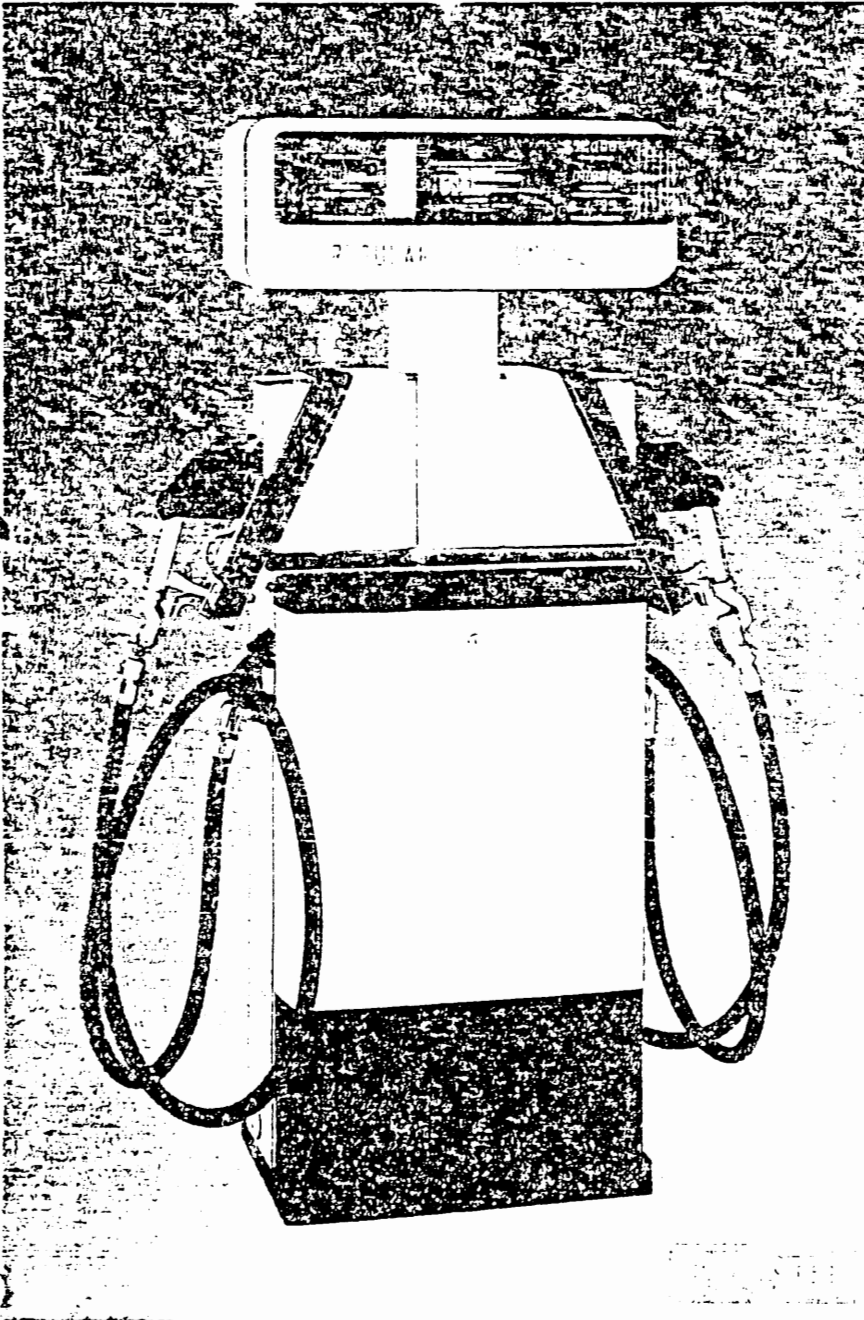
The development of electronic computing pumps relieved manufacturers of the constraints imposed by the mechanical computer, and the nozzle was located for customer convenience.

7

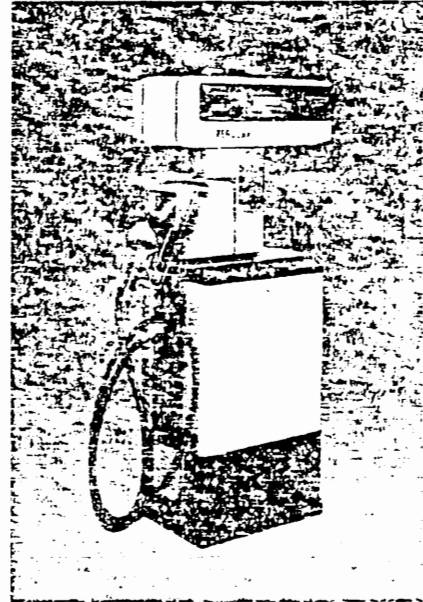
After removing the nozzle and inserting it in the fill-pipe, the customer raises the nozzle hook to reset the computer to zero, and turn the pump on. But only after the cashier observed that it was "safe" to dispense gasoline: The consumer was not smoking, and was not using an unsafe container - such as a plastic or glass bottle.

8

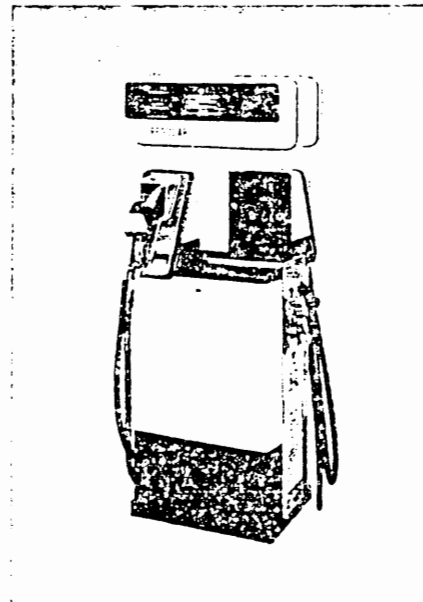
Highline 111B
Highline Salesmaker
Highline Satellite
Highline Salesmaker Satellite



Highline Dual Dispenser

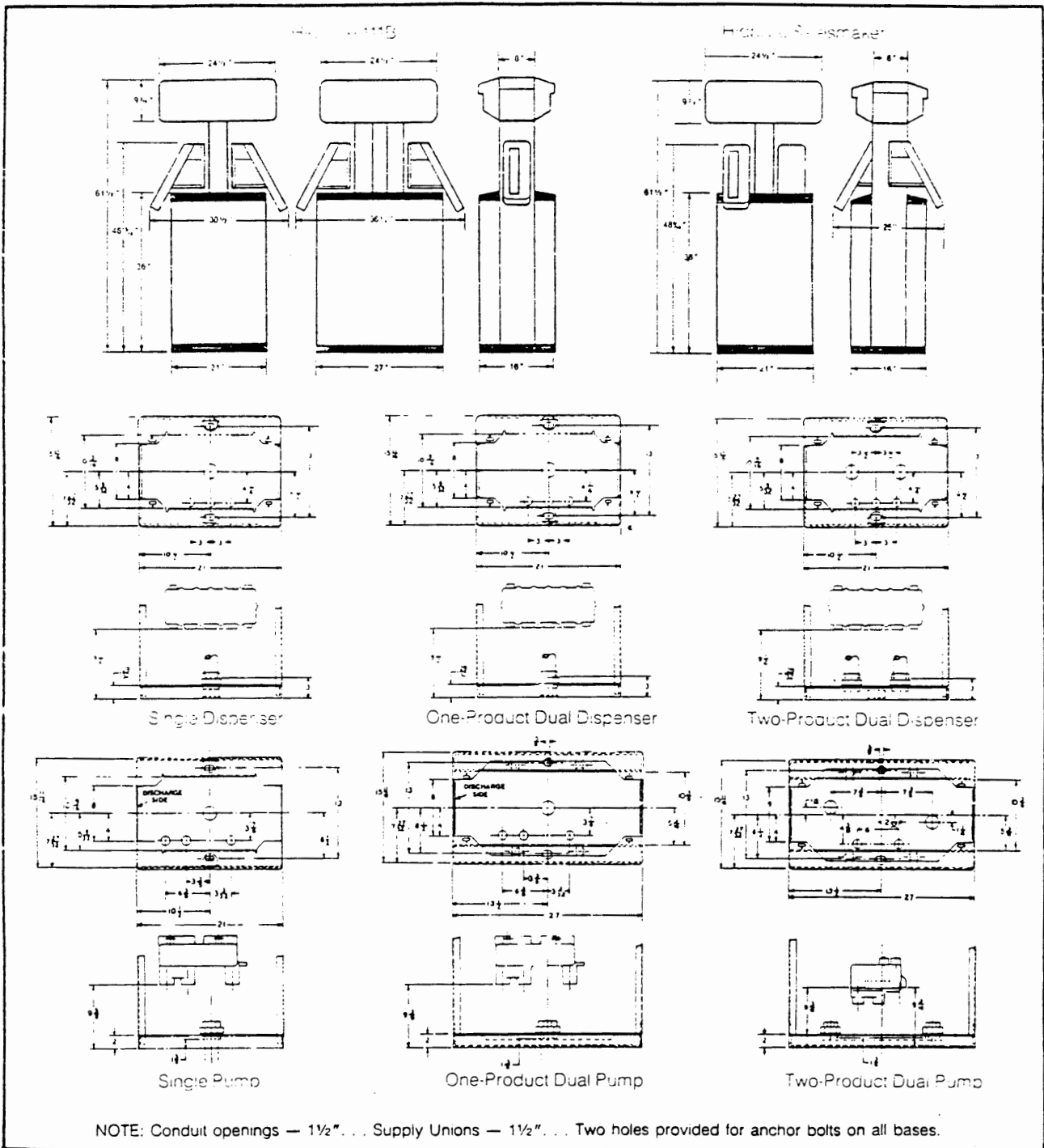


Highline
Single Dispenser/
Single Self-Contained Pump



Highline Salesmaker

Dimensions & Base Diagrams



Exilbaco

7300 W. Friendly Avenue
P.O. Box 22087
Greensboro, North Carolina 27420 USA
Phone: (919) 292-3011
USA Telex 574435

Distributed by:

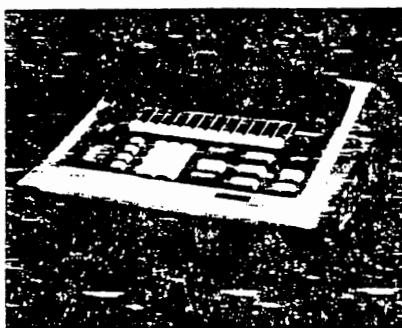
Gilbarco Highline pumps and dispensers can be teamed with a Transac 11, Transac 12 Control Console, or TCR-G Pump Controller/Cash Register for more efficient station operation. The Transac 12 controls four grades of product and provides station managers with central price setting as well as cash and volume totals by grade and individual hose.

The TCR-G combines the features of a



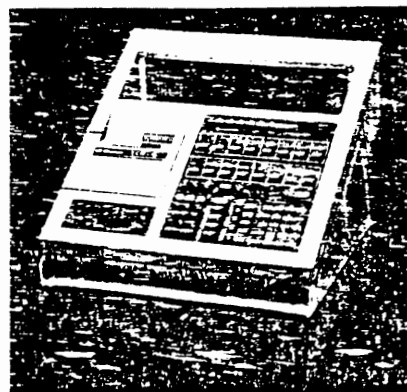
Connection Box (5" x 5" x 6 1/4")

control console and an electronic cash register. It's a station management center all in one unit — perfect for convenience stores or service stations that sell other merchandise. The TCR-G can accom-



Transac 12C Control Console

modate six grades of fuel and has sixteen programmable merchandise categories.



TCR-G Pump Controller/Cash Register

Highline 114B Specifications

Ordering Information

Model No.	Description
AC1921	Highline Single Pump
AC2921	Highline One-Product Dual Pump
AC3921	Highline Two-Product Dual Pump
AC4921	Highline Single Dispenser
AC5921	Highline One-Product Dual Dispenser
AC6921	Highline Two-Product Dual Dispenser
AC4921-S1	Salesmaker Single Dispenser
AC5921-S1	Salesmaker One-Product Dual Dispenser
AC4842M	Highline Single Satellite Master
AC4042	Highline Single Satellite Dummy
AC6042	Highline Dual Satellite Dummy
AC4842-MS1	Salesmaker Single Satellite Master
AC4042-S1	Salesmaker Single Satellite Dummy
AC6042-S1	Salesmaker Dual Satellite Dummy

Approximate Shipping Weights

	Domestic	Export
Single Dispenser	270 lbs.	320 lbs.
Single Pump	340 lbs.	390 lbs.
Dual Dispenser	332 lbs.	382 lbs.
Dual Pump	432 lbs.	482 lbs.

Hose

Outside hose connection with swivel. Hose is suspended from soft, flexible, highly durable, braided nylon cable (12' x 5/8").

Internal spring reel tensions cable to allow hose to be easily extended and retracted. Hose clamp is rotating type for easy hose handling and compact drape. Reach is 13 feet to nozzle tip.

Meter

Four-piston positive displacement. Accurate to within 29 thousandths of one percent. Can be calibrated to increments as small as 1/3 cubic inch in five gallons. Nylon antifriction rings within the cylinder liners for minimum friction.

Hydraulic Tree (Remote Dispensers)

The Gilbarco hydraulic tree brings together in one unitized assembly the basic hydraulics of a remote dispenser unit. This aluminum die cast assembly reduces potential leakage by reducing the number of threaded pipe connections by 50%.

Combination Pumping Unit and Air Separator (Self-Contained Pumps)

Gilbarco-made rotary pumping unit with six long-wearing blades and integral cast aluminum air separator.

Computer/Display Module

Transaction Display
5 x 5 x 4, seven-segment gas discharge displays
Cash: \$999.99
Volume: 99,999 gallons/liters
Price per unit: \$9.999
Price Setting (key required)
By push-buttons on control panel.
Push-button selection for two price levels.

Pulser

Solid state pulser is attached to meter and secured with seal wire. Generates 1000 pulses per gallon.

Totalization

Eight-digit cash and volume electronic display with command module (999999.99).

Calibration

Built-in calibration displayed to nearest .001 gallon/liter. Electronic display (with Command Module).

Allocation Device

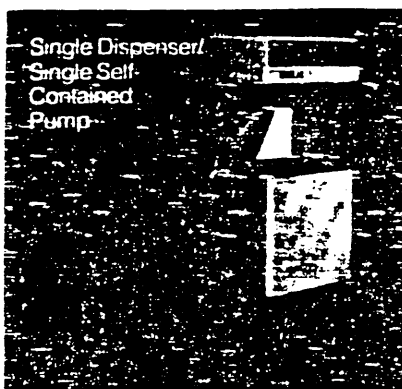
Set allocation limits by turning operating mode knob and setting "PPU" buttons.

Filter

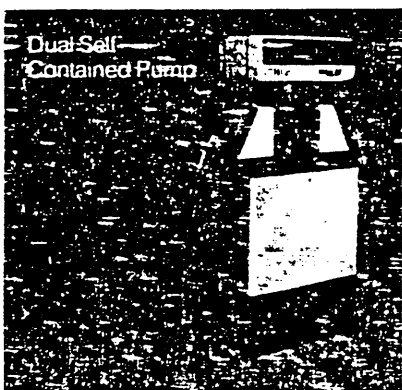
Internal 10 micron spin-on filter.

For full equipment
see Price List PL-100.

Product specifications are subject to possible modification.



Single Dispenser/
Single Self-
Contained
Pump



Dual Self-
Contained Pump

Gas Discharge Displays

Bright 5 x 5 x 4 gas discharge displays are easy to read, even without overhead lighting. Five digits for money (\$999.99), five for volume (99.999 gallons/liters), and four for price (\$9.999 per unit) provide capability for high-volume individual sales. Volume displays on truck stop models read to the nearest .01 gallon/liter.

Each dispenser has its own built-in electronic computer which features the latest microprocessor technology. The Highline 111B is a "standalone" unit... no special conduit is required since no central computer or central power unit is used.

Gas discharge displays generate very little heat so there is no need for air vents and cooling fans. The fully enclosed, "sealed" C/D module means no openings to draw in moisture, dirt and insects.

The pulser is mounted on the meter and sealed for extra security. The pulser has a self-checking circuit which shuts off gasoline flow in the event of pulser interconnect failure. The unit will not dispense product if the pulser has been unplugged. The display flashes to indicate pulser failure.

Mechanical Totalizers

For added security, 100,000 gallon/liter mechanical totalizers provide a dual tracking system for pump totals. These are visible from the outside of the unit, are nonresettable and display seven digits (99,999.99 gallons/liters) for each meter. Gilbarco recommends frequent readings of mechanical totalizers as a cross check against electronic totals to quickly identify any possible discrepancies.

Power Loss Transaction

In the event of a power failure during a transaction, the amounts of the interrupted transaction can be displayed by pressing the "Last Transaction" key.

A battery power back-up retains all memories for a minimum of 72 hours in the event of a power failure or if the station is shut down for an extended period of time.

Replaceable lighted brand panels illuminate the nozzle put downs and provide distinct product identification.

Outside Hose Connection

Outside hose connection with swivel reduces flexing for longer hose life, provides longer hose reach and easier handling.

Built-In Metric Conversion

Built-in feature makes conversion to metric measure an easy operation. Required metric measure mechanical totalizers are also available from Gilbarco.

Vapor Recovery

The nozzle boot is designed to fit all currently approved vapor recovery nozzles. Completely equipped vapor recovery models are also available.

Command Module

Each Highline 111B is a free-standing unit with its own computer and memories. For full-service stations where the pumps are "standalone" units, the exclusive Gilbarco Command Module is used to program each Highline 111B for price per unit (at two levels), allocation limits or for calibrate mode. The portable Command Module can also be used to read totals, both cash and volume at each pump. For self-service operations, the Command Module is a handy back-up tool to program pumps and read totals in the unlikely event of console failure. An optional strap attached to the Command Module is simply plugged into a Highline 111B control panel as conveniently as an electric socket.

A security lock on the Command Module provides easy access to fingertip price setting. Push buttons provide two-tier pricing for either day/night or cash/credit dual pricing structure. The locked panel on the dispenser and second lock on the Command Module help insure pricing security.

Meter calibration switch displays volume to the nearest .001 gallon. For metric measure, the sales display will read to the nearest .01 liter, but calibration accuracy readings can be made to the nearest .003 liter. When the calibration mode is used, it is not necessary to reauthorize the pump from the console.

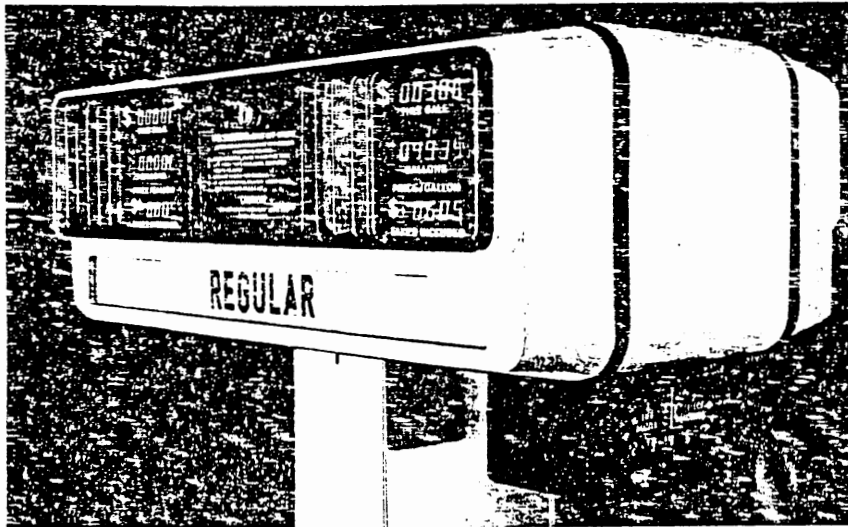
Totals for cash and volume are displayed electronically on the pump to eight digits by turning a switch in the Command Module.



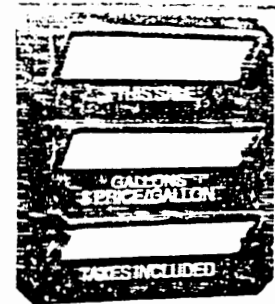
You can choose one or three optional features for your Gilbarco Highline 111B Electronic Dispensers. These features include customer preset, cash/credit and keylock control boxes. Optional Sunshades for the electronic displays can be added in addition to any other option.

Your pump or dispenser can be ordered with the option of your choice factory-installed, or you can add it later with a simple bolt-on, plug-in operation. No soldering or wire cutting. Each box measures 5" x 3 1/2" and is mounted beneath the C/D module directly over the corresponding nozzle port.

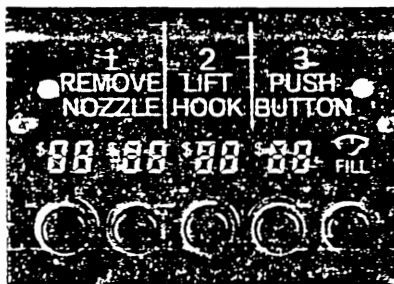
Kits include 5" x 3 1/2" box, cables, interface board and cable, new logic or regular printed wiring board (as necessary) and power module for the circuit board and lights (power module not required with keylock kit).



Optional units are conveniently mounted beneath C/D module and directly over corresponding nozzle port.

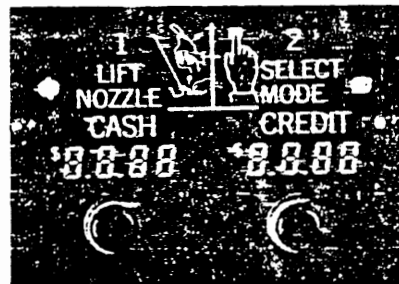


Sunshades can be added to improve customer viewability of electronic displays affected by direct sunlight or glare. Several types of lenses are available to meet your individual requirements.



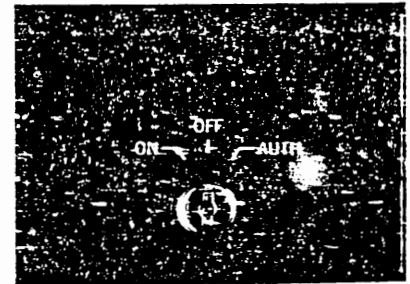
Customer Preset Option

For customer convenience, a preset/postpay control box allows a customer to select a predetermined cash amount or fill-up transaction. After the customer raises the nozzle and makes a selection, the appropriate button lights up and remains lit until the next transaction starts. After the first ten pulses have been generated, the amount selected is "locked in" and cannot be changed by pressing another button. A real time saver in "attended" stations, permitting attendant to serve another customer without fear of overflow. In a self-service installation with a Transac 11, Transac 12, or TCR-G the amount preset can be selected at the console.



Cash/Credit Option

By pressing the cash or credit button, the customer can select the mode of payment and accompanying price per unit for his transaction. A customer must select his mode of payment prior to dispensing gasoline. The pump will not reset until either the cash or credit button has been selected. As with the preset/postpay option, the selected mode of payment is "locked in" and cannot be changed after the first ten pulses have been generated (or, with the Transac 12 or TCR-G after the pump handle is raised). The selected button lights up beneath the corresponding price and remains lit until a new transaction is started by operating the pump handle.



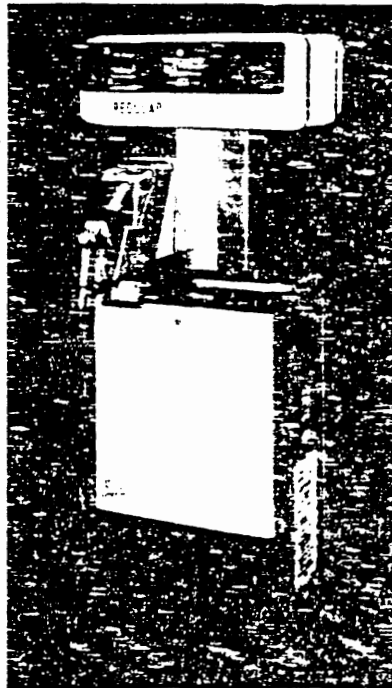
Keylock Option

With this option, the station manager or attendant can set individual pumps for self-service ("ON") or for semi-attended service ("AUTH"). In the "ON" position, this control unit works hand in hand with the Transac 11, Transac 12 or TCR-G. If a standalone unit has been keyed to the "ON" position, the pump remains in a constant authorized mode so that a transaction can begin without further authorization by an attendant. For semi-attended service, an attendant who remains out at the pump island can set the control unit to "AUTH" which authorizes the pump for one transaction only. For each additional customer, the unit must be reset to the "AUTH" position.

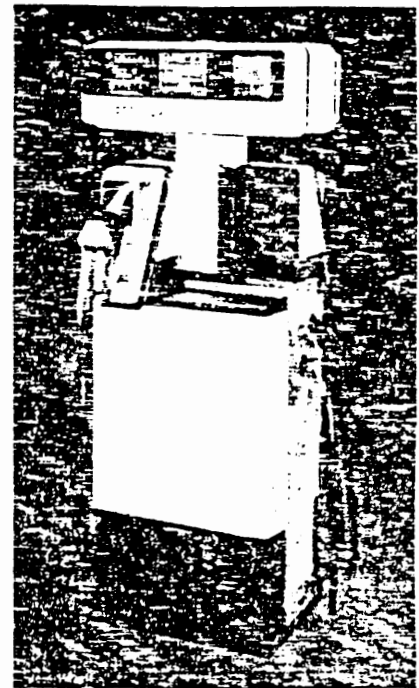
The Highline Salesmaker is a single or a single product dual electronic dispenser. It helps you squeeze more noses ... and more sales ... from your present pump island. With lane-oriented nozzle put downs, Gilbarco's Salesmaker permits closer spacing of duals than conventional units.

Each hose has a single display directly over the nozzle for customer convenience.

The Highline Salesmaker can be used as a standalone unit, with Gilbarco's Transac self-service consoles, or with a TCR-G Pump Controller/Cash Register.



Single



Single Product Dual

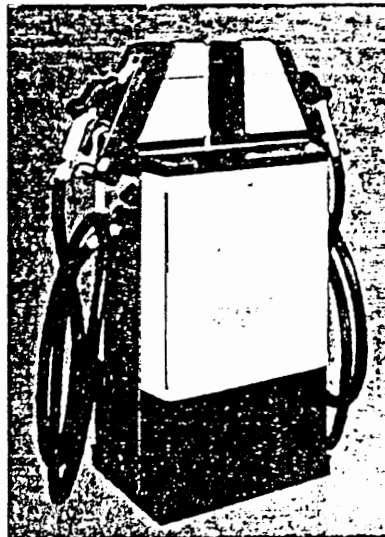
Truck Stop Satellite

Gilbarco offers a satellite system especially designed for truck stop type operations. A Highline Satellite or a Salesmaker Satellite is used in conjunction with a Highline 111B dispenser to provide convenient fueling of both the truck's saddle tanks.

The Highline with computer is a conventional high-gallonage dispenser with the exception that at the meter outlet the product flow is directed either to the dispenser hose or the satellite hose.

When the saddle tank on the same side as the dispenser has been filled, the dispenser nozzle is left in the tank. The satellite unit can then commence to fill the other tank.

The total sale through both hoses is recorded on the dispenser's computer.



Highline Satellite

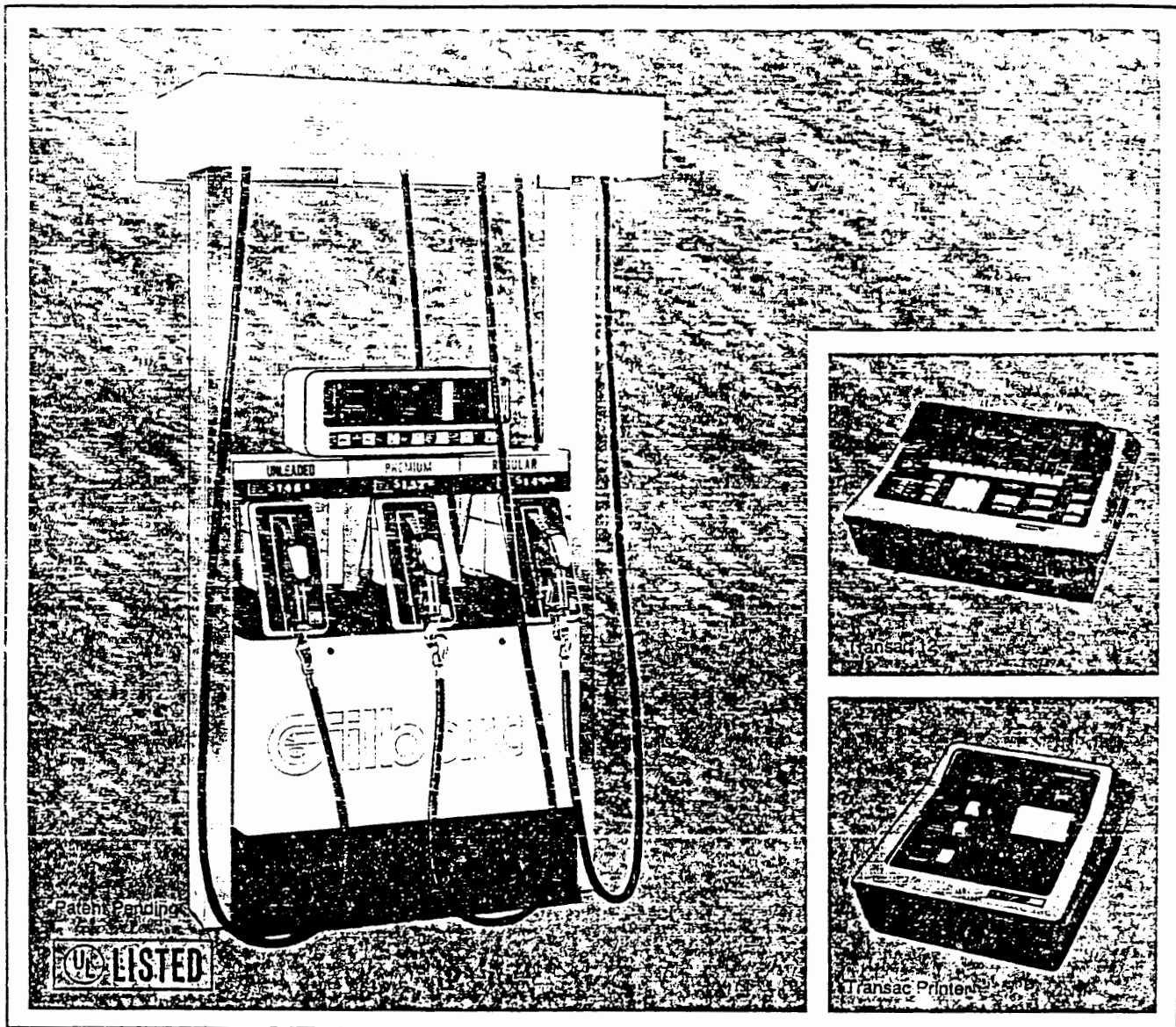


Highline Salesmaker Satellite

(Page 5)

In 1980, the multi-Product Dispenser was introduced, and gained favor among consumers because it offers all grades on each side. In effect, the consumer does not have to 9 search for a particular grade of fuel, since all grades are available at any open parking space.

180x



The Multi-Product Dispenser (MPD) offers the two main advantages self-service and attended stations have been looking for.

To begin with, it's an economical sophisticated electronic system that can stand alone or function as part of a self-service/management information system when used with a Transac 12 console and a Transac Printer. And at the same

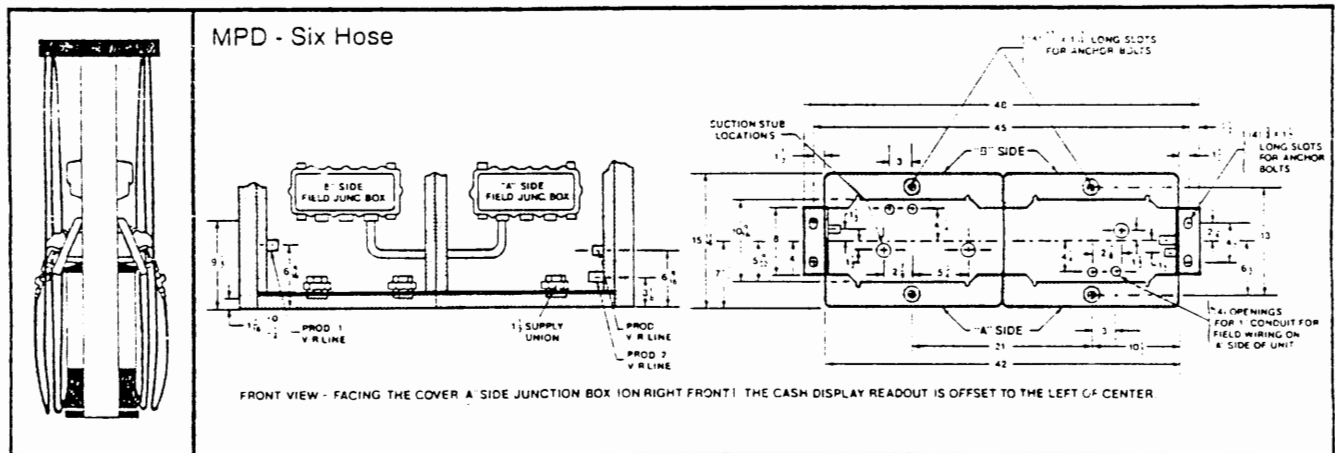
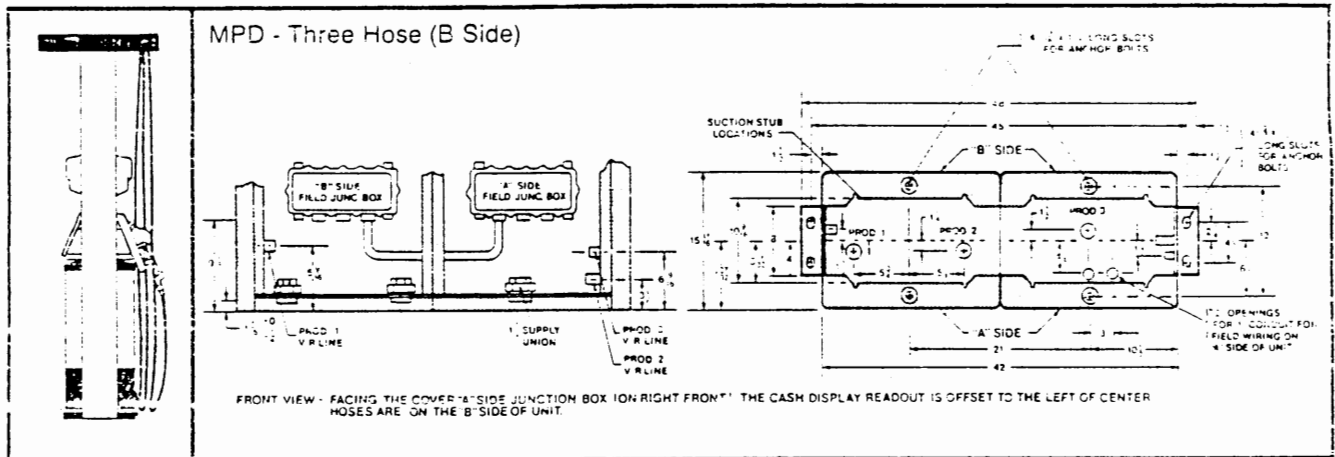
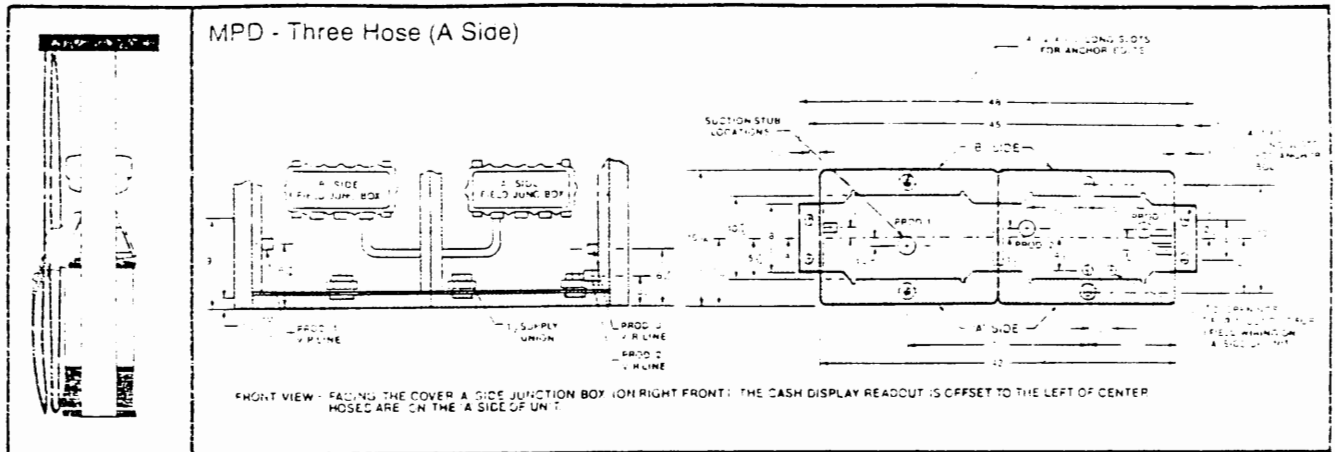
time it's designed to conserve a very valuable commodity: space.

On a per hose basis, the MPD is priced slightly above mechanical dispensers, but less than other electronic systems. Because it has one computer head serving six hoses through a principle called shared electronics.

The ability to dispense any of three grades from both sides is another advantage of MPD.

And MPD takes up a whole lot less space than standard dispensers with an equivalent number of hoses. That's important if you're renovating or building a new station. With the MPD you can use a smaller concrete apron, smaller canopy, less overhead lighting and less land.

You'll save on installation too. You'll need only eight wires to operate a six hose MPD with a Transac 12 console.



Distributed by:

7300 W. Friendly Avenue
P.O. Box 22087
Greensboro, N.C. 27420
Phone (919) 292-3011

183X

MPD Computer Module

5x5x4, 7-segment gas discharge displays

Cash: \$999.99

Volume: 99,999 gallons

Price per gallon: \$9.999

By push-buttons on command module.

Eight-digit cash and volume electronic display (9999) (99.99) use command module.

Calibration

Built-in calibration displayed to nearest .001 gallon. Electronic display use command module.

By straps on computer board

Set allocation limits by turning operating mode knob and pressing "PPU" buttons use command module.

Self-charging type. Lasts a minimum of 72 hours. Warning light on C/D module indicates low charge.

Instructions

Lighted quick-reference pictograph panel.

Price Brand

Manual change price/brand bar

directly above nozzle put-downs. Brand area measures 2.00" x 13.69"

Specify — MPD 6-hose, MPD 3-hose A side, or MPD 3-hose B side. Identify — Brands (reading left to right) on front side and colors to be used.

MPD-A-3 6-hose 995 lbs.
3-hose 975 lbs.
(allow additional for export crating)

Optional Equipment

Refer to MPD price schedule.

MPD Hydraulic Module

Meter

Four-piston positive displacement. Accurate to within 29 thousandths of one percent. Can be calibrated to increments as small as 1/3 cubic inch in five gallons. Nylon anti-friction rings within the cylinder liners for minimum friction.

Pulsar

Solid state pulser is attached to meter and secured with seal wire. Generates 1000 pulses per gallon.

Product specifications are subject to possible modification

Hydraulic Tree

The Gilbarco tree brings together in one unitized assembly the basic hydraulics of a remote dispenser unit. This aluminum die cast assembly reduces potential leakage by reducing the number of threaded pipe connections by 50%.

Mechanical Totalization

100,000 gallon outside readable mechanical totalizer for each meter (non-resettable).

Hose

10'6" x 5/8" black, reinforced soft-flex hose with high-hose connection.

Lower Doors

Locking lower doors (approximately 42" wide) with large area for advertising/identification. Doors available painted or stainless steel.

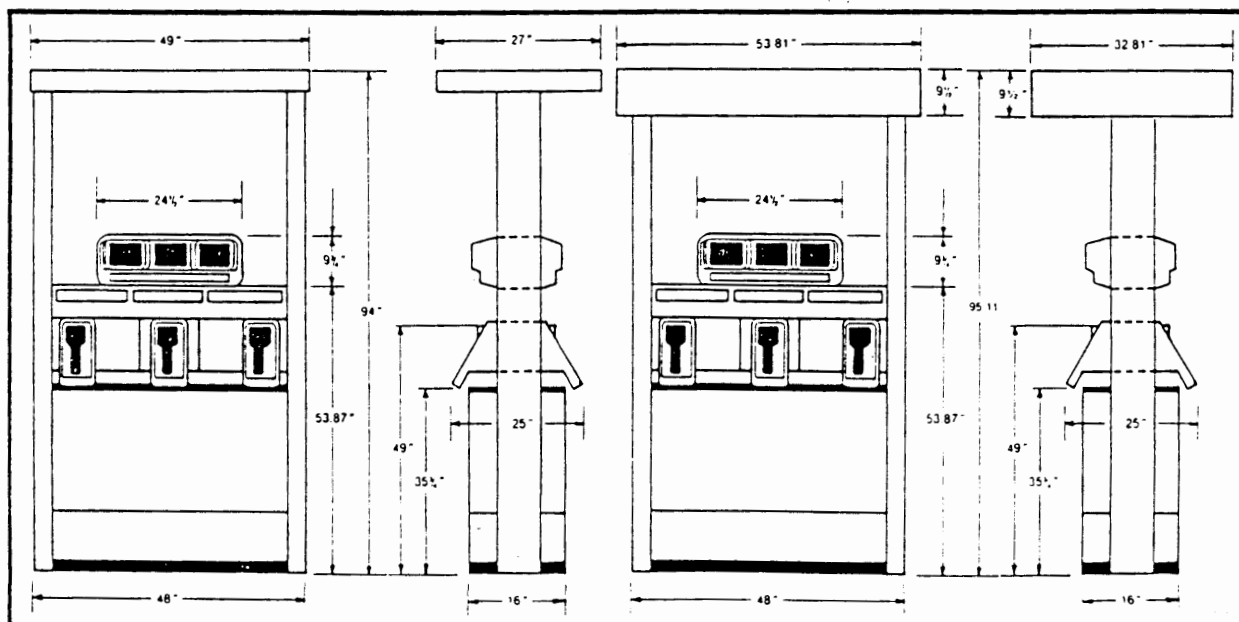
Filter

Internal 10 micron spin-on filter.

Dimensions

MPD

MPD with Canopy



184x

The Multi-Product Dispenser has its own built-in electronic computer which features the latest microprocessor technology. The MPD is a "standalone" unit; no special conduit required since no central computer or central power unit is used.

Bright gas discharge displays are easy to read, even without overhead lighting. Five digits for money (\$999.99), five for volume (99.999 gallons), and four for prices (\$9.999 per gallon) provide capability for high-volume individual sales and prices over a dollar per gallon.

Gas discharge displays generate very little heat so there is no need for air vents and cooling fans. The fully enclosed, "sealed" C/D module means no openings to draw in moisture, dirt and bugs.

Overall Pump Illumination

Light panels built into the bottom of the computer-display module illuminate the nozzle put-down modules and the pictogram panels. This reduces the amount of overhead lighting needed for island illumination, thus lowering station operating costs, and initial capital investment.

Display Last Transaction

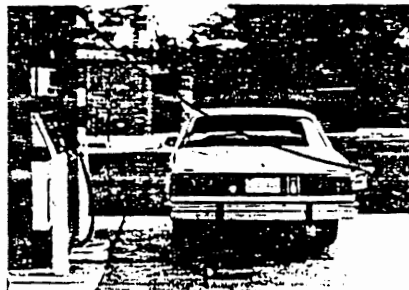
In the event of a power failure during a transaction, the amount of the interrupted transaction can be displayed by pressing the "Last Transaction" Button, located behind locked access panel.

A battery power backup retains all memories for a minimum of 72 hours in the event of a power failure or if the station is shut down for an extended period of time.

Well lighted quick-reference pictogram panels are located on the C/D module above the price bar. The panel provides easy-to-read operating instructions for self-service customers.

Prices and brands are shown on a bar located directly below the C/D module and just above the nozzle putdown modules. Prices are easily changed manually. Grade selections and prices on bar are shown directly above corresponding nozzle boots.

High-hose connection reduces flexing for longer hose life and provides easier hose handling for customer convenience. An optional nozzle swivel is recommended.

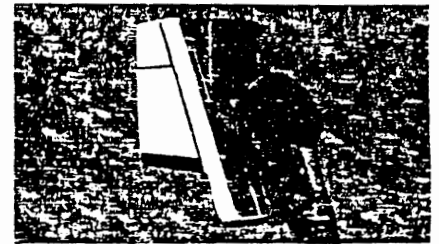


Hose Reach

For added security, outside readable, 100,000 gallon mechanical totalizers provide a dual tracking system for pump totals. These are nonresettable and display seven digits (99,999.99 gallons) for each meter. Gilbarco recommends frequent readings of mechanical totalizers as a cross check against electronic totals to quickly identify any possible discrepancies.

Built-in feature makes conversion to metric measure an easy operation.

Vapor recovery manifold and dedicated line vapor systems are available. Special nozzle boot may be ordered to fit all currently approved vapor recovery nozzles.



Vapor Recovery Nozzle Boot

Pulsing Security

One pulser is mounted on each of six meters; each is sealed for extra security. The pulsers have self-checking circuits which shut off gasoline flow in the event of pulser interconnect failure. The unit will not dispense product if the pulsers have been unplugged.

Command Module

Command Module Pump Control

Each Multi-Product Dispenser is a freestanding unit with its own computer and memories. For full-service stations where the pumps are "standalone" units, the exclusive Gilbarco Command Module is used to program each MPD for price per gallon, allocation limits or for calibration mode. The portable Command Module can also be used to read totals, both cash and volume at each pump. The Command Module is a handy backup tool to program pumps and read totals in the unlikely event of console failure. A strap attached to the Command Module is simply plugged into the MPD control panel as conveniently as an electric socket.

Electronic Totalization

Totals for cash and volume are displayed electronically on the pump to eight digits by turning a switch on the Command Module.

Precision Calibration

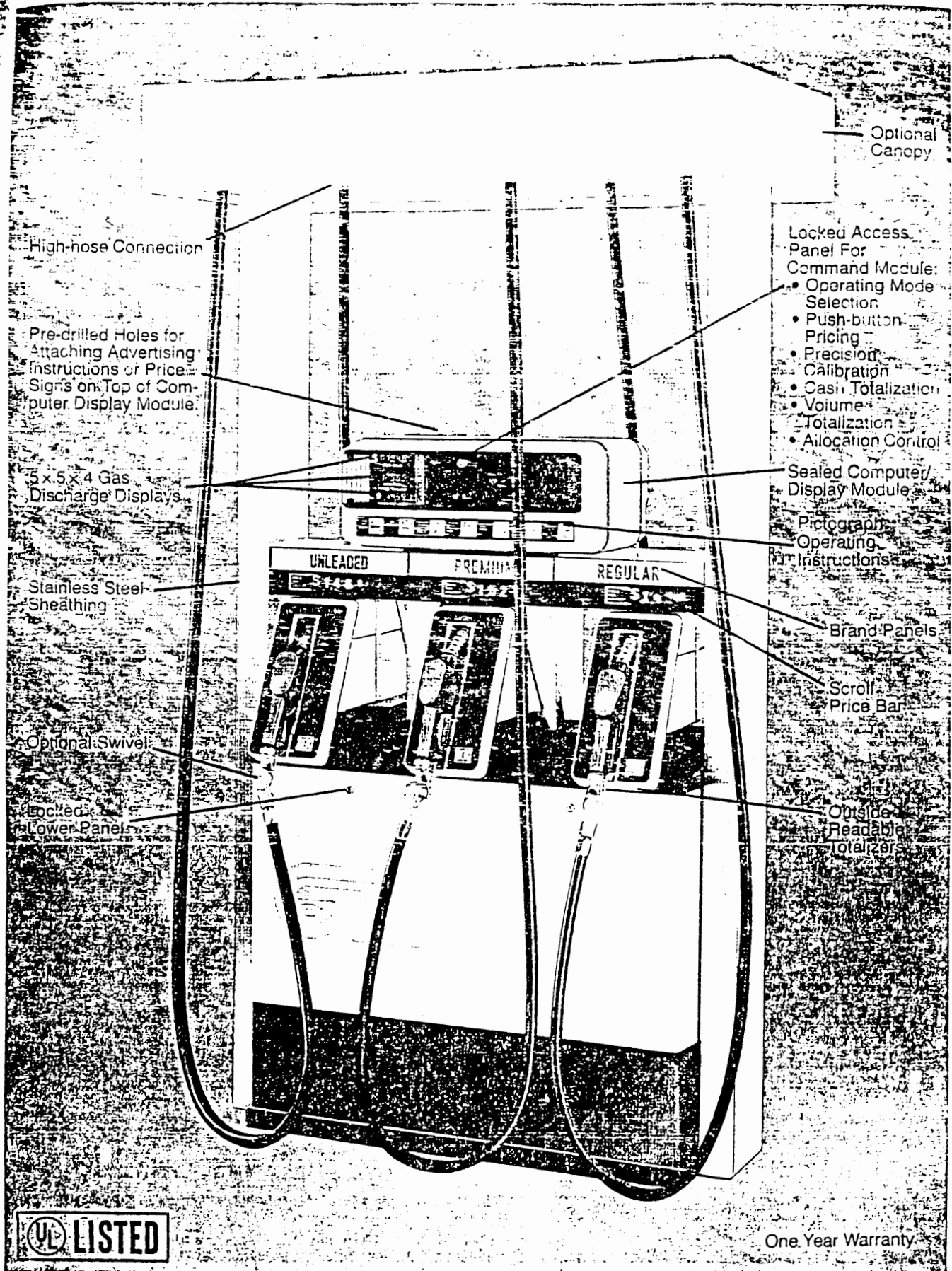
Meter calibration switch displays volume to the nearest .001 gallon. For metric measure, the sales display will read to the nearest 0.1 liter, but calibration accuracy readings can be made to the nearest .003 liter. When the calibration mode is used, it is not necessary to reauthorize the pump from the console.

To prevent the MPD from delivering an unlimited volume on an individual fueling operation, the manager can set

an allocation limit at the pump. In times of enforced allocation this prevents the customer from taking more than his allotment. This feature can also minimize the amount of gasoline spillage in case of hose rupture or defective nozzle.



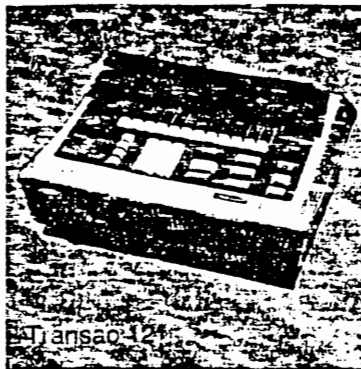
Command Module



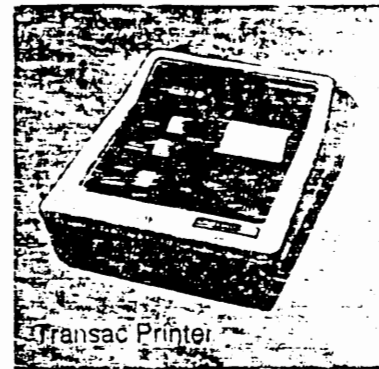
When the MPD is teamed with the Transac 12 Management System, and the Transac Printer, you have a cost effective system that gives you optimum utilization of electronic dispensers for station operation: control of product, cash, and traffic flow, and data management.

All Transac 12 station management consoles are provided with plug-in connection for a Transac Printer. This unit will print transaction data continuously or on demand plus all data displayed in the console for shift changes, inventory or price per unit changes.

The simple 2-wire installation procedure saves time and reduces installation costs. Two lightweight wires run from the unit to the small connection box for the Transac 12, then an 11-foot data cable runs to the console (longer connection wiring up to 150 feet may be utilized). The only undercounter unit for the Transac 12 is this connection box, which is the size of a loaf of bread and has the capacity of up to six MPD dispensers (36 hoses).



Transac 12

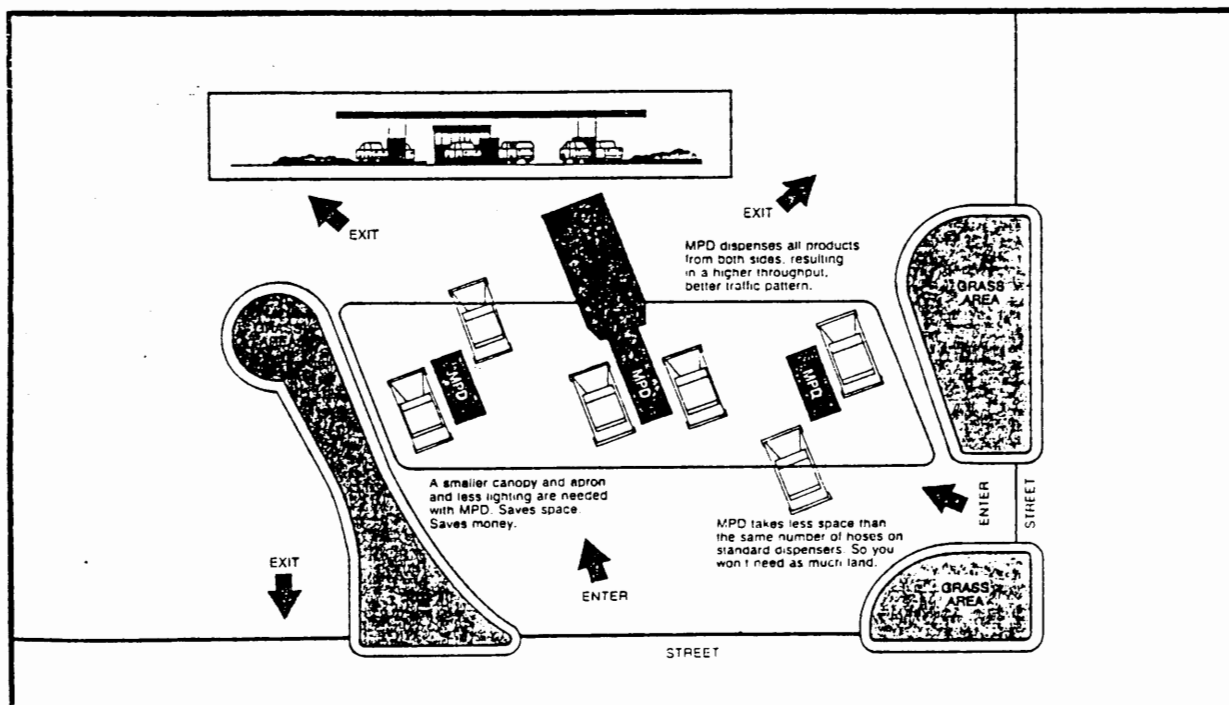


Transac Printer

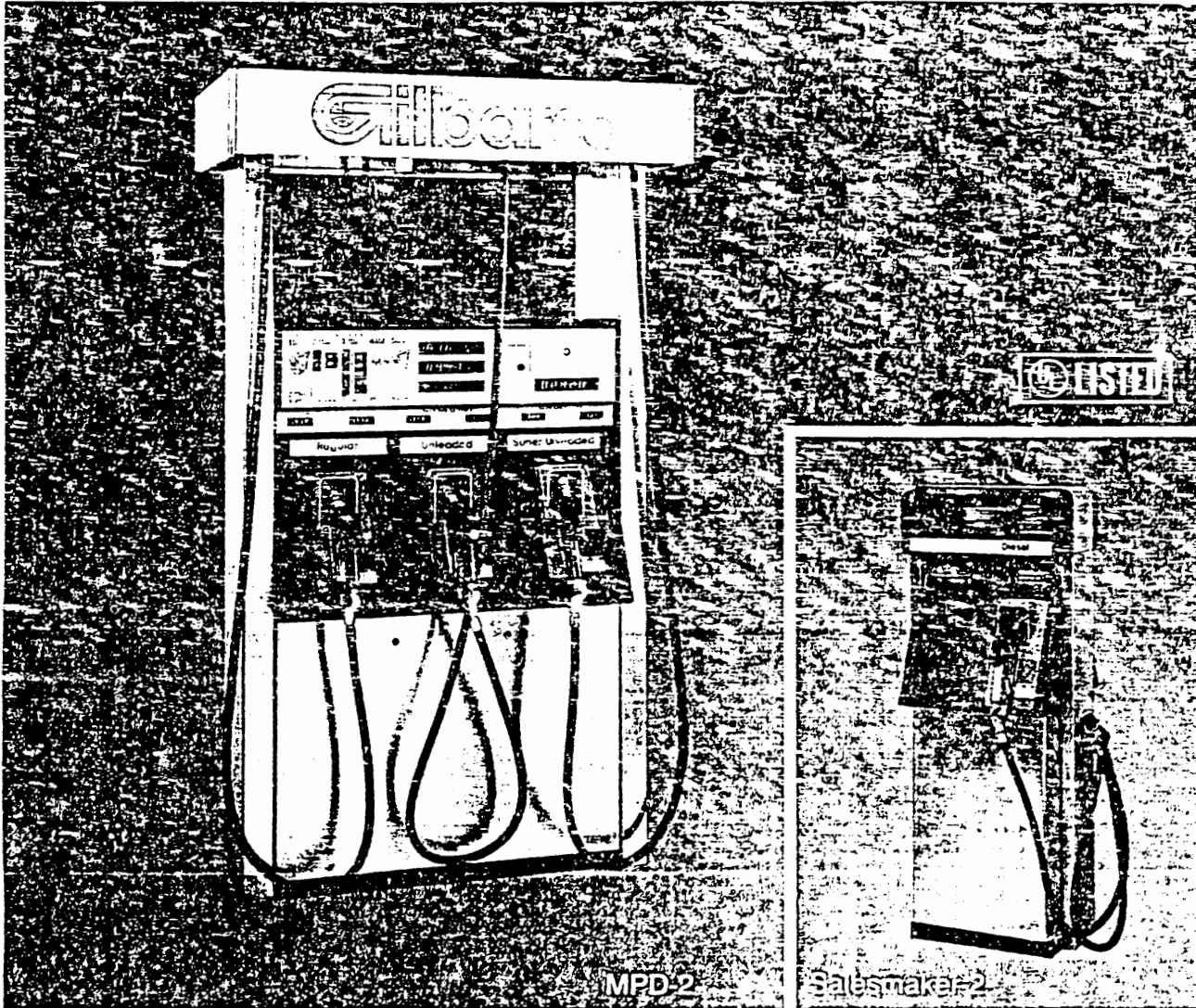


Transac 12 Connection Box Dimensions 5" x 6" x 16 1/2"

Gilbarco's MPD lets you save space for efficient station operation. The operator monitors six complete fueling positions with one six-position console. This means less operator confusion in handling multiple customer operations simultaneously. A compact station layout such as the example shown offers better security and customer convenience.



187X



Gilbarco offers two new advanced electronic dispensing systems — the MPD-2 Multi-Product Dispenser and the Salesmaker-2 single product dual dispenser.

The MPD-2 and Salesmaker-2 are economical, sophisticated electronic dispensers that can stand alone or operate as part of a self-service management system when used with a Transac 12 or a TCR-14 Transac Cash Register. At the same time, they are designed to conserve a very valuable commodity: space.

The MPD-2 offers a variety of options that can be built in now or added later in the field. In addition to a number of new capabilities, it offers the same valuable

features of Gilbarco's original Multi-Product Dispenser, including six high support hoses (three on each side). This feature enables a three-grade marketer to offer all three products on each side, resulting in better traffic patterns and higher peak thru-puts.

The Salesmaker-2 is a single product dual dispenser designed to compliment the MPD-2. The lane-oriented nozzle boot arrangement provides easy customer access and permits close spacing on the island. When used with the MPD-2, it enables a marketer to offer a fourth product.

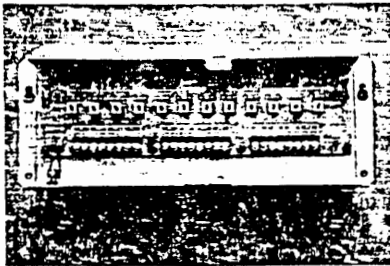
The MPD-2 and Salesmaker-2 are extremely versatile, designed to meet your changing marketing needs.

The MPD-2 and Salesmaker-2 can be teamed with a Transac 12 control console or a TCR-14 Transac Cash Register for more efficient station operation. The Transac 12 controls four grades of product and provides station managers with central price setting as well as cash and volume totals by grade and individual nose.

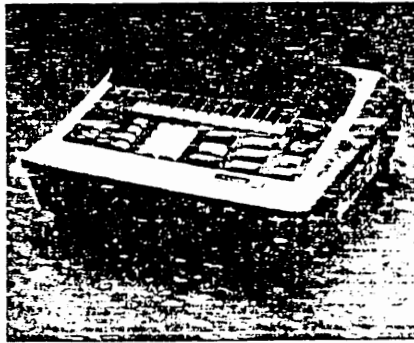
The TCR-14 combines the features of the Transac 12 control console

and an electronic cash register. It's a station management center all in one unit — perfect for convenience stores or service stations that sell other merchandise. The TCR-14 can accommodate six grades of product and has sixteen program-mable merchandise categories.

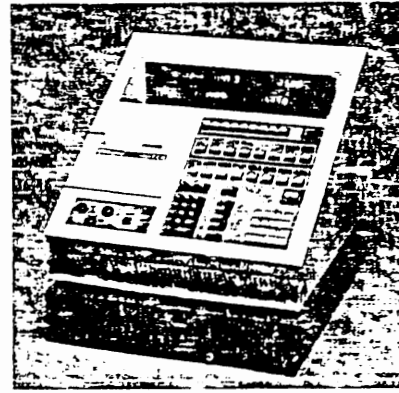
The Transac 12 and TCR-14 use Gilbarco's two-wire data connection which reduces installation costs. Two lightweight wires run from each dispenser to the small "under-counter" connection box. A data cable from the connection box plugs into either unit.



Connection Box (5" x 6" x 1 1/4")



Transac 12 Control Console



TCR-14 Transac Cash Register

MPD-2

1" high gas discharge displays for Cash & Volume

.55" high for Price per Unit

Salesmaker-2

.55" high gas discharge displays for Cash, Volume and Price per Unit

Cash: \$999.99

Volume: 99.999 units

Price per Unit: \$9.999

By push buttons on the Command Module or from the Transac 12 or TCR-14 keyboard.

Eight-digit cash and volume electronic display (9999) (99.99) with Command Module

100,000 gallon outside readable mechanical totalizer for each meter (non-resettable)

Built-in calibration displayed to nearest .001 gallon with Command Module

By simple modification on the logic board.

Self-charging type. Lasts a minimum of 72 hours. Warning light on C/D module indicates low charge.

Highly accurate four-piston positive displacement. Can be calibrated to increments as small as 1/3 cubic inch in five gallons. Nylon anti-friction rings within the cylinder liners for minimum friction.

Solid state pulser is attached to meter and secured with seal wire. Generates 1000 pulses per gallon.

Internal 10 micron spin-on filter

The Gilbarco hydraulic tree brings together in one unitized assembly the basic hydraulics of a remote dispenser unit. This aluminum die cast assembly reduces potential leakage by reducing the number of threaded pipe connections by 50%.

Locking lower doors with large area for advertising/identification. Available painted or in stainless steel.

MPD-2: 41-1/16" wide x 29-3/4" high

Salesmaker-2: 20-1/2" wide x 29-7/8" high

MPD-2: 10'6"x5/8" black, reinforced softflex hose with high-hose connection.

Salesmaker-2: 12'x5/8" black, reinforced softflex hose with swivel connection and highly durable braided cable for retriever.

MPD-2: 1030 lbs.

Salesmaker-2: 290 lbs.

Product specifications are subject to possible modification.

The MPD-2 has its own built-in electronic computer which features the latest microprocessor technology. No special conduit is required since no central computer or central power unit is used. The C/D module is completely enclosed. Air vents are not required since gas discharge displays generate very little heat. This means there are no openings to draw moisture, dirt and bugs. The MPD-2's new C/D module design also provides easy access to the computer head components when maintenance is required.



Easy Access to Computer Display Module Components

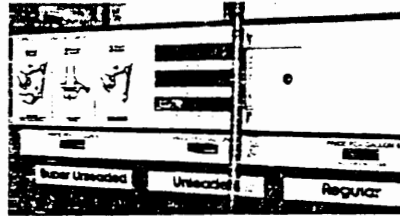
New 1" high gas discharge displays for cash and volume and .55" displays for price per unit are easy to read and highly visible from a distance.

Replaceable lighted brand panels illuminate the nozzle put-down modules and provide distinct product identification.

Metric Conversion

Built-in feature makes the conversion to metric an easy operation.

Price per unit is automatically posted over the appropriate brand when set by either a Command Module or remotely by a Transac 12 console or TCR-14 Transac Cash Register.



Automatic Electronic Price Posting

New highly visible pictogram on the C/D module provides easy-to-read operating instructions for self-service customers. Optional for non-customer preset and cash/credit models.

Pulsar Security

One pulser is mounted to each of six meters, each sealed for extra security. A built-in self checking circuit shuts off product flow in the event of pulser interconnect failure. The unit will not dispense product if the pulser is unplugged.

Hose Connection

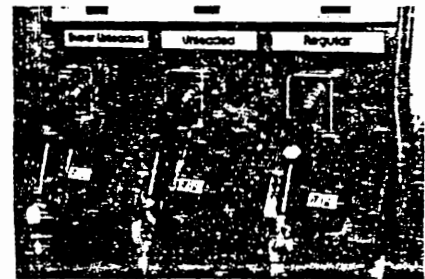
High-hose connection provides longer hose life by reduced flexing and easier handling for customer convenience. An optional nozzle swivel is recommended.

Battery Back-Up

A battery back-up retains all memories for a minimum of 72 hours in the event of power failure or station shutdown.

Totals for cash and volume can be electronically displayed with a Command Module or from a remote Transac console. For added security, non-resettable, outside readable mechanical totalizers provide a dual tracking system for pump totals. These are located under the nozzle put-downs. Gilbarco recommends frequent readings of mechanical totalizers as a cross check against electronic totals to identify possible discrepancies.

The nozzle boot is designed to fit all currently approved vapor recovery nozzles. Vapor recovery manifold and dedicated line vapor systems are available.



Vapor Recovery Nozzle Boot

Diagnosis

Self diagnostics is built in to provide some basic system tests to identify a system failure.

Display Last Transaction

If power failure occurs during a transaction, the amounts of the interrupted transaction can be displayed by pressing the "Display Last Transaction" button.

Additional information is included in "Specifications" section.

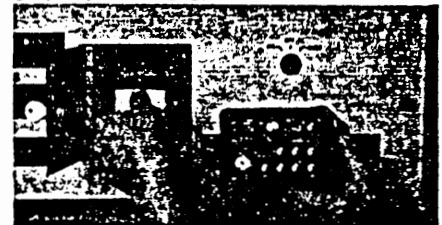
MPD-2 Command Module

The MPD-2 is a freestanding unit with a built-in computer and memory. For full-service stations where the pumps operate in stand-alone, the Gilbarco Command Module is used to program price per unit for each grade (single or two level) and allocation limits. The locked panel on the C/D module and a second lock on the Command Module insure pricing security. Preset values for units equipped

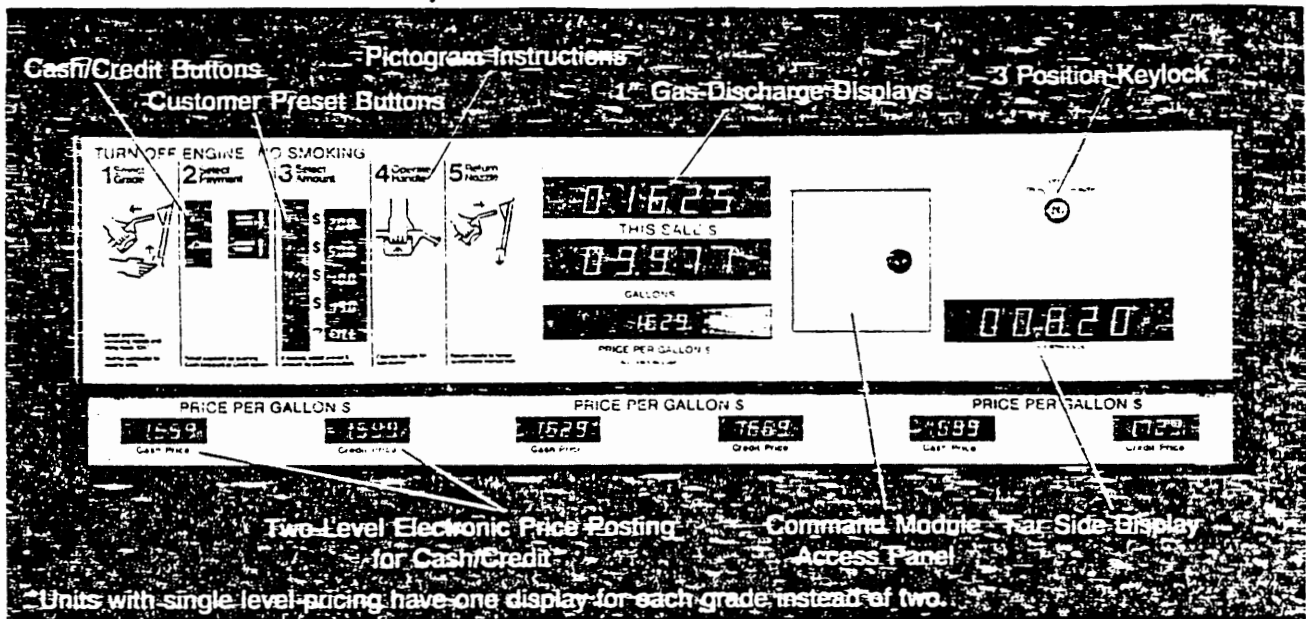
with the Customer Preset options are also programmed with the Command Module.

The portable Command Module can also be used to read cash and volume totals for each hose. Precision calibration is another function of the Command Module. A switch will display volume to the nearest .001 gallon or the nearest .001 liter. The Command Module is a handy

back-up tool to program pumps and read totals in the unlikely event of console failure.



MPD-2 Command Module



This option allows a station to set two levels of pricing. Different prices for cash and for credit are set with the Command Module or from a Transac 12 console or TCR-14, and both prices are simultaneously displayed over the brand panel. When the customer raises the operating handle, the Cash/Credit select buttons begin to blink alternately and continue to blink until one is pressed. The customer presses the button that corresponds to his method of payment. Once the button is pressed, it remains lit throughout the transaction. To eliminate customer confusion, only the price per unit for the selected mode is displayed. Either the Cash or Credit button must be pressed before each transaction to authorize delivery.

Customer Preset

This option provides five customer-operated select buttons for preset

transactions. Four of the buttons can be programmed with the Command Module for any whole dollar amount (up to \$99.00). The fifth button is automatically programmed for fill-up sales. When the customer presses the selected amount button, the button lights up and remains lit throughout the transaction. If no button is pressed, the unit will go to the fill-up mode. The customer preset option can help prevent customers and attendants from filling more than a desired amount. If a preset amount selected at the pump differs from the preset amount entered on the Transac 12 console or TCR-14, the MPD-2 will stop at the lower amount.

Keylock

The three-position keylock option is useful for self-service or attended service operations. If the key is turned to the "ON" position, the unit remains in constant authorization. When the key is turned to the

"AUTH" position, the attendant has authorized the unit for one transaction only. The attendant must turn the key to "AUTH" for each transaction.

This display shows the dollar amount of a sale on the opposite side of the unit after a transaction is completed. This option enables the attendant to see the status of the opposite side of the unit. To eliminate confusion, the display is blank during opposite side product delivery. A blinking decimal on the far-side display indicates that the transaction was made using the Credit pricing option.

Canopy

A painted or stainless steel canopy (53.8" x 32.8" x 9.5" high) is available. The MPD-2 can be equipped with electrical conduit for canopy lighting.

Salesmaker-2 Command Module

The Salesmaker-2 Command Module is used to program each pump for price per unit (at two levels) at stations where the pumps operate in "standalone." It also sets allocation limits and provides meter calibration. The portable Command Module can also be used to read

totals, both cash and volume, at each pump. It's a handy back-up tool to program pumps and read totals in the unlikely event of console failure.

Salesmaker-2 Command Module



The Salesmaker-2 is designed to compliment the MPD-2 and is ideal for the four-grade marketer. It is available as a single product dual (also available in certain single dispenser models). The lane-oriented nozzle boot arrangement permits close spacing on the island. Each nose has a single display over the nozzle for customer convenience. The Salesmaker-2 can operate either in standalone or with a Gilbarco Transac console.

Each dispenser has its own built-in electronic computer which features the latest microprocessor technology. Special conduit is not required since no central computer or central power unit is used. The fully enclosed C/D module means no openings to draw moisture, dirt and bugs.

Displays

Bright gas discharge displays are easy to read, even without overhead lighting.

Replaceable plastic brand panels

are backlit for highly visible brand identification. Light panels in the base of the C/D module illuminate the nozzle put-down reducing the amount of overhead lighting required.

The nozzle boot is designed to fit all currently approved vapor recovery nozzles. A knockout is provided in the dispenser base for vapor recovery lines.

Pulser is mounted on the meter and sealed for extra security. A built-in self-checking circuit shuts off product flow in the event of pulser interconnect failure. The unit will not dispense product if the pulser is unplugged.

A battery power back-up retains all memories for a minimum of 72 hours in the event of power failure or station shutdown. A warning light on the C/D module indicates a low charge.



Salesmaker-2

If power failure occurs during a transaction, the amounts of the interrupted transaction can be displayed by pressing the "Display Last Transaction" button.

Additional information is included in "Specifications" section.

Optional Features



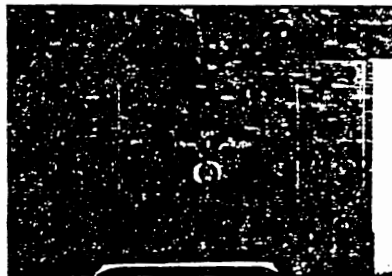
Cash/Credit

Before product can be dispensed, the customer must select his mode of payment and accompanying price per unit by pressing the "CASH" or "CREDIT" button. The appropriate button lights up and remains lit until the next transaction. The selected mode of payment is locked in and cannot be changed by pressing the other button after the first .01 of a gallon has been delivered.



Overfill Protection

This option allows a customer to select a predetermined cash amount or fill-up transaction. After the customer lifts the nozzle and makes a selection, the appropriate button lights up and remains lit until the next transaction. This option allows a customer or attendant to dispense product without fear of overfill. If the preset amount selected at the pump differs from the amount entered on Transac 12 console or TCR-14, the Salesmaker-2 will stop at the lower amount.



A three-position keylock permits the station manager or attendant to set individual pumps for self-service or semi-attended service. If a standalone unit is keyed to the "ON" position the pumps remain in constant authorization. If the attendant turns the key to the "AUTH" position, the unit will be authorized for one transaction only. For each additional customer, the attendant must reset the unit to the "AUTH" position.

(Page 6)

While we have focused on the development of a safe, user-friendly dispenser, we should not over-look the efforts of nozzle manufacturers to improve safety in the fueling process.

The nozzle used in service stations prior to 1950 was similar to the type presently used on a garden hose - the liquid flows as long as you squeeze the lever. The mechanic had to watch the fill-pipe carefully to prevent splash-back from overfilling. If the mechanic engaged the fill-up latch (while washing the windshield), there was a possibility that gasoline would splash on the ground due to overfill.

10

194x

CONTROLLABLE METER PUMP NOZZLES

Nozzles Shown Below Listed as Standard by Underwriters' Laboratories

COMPOUND LEVER DASH-POT CONTROL STREAMLINED BRONZKAST NO. 711

The ultimate in supersensitive operation and closure.

The single shrouded composition poppet is flat, seating on raised, crowned seat.

Full 1" pipe size area assures maximum discharge.

Furnished with rigid curved or flexible tube, standard 1 1/8"-24 threads.

Specify No. 30-B rigid tube, when for replacement.

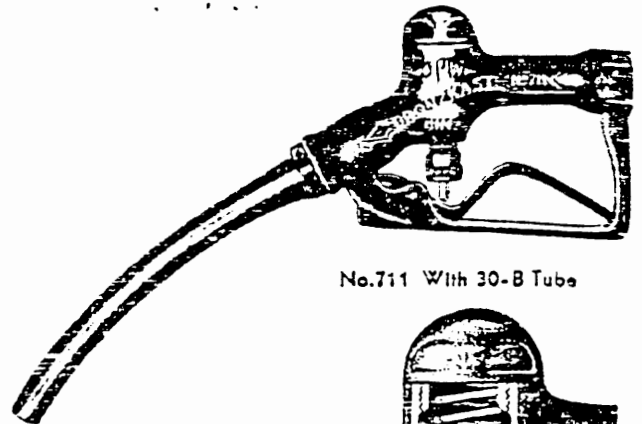
Specify No. 31-F flexible tube, when for replacement.

Furnished in 3/4" or 1" hose size, in natural bronze or satin chrome finish. Fits all meter pumps.

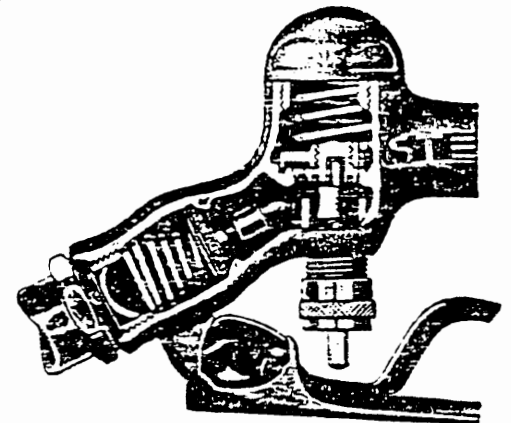
Equipped with "Biltin" outlet check valve at all times.

No.	Tube	Type	Size and Thread	Outlet Check
711	30-B	Rigid	1 1/8"-24	Type "X"
711-A	31-F	Flexible	1 1/8"-24	Type "X"

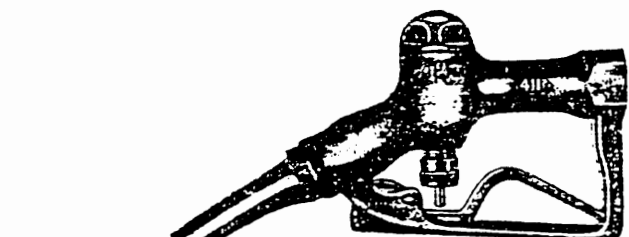
Specify: Plain Bronze or Satin Chrome Finish.



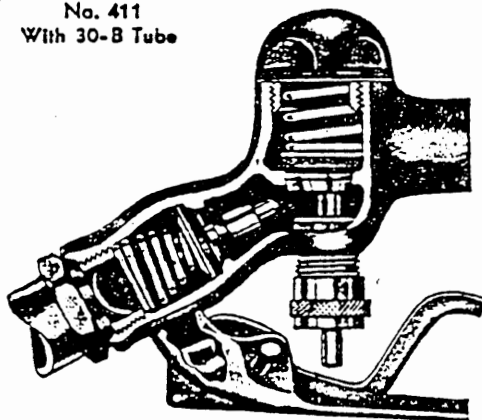
No. 711 With 30-B Tube



No. 711 Detail



No. 411
With 30-B Tube



No. 411 Detail

STREAMLINED COMPOUND LEVER TYPE BRONZE NO. 411

Tapered skirted poppet, plus compound lever, assure smooth performance.

The cork composition disc seats on tapered seat.

Full 1" pipe size area assures maximum discharge.

Furnished with rigid curved or flexible tube, threaded standard 1 1/8"-24 threads.

When specifying rigid replacement tubes for No. 411, specify No. 30-B.

Specify No. 31-F flexible tube, when for replacement.

Furnished in 3/4" or 1" hose size, in natural bronze or satin chrome finish. Fits all meter pumps.

Equipped with "Biltin" outlet check valve, unless otherwise specified.

No.	Tube	Type	Size and Thread	Outlet Check
411	30-B	Rigid	1 1/8"-24	Type "X"
411-A	31-F	Flexible	1 1/8"-24	Type "X"

Specify: Plain Bronze or Satin Chrome Finish.

(Page 7)

In 1950 the OPW Corporation introduced a major safety feature with their safety-fill nozzle. This nozzle has a built-in sensor which automatically shuts off the flow when it detects that the tank is full. The risk of splash-back is virtually eliminated, and the likelihood of having gasoline spill on the ground is minimized. The spout of the nozzle is designed to snap off if a consumer should drive away with the nozzle still in the fill-pipe.

In 1983, OPW introduced a new nozzle (the Marshall) that was expressly designed to prevent hazardous fuel spills at self-service operations. The Marshall closes automatically when pump pressure stops and remains closed - independent of the lever or "clip" until pump pressure is restored. Thus, it can't be left "open" after a customer replaces the nozzle in the boot. It incorporates an automatic shut-off if the nozzle is dropped, or pulled out by a drive-away. The shear-section in the nozzle spout is designed to snap off so the nozzle does not rip the hose from the dispenser. By eliminating the fill "clip" from the nozzle, self-service dispensing safety is enhanced since the motorist must maintain personal and individual attention to the fueling process from start to finish. In a conventional, full-service station, an attendant may be required to fuel several cars simultaneously, wash windows and check oil, with no supervision of the fueling operation.

11

197x



FUELING COMPONENTS GROUP

9393 PRINCETON-LENDALE ROAD
P.O. BOX 405003
CINCINNATI, OHIO 45240-5003
TELEPHONE (513) 870-3100

August 31, 1987

Mr. Joseph Lux
Joseph Lux and Associates
1506 Ilchester Drive
Greensboro, NC 27408

Subject: Listing of Automatic Shutoff Nozzles by Underwriters Laboratories

Dear Mr. Lux:

In response to your call of August 27, 1987, enclosed is a photocopy of page 4 of OPW Corporation Catalog 16. This page clearly shows that the OPW 1811, Fil-O-Matic Nozzle is listed as standard by Underwriters Laboratories.

Unfortunately, Catalog 16 itself is not dated, however, a price list dated June 26, 1950 is available, and it has a notation to apply to products shown in Catalog 16. It also states that it supersedes the price list of February 1, 1950. This price list is not available, so it cannot be determined whether it also applies to Catalog 16, or to its predecessor, Catalog 15.

It is not unreasonable to suggest that the listing by Underwriters Laboratories occurred no later than June 26, 1950, and possibly earlier. Please notice that no hold open clip is shown on the OPW 1811. OPW Bulletin 2, of November, 1950, states that OPW neither manufactures nor sells a hold open clip, but that such a device was available from Paul Grevelle in Philadelphia. Apparently, the listing of the nozzle may not have included the latching device.

Also enclosed is a copy of page 7 of Catalog 16. The manual dispensing nozzles shown were of the type predominantly in use prior to the advent of the automatic shutoff hose nozzle valve.

Very truly yours,

William J. Brown
National Accounts Manager

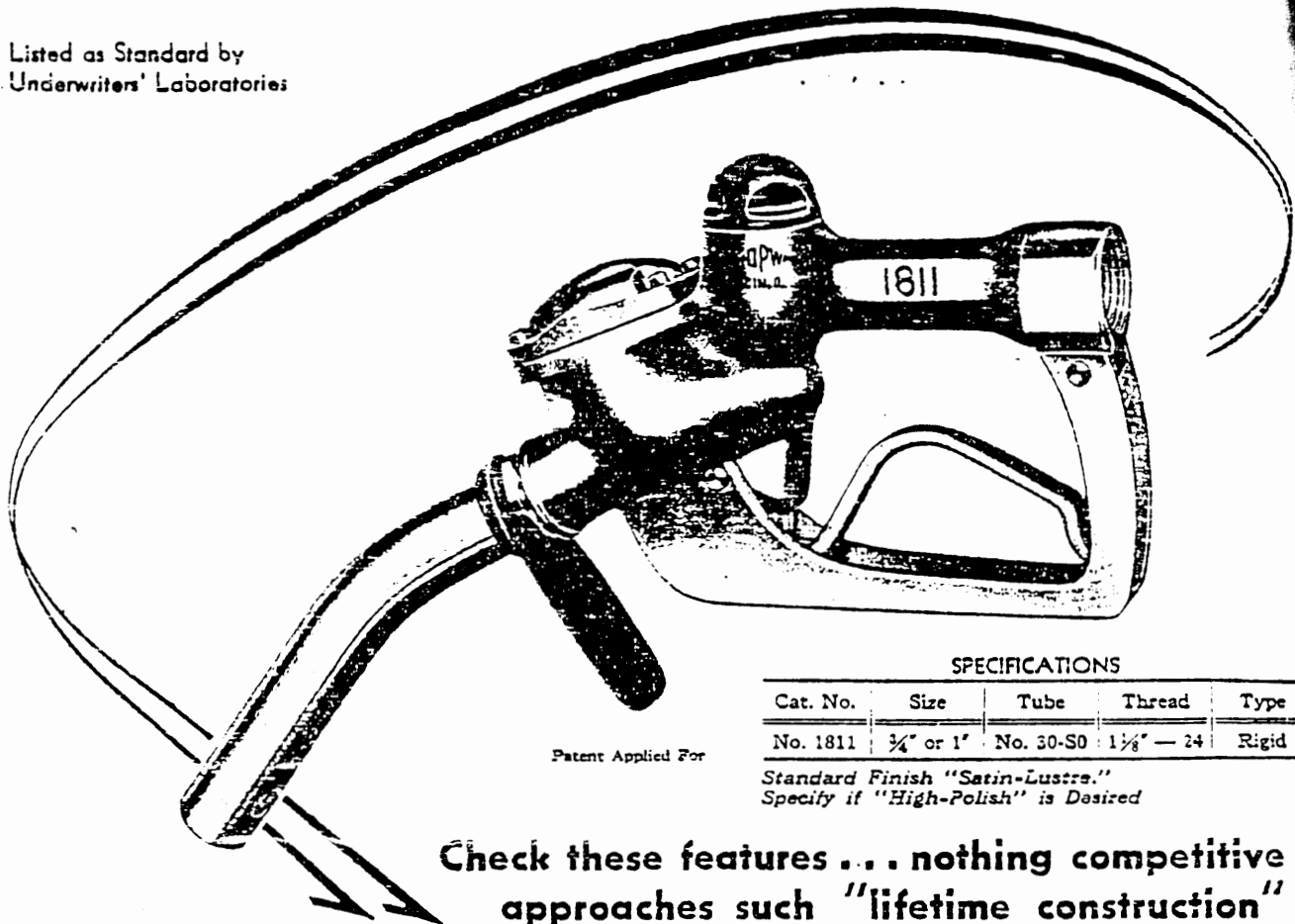
WJB/dkd

Enc.

199x

OPW FIL-O-MATIC NOZZLE

Listed as Standard by
Underwriters' Laboratories



SPECIFICATIONS

Cat. No.	Size	Tube	Thread	Type
No. 1811	3/4" or 1"	No. 30-S0	1 1/8" — 24	Rigid

Standard Finish "Satin-Lustre."
Specify if "High-Polish" is Desired

Check these features . . . nothing competitive approaches such "lifetime construction"

- ✓ **1 GREATER DURABILITY—LONGER LIFE!** Sand-cast of hi-tensile OPALUMIN alloy, 1/3 the weight of bronze, equally as resistant. Dropping and prolonged abuse do not affect it internally or externally.
- ✓ **2 AMAZING FLOW RANGE!** Shut-off operates at a trickling 2 1/2 GPM to 12 GPM high capacity. No fear of spillage at top discharge.
- ✓ **3 MINIMUM MAINTENANCE!** No parts to oil or adjust! Never leaks a drop, because it's permanently packed. Cannot be tampered with and rendered inoperative. Repairs, when and if ever necessary, can be made on the spot. No need of returning to factory.
- ✓ **4 SIMPLIFIED MECHANISM!** Nothing to get out of whack! Automatic mechanism made of Stainless Steel. There are no small, delicate or intricate parts. Severest tests have failed to affect them. Nozzle can be operated manually when desired.
- ✓ **5 DESIGN—WEIGHT—BALANCE!** Fits any meter pump. Weighs a featherweight 3 pounds, compared to competitive types of almost double this weight. Perfectly balanced, easy to grip.
- ✓ **6 FINISH!** Gleaming satin-lustre (standard), or hi-polish (special). Either finish is mar-resisting, because it's natural metal — no plating. Does not smudge hands. Smart, streamlined design improves appearance of any gasoline pump.

MANUFACTURED BY OPW CORPORATION CINCINNATI 25, OHIO

200X

New OPW 11-A Nozzles are designed with today's self-service gasoline customer in mind. Small, trim, light-in-weight, easy and convenient to use, the OPW 11-A is also a rugged performer that offers long life and reliable service. The OPW 11-A is an all new high quality nozzle that is competitively priced and outperforms rebuilt nozzles.

Features

"Accu-Stop[®]" flow control allows your customers to top off their tank to the exact amount they want...easy to stop gasoline flow precisely.

Low profile aluminum body, lightweight, easier to handle, an attractive, image enhancing appearance.

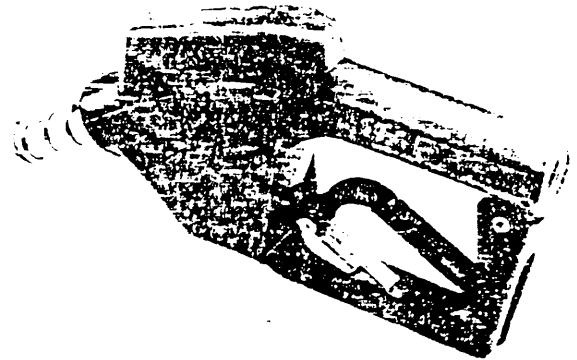
Full hand insulator protects both nozzle and vehicle, and insulates user's hands. Available in a wide range of colors.

Hold-open rack is available for one-hand control, meaning easy setting of flow rate and customer convenience.

Easily replace spout by simply removing the spout retaining screw. Replacement kits are available from OPW.

DURATUFF[™] lever and lever guard for additional durability in rough handling service.

Listed by Underwriters' Laboratories, Inc., for 15% ethanol/methanol gasoline blends.



Patent Nos. 3653415 & 3877460



Warning

Do not use OPW 11-A Nozzles with a hold-open device on pre-pay self-service installation. See OPW 11-B, next page. Use of foreign objects to hold open automatic nozzles, could result in failure to shut-off, and personal injury.

Materials

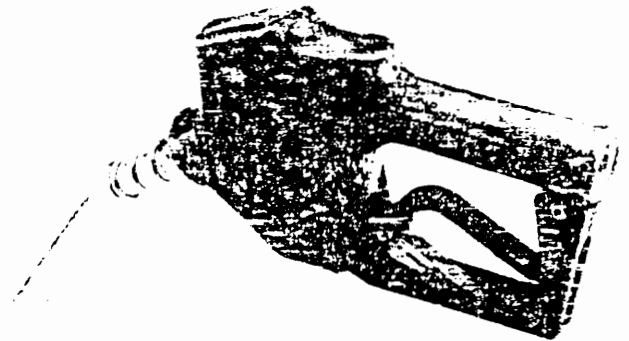
Body: Aluminum
Lever & Lever Guard: **DURATUFF[™]** Reinforced Composite
Packing: Teflon impregnated asbestos
Disc: Viton
Spout: OPW 5-B & 5-BP aluminum
Inlet size: 3/4" NPT

Please see page 7 for available hand insulator colors.

OPW Product No.	1 3/16" O.D. Spout Unleaded	1 5/16" O.D. Spout Leaded & Diesel	Hold-open Rack	Full Hand Insulator
11-A		X	Yes	Standard
11-AP	X		Yes	Standard
11-AK		X	No	Standard
11-AKP	X		No	Standard

The OPW 11-B is an all new, high quality automatic shut-off nozzle designed specifically for the self-service pre-pay or card-lock systems, to help prevent gasoline spills.

The OPW 11-B cannot be opened until the pumping system is pressurized, and closes automatically when the pressure is turned off. This means the OPW 11-B is closed when placed back in the dispenser storage position.



OPW 11-B

"Accu-Stop"™ flow control design allows your customers to top off their tank to the exact amount they want...easy to stop gasoline flow precisely.

DURATUFF™ lever and lever guard for additional durability in rough handling service.

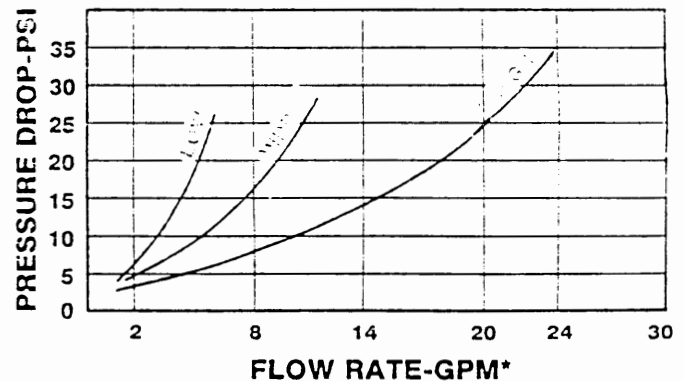
Low profile aluminum body, lightweight, easier to handle.

Hold-open rack for one-hand control means easy setting of flow rate and customer convenience.

Listed by Underwriters' Laboratories, Inc., for 15% ethanol/methanol gasoline blends.



Body: Aluminum
Lever & Lever Guard: **DURATUFF™** Reinforced Composite
Packing: Teflon impregnated asbestos
Disc: Viton
Spout: OPW 5-BB & 5-BBP
Inlet size: 3/4" NPT



* Test Fluid is Stoddard Solvent @ 75°F.

Please see page 7 for available hand insulator colors.

OPW Product No.	13/16" O.D. Spout Unleaded	15/16" O.D. Spout Leaded & Diesel	Hold-open Rack	Full Hand Insulator
11-B		X	Yes	Standard
11-BP	X		Yes	Standard

If you operate a full service truckstop, refuel your own fleet, or manage a cardlock refueling location, the low cost, long life and durability of new OPW 7-H and 7-HB high flow nozzles can help increase your productivity, sales and profits.

The OPW 7-HB is the high flow refueling nozzle with the exclusive "satellite" feature, that helps prevent blind side spills and the resulting fuel loss and clean-up expense.

The OPW 7-HB cannot be opened until the pumping system is pressurized, and closes automatically when the pressure is turned off.

Features

Even, smooth spray pattern minimizes diesel foaming and false shut-offs.

Extra long anchor spring keeps the OPW 7-H securely in most large fill openings.

To help reduce spills, a unique lever design assures positive shut-off, even if held wide open.

Three-position hold-open device, one-finger control of hold-open mechanism means easy setting of flow rate.

Easily replaced spout, the spout for the OPW 7-H is removed by simply removing three screws. Replacement kits are readily available from OPW.

Dash-pot action for smoother closing action and reduced line shock.

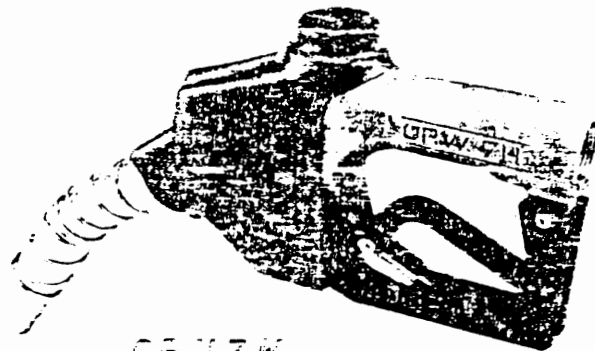
Dual poppets, easy to open nozzle against high inlet pressure.

Listed by Underwriters' Laboratories, Inc.



Warning

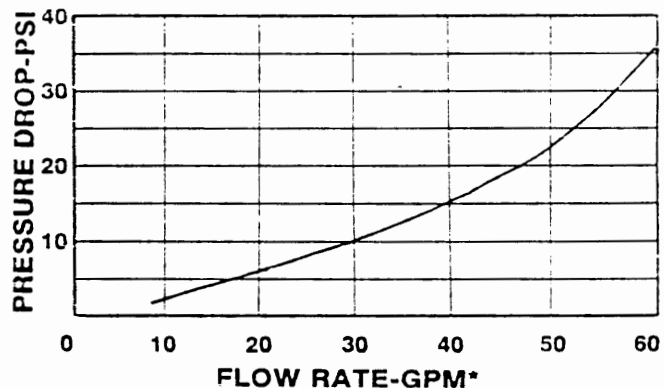
Do not use OPW 7-H nozzles with a hold-open device on pre-pay self-serve installation. Use of foreign objects to hold open automatic nozzles, could result in failure to shut-off, and personal injury.



OPW 7-H

Patent No. 3653415

LINE SPRAY PATTERN FOR OPW 7-H AND 7-HB



* Test Fluid is Stoddard Solvent @ 75°F.

Materials

Body:	Aluminum
Lever &	
Lever Guard:	DURATUFF™ Reinforced Composite
Packing:	Teflon impregnated asbestos
Disc:	Buna-N
Spout:	OPW 5-BH and 5-BBH aluminum
Inlet size:	1" NPT

Please see page 7 for available spout guard colors.

204x

OPW 1290

Features

Venturi type shut-off mechanism for automatic shut-off when the tank reaches full.

Aluminum body, lighter weight, easier to maneuver.

Two-position hold-open device, one-hand control of hold-open mechanism means easy setting of flow rate.

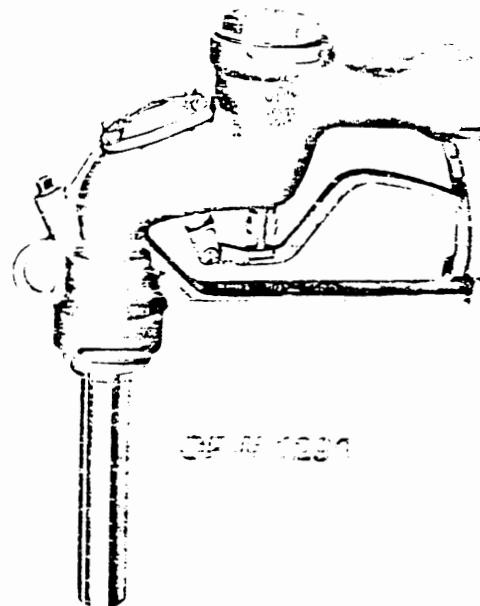
Easily replaced spout, the spout of the OPW 1290 is removed by simply removing the spout retainer nut. Replacement spouts are readily available from OPW.

Right angle design, provides larger lever area for better grip and easier control; permits nozzle to fit into awkward spaces close to walls and into corners.

Drag lugs, help protect the nozzle during rough handling for longer life.

Built-in outlet check valve meets all known requirements of Sealers' of Weights and Measures.

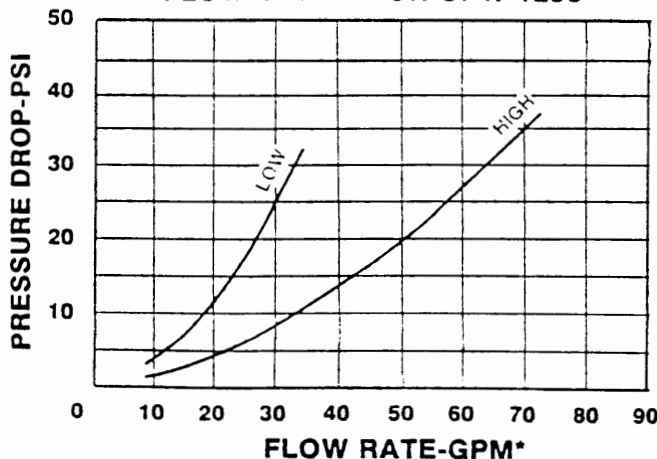
Dual poppets, easy to open nozzle against high inlet pressure. (Maximum static operating pressure 75 psi.)



Materials

Body:	Aluminum
Main Stem:	Stainless steel
Packing:	Teflon impregnated asbestos
Disc:	Buna-N
Spout:	OPW 5-D aluminum 1 3/8" O.D.
Inlet size:	1 1/2" NPT

FLOW CHART FOR OPW 1290



* Test Fluid is Stoddard Solvent @ 75°F.

205X



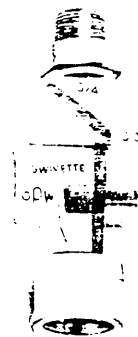
For Use With Fuel Oil Nozzles
(At Nozzle Inlet Only)

360° swivel action reduces physical strain of aligning the nozzle with the fillpipe.

Body: Hard coated aluminum
Bearings: Molded plastic
Seals: Buna-N O-ring, felt dust seals

Part No. Size

25-0110 1 1/4" NPT
25-0120 1 1/2" NPT
25-C-0130 1 1/4" NPT with check valve



For Use With Service Station Nozzles
(At Nozzle Inlet Only)

Two planes of swiveling rotation make it easy to position nozzle in hard-to-reach automobile fillpipes.

UL Listed.

Part No. Size

Body: Aluminum
Tail: Aluminum
Bearings: Oil impregnated powdered bronze
Adaptor: Plated steel

Part No. Size

33-5065 3/4" M NPT x 1" F NPT
33-5070 1" M NPT x 3/4" F NPT
33-5075 1" M NPT x 1" F NPT
33-5060 3/4" M NPT x 3/4" F NPT



For Use With Service Station Nozzles
(At Nozzle Inlet Only)

One plane of swiveling rotation eases positioning of nozzle in fillpipes.

UL Listed.

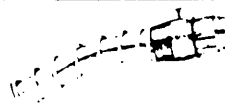
Part No. Size

Body: Aluminum
Adaptor: Plated steel
Seals: Buna-N O-ring

Part No. Size

36-S-5080 3/4" M NPT x 3/4" F NPT
36-S-5090 1" M NPT x 1" F NPT

Part No.	O.D.	Standard Length	Mat'l.	Used On
5-B -0110	1 5/16"	7"	Alum.	11-A
5-BH -0115	1 3/16"	7"	Alum.	7-H
5-BP -0117	1 3/16"	7"	Alum.	11-AP
5-D -0125	1 3/8"	8 1/2"	Alum.	1290
5-BB -0135	1 5/16"	7"	Alum.	11-B
5-BBP -0137	1 3/16"	7"	Alum.	11-BP
5-BBH -0136	1 3/16"	7"	Alum.	7-HB
5-BHB -0125	1 3/16"	12"	Alum.	7-H





All OPW 11-A and 11-B Nozzles are furnished complete with a full vinyl hand insulator in the color of your choice. Please see the back cover for sample colors. All hand insulators are furnished with the NEWGARD™ feature which enables changing insulators, to match new color schemes or replace soiled insulators without removing the nozzle from the hose.

How to Select and Order Hand Insulators

OPW NOZZLE	Green	Silver	Red	Black	Blue	White	Tan	Brown	Gold	Orange	Yellow	Azure Blue	Gray
OPW 11-A	6HKG	6HKS	6HKR	6HKB	6HKB	6HKW	6HKT	6HKBR	6HKGL	6HKO	6HKY	6HKAB	6HKG
OPW 11-B	6BG	6BS	6BR	6BBL	6BB	6BW	6BT		6BGL	6BO	6BY	6BAB	
OPW 7-H	6SG			6SB									
OPW 7-HB	6SBG			6SBB									

OPW 8 - FILLGARD™



FILLGARD™ enhances the appearance of your gasoline nozzle, and makes dispensing gasoline more pleasant for your customers. Made from soft pliable rubber, FILLGARD™ won't deform or crack in cold weather. See back cover for sample colors.

How to Select and Order Fillgards™

Green	Red	Black	Blue	White	Brown	Orange	Yellow	Azure Blue	Gray
8G	8R	8BL	8B	8W	8BR	8O	8Y	8AB	8GY

Warning

OPW products should be used in compliance with applicable federal, state and local laws and regulations. Product selection should be based on physical specifications and limitations and compatibility with the environment and material to be handled. OPW MAKES NO WARRANTY OF FITNESS FOR A PARTICULAR USE.

Product Warranty

All OPW parts and products are thoroughly inspected and tested from the time raw material is received at our plant until the product is completed. We guarantee that all products are free from defects in materials and workmanship for a period of one year from the date of shipment. Any products that may prove defective within said one year period will, at OPW's option, be promptly repaired or replaced or credit given for future orders. This warranty shall not apply to any product which has been altered in any way, which has been repaired by any party other than an authorized OPW service representative or when such failure is due to misuse or conditions of use. OPW shall have no liability for special or consequential damages to any party, and shall have no liability for labor costs, freight costs or any other cost or charges in excess of the amount of the invoice for the products.

THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

OPW Trademarks

OPW 11-A, 7-H, 33 Swivette and Accu-Stop® are registered marks of Dover Corporation/OPW Division. OPW nozzles and swivels are covered by U.S. and Foreign patents, other patents pending.

Federal Standards

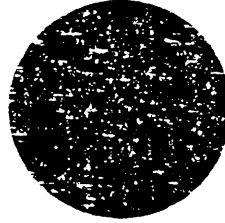
The Occupational Safety and Health Standards Act requires that only a listed or approved nozzle is permitted for dispensing Class 1 liquids at any service station dispenser accessible to the public. OSHA Standards (29CFR 1910.106) recognizes an Underwriters' Laboratories, Inc. listing as acceptable in meeting the requirements of OSHA.

OPW reserves the right to change specifications at any time without incurring obligations.

OPW® Automatic Nozzle Hand Insulators and Fillgards Come In an Assortment of Colors

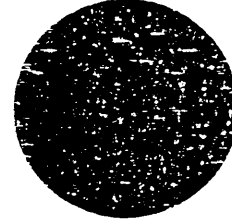


Green

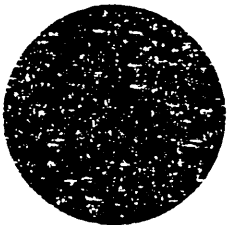


Silver

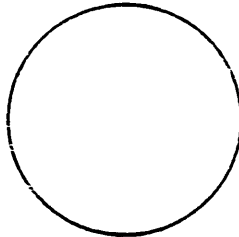
Red



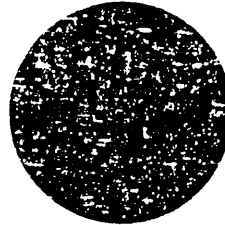
Black



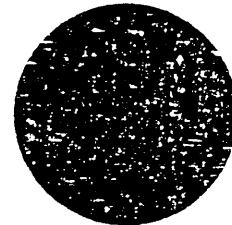
Blue



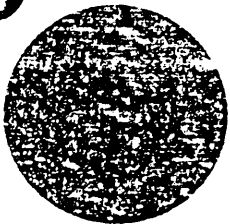
White



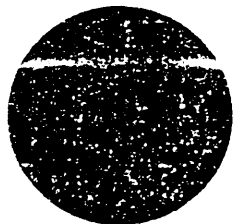
Tan



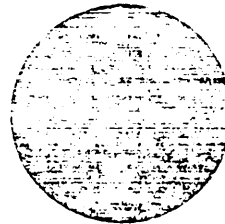
Brown



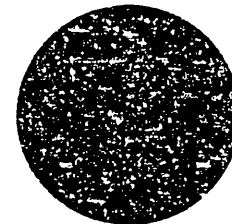
Gold



Orange



Yellow



Azure Blue

Additional colors may be added from time-to-time.

Distributed By



**FUELING COMPONENTS GROUP
CORPORATION / OPW DIVISION**

9393 PRINCETON-GLENDALE ROAD
P.O. BOX 405003 • CINCINNATI, OHIO 45240-5003
TELEPHONE (513) 870-3219
OR 1-800-422-2525

(Page 8)

The latest safety device is a safety-break coupling that will automatically disconnect the hose from the dispenser in the event the nozzle spout does not snap off during a drive-off. It's purpose is to instantaneously stop the flow of gasoline from a broken hose.

209X

(Page 9)

The greatest contribution to the safety of self service fueling was the development of the remote-control console. (Prior to that, anyone could turn the pump on if the mechanic was busy). The operation of the console is very simple, and can be handled by housewives, college students, retired people, etc.

12

When the consumer lifts the pump handle, a repeating "beep" alerts the cashier, and a flashing light on the console indicates the pump number. After observing that the consumer is not smoking, and is not using an unapproved container, the cashier addresses that pump by pressing the appropriate button. Most self-service stations also have an intercom speaker on the island for communication between the cashier and consumer.

13

The cashier has the ability to indicate a "cash" or "credit" sale, if such options are offered.

The cashier presses the "authorized" button to send power to the pump. Up to this point, no gasoline can be dispensed.

(Page 10)

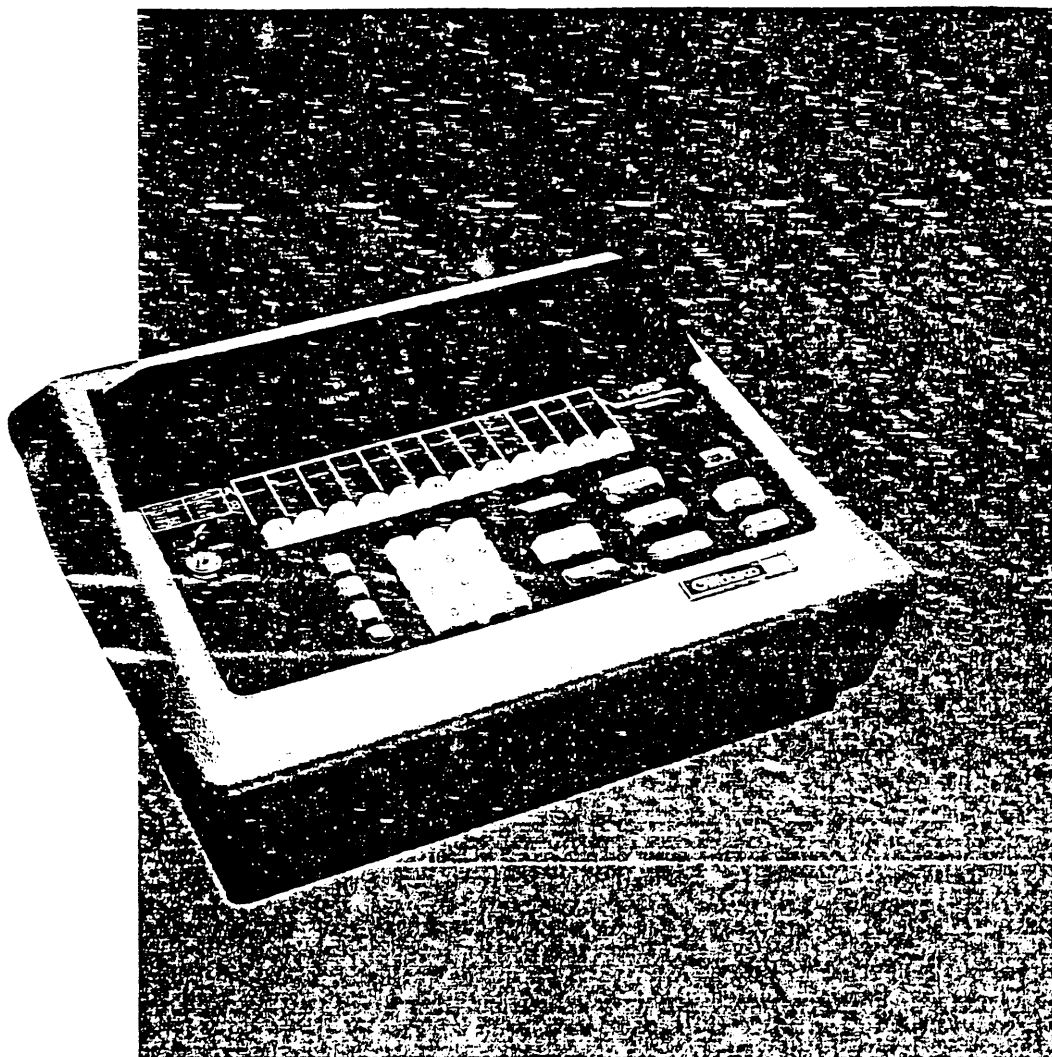
The "Emergency Stop". function is provided so that individual pumps - or all pumps - can be stopped immediately in the event of an emergency.

The "Emergency Stop" buttons are brightly colored, and easy to use in an emergency.

An additional option provides for payment in advance. This is usually employed in high-risk areas, or at night.

Provides Communications
Capabilities

TRANSAC[®] 12G



The Gilbarco Transac[®] 12G Communications Console provides an RS-232C serial port to provide two-way communication with your host computer for management reporting, pump and system configuration, and programming. Your existing Transac 12A, B, or C pump controller can become a Transac 12G Communications Console by installing an upgrade kit. And, the existing port on your Transac 12A, B, or C consoles can still interface with a Dot-2™ printer or a Gilbarco ECR.

Transac 12G Communications Console

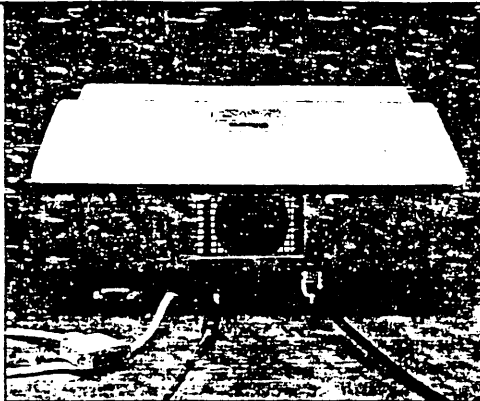
The Transac 12G is the most recent release available in the Gilbarco Transac pump controller product family. Retailers can upgrade existing sites by installing Transac 12A/B to G kits to Transac 12C to G kits.

Low-cost kits capture all of the latest pump controller enhancements, plus the Transac 12G's bi-directional communications capability.

If communications is in your future, the Transac 12G is the product you should choose now. You can use the Transac 12G in standalone mode; when you are ready to add Report Software communications, your console will be ready.

The Transac 12G controls these Gilbarco electronic products:

- All MPDs
- Salesmaker™-4
- Highline™ 111R



The key advantage of the Transac 12G Communications Console is that it can send and receive data on an RS-232C serial port (via Transac-12G Report Software) to one of the following personal computers:

- IBM PC-XT™
- IBM PC-AT™
- Compaq Portable II™
- Leading Edge Model D™
- AT&T 6300™
- Others as they become Gilbarco certified

The communication between Transac 12G and personal computer can occur on or off-site. If off-site, modems and normal telephone lines are required.

The Transac 12G console can also be linked to a Gilbarco ECR or Dot-2 Printer on its existing parallel port.

LOOKING FOR A LOW-COST WAY TO AUTOMATE?

Transac 12G is your key.

Transac 12G upgrade kits offer retailers a low-cost way to automate and standardize their operations, maximizing their investment in the installed base of Gilbarco equipment. The keyboard and operation of the Transac 12G are very similar to Transac 12A, B and C, so operators have a head start.

Pump Controller Benefits

TRANSAC 12A/B TO G KIT

If you own a Transac 12A or B, and upgrade to a Transac 12G, you will gain these enhancements offered on the Transac 12C plus the features mentioned in the Transac 12C to G section.

Real-Time Money Display

A real-time money display on the Gilbarco Transac 12G Communications Console enables your operators to monitor sales as they occur at the island. So, your operators can have greater control of your site—inside and out, if the dispensers are so equipped.

Expanded Marketing Options

Gilbarco's Transac 12G offers four levels of pricing for each of six grades of fuel. You have more pricing options to meet your individual marketing needs.

- Single level pricing
- Cash/Credit
- Level 1/Level 2
- Full Service/Self Service
- Day/Night
- Full Service/Self Service/Day/Night
- Full Service/Self Service/Cash/Credit
- Day/Night/Cash/Credit

Cash/Credit Conversion

Post-sale conversion of cash to credit, or credit to cash is quick and easy with the Transac 12G. The conversions are made automatically at

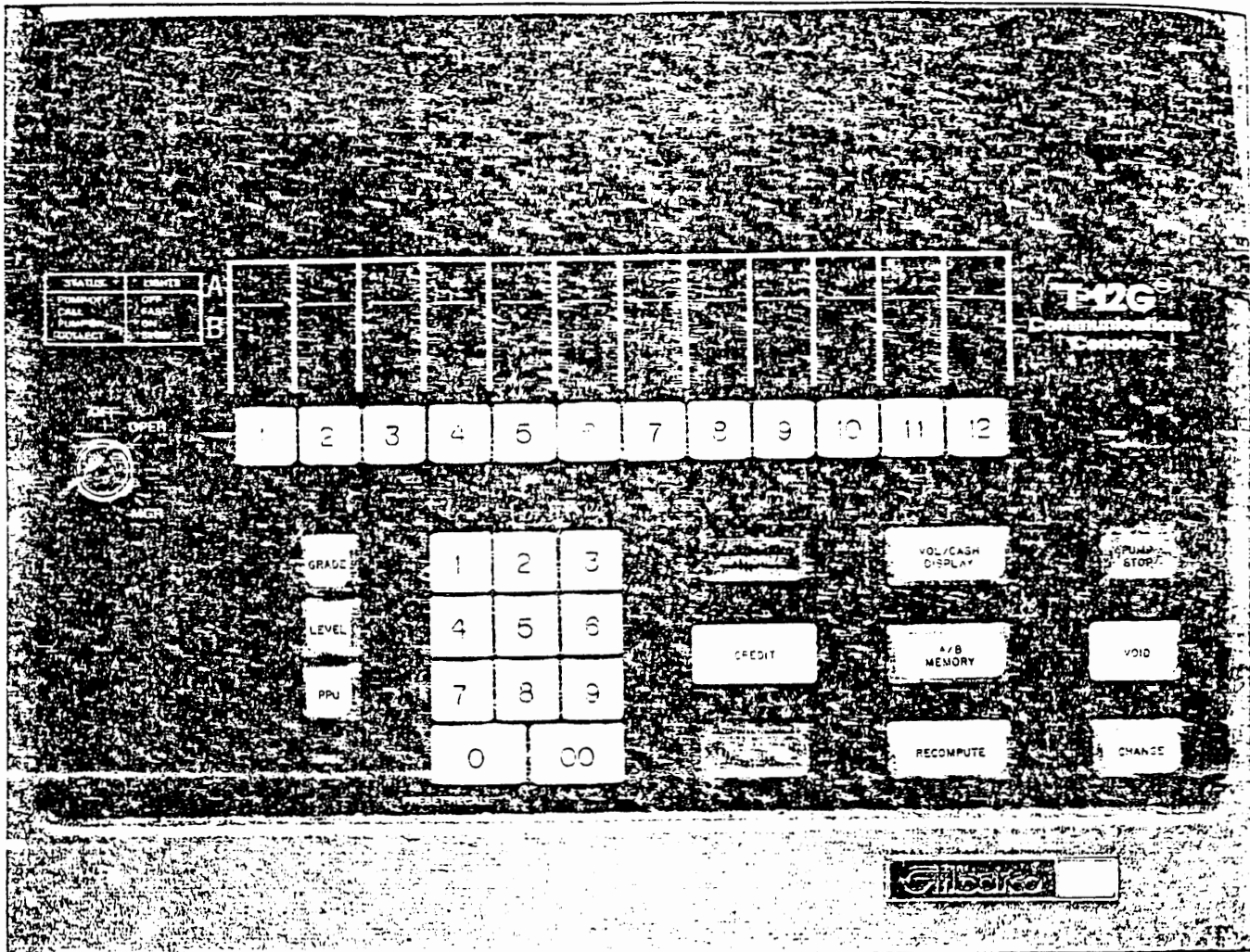
the touch of a button, reducing operator error. A special adjustment total is included in the shift and station totals to indicate the difference between cash to credit and credit to cash conversions and the amounts shown on the dispensers.

Change Due Calculations

With the touch of a button, operators can determine the change due from the amount tendered on the keyboard. The automatic change computation speeds customer service and helps reduce the change handling errors.

Increased Prepay Control

There is no need to reset the pumps by hand when you cancel authoriza-



tion of a Preset Prepay transaction before the pump is turned on. The "Void" key on the Transac 12G automatically cancels the prepay sale.

Fueling/Payment Choices

The Transac 12G allows you to determine the order of fueling and payment for your station. Customers can be permitted to obtain as much fuel as they wish, then pay. Or, your operators can preset the pump to stop at a dollar amount specified by your customers. If you prefer, you can also operate in Preset/Prepay mode.

Better Reconciliation

Totals for cash, credit, PPU levels, total money and individual grade are displayed to the nearest cent and .01 gallon or liter.

Both the Transac 12A/B to G and the Transac 12C to G kits have these features:

Bi-Directional Communication

Transac 12G kits and consoles provide an RS-232C serial port for exchanging data with a computer.

Expanded Reports

Totals for three previous shifts, plus the current one, can be produced. Station totals are also available for one previous reporting period along with the current period. With Transac 12G Report Software, end-of-shift and end-of day reconciliation reports (comparing console totals with pump totals) can also be produced automatically.

Preprogrammed Discount

You can offer special promotions by setting a cents per gallon discount. This discount will automatically be deducted from the cash or credit transaction by pressing the "Discount" key.

A Gilbarco Authorized Service Contractor can install the kit to upgrade your Transac 12A, B or C pump controller to a Transac 12G Communications Console.

The Transac 12G Report Software is an "off-the-shelf" solution for retailers providing two-way communication between Transac 12Gs and personal computers. The Report Software package is optional and is purchased separately from the kits and consoles.

Many retailers choose to have one personal computer located at their main office, communicating with multiple Transac 12G sites via normal phone lines and modems. Others have a personal computer at the site directly connected to the Transac 12G there.

The new Transac 12G Report Software makes your personal computer a complete management center for Transac 12Gs. On-site or off-site, you can poll your Transac 12Gs to receive detailed management reports or download site parameters and prices.

Easy to Use, Menu Driven

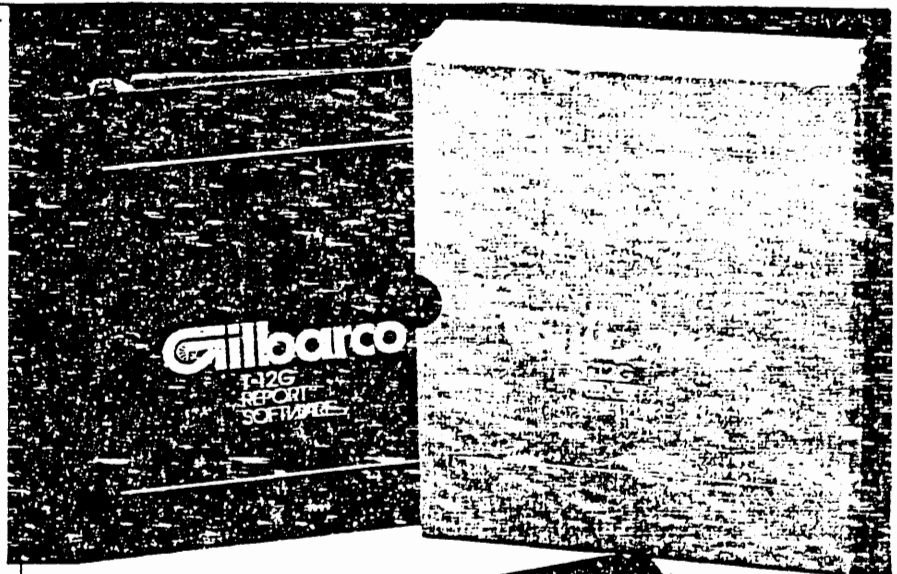
The Transac 12G Report Software comes complete with an easy-to-read user manual and one diskette to be loaded onto your hard disk. The instruction manual takes you step-by-step through each function. It is illustrated with pictures of each display. Prompts on your computer guide you through the selections available on each "menu."

The four main menus allow users to easily generate reports, program the Transac 12G and pumps, do resets, and batch commands for automatic data retrieval.

Management Reports

Any of these reports can be produced automatically:

- Shift totals (current)
- Three previous shift totals
- Station totals (current period)
- One previous station total
- Fuel inventory (declining balance method)
- Price per unit
- Pump totals
- Site configuration
- Grade configuration
- End-of-shift reconciliation
- End-of-day reconciliation



Programming

Programming commands let the Report Software user do all of the programming functions from the personal computer that could be done at the Transac 12G in standalone mode.

- Add to or subtract from fuel inventory
- Set low level inventory warning
- Assign grades
- Set/change fuel prices, including discount
- Configure pumps and set parameters

Passcodes limit access to pricing functions and ensure security.

Interactive or Attendantless Operation

Transac 12G Report Software users can choose to run the program in an interactive mode, in which they must be present to send commands from the personal computer to the Transac 12G.

Users can also choose to run the Transac 12G Report Software in an attendantless mode which allows the Report Software program to execute commands without an operator at the personal computer. With use of the automatic dialing package, Crosstalk™, the personal computer can easily be programmed to sequentially call Transac 12G sites at designated times to generate

reports, do resets, and download parameters (including pricing). Users can choose the operational mode that best suits their personal and business needs.

Saving Time with Automatic Data Retrieval (ADR)

Automatic Data Retrieval, one of the four main menu functions, lets Report Software users store repetitive commands in a "batch" file so that the commands have to be keyed in only once. The batch ADR file can be used again and again at the touch of one key. The ADR function assures uniform communications and significantly reduces the amount of time required for reporting and programming.

How You Can Use Report Software

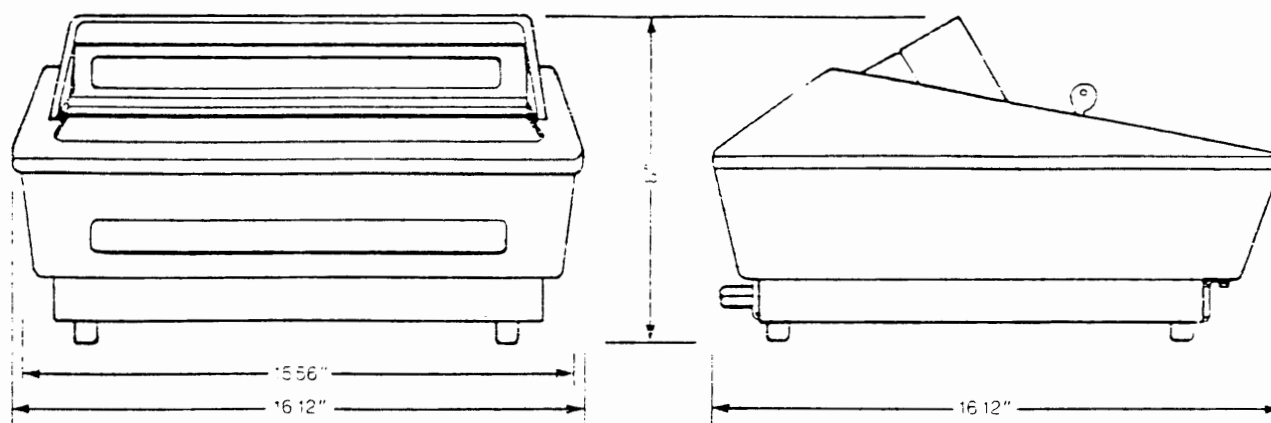
Report Software users can choose to:

- Display reports/programming files
- Print reports/programming files
- Save reports/programming files
- Create Data Interchange Format (DIF™) files for integrating data into other compatible programs like Lotus 1-2-3™ or Symphony™. Users can also write programs to create customized reports.

FEATURE/FUNCTION COMPARISON T-12 A, B, C, G

FUNCTION	T-12A	T-12B	T-12C	T-12G
PRICING				
Two price levels	*	*	*	*
Eight price levels			*	*
Programmable one time or regular price change code	*	*	*	*
FUEL GRADES				
Four grades of product	*	*	*	*
Six grades of product			*	*
ASSIGNABLE GRADES			*	*
SALES				
Preset only sales			*	*
Sale tracking (A/B memory)	*	*	*	*
Real time money display			*	*
Automatic computation of change due customers			*	*
Automatic conversion of postpay CASH/CREDIT sales and incomplete prepay			*	*
Payout incomplete prepay sale			*	*
Void key for error correction			*	*
Programmable cents-per-gallon or liter discount				*
Programmable blend percentages				*
INVENTORY TRACKING				
Declining balance	*	*	*	*
Programmable low-level inventory warning	*	*	*	*
Reset inventory	*	*	*	*
Add to inventory	*	*	*	*
REPORTS				
Shift totals by money and volume	*	*	*	*
to nearest .01 + for cash + credit			*	*
buffered totals for three previous shifts plus one current				*
Station totals by money + volume	*	*	*	*
to nearest .01 + for cash + credit			*	*
buffered totals for current plus one previous station totals				*
Reset shift/station reports	*	*	*	*
End of shift reconciliation reports				**
End of day reconciliation				**
Electronic pump totals	*	*	*	*
PUMP CONTROL				
Manual or self service	*	*	*	*
Emergency stop	*	*	*	*
Communication only with on-line pumps			*	*
Programmable security code for manual pump operation	*	*	*	
CONSOLE OPERATION				
Diagnostics mode	*	*	*	*
Programmable de-authorization time-out	*	*	*	*
Pre-armed beeper on/off	*	*	*	*
Preset only mode			*	*
Demo/training mode	*	*	*	
Interface to Dot 2 printer	*	*	*	*
Custom message	*	*	*	
Interface to Gilbarco ECR	*	*	*	*
Bi-directional communication with host computer				*
*Available in printed form on Dot 2 or ECR **Available through Report Software Interface				

Transac 12G Dimensions



Specifications and Ordering Information

Control Capacity (12 Position)

- 12 Single Highline 111B dispensers
- 6 Dual Highline 111B dispensers
- 6 Two-Grade Salesmaker-4 dispensers
- 6 Three or Four-Grade Multi-Product Dispensers

Displays

- Bright, easy-to-read numeric characters
- Money = 999.99
- Volume = 999.999 gallon/liter
- Price per unit = \$9.999

Totals

Cash or volume = 999.999.99 by grade and by grade and hose.

Temperature Range

32°F to 122°F (0°C to +50°C)

Power Requirements

115 + 10% - 15% VAC

Dimensions

16"W x 16"D x 8"H

Trademarks

Transac® by Gilbarco Inc.; MPD™, Highline™, and Salesmaker™ by Gilbarco Inc.; IBM PC-XT™ and IBM PC-AT by International Business Machines Corp.; Crosstalk™ by Microstuff Inc.; Lotus 1-2-3™ and Symphony™ by Lotus Development Corp.; DIF™ by Software AMS Products Corp.; Compaq Portable II™ by Compaq Computer Corp.; Leading Edge Model D™ by Leading Edge; AT&T 630C by AT&T.

HOW TO ORDER

Kits:

- Transac 12A/B to G
12 position K93036-01
6 position K93036-02
- Transac 12C to G
12 position K93037-01
6 position K93037-02
- Report Software K93049-100

Console: Includes distribution box PA01330000.

6 position PA02030000000
12 position PA02030100000

Additional cable lengths for connection to the distribution box are also available.

Modems: Several 11-bit modems are recommended by Gilbarco for purchase directly from the modem manufacturer/distributor. A Gilbarco representative will assist you in obtaining the most current information available on modem list pricing.

Personal Computers: Personal computers such as the IBM PC-XT, are purchased by the customer from the personal computer manufacturer/distributor. A Gilbarco representative will assist you in determining compatibility between your personal computer and Transac 12G Report Software.

Gilbarco

7300 W. Friendly Avenue
P.O. Box 22087
Greensboro, North Carolina 27420 USA
Phone: (919) 292-3011
USA Telex 574435

Distributed by:

(Page 11)

Station design has changed to provide a consumer-friendly environment that is more attractive, and also more efficient and time-saving.

Older stations might have two or four pumps, from which the mechanic might dispense 20,000 to 30,000 gallons/month.

Modern stations - designed for the self service consumer - include a large number of fueling positions, that are spaced to provide easy access and safe separation for self-service customers. A canopy usually protects the consumer from rain, snow or sun.

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The latest station designs utilize the multi-grade dispenser's flexibility by using one per island, or two, widely-spaced, units for easy customer access. Consumer satisfaction is demonstrated by station volumes of 150,000 to 400,000 gallons/month. Taking into consideration that there are approximately only 50% of the stations in existence today, vs their peak, this high volume capability contributes significantly to customer satisfaction.

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SUMMARY

Self-service safety has increased since 1949:

Dispensing pumps cannot be turned on by the customer until authorized by a cashier.

Nozzles with automatic safety fill shut-off, and a shear-off spout provide additional spill protection.

Hose break-away couplings, protect against accidental drive-off spills.

Console remote authorization by the cashier controls power to the pump to prevent un-authorized dispensing. The "Emergency Stop" safety feature provides a second level of safety in the event of an accidental spill the self-service customer fails to handle.

CONCLUSION

The safety record of self service gasoline dispensing is supported by the fact that most of the gasoline sold in Europe and the U.S.A. is dispensed by the motorist. Recognizing the magnitude of this market, manufacturers of dispensing devices have created new products - and improved old ones - to enhance the safety of the total fueling process.

Gasoline dispensers are now designed for safe and simple operation by the motorist, rather than a mechanic. The operating sequence provides for maximum safety and security for the motorist. Gasoline cannot be dispensed until a cashier determines that safe procedures are followed - and turns the pump "on".

Nozzles, specifically designed for self service, are clean and light-weight. They incorporate safety features such as, automatic shut-off on fill-up, shear-off spout, no pressure - no flow, and shut-off if dropped. Without the "clip", the nozzle will not dispense gasoline unless the motorist depresses the lever - a dead-man safety.

Hoses can be fitted with break-away couplings to prevent the rupture of a hose should a vehicle drive off with the nozzle in the fill pipe.

Control consoles, under the supervision of a cashier, provide a second level of safety that is not available in conventional, full-service stations. By visual inspection, and by two-way intercom, the cashier can determine that proper safety procedures are being followed, including: no smoking, engine off, and no unapproved container being filled. Intoxicated motorists can usually be identified, and the cashier can refuse to authorize the pump to dispense fuel. The "emergency-stop" safety feature shuts off the flow of fuel in the event of an accident.

In conclusion, the technological advancements affecting pumps, hoses, nozzles and control consoles constitute material changed circumstances affecting the dispensing of gasoline and, as a result of these changes, dispensing gasoline by self-service presents no greater safety hazard to the motoring public than full-service. In the final analysis, self-service will probably prove to offer more safety to the public.

Joseph Luse

Telephone
717-352-7424
or
717-~~352-7424~~
263-1360

Jack N. Keefer
P.O. Box 252 (Caledonia Acres)
Payetteville, Pennsylvania 17222

EDUCATION:

1943	Graduated Shippensburg High School
1948	Graduated Pennsylvania State Police Academy
1956	Graduated Lebanon Valley College - Bachelor of Science Degree Business Administration
1963	Attended University of Ohio Arson Seminar
1970	Graduated Department of Treasury, Special Agent School
1976	Certified to instruct professional law enforcement skills as required by the Municipal Police Officer's Education and Training Act.

EXPERIENCE:

1957 - 1976

Assistant Pennsylvania State Police Fire Marshal -
Duties included supervision of arson investigations,
flammable liquid inspections, and other investigations
pertaining to fire prevention.

Researched and compiled present flammable and combustible
liquid regulations that permitted the first "Attended
Self-Service Stations" in Pennsylvania (exclusive of
Allegheny and Philadelphia Counties).

Assisted in establishing curriculum for Arson Detection
Seminars conducted throughout the Commonwealth.

Testified at Zone meetings relative to "Attended Self-
Service Stations."

Assisted in compiling Hazardous Substance Transportation
Regulations.

Instructed police related subjects at Harrisburg Area
Community College.

1951 - 1957

Instructor at Pennsylvania State Police Academy -
Criminal Law, Vehicle Code, Laboratory Police Aids and
Accident Investigations.

1948 - 1951

Enlisted in the Pennsylvania State Police, February 2,
1948.
Assigned to Hollidaysburg and McConnellsburg State Police
installations to conduct traffic and criminal investigation.

- 2 -

PERSONAL DETAILS:

Age, ⁶⁰~~60~~; height, 5 feet, 11 1/2 inches; weight, 225 pounds; health, excellent; ~~married~~; American; veteran; hobbies: hunting, fishing, golf and attending sporting events.

Lectured on the subject of Arson at:
University of Maryland
Rutgers University
Harrisburg Area Community College
Pennsylvania State Police Academy
Lewistown Fire School

Lectured on the subject of Flammable and Combustible liquids at:
Cornell University
Pennsylvania Petroleum Association Work Shops
Associated Petroleum Industries of Pennsylvania
Air Force Symposium at Hershey, Pennsylvania

Member of the International Association of Arson Investigators and the Maryland Arson Investigators Association.

1980- to present

Adjunct Instructor at the National Fire Academy, Emmitsburg, Maryland. Teaching Fire and Arson Investigation.

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JACK N. KEEFER - CONSULTANT

FOR THE PETROLEUM INDUSTRY
P. O. BOX 282, FAYETTEVILLE, PA. 17222
1-717-382-7424

December 27, 1987

Re: Kirschner Bros. Oil Co. v. Serraino

Analysis

I have worked in law enforcement, fire protection and fire safety for the better part of my adult life. Much of this activity has been specifically related to fire prevention and safety issues related to the storage and dispensing of flammable and combustible liquids. For example, while serving as Deputy Pennsylvania State Police Fire Marshal, I processed more than 15,000 applications and plans seeking approval for the installation of underground and aboveground tanks, pumps and dispensers to be used for the storage and handling of flammable and combustible liquids. I also inspected personally more than 2,000 flammable and combustible liquid facilities after the equipment was installed to determine whether the installations were made in accordance with State regulations.

In addition to these functions, I supervised in 1969 the preparation of regulations to permit self-service stations in Pennsylvania. The committee consisted of various safety experts, flammable and combustible liquid consultants, contractors, and oil industry representatives. The Pennsylvania regulations were developed after extensive review of similar legislation in numerous other jurisdictions and careful analysis of the applicable guidelines promulgated by the National Fire Protection Association (NFPA). These latter guidelines are now commonly known as NFPA-30A.

Since the adoption of the self-service regulations in Pennsylvania (October 22, 1971). To my knowledge there has not been a single

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accident attributable to this method of dispensing flammable or combustible liquids, namely, self-service by motorists.

On a national level, self-service has become an accepted and in fact, the predominant means by which gasoline products are dispensed. Originally, self-service was opposed by all national and state professional organizations which dealt with fire prevention, fire protection and fire safety. However, based upon the excellent safety record which has been realized after many years, virtually all fire safety organizations, including the Fire Marshals Association of North America and the National Fire Protection Association (NFPA), have withdrawn all opposition to this method of gasoline sales.

The significance of this change in position should not be ignored since it demonstrates a material change in circumstances relating to self-service station operations by those professional organizations which are principally concerned with fire safety and fire prevention.

The fact that self-service is a premissible means of dispensing a flammable or combustible liquid does not mean that the process is not without significant regulations. Virtually every state and/or other levels of government have adopted regulations governing the manner in which the product is to be dispensed. The principal body of guidelines adopted in this regard is commonly referred to as NFPA-30A. A copy of NFPA-30A is attached to this report.

In my judgment, there is simply no basis for a total ban upon self-service sales of gasoline. Whether the product is dispensed by the motorist personally or by a service station attendant makes no difference from the standpoint of fire prevention and fire safety. The volatile nature of gasoline is not altered by the manner in which it is dispensed. Clearly, there is a lack of direct causal relationship between self-service and reported accidents. This is confirmed both by my own extensive involvement during my tenure of office in the Pennsylvania State Police as well as by numerous interviews I have personally conducted with my colleagues and peers in other states where self-service is permitted and with members of NFPA.

In my opinion, there are aspects of full-service or attendant-serve gasoline sales which, from my perspective, are actually not as safe as self-service. Several examples will illustrate:

1. In full- or attendant-serve situations, a single attendant will frequently be servicing several vehicles simultaneously. This is attributable to the fact that a "hold open latch" is utilized to permit continued activation of the fill nozzle without the necessity for a human being to hold the nozzle latch open. An unattended nozzle, in my opinion, is simply more dangerous since there is no one immediately present to react to any emergency situation. To eliminate the hold open latch under those circumstances could very well reduce the degree of hazard but would no doubt create logistical nightmares for the station operators since they would require a considerable number of additional personnel on each shift or would cause significant delays in individual transactions which I believe would be completely unacceptable to the public.
2. The likelihood of a motorist driving away from a pump while the nozzle is still in the tank is also greater with attendant-serve. This again is attributable to the hold open latch. When the nozzle "clicks off", there is a greater chance the driver will drive away while the nozzle is in the tank than would be the case where the motorist is filling his or her own vehicle. Self-serve and the elimination of the hold open latch gives greater assurance that the nozzle will be properly removed from the tank before the vehicle leaves.
3. Requiring the installation of an emergency "kill" switch within an arm's length of the attendant as is customary in self-service installations is likewise a safety enhancement and, in my judgment, makes self-service a safe form of dispensing flammable and combustible liquids.

It is my opinion that self-service gasoline stations are in fact as safe as or safer than other types of operations since the public is aware of the volatile nature of gasoline and exercises as a general matter a greater degree of caution.

Fires which do occur at service stations usually have nothing to do with the class of liquid being dispensed. For example, many service station fires actually occur in rest rooms on-site either due to vandalism or carelessness. In many instances, fires at service stations result from various mechanical work performed in the bay areas. Again, these fires have nothing to do with dispensing of gasoline whether by self-service or a service station attendant.

CONCLUSION

Based upon my experience in the fire prevention and fire safety field, it is my opinion as follows:

1. A total ban on self-service dispensing of gasoline is unsupportable from a fire prevention and fire safety standpoint and therefore constitutes an unreasonable and unnecessary regulation. There are regulations which have been adopted in 48 of 50 states, plus the District of Columbia, which, while short of outright prohibition, reduce the degree of fire and safety hazards to a level which is coincident to or less than full service.

2. Major categories of service station-related accidents transcend the method of dispensing gasoline.

3. The adoption of NFPA-30A by New Jersey as it pertains to self-service operations would establish a body of regulations which would adequately and safely control the dispensing of gasoline by individual motorists. Examples of regulations which would render self-service as safe or safer than full-service include:

1. Listed "self-service" dispensing devices are permitted at service stations available and open to the public provided that

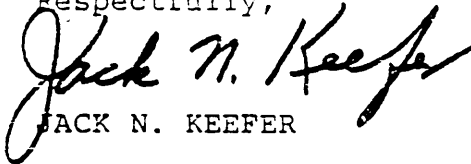
all dispensing of Class I liquids by a person other than the service station attendant is under the supervision and control of a qualified attendant.

2. Emergency controls shall be installed not more than 100 feet from the dispensers.

3. The attendant at all times shall be able to communicate with persons in the dispensing area. (Intercom system).

4. Although no longer required by NFPA-30A, "fill clip" should not be permitted at self-service stations to assure "human control" during the entire fueling process.

Respectfully,

A handwritten signature in black ink, reading "Jack N. Keefer". The signature is written in a cursive, flowing style. The first name "Jack" is prominent, followed by "N." and "Keefer". The signature is positioned above the printed name.

JACK N. KEEFER

RESUME

NAME: JOHN T. KLAGHOLZ

D.O.B.: 6/3/43

ADDRESS: 206 K Court
Seaside Park, Ocean Co., N.J.
08752

PHONE: (201) 793-6902

MARITAL STATUS: Married to Jacqueline A. (Panciera)Klagholz
Two Children: John C.
Thomas L.

EDUCATIONAL EXPERIENCE:

1968 to Present: various seminars in Insurance Practice
1972 to 1975: LaSalle University (correspondence)
American Law & Practice -- no degree
1969 to 1970: Management Seminar Crum & Forster
Group of Insurance Companies.
Certificate issued
1962 to 1968: LaSalle College (Evening Division),
Phila., Pa. Business Administration
and Insurance. No degree.
Licensed by State of New Jersey
in all lines of insurance as agent
and broker.
1963 to 1964: U.S. Army NCO Leadership school.
677th QM Co., 2nd Corps.
Camden, N.J.
Certificate issued.
1958 to 1962: Delaware Twp. H.S.
Diploma issued.

BUSINESS/PROFESSIONAL Experience:

1968 to Present: Licensed Insurance Agent
President of Clayton N. Sterling
Assoc., Inc., an independent insurance
firm.
1966 to 1968: Special Agent for Crum & Forster
Group of Ins. Companies, Phila.,
Pa. Responsibilities included
management supervision and technical
assistance to independent insurance
agencies, which represented the
company.

1964 to 1966: Commercial and Personal Lines
Insurance Underwriter.
Responsibilities included study
of acceptable risk for insurance
purpose.

BUSINESS/PROFESSIONAL Organizations:

1968 to Present: Member Independent Insurance
Insurance Agents of N.J.

1972 to 1973: President Independent Insurance
Agents of Ocean Co.

COMMUNITY SERVICE:

1982-Present: Member of the New Jersey State Board
of Education.

Appointed by the Hon. Brendan Byrne for a
term to expire, June 30, 1987.

Appointed by the Hon. Thomas H. Kean for
a term to expire, June 30, 1993.

Presently serving third (3) year as
President of the State Board of Education.

COURT COURT APPEARANCES:

Qualified as an Expert in the Superior Court
of the State of New Jersey,

Monmouth County
Bergen County
Camden County

CLAYTON N. STERLING ASSOCIATES, INC.

General Insurance
SINCE 1929

CLAYTON N. STERLING

JOHN T. KLAGHOLZ

JAMES R. KLAGHOLZ

December 28, 1987

1712 BOULEVARD - P. O. BOX 97
SEASIDE PARK, OCEAN CO., N. J. 08752
PHONE: 201-793-1671

DEC 31 1987

S. David Brandt, Esq.
William F. Hyland, Jr., Esq.
Brandt, Haughey, Penberthy, Lewis & Hyland
240 West Route 938
P.O. Box 331
Monroestown, N.J. 08057

Gentlemen:

You have asked whether or not, from a risk management and insurance standpoint, there exists the potential for an increased risk of loss or damage in the operation of a self-service gasoline station, as opposed to a full service gasoline service station.

In an effort to respond to your inquiry, we considered various risk management techniques, which seek to classify and categorize exposures to loss, whether inherent or created, and we have examined this issue from the perspective of potential property damage losses, (referred to as first party losses), and legal liability losses, (referred to as third party losses). Further, we investigated the basis on which insurance rates are developed, and the relative significance of such insurance rates as are applied to various types of service station operations for the purpose of producing insurance premiums. Finally, we considered the underwriting process in an effort to determine whether or not either type of service station operation would likely be more or less acceptable to insurance companies.

Initially, and for the reasons which are set forth below, we conclude that the operation of a self-service gasoline station is exposed to no greater risk of loss or damage to property, and no greater risk of injury to third parties, than is a full service station. Indeed, and as to third party losses, there appears to be less exposure to significant personal injury within the operation of a self service type station than in the operation of a full service type station.



234x

For purposes of this report, we have defined self-service gasoline station as meaning those gasoline service stations which permit customers to pump gasoline into their own vehicles, and where employed service attendants are not customarily present for such service. A full-service gasoline station is defined as a service station which does not permit customers to service their own vehicles, and where service attendants are customarily present and paid a wage for their service. (Commercial Lines Manual, Insurance Services Office, New York, 1983, page CS109).

I

Risk management is essentially the study of loss exposures and the employment of appropriate techniques which can be used to effectively reduce or otherwise handle those exposures. A loss exposure is a set of circumstances that presents a possibility of loss, whether or not a loss actually takes place.

Commercial property loss exposures are loss exposures that exist because a commercial enterprise depends on property to help accomplish its objective, and consists of three elements. These three elements are: (1) the item subject to loss, (2) the perils, or forces that may cause a loss, and (3) the potential financial impact of the loss. (Commercial Property Risk Management and Insurance. The American Institute for Property and Liability Underwriters, 2nd Ed. 1983, page 4). The item subject to loss may be considered to be the property owned or occupied by the service station operator, and the financial impact may be assumed to be of the most serious magnitude, i.e., a total loss of such commercial property. The relevant element here is the perils, or forces that may cause a loss, and which may produce either of the two consequences just cited.

A peril, simply stated, is a cause of loss. Under a generic classification system, perils may be divided into three categories: (1) natural perils, (2) human perils, and (3) economic perils. Examples of perils in each category

may be illustrated by use of the following chart:

<u>Natural Perils</u>	<u>Human Peril</u>	<u>Economic Perils</u>
Flood	Pollution	Obsolescence
Fire	Chemical Leakage	Depreciation
Lightning	Human mistake	Inflation
Wind	Contamination	Recession

Because commercial property may be subject to loss or damage as a result of any of the above perils, (as well as perils not listed), several methods have been employed by risk managers for the purpose of properly identifying the potential for loss or damage. One such technique, called the Insurance Survey Method, (Id. page 27), seeks to identify the perils which are inherent in the operation of the risk being studied. For instance, in either the self service or the full service gasoline station, certain inherent risks of loss exist merely by virtue of the storage and dispensing of a flammable liquid. Pollution and contamination, resulting from the leakage of underground storage tanks are clearly perils which must be recognized. Explosion is another peril which exists inherently in the operation of a gasoline service station.

Another method, call the Flow Chart Technique, (Id. page 36), serves to identify potential losses that might otherwise be unrecognized by examining the relative hazards, within a specific commercial operation, so as to attempt to predict which perils might be more likely to produce a loss. For example, a building of frame construction is more likely to suffer substantial loss from the peril of fire, than is a building of masonry construction. Likewise, a building which is kept in a clean and orderly manner, is less likely to sustain damage from the peril of fire than is a poorly maintained building. Similarly, a service station which employs various fire prevention methods, such as the posting of "no-smoking" signs, properly screens potential employees, and operates with fiscal integrity, is less likely to sustain significant property damage than is a service

station which ignores such "risk reducing" procedures.

Specifically related to our review of the relative exposure to property loss, as between the two types of service stations, we note that the typical self service station employs a variety of safety related devices, which are designed to lessen the likelihood of damage. For example, customers who service their own vehicles, must report to a supervisor, who is usually located in close proximity to the pump islands, and who is in constant contact with the customer via an Intercom system. This intercom system allows the supervisor to control the pumps, in the sense that a "kill" switch is available, which when activated, shuts off the flow of gasoline. Further, in those states which permit the pumping of gasoline by the customer, the hose nozzle is not equipped with an automatic shut off device, called a "clip". Failure of the automatic shut off device can result in an over pumping of gasoline onto the ground, greatly increasing the risk of fire or explosion.

In conducting inspections of full service stations, located in various municipalities of the State of New Jersey, the typically constructed station does not employ the safety or risk reduction techniques just outlined. That is, there is typically no easily accessible pump shut off switch. Rather, the master shut off switch is located on a master electrical panel, to which one must go in order to stop the flow of gasoline from the underground storage tanks. These master electrical panels are not customarily located near the pump islands. Personnel, whose chief responsibility is to supervise the pumping of gasoline, are not typically found in full service stations, and "clips" are standard on all pump nozzels, and are often left unattended, while a service station attendant serves multiple customers.

Thus, and although both types of service station operation are exposed to similar risk of loss or damage, the operation of a self service station appears to employ, (voluntarily or otherwise), a series of risk reduction alternatives not typically found in a full service operation. Therefore, we are confident in our initial statement that the self service station is no more likely to

experience any greater frequency or severity of loss, as compared to the full service type station.

11

Insurance rate calculations are based on past experience, but the resulting rates will apply to future loss exposures. (Insurance Company Operations, Vol 11. The American Institute for Property and Liability Underwriters. 2nd Ed. 1981, page 13). Thus, the use of insurance rates, and an understanding of how such rates are developed, may also be useful in assessing whether or not any greater risk (or likelihood) of loss exists in the operation of a self service station, compared to the operation of a full service station.

The obvious objective of any rate making process is the development of a price structure that is adequate to cover claims and insurer expenses and provide a reasonable profit, while not being so high as to be noncompetitive.

Several subsidiary requirements of a rate making system, resulting from business (and other) considerations include:

1. production of rates that are reasonably stable;
2. production of rates that are reasonably responsive to changes in loss exposure;
3. production of rates that make adequate provision for contingencies;
4. development of a process which encourages loss control; and
5. rates that are simple and easy to understand.

The development of rates, and the process utilized, may be classified according to the manner in which the rates are calculated and applied. The principal types of rates are "class" rates, "manual" rates, "individual" rates, and "merit" rates.

Because the development of rates is a complex process of statistical evaluation, many companies join together to form rating bureaus. Rating bureaus then, rather than individual insurance companies, gather and analyze statistical data, derived from member companies, for the purpose of rate-making. Bureaus also calculate rates for the line of insurance within its jurisdiction and file such rates with the appropriate state regulatory authority.

Three methods of establishing rates are generally recognized. They are (1) the "judgment" method, (2) the "loss ratio" method, and (3) the "pure premium" method.

Briefly, rates made by the "judgment" method are not based primarily on statistical data, though the insurer's loss ratio may be used as a rough guide to the adequacy of rates. Judgment rates, as the name implies, are based primarily on the judgment of the rate maker, who is usually the underwriter.

The "loss ratio" method is the comparison of the "actual" loss ratio to the "expected" loss ratio to determine the direction and magnitude of the needed change.

The "pure premium" method is calculated by dividing the dollar amount of incurred losses by the number of earned exposure units.

Significant statistical formulae are employed to test the credibility of each process, with greater credibility emphasis placed on the loss ratio method.

In reality, the rate making organization, for example, the Insurance Services Office, compiles statistical data from each member company, and using the broad reporting of the amount of each claim paid, by each company, and based on the major peril, (fire, wind, water damage, vandalism, etc.), which gave rise to the paid loss, the rating organization will employ a combination of the various methods briefly described above. Because the process which leads to the promulgation of a final base rate very often includes several techniques, it would be necessary to review the committee minutes of the rating organization in order to determine specifically how each rate was developed.

Nevertheless, it is clear that the fundamental purpose of the rating organization, both in theory, and in practice, is to develop a system of rates which are not excessive, and which discriminate fairly between different classes of risk. (Id., page 7).

As noted, the Commercial Lines Manual contains the "class" rates applicable to both types of service station operation. The manual also defines "class" rates as rates that apply to a group of similar risks. They are obtained from the manual by matching the characteristics of the insured property with the appropriate class, as described. "Class" rates differ from other forms of rates in that "class" rates apply to an entire class of risks not otherwise specifically, or "individually" rated.

Of relevance here, to be eligible for class rates, a risk must be clearly definable by certain characteristics that affect the probable frequency and size of loss. Such classification characteristics should be easy to identify and difficult for the insured to conceal or manipulate. For example, all gasoline service stations located within the same municipality or city, of similar construction, and subject to the same level of public fire protection, will be subject to the same class rate. All eligible service stations, of brick construction, would be insured at the same rate, and all stations of wood (frame) construction would be insured at the same rate, which is higher than the rate applicable to the brick station. The higher rate applicable to wood construction is intended to reflect the relative increase in the probable frequency and severity of loss, to which a frame building is exposed, compared to a similarly occupied building of brick construction. Further, the basic concept of class rates is thus reflected in the relativity of the rates used: All risks within the class of risks being considered, which maintain the same or similar exposures to loss, are subject to the same rates. (Id., pg 9)

Insurance rates, as published in the Commercial Lines Manual, reflect no difference as between a self service station and a full service station. As shown in the Manual approved for use in the State of New Jersey, two (2) classifications are used to describe gasoline service stations. Those classifications are:

"Gasoline Stations -- retail"
"Gasoline Stations -- retail - self service".
(Commercial Lines Manual, page CS 109).

Both classifications, which are subject to "class" rates, (as distinguished from "specific" rates, or rates which account for specific debits and credits based on the specific conditions of a specific building), are rated as class code 0932. I have enclosed a photocopy of the rate classification page, which indicates this class code.

The class rates applicable to Code 0932 are also found in the New Jersey manual, and are set \$.284 per \$100.00 of insured value, for both types of service station operation. However, because the operation of a self service gasoline station is not permitted in the State of New Jersey, we reviewed the class rates applicable to both types of service station located in the City of Philadelphia, since both types of service stations are permitted in Pennsylvania. The results are the same: There is no difference in the class rates applicable to the two types of service station operation.

In concluding that no class rate difference exists as between the two types of service station operation, we must emphasize that rates as we applied them, apply to a self service station which performs no repairs on vehicles, and to a retail service station, which also performs no repairs on vehicles. If we apply the rates applicable to a retail service station which performs minor repairs on vehicles, (an operation which is most typical of full service station, i.e., repair of tires, tune-up, minor engine repair, etc.), the self service station would produce a slightly lower insurance rate than its counterpart. To illustrate this difference, I have enclosed a rate calculation applicable to two hypothetical service stations, both presumed to be located within the City of Philadelphia, both of the same presumed construction and subject to the same level of public fire protection. A self service station is rated as class code 0931, and a retail station, which performs minor repairs, is rated as class code 0932. The limit of liability which we used is the same for both hypothetical risks, (\$250,000. insurance coverage on the building), and both rating sheets demonstrate those insurance coverages

which a typical insurance applicant might request. You will note, that the annual premium for the self service station is \$1,036.00, and the annual premium for the retail service station is \$1,291.00.

Thus, from the above, it is possible to conclude that the operation of self service station, is believed to be subject to no greater probable frequency or severity of loss than is a retail (full service) station. Indeed, and based on applicable class rates, the permitted conclusion is that the self service station is subject to a decreased risk in terms of the probable frequency and severity of loss. This conclusion is supported by the experience in those states which permit the operation of self service stations. That is, and using the State of Pennsylvania, for example, the Insurance Services Office promulgated separate classifications for self service stations and for full service retail stations, expressly for the the purpose of gathering statistics as to loss frequency and loss severity, and for the purpose of setting rates which fairly discriminate between the two types of operations. It is fair to conclude that the discrimination of rates charged, reasonably reflect the relative exposure difference, with the higher expectation of loss set for Class code 0932, (full service retail stations), and a lesser expectation of loss set for Class code 0931, (self service stations).

Using the above analysis, it is also possible to fairly conclude that the operation of a self service gasoline station is not only less likely to experience frequent or severe loss than is a full service station, but is less likely to experience such losses than are many other types of commercial operations. For example, and given that the "base" class rate, applicable to a retail service station of frame construction, located in a protected city or town, is \$.284 per \$100.00 of insured value, (a rate which is higher than the rate applicable to self service station located in the City of Philadelphia), one can look to the class rate manual for risks which are subject to higher and lower rates, so as to determine the relative increased expectancy of loss frequency and severity of loss. Occupancies which are rated higher than a retail service station, include:

	<u>Class</u> <u>Rate</u>
Gasoline Station - Retail	.284
Recreational Facility	.913
Churches or Synagogues	.695
Light Hazard Service Occupancies	.965
Self Service Laundry	1.047
Museums, Libraries, Art Galleries	.430
Retail Bakery	1.054

Occupancies, which are rate lower than a retail service station, include:

	<u>Class</u> <u>Rate</u>
Nursing and Convalescent Center	.106
Boys' and Girls' Camp	.185
Hospitals	.106
Government Offices	.097

While we concede that the above illustration is not directly relevant to a discussion of the differences between self service and full service stations, it is nevertheless interesting to note that on the basis of rates charged, not only is there no significant increase in exposure between the two types of service stations, but that the operation of either type of service station is less likely to experience losses than is a church or synagogue, or a museum or laundry.

III

The rules and rates, applicable to third party insurance coverages, (civil liability), published by the Insurance Services Office, are not as clear as are the rules and rates applicable to property damage, (first party) coverages, since different rating procedures are used, which are not susceptible to direct comparison without an actuarial analysis.*

What is possible, in our opinion, is an examination of the methods of operating either type of service station, and from an underwriting perspective, so as to draw conclusions relative to the likelihood of injury to persons, or damage to the property of others.

The underwriting function is essential to the success of the insurance enterprise. While many insurance company functions, such as marketing, loss control, rate making and

The Commercial Lines Manual, currently approved for the State of New Jersey, classifies gasoline service stations as either:

"Gasoline Stations -- Retail", Code 55411, or

"Gasoline Stations -- Retail - Self Service"
Code 55423.

The exposure basis, on which the premium will be developed is different for each classification. Gasoline Stations -- Retail, is rated on the basis of each \$100.00 of payroll. Gasoline Stations -- Retail - Self Service, is rated on the basis of each \$100.00 of Receipts. Thus, a direct comparison of the rates, chargeable for each type of operation, so as to indicate the relative probable frequency and severity of third party losses, is not possible without a complete actuarial review.

claims handling, are occasionally subcontracted to outside companies, underwriting is rarely, if ever, delegated to to others.

The underwriting function is essentially a process which, if properly completed, will result in an underwriting profit, meaning that fewer premium dollars are paid out for claims, than are retained for distribution to insurance company stock holders. Underwriting is also a process which seeks to discriminate among various insureds. (Issues in Insurance. Vol. 1, 2nd Ed. 1981. The American Institute for Property and Liability Underwriters. page 31). In order to achieve this result the underwriter must avoid the adverse selection of insurance applicants, commonly referred to as "risks". Adverse selection occurs when the applicants for insurance represent a sample of the population which is biased toward those with greater loss exposure rather than representing a true random sample. (Issues in Insurance, Vol. 1. The American Institute for Property and Liability Underwriters. 2nd Ed. 1981, page 169). For example, adverse selection may result when the premium charged is inadequate for the level of risk involved. Thus, underwriting may be characterized as the process which seeks to identify "hazards" which may increase the likelihood of loss, and to avoid accepting insurance applicants which present too great an exposure to such hazards so as to preclude an underwriting profit.

There are three major facets of exposure for commercial insureds, which are of interest to underwriters: (1) premises and operations exposures, (2) independent contractor exposures, and (3) products and completed operations exposures. (Id. page 295). These areas of exposure, often referred to as "hazards", are important in the sense that the premises exposure of a particular commercial insured represents the hazard of possible "tort action".

Premises hazards may exist inside the building or may emanate from the areas surrounding it, such as parking lots and sidewalks. Of relevance here, such hazards include the equipment used to store and pump gasoline, the qualifications of the person charged with the responsibility of servicing customer's automobiles, whether or not the

premises is maintain in a clean and orderly manner, whether or not employees take custody and make use of customer's automobiles, whether or not customers vehicles are stored on the service station premises, and whether or not the service station operates with fiscal integrity.

In considering the relative hazards, as between a self service gasoline station, and a full service gasoline station, several similarities exist as to hazards. For example, both types of service station operation pump gasoline and therefore, maintain equipment designed for that purpose. Both maintain physical property (premises) onto which the public is invited, and both are exposed to similar forms of tort liability resulting from customers pumping their own gasoline, or otherwise servicing their own vehicles, notwithstanding the prohibition against such activity.** What is important, from an underwriting perspective, is to identify which hazardous activities are most likely to produce a loss.

There appears to be no basis on which an underwriter might conclude that the pumping of gasoline by a customer is more likely to produce a loss, merely because the customer is acting as his own service attendant. On the contrary, and because customers are not physically barred from such activity as pumping their own gasoline, an underwriter is more likely to be interested in the safety devices and loss control approaches used by the station operation. For

** We do not suggest that any scientifically designed survey results support the claim that customers service their own vehicles while visiting New Jersey service stations. However, even a casual observer will regularly witness such activity as when customers exit their vehicles for the purpose of pumping their own gasoline, or cleaning their own windows, or to assist an attendant in checking oil or tire pressure. From an underwriting perspective, these activities are important to recognize, since such activities create exposures to loss, notwithstanding the current prohibition.

example, answers to questions such as, "Are No Smoking signs properly posted and in obvious locations?", "Are employees properly screened and supervised, so that each is competent to perform the services required?", "Are mechanical safety devices in proper working order?", are more important to the underwriting decision than simply whether or not a customer pumps his own gasoline.

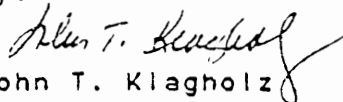
In fact, it is our opinion that the operation a typical self service station is less likely to produce a tort liability, or other third party civil liability claim, than is the full service station. As noted, the typical self service station, employs a variety of loss control techniques, (whether or not such are called that), so as to limit the exposure to loss, which might otherwise exist. The presence of a supervisor, located in close proximity to the pump island, the immediate availability of a "kill" switch, the absence of a "clip" on the hose nozzle, are clearly impressive from an underwriting point of view. Placed against the typical full service station, where an attendant might regularly initiate a pumping activity for several vehicles simultaneously, engaging a hose "clip" on each, and directly attending to only one, the self service station is no more likely to experience a tort liability claim than is the full service station.

IV

In summary, and for all of the reasons expressed above, we are of the opinion that the operation of a self service station is susceptible to no greater loss frequency or severity of loss than is a full service station. In fact, and from a property loss potential, the only distinction which an insurance company makes between the two types of service stations, addresses the presence of automobile service bays, used for the maintenance of motor vehicles, and which exist at full service stations. This distinction totally transcends the pumping of gasoline.

From a liability, (or third party), loss potential, we are also of the opinion, that the operation of a self service station typically provides greater awareness of possible loss hazards and employs a variety of risk management techniques which are, per se, likely to result in a reduced potential of loss, or, if loss occurs, to a reduced severity of such loss.

Respectfully,
CLAYTON N. STERLING ASSOC., INC.
By:


John T. Klagholz
President

0 SERVICE STATION
 / street
 yelonia
 19101

1065

PAGE 1

INSURANCE SERVICES OFFICE

* PROPERTY SECTION ****

=LOC# SUBJECT OF INSURANCE I AMOUNT IDED. I COINS. I CAUSES OF LOSS =
 = 1 BUILDING 250000 100 93% SPECIAL-INCL THEFT ==

DRESS ICSP CODE I AOP-RG I PROG ISCH. CR. I EC/CODE I PROT. CL I RAT. ID I CONST I
 Y STREET PHILA: 0931 I 1 I Mercant I 1 I 3/ I 04 I 2 I 3 I

VER-	BASE	TERR.	ICONS	IDED.	IMONO	IFINAL	INET	ILIMIT OF	INET	PREM.
E	RATE	MULT.	IFTR	IFTR	RATE	MOD	RATE	INSURANCE		
P I	0.098	2.006	0.950	1.000	0.187	1.000	0.187	250,000	\$	468
P II	0.154	N/A	0.950	1.000	0.146	1.000	0.146	250,000	\$	365
.THF	N/A	N/A	N/A	N/A	N/A	1.000	0.000	250,000	\$	0
EFT	0.049	N/A	0.950	1.000	0.047	1.000	0.047	250,000	\$	118

Buy-Back Included -- SUB-TOTAL \$ 1,036

TOTAL FIRE PREMIUM \$1,036

249x

TO SERVICE STATION

Street
 Philadelphia
 19101

1066

PAGE 1

INSURANCE SERVICES OFFICE

-# PROPERTY SECTION *****

=LOC#|SUBJECT OF INSURANCE | AMOUNT |DED. |COINS. |CAUSES OF LOSS | =
 == 1 BUILDING 250000 100 90% SPECIAL-INCL THEFT ===

ADDRESS ICSP CODE|AOP-RG |PROG |SCH.CR. |EC/CODE|PROT.CL|RAT. ID|CONSTI
 NY STREET PHILA 0933 | 1 |Mercant| 1 | 3/ | 04 | 2 | 3 |

OVER-	BASE	TERR.	COINS	DED.	MONO	FINAL	NET	LIMIT OF	NET PREM.
SE	RATE	MULT.	IFTR	IFTR	RATE	MOD	RATE	INSURANCE	
OP I	0.152	2.006	0.950	1.000	0.289	1.000	0.289	250,000	\$ 723
OP II	0.154	N/A	0.950	1.000	0.146	1.000	0.146	250,000	\$ 365
THEF	N/A	N/A	N/A	N/A	N/A	1.000	0.000	250,000	\$ 0
THEFT	0.049	N/A	0.950	1.000	0.047	1.000	0.047	250,000	\$ 118

DED. Buy-Back Included --

SUB-TOTAL \$ 1,291

TOTAL FIRE PREMIUM

\$1,291

250X

BEFORE USING, REFER TO RULES AT FRONT OF CLASSIFICATION TABLE

DESCRIPTION	Fire and Allied Lines			Multiple Line			Conts. BP, Fire or SMP Rate Group	General Liability (CSP and Rating Codes)			Crime			For Company Use
	CSP B&C Class Code	Class Rate Group	SL	SMP PMA	BP CSP Class Code	BP Rate No.		Prom/Op.		Prod.	CSP Class Code	Rate Group	Coins. \$	
			Susc.						PE					
Gasoline Recovery	*	NA	m	IP		NA	2	13210dexz (1)	pC	73911 (1)	5085 (2)	4	7500	
Gasoline Stations— retail	0932 (3)	8 (3)	m	NA		NA	4	55411 (4)	pC	39982			(5)	
Gasoline Stations— retail—self-service	0932 (3)	8 (3)	m	NA		NA	4	55423 (6)	rC	39982			(5)	
Gemstone Cut- ting or Polishing	0565	14a	h	IP		NA	7	39104	pC	39982	5971 (7)	7	30000	
General Contracting— building construction (not prefabricated)	(8)	(8)	(8)	C		NA	4	(9)		(10)				

Notes:

- (1) This classification applies to gasoline recovery from casing head or natural gas.
- (2) MOS, MSBF, BFS, SBR, MS and MR—excludes Gasoline Dealers including all places vending gasoline.
- (3) Rate Group 8 is restricted to occupancies with not more than 4 stalls, and is further limited to such operations as auto glass replacement, brake adjustments, tire changing, tune-ups (points, plugs and carburetor adjustment), oil changing, lubrications, speedometer adjustments and similar services. For occupancies with repair operations which exceed the above, use Class code 0933, Rate Group 9, SLM.
- (4) This classification applies to retail gasoline or oil motor fuel stations.

Lessors of the premises and operators of retail self-service gasoline or oil supply stations may be covered under a liability policy at the rates and minimum premiums (per location and per policy) applicable to each operator under a separate policy, increased 10%.

★ The classification includes coverage for the operation of automobiles on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobiles are not owned by, rented or loaned to the named insured. End. GL 04 08.

This classification does not apply to self-service automobile laundries operated in connection with gasoline stations. If coverage is desired for such risks, refer to company.

If an automobile hoist designed for raising an entire automobile for servicing is used in connection with the described operations, use End. GL 04 01.

- (5) See "Fuel Oil, Gasoline or Kerosene Dealers".
- (6) This classification applies to retail gasoline or oil motor fuel stations where the customer services his automobile and service attendants are not customarily present.

Lessors of the premises and operators of retail self-service gasoline or oil supply stations may be covered under a liability policy at the rates applicable to each operator under a separate policy, increased 10%.

The classification includes coverage for the operation of automobiles on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobiles are not owned by, rented or loaned to the named insured. End. GL 04 08.

This classification does not apply to self-service automobile laundries operated in connection with gasoline stations. If coverage is desired for such risks, refer to company.

(7) MSBF, MS, MR BFS AND SBR

- (a) MSBF—Inside—Rate Group 2
- (b) MS—Rate Group 2
- (c) MR—Inside—Rate Group 2
- (d) BFS and SBR—Rate Group 2

(8) For contractors office, use 0702, 1b, m.

For electrical, plumbing, heating, air conditioning or sheet metal contractors storage facilities, use 0563, 14a, m.
For all other contractors storage facilities, use 0567, 14a, m.
For contractors equipment in the open, use 1190, SC, NA.
For all property in the course of construction, use 1150, NA, NA.

(9) Refer to specific classification for type of risk being covered.

- (10) One or two family dwellings 15163
Buildings 15164NOC

These classifications apply only to construction operations performed by subcontractors.

TESTIMONY PRESENTED TO THE SENATE
TRANSPORTATION COMMITTEE IN SUPPORT
OF SENATE BILLS 2881 AND 29066

Friday, December 16, 1988

State of New Jersey
DEVELOPMENTAL DISABILITIES COUNCIL

108-110 North Broad Street
CN 700
Trenton, New Jersey 08625
(609) 292-3745

I am here to present testimony in support of bill S2881 and S2906 on behalf of the NJ Developmental Disabilities Council. My name is Nina McGrath and I am an employee of the Council.

The Council specifically supports these bills because of their provisions prohibiting self-service gas. As an advocate for citizens with disabilities in this state the Council is often involved with the issue of equal access for those citizens. For us, self-service gas is not an economic issue, it is an access issue, and by virtue of that fact, in our eyes, a civil rights issue. People who use wheelchairs or have mobility limitations will find it extremely difficult, if not impossible, to use self-service gas stations. At present, the highways and by-ways of this state present an open course to those citizens because there is the assurance that they will be able to get gas at any station and at any point they need to, an assurance or freedom if you will, also guaranteed to those citizens of this state without disabilities. That assurance is one we all take for granted; it is the type of access that people with disabilities enjoy but which obviously cannot be taken for granted given the present move to change the situation. If the members of this committee have ever had the experience of searching for a 24-hour gas station while the needle hovers on 'E' in the middle of the night, or if you have ever found yourselves with a Sunoco credit card in hand while an endless stream of Gulf and Texaco stations go by, you will be familiar with the sense of frustration and panic which will be the experience of people with disabilities who cannot use self-service gas stations should they become the norm.

There is no assurance for people who use wheelchairs that once they get where they are going that the building will be accessible. I cannot describe to you in the time available how this makes "planning ahead" a familiar, time-consuming and integral part of the lives of people with disabilities. At least having a mental map of the non-self-service gas stations in this state is not part of the process. The Council supports these bills and asks the committee to do so.

STATEMENT
of the
NEW JERSEY PETROLEUM COUNCIL
James E. Benton, Executive Director
Before the Committee on
SENATE TRANSPORTATION & COMMUNICATIONS
of the New Jersey Senate
Concerning Self-Service Gasoline Marketing
December 16, 1988
Senate Bills 2881 & 2906

Presented by:

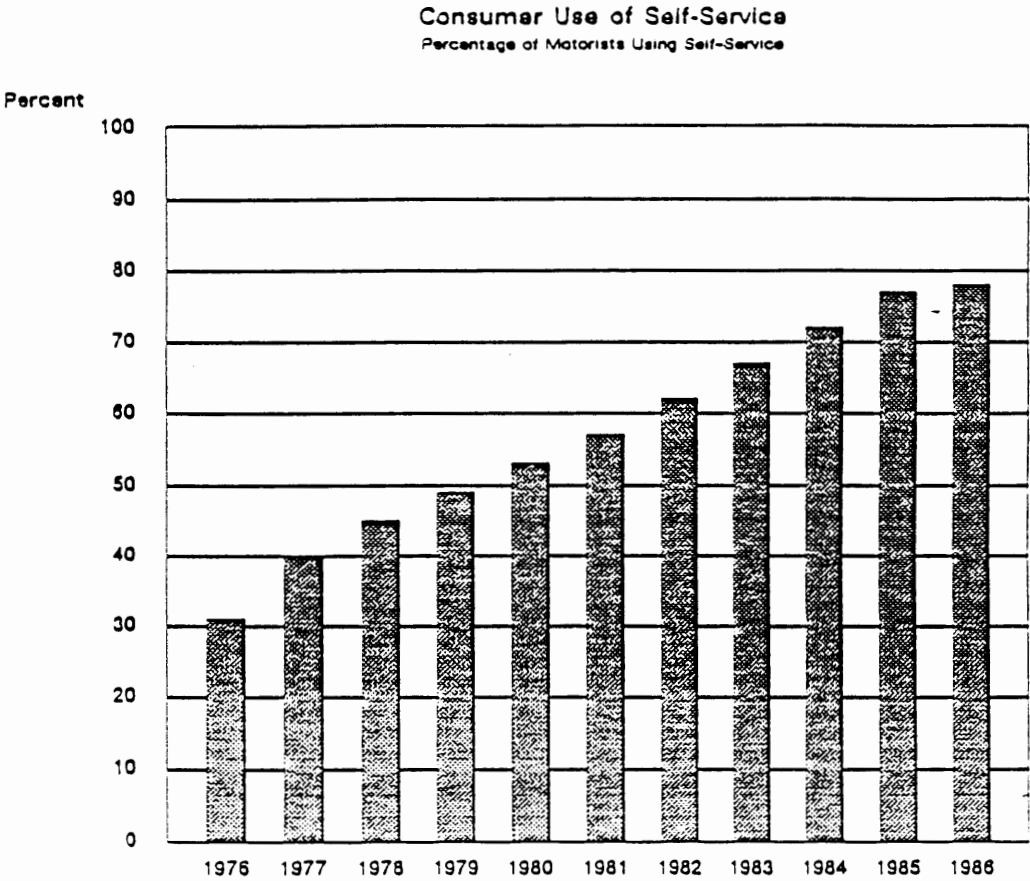
James E. Benton
Executive Director

Mr. Chairman, members of the Committee, thank you for the opportunity to participate in a discussion on self-service gasoline marketing. In these prepared remarks I will express the support of the member companies of the New Jersey Petroleum Council to attended self-service gasoline marketing when such dispensing conforms with nationally recognized safety standards.

The Petroleum Council and the member companies continue to oppose the State prohibition of this consumer program and believe that its continued prohibition cannot be supported by facts based on experience in forty-eight other states.

During this testimony, I would like to briefly review our stated objections to the premise on which this legislation is offered, the reasons why we are supporting a removal of this prohibition and the types of regulations that should be in place in introducing self-service gasoline marketing. We believe after a careful review of the facts before the Committee that will be presented in such areas as safety, availability of service, insurance and consumer benefits that self-service will be found to be a viable means of marketing gasoline. This is exactly the conclusion that Superior Court Judge Martin Haines found after carefully examining the prohibition on self-service which was challenged by a gasoline marketer in New Jersey, Kirchner Brothers Oil Company.

Opponents to self-service will attempt to portray this issue as one that is inspired by major oil companies in New Jersey. In fact, this issue is a consumer issue, permitting those purchasers of gasoline to select from a wide range of options and prices to



Source: Amoco Survey as published in *NPN Factbook*, various issues.

a given station and the type of service they prefer at that time. At the outset, we would like address those issues that the Committee has put before us and demonstrate some of the myths and misperceptions that exist on this marketing concept.

LEGISLATIVE FINDINGS RESPONSE

Fire Safety:

The National Fire Protection Association and those state fire marshalls in forty-eight states have recognized the need to insure that self-service gasoline marketing is done in conformance with accepted safety procedures. These include such mechanisms as turning off vehicle engines and refraining from smoking while fuel is being dispensed. Both the National Fire Protection Association, and individual states have recognized the need for these standards and with proper regulations permit self-service gasoline marketing to be conducted in their states. On the national level or in individual states, there is no movement to repeal or restrict self-service.

Safety Procedures:

The advent of self-service gasoline offers the most modern of safety procedures that clearly surpass attended service. As many of you are aware when an attendant is forced to attend to the cars seeking to be serviced at a store, the opportunity to be distributed is clear. Cashiers and attendants are present at self-service stations to monitor the dispensing of fuel and are often in a position to immediately cease to dispense the fuel with emergency shut-off procedures. We believe the safety experts can further testify to the benefits of self-service.

Stronger Measures To Enforce Compliance:

The members of the Petroleum Council believe that attended self-service, accompanied by appropriate safety procedures, can best meet the demands that often prompt consumers to attempt to pump their own gasoline. Such frustration with the present system, and the inherent acceptance that self-service enjoys nationally, often puts consumers in violation of the present prohibition. Therefore, an appropriate regulatory program with appropriate safety procedures should be considered.

Higher Insurance Premiums:

There is no factual statistical documents which support the assertion that the customers who pump their own gasoline face significant inconvenience. To the contrary, general liability premiums are lower for self-service stations than full-service stations. We are certain appropriate risk assessment and actuarial experience experts can testify to this fact. Further, review of crime statistics are confident that self-service gasoline can offer increased crime prevention benefits. Further, legislation introduced in the New Jersey Legislature in both houses with by-partisan support, would extend to those in New Jersey with appropriate handicapped identification, the benefits of cheaper self-service gasoline. With attended service, the petroleum industry has supported this practice where it has been extended to those handicapped individuals in other states. We believe such an inclusion would be a necessary addition to the introduction of self-service gasoline.

Exposure to Fumes:

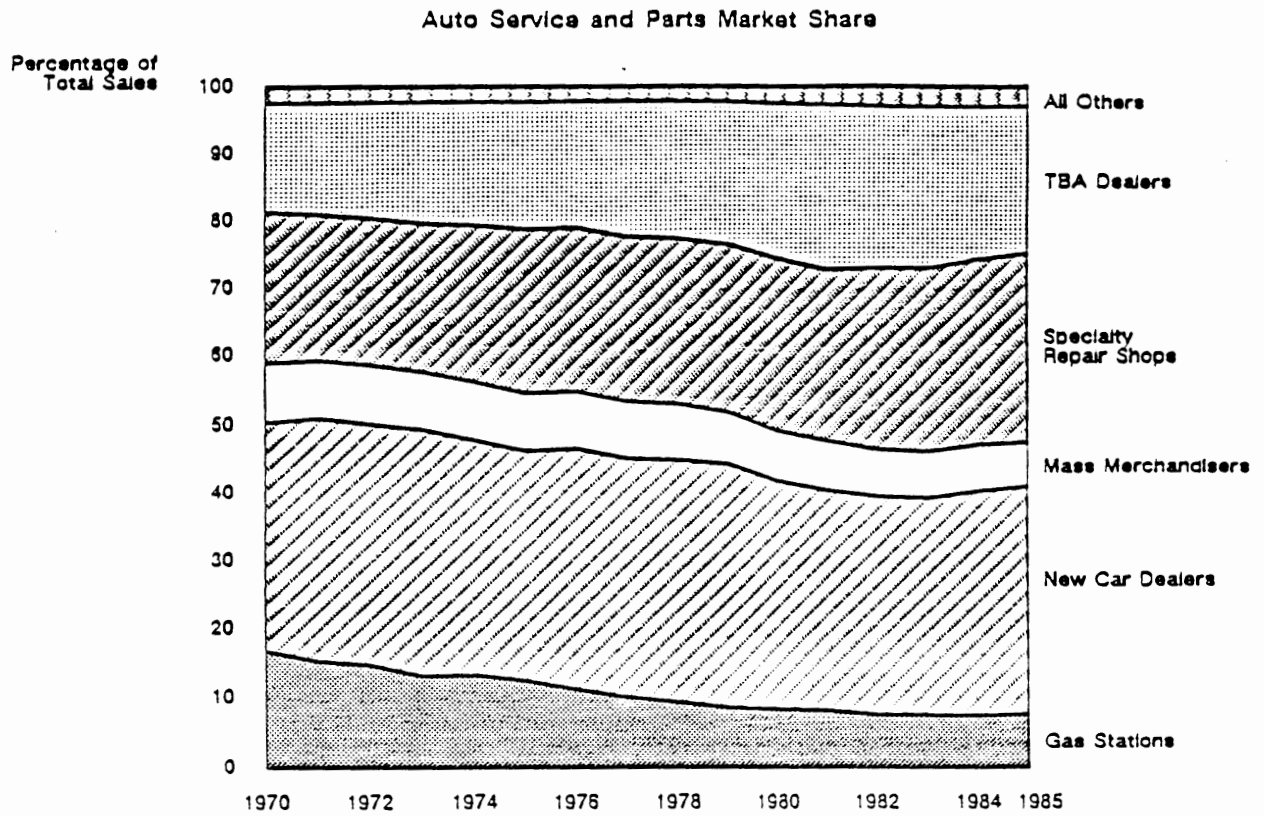
The pumping of gasoline does not represent an unacceptable risk to exposure from fumes. When an individual or attendant dispenses gasoline they may encounter exposure to low levels of the light ends of gasoline fumes. Studies have confirmed that this low level exposure, when it exists, will not cause an increase in adverse health effects. The introduction of Stage II vapor recovery will lessen the exposure to the individual customer and will not adversely impact consumer acceptability of self-service. However, as marketing in California and St. Louis has shown customers, will still prefer self-service gasoline marketing with Stage II, than attended full-service.

Higher Prices For Full-Service Results In Discrimination:

National experience states the opposite is true. In fact, those presently paying a full-service premium in New Jersey are being forced to bear an unnecessary financial burden benefiting those that are unwilling to pump their own gasoline. Further, burdened with the mandated attendant service and unable to attract help, many gasoline marketers have closed or terminated operations in New Jersey's major cities. We believe the introduction of self-service will in fact begin to a new interest by marketers in serving the urban areas of this state.

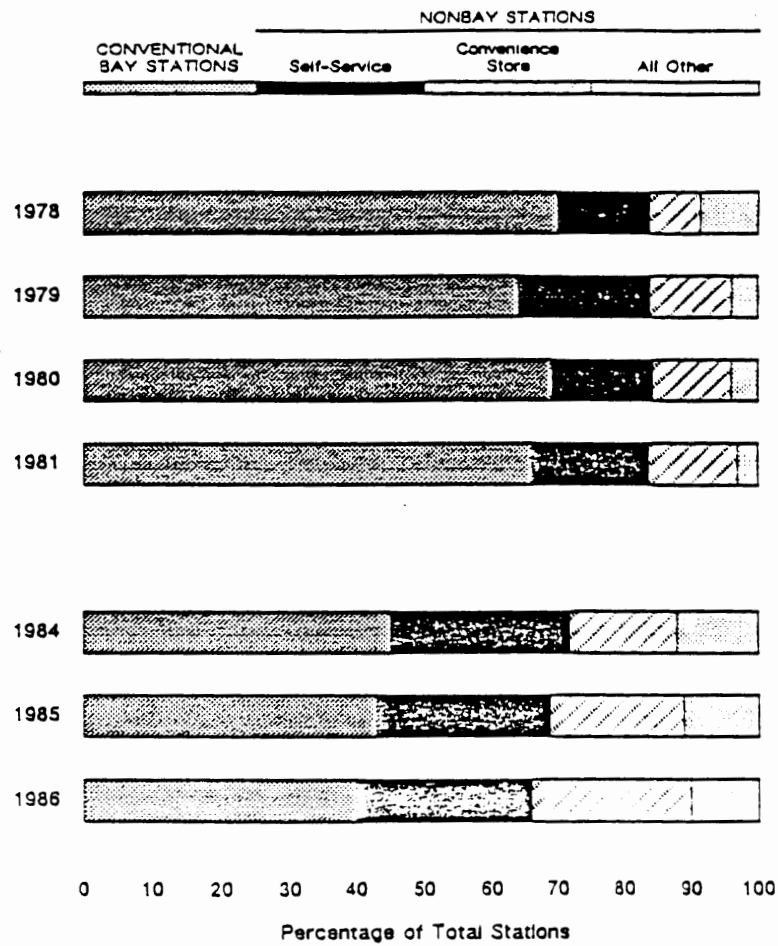
Availability of Repair:

Statistical evidence demonstrates that repair facilities and maintenance services continue to be available in appropriate numbers to meet consumer demand. Changes in the automobile repair and repair product market have resulted in many new entrance and existing repair facilities to serve with the local service stations.



Source: National Automobile Dealers Association.

Gasoline Service Station Configurations



Source: 1978-1981: TBS analysis of *NPN Factbook* survey, various issues;
1984-1986: TBS analysis of MPSI Americas, Inc. data as published in
NPN Factbook.

Automobile repair shops, mass merchandisers, new car dealers, and tire, batteries and assessor specialists, have all increased market share at the expense of the service station. Service stations tended to be more of a generalist offering automotive repair and maintenance services for a wide variety of automobile makes.

Restraint of Trade:

The State of New Jersey in prohibiting self-service gasoline marketing addressed the critical issue which, at the time of the prohibition, was safety. In adopting this statute, however, it did not intend to use this as a vehicle for restraining the competitive marketplace. The components of self-service have one clear objective -- they want to eliminate competition. The chief beneficiary of increased competition is the New Jersey consumer. Experience has shown, consumers nationally have overwhelming excepted self-service gasoline marketing.

Absent Factual Supporting Evidence:

Justifying the continuing of a prohibition on self-service marketing, the Legislature should attempt to appropriately regulate, consistent with national safety standards, and disclose, through price notification, the introduction of self-service into the New Jersey gasoline marketing community.

INTRODUCTION OF ATTENDED SELF SERVICE

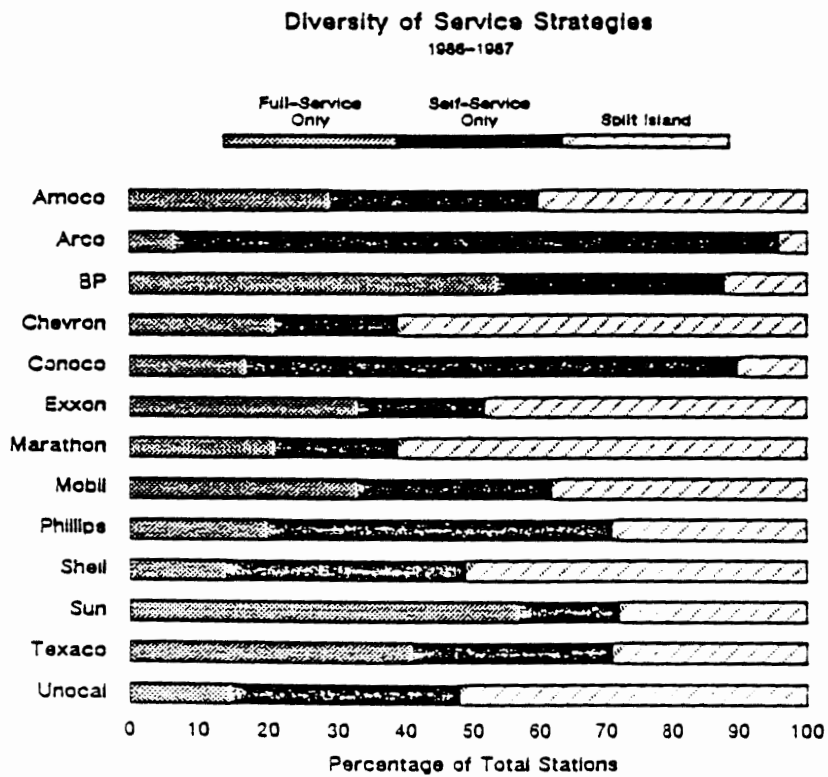
I will now comment briefly on some of the mechanisms that have been considered by the Senate and Assembly Law Public Safety Committees for introduction of self-service gasoline marketing to New Jersey. The New Jersey Petroleum Council has support

legislation designed to offer to the handicapped citizens the self-service price with attended service. This requirement has been adopted in many states that if the handicapped customer identifies themselves and displays a handicapped license plate, the attendant must fuel the handicapped operators car for self-service prices. This has been accepted and implemented by recognized handicapped groups nationally.

Legislation has also been introduced which would require service station gasoline be available between the hours of 9:00 a.m. to 5:00 p.m. Experience has shown that nationally, full-service gasoline marketing is still available at the majority of stores. We believe that the independent gasoline marketer is best able to respond to the needs of the consumer by offering that service. However, in a limited transition period from a complete full-service market to one that permits attended self-service, we are willing to recognize the need for statutory assurance that full-service will continue to be available.

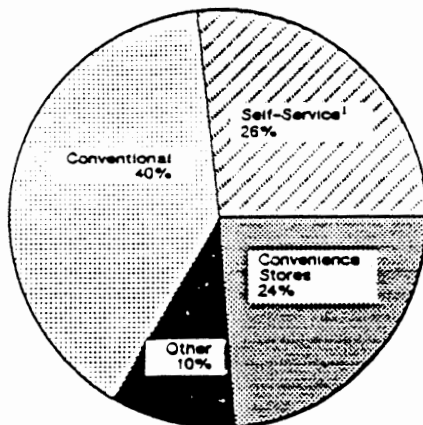
Nationally, the introduction of self-service has offered the consumer diverse configurations of gasoline marketing. Some retailers offer conventional bay stations, -- some offer exclusive self-service, -- and a growing percentage of dealers have introduced gasoline with convenience store offering consumer items. However, stations with service bays still comprise the largest percentage of store configurations despite the growing popularity of self-service and convenience store configurations.

In addition, the Legislature should consider the issue of requiring price notification and signs to the public. We believe

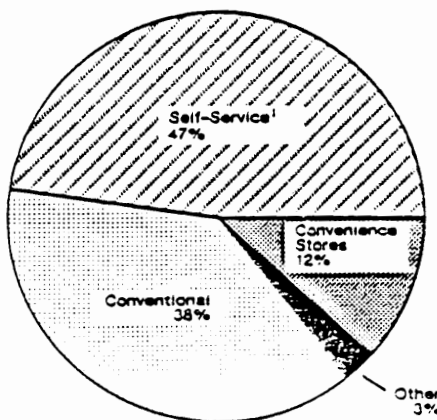


Source: Lundberg Survey, Inc.

Gasoline Outlet Configurations 1986



Percentage of U.S. Gasoline Retail Outlets



Percentage of U.S. Gasoline Retail Volume

The self-service outlet category includes nonbay stations that primarily sell only self-service gasoline. Outlets in the other three categories may also sell self-service gasoline.

Source: TBS analysis of survey data from MPSI and NACS.

that an integral ingredient in alerting the customer to the introduction of self-service would be proper notification at a point of entry to the station of the existence of a choice between full-service and self-service. This allows the consumer to make a choice between the types of service that they would require at that particular time. Clearly, this type of an advance notice of the existence of this choice would be in the interest of New Jersey customers.

In summary, we believe that there are a variety of mechanisms that should be considered by the Legislature to appropriately regulate and provide for the introduction of attended self-service in the marketplace.

RESPONSE TO ANECDOTAL MYTHS

Opponents of self-service will describe its introduction as one that is inspired by major oil companies in New Jersey. In fact the opposite is true. This is a consumer issue. One that permits the purchasers of motor fuel to select from a wide range of options and prices at a given station with the type of service that they prefer at that time. The issue of self-service has attracted much interest, in the State, and as a result, there is much speculation over its impact. However, much of the opposition is founded on anecdotal myths. We would like to briefly finally on some of the explanations that prove these to be unfounded assumptions.

Oponents of Self-service in New Jersey point out that the efficiencies of the New Jersey marketplace without offering consumer self-service. New Jersey consumers to enjoy the benefits

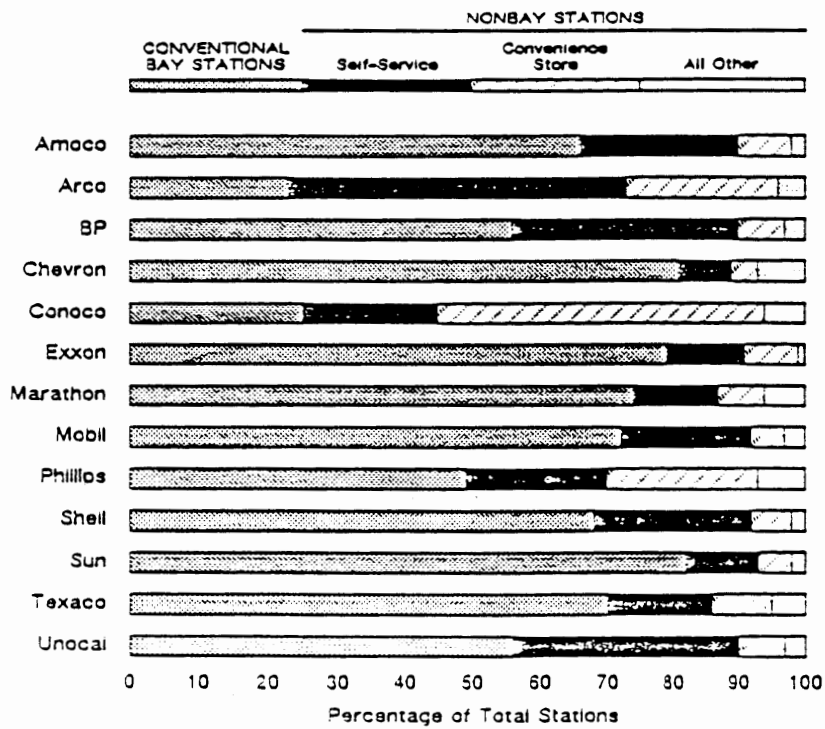
of the competitive market. In fact much of the low price may be attributed to New Jersey's regional low motor fuel tax rate. Comparing New Jersey's 10.5 cents per gallons motor fuels tax with the 17.4 cents presently in place in Pennsylvania and the much higher New York State and Metropolitan New York tax leaves one casual observer to conclude that New Jersey's consumers would not benefit from self-service gasoline. However, when omitting state taxation the benefits of self-service can be more clearly seen. We believe that the introduction of self-service will create additional competition between gasoline marketers benefiting the New Jersey customer when they choose to select self-service.

We further underscore the fact that nationally self-service enjoys unprecedented popularity in the marketplace underscoring consumer acceptance of this form of retailing.

The introduction of self-service means the full-service would be unavailable. An examination of statistics from the National Petroleum News Factbook indicates that majors and non-majors market gasoline nationally. Self-service and full-service continue to compete in the marketplace for their share of consumer demand. It is correct to say that introducing self-service, the consumer will not be deprived of the opportunity for full-service but rather have the option of either true full-service or self-service.

The general public does not support self-service gasoline. Recent New Jersey public opinion polls sampled by the Gallup Organization and the Eagleton Institute, reaffirmed the overwhelming receptivity to the introduction of self-service

Diversity of Station Configuration Strategies 1986-1987



Source: Lundberg Survey, Inc.

Finally, a word about gasoline dealers. Gasoline marketing historically has its roots in New Jersey. New Jersey has not been immune to the national trend which has shown a decline in service stations. A series of automobile design and gasoline marketing changes led to this decline. Further, changing consumer preferences and station cost increases have altered the scale of gasoline retailing. As a result the market requires fewer gasoline stations to service demand.

Gasoline demand growth has dropped substantially below the levels of the 1960's and early 1970's. As a result the widespread retail gasoline distribution systems that were built on the expectation of strong growth no longer are viable.

Recent declines reflect changing demand cost and competitive conditions. It is important to know that there have also been significant declines in any number of establishments have occurred in retailing segments other than gasoline -- variety stores, laundries, shoe repair stores, appliance stores, grocery stores, movie theaters, have all suffered through a competitive changes. However, appliance stores, largescale discount stores, multiscreen movie theaters, large motels and grocery supermarkets have all emerged to serve the consumers in many of those industries.

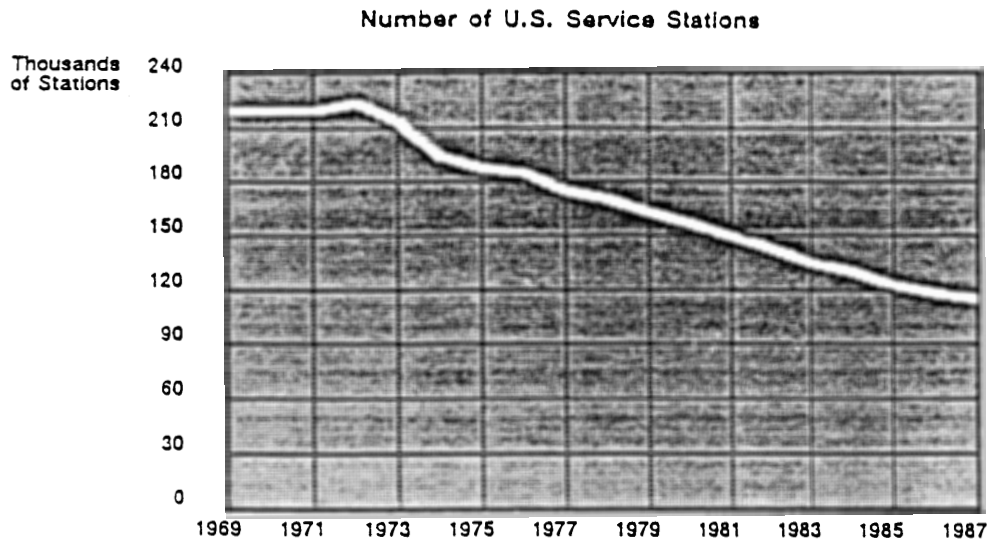
In summary, the petroleum industry continues to rely on a strong dealer network to market their gasoline. Evidence indicates that there is no national trend toward direct operation of service stations. Nationally, lessee dealers account for around thirty percent of branded gasoline sold by major refiners. The remainder is sold directly supplied by

choice in New Jersey. However, the best illustration of the preferential attitude the consumers have in self-service gasoline marketing is measuring the buyers of gasoline at self-service stations in surrounding states.

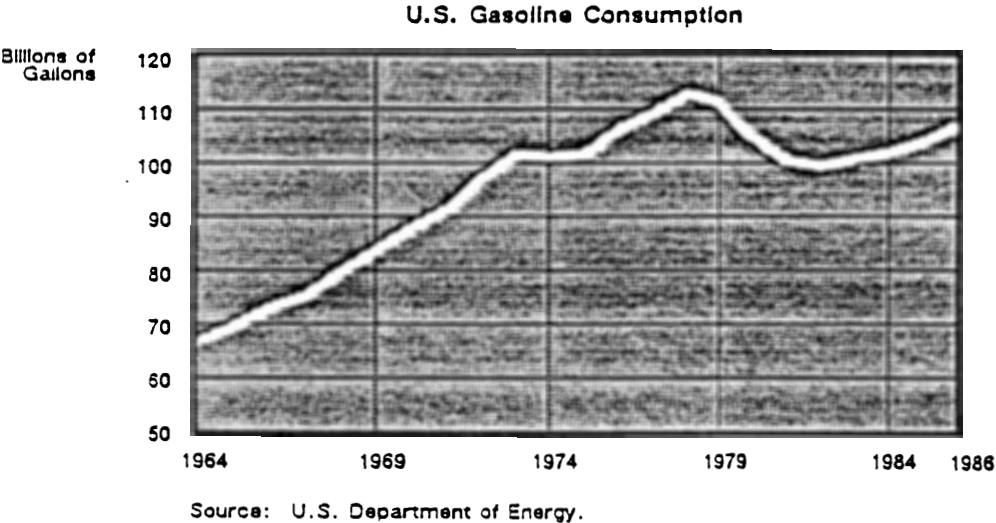
Neighboring states such as Pennsylvania, New York, Connecticut, Delaware, and Maryland have very high consumer acceptance rates and overwhelmingly endorse self-service gasoline. This reflective of the ultimate criteria of consumer acceptance -- Where do consumers spend their money when purchasing gasoline? There is no bill in nationally or in any state to repeal this practice.

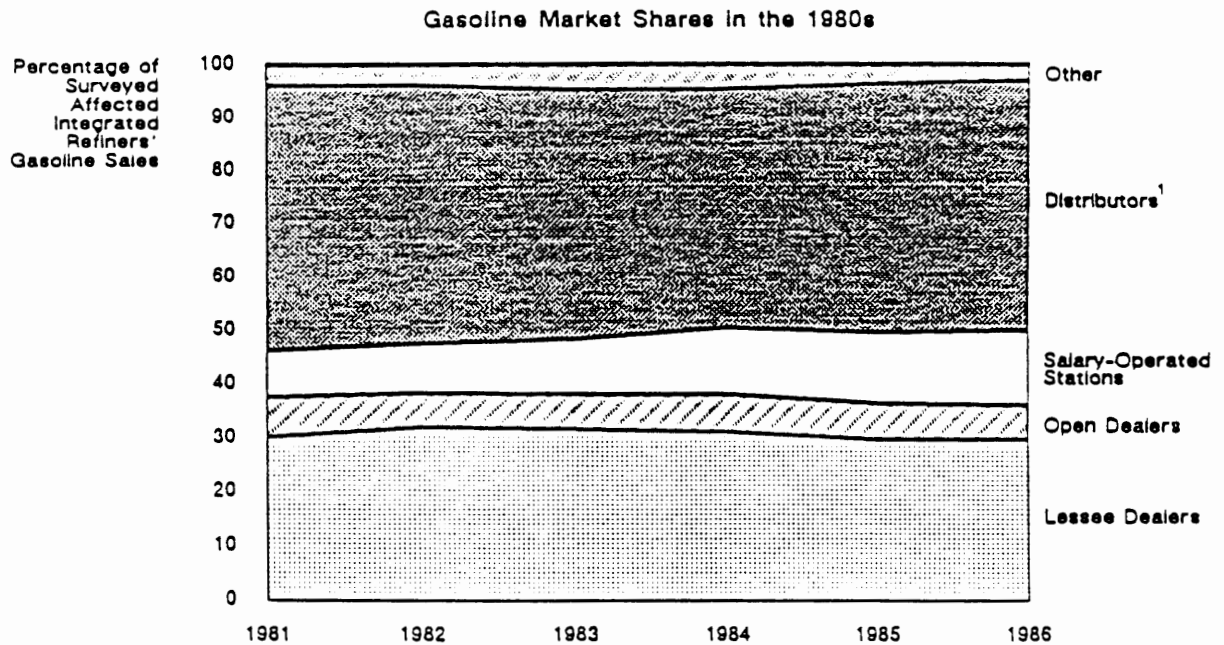
Of the general national population, fifty-five percent females and seventy-five percent males presently buy at self-service national brands according to Amoco and Lundburg surveys.

Seniors in New Jersey, particularly those on fixed incomes are very conscious about many items of cost which include gasoline purchases. New Jersey has a large population of senior citizens. Recently in testifying before the Senate Law Public Safety and Defense Committee in considering the introduction of self-service a representative of a nationally recognized senior citizens group, the National Alliance of Senior Citizens reiterated their support for the introduction of self-service. Even those that felt they would not use self-service believe that the government should not prohibit this opportunity. We believe it is wrong for the New Jersey senior to be deprived by state government from this opportunity to choose self-service.



Source: U.S. Department of Commerce.





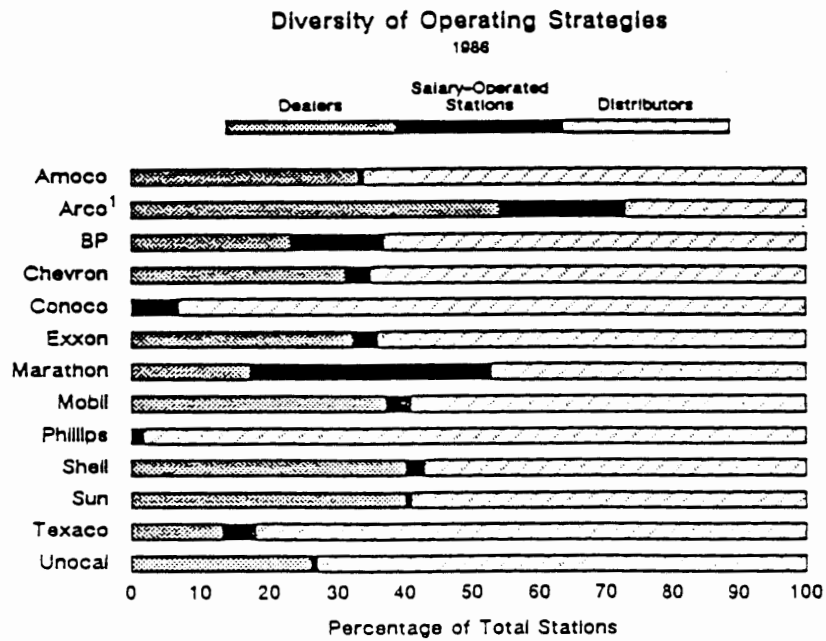
¹ Branded and unbranded.

Source: TBS survey of 12 affected integrated refiners.

Number of Retail Establishments
(thousands)

Retail Segment	1972	1982	Percent Change
Hardware stores	28.4	25.4	-4%
Variety stores	21.9	13.5	-38
Grocery stores	194.3	168.0	-14
Furniture stores	47.7	38.3	-20
Household appliances	20.3	13.9	-32
Bars	106.4	80.0	-25
Cigar and newsstands	4.5	3.5	-22
Hotels and motels	79.7	69.1	-13
Laundries	94.1	66.2	-30
Shoe repair	12.9	7.8	-40
Movie theaters	12.7	10.0	-21
Bowling alleys	14.3	8.9	-38
Gasoline stations	228.5	135.5	-40

Source: U.S. Census of Retail Trade and Census of Selected Service Industries.



¹Includes 104 temporary salary-operated stations (6 percent of total stations).

Source: TBS analysis of *NPN Factbook* data.

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Gasoline demand growth has dropped substantially below the levels of the 1960's and early 1970's. As a result the widespread retail gasoline distribution systems that were built on the expectation of strong growth no longer are viable.

Recent declines reflect changing demand cost and competitive conditions. It is important to know that there have also been significant declines in any number of establishments have occurred in retailing segments other than gasoline -- variety stores, laundries, shoe repair stores, appliance stores, grocery stores, movie theaters, have all suffered through a competitive changes. However, appliance stores, largescale discount stores, multiscreen movie theaters, large motels and grocery supermarkets have all emerged to serve the consumers in many of those industries.

In summary, the petroleum industry continues to rely on a strong dealer network to market their gasoline. Evidence indicates that there is no national trend toward direct operation of service stations. Nationally, lessee dealers account for around thirty percent of branded gasoline sold by major refiners and about sixty percent of branded gasoline directly supplied by

the majors. This approximately the same as it was at the beginning of this decade.

It is important to underscore that many stations faced with the difficult task of finding attendants to operate, are now closing around the state. Even the casual observer would notice that many stores that were once open are now closed for periods of time. Self-service gasoline would permit retail motor fuel establishments the option of offering the consumers the opportunity to purchase motor fuel while affording their attendants the protection, particularly in high crime areas that may need to operate.

The protection and safety of attendants is paramount in the minds of all who market gasoline in New Jersey. We believe law enforcement officials feel similarly and would request that the Committee seek their expertise in developing appropriate legislation.

On behalf of the member companies of the New Jersey Petroleum Council we continue to advocate the regulated introduction of attended self-service into the gasoline marketplace providing New Jersey customers with the opportunity to make the types of choices and selections that their neighbors in forty-eight other states have. We believe the introduction of self-service would give the customer the opportunity to choose the type of service they want at a given instance rather than having the state government prohibit all New Jerseyans from enjoying the savings and the quick service that self-service can offer. We believe the prohibition of self-service should be removed rather than extended

and would encourage the Committee to examine the appropriate avenues to introduce this marketing strategy. We believe the consumer is best served by preventing an option of choices.

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AVERAGE NUMBER OF EMPLOYEES

PER

SERVICE STATION

Alabama	4.7	Montana	7.1
Alaska	8.4	Nebraska	7.3
Arizona	8.8	Nevada	9.5
Arkansas	5.1	New Hampshire	6.3
California	7.4	New Jersey	5.8*
Colorado	6.4	New Mexico	6.2
Connecticut	6.9	New York	5.6
Delaware	5.7	North Carolina	4.4
Florida	6.7	North Dakota	6.3
Georgia	7.1	Ohio	6.3
Hawaii	12.4	Oklahoma	4.7
Idaho	6.9	Oregon	6.9*
Illinois	6.2	Pennsylvania	5.7
Indiana	6.6	Rhode Island	6.0
Iowa	7.5	South Carolina	5.6
Kansas	6.4	South Dakota	6.3
Kentucky	6.1	Tennessee	5.7
Louisiana	5.1	Texas	5.3
Maine	5.4	Utah	7.4
Maryland	8.9	Vermont	6.8
Massachusetts	6.6	Virginia	7.4
Michigan	6.7	Washington	5.7
Minnesota	8.9	West Virginia	5.6
Mississippi	5.6	Wisconsin	7.1
Missouri	7.6	Wyoming	7.4

Average Number of Employees Per Service Station
In The States Which Allow Self-Service Gasoline Sales: 6.8

* New Jersey and Oregon prohibit self-service.

SOURCE: National Petroleum News Factbook

SYSTEM NO: 261 STATE OF NEW JERSEY RUN DATE: 08/26/83 RUN TIME: 06:25:07
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 FREQUENCY: QUARTERLY
 LOCATION: MISC-AUDIT
 DATE: 08/26/88

MOTOR FUELS GALLONAGE REPORT - 2ND QUARTER 1988

PETROLEUM COUNCIL REPORT BY GALLONS
 04/01/88 - 06/30/88

ACCOUNT: MFT
 SUB ACCOUNT: DIST
 JOBBER:

TAXPAYER NAME	APR	MAY	JUN
A JOHNSON PETROLEUM COMPANY	0	0	0
A TARRICONE INC	162,229	172,217	185,217
AECTRA REFINING & MARKETING INC	0	0	0
AGWAY PETROLEUM CORPORATION	11,918,132	2,075,492	1,970,824
AMERADA HESS CORPORATION	11,342,334	11,982,155	12,290,142
AMERADA HESS PORT READING CORPORATION	0	0	0
AMERICAN AGIP CO INC	0	0	0
AMOCO OIL COMPANY	26,102,266	27,552,250	26,775,523
ANTHONY PETROLEUM INC	0	0	0
ASHLAND OIL INC	23,802	0	0
ASTRA OIL COMPANY INC	0	0	0
ASTROLINE CORPORATION	0	0	0
ASTROLINE PACIFIC INC	NOT FILED	NOT FILED	NOT FILED
ATLANTIC COMMODITIES INC	0	0	0
ATLANTIC FUELS MARKETING CORPORATION	39,677	28,603	55,776
ATLANTIC REFINING & MARKETING CORP	325,822	343,375	357,743
ATLANTIC RICHFIELD COMPANY	0	0	0
AVANT PETROLEUM INC	NOT FILED	NOT FILED	NOT FILED
B R PETERS INC	178,137	197,071	194,955
BEAR STEARNS & CO INC	0	0	0
BEAR STEARNS N Y INC	0	0	0
BELASCO PETROLEUM COMPANY INC	576,028	607,296	584,018
BERISFORD OIL CO INC	0	0	0
BOLKEMA FUEL CO INC	217,718	244,536	323,043
BP NORTH AMERICA PETROLEUM INC	NOT FILED	0	0
BP OIL COMPANY	11,365,960	9,638,820	10,061,823
BULK OIL USA INC	0	0	0
C ITOH & CO AMERICAN INC	0	0	0
C P O INC	74,480	67,028	68,693
CARGILL INCORPORATED	0	0	0
CARL KING INC	NOT FILED	NOT FILED	16,560
CARL KING INC	17,000	15,301	NOT FILED
CATAMCUT PETROLEUM CORPORATION	34,015	5,707	44,103
CCT ENERGY INC	0	0	0
CCT ENERGY N Y	NOT FILED	NOT FILED	NOT FILED
CENTURY RESOURCES CORPORATION N J	NOT FILED	NOT FILED	NOT FILED

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 DATE: 03/26/88

PETROLEUM COUNCIL REPORT BY GALLONS
 04/01/88 - 06/30/88

ACCOUNT: MFT
 SUB ACCOUNT: DIST
 JOBBY

TAXPAYER NAME	APR	MAY	JUN
CHEVRON U.S.A. INC	0	0	0
CHROMSTER OIL COMPANY	0	0	0
CITGO PETROLEUM CORPORATION	2,248,211	3,427,870	3,859,636
CLARENDON MARKETING INC	0	0	0
COASTAL EAGLE POINT OIL COMPANY	1,207	2,697	1,400
COASTAL EAGLE POINT OIL COMPANY	NOT FILED	NOT FILED	NOT FILED
COASTAL REFINING & MARKETING INC	0	0	0
COASTAL STATES TRADING INC	0	0	0
COC CORP	642,891	404,092	357,483
CONOCO INC	16,056	15,954	7,897
CROWN CENTRAL PETROLEUM CORPORATION	4,057,185	4,620,048	4,896,933
CUMBERLAND FARMS INC	13,068,515	13,637,052	14,241,209
DAN D OIL CO INC	306,311	320,060	325,896
DEAN OIL CORPORATION	1,235,168	1,308,476	1,432,824
DELPHI PETROLEUM INC	0	0	0
DEULL FUEL CO	855,715	946,761	1,055,210
DREXEL BURNHAM LAMBERT TRADING CORPO	0	0	0
E J KOENIG INC	67,660	75,357	72,165
E M HAYNES JR INC	1,835,702	1,648,344	1,729,085
E-Z SERVE INC	0	0	0
ELF TRADING INC	0	0	0
ENRON OIL CORP	NOT FILED	NOT FILED	NOT FILED
ENRON OIL TRADING & TRANSPORTATION	0	0	0
EXXON CORPORATION	47,441,950	50,037,992	51,120,108
FARM & HOME OIL CO	406,404	450,728	341,346
FEINEURG, RICHARD, SALLY, STACEY, SHANA	2,017,353	2,089,473	2,163,059
FERRELL COMPANIES INC	NOT FILED	NOT FILED	0
FERRELL PETROLEUM INC	0	0	NOT FILED
FINA OIL AND CHEMICAL COMPANY	0	0	0
G I C INC & NIC INC	0	0	0
G P & M INC	0	0	0
G P & M INC P A N TRADING COMPANY	NOT FILED	NOT FILED	NOT FILED
GENERAL EQUITIES INC	375,281	389,598	392,515
GEORGE E WARREN CORPORATION	950,745	0	0
GETTY TERMINALS CORP	14,010,949	14,555,724	14,908,319
GIBSON, RAYMOND E JR	NOT FILED	NOT FILED	NOT FILED
GLOBAL PETROLEUM CORP	0	0	0

SYSTEM NO: 261
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 REPORT NO: CR0335RD
 FREQUENCY: QUARTERLY
 LOCATION: MISC-AUDIT
 DATE: 08/26/88

STATE OF NEW JERSEY
 DIVISION OF TAXATION
 LEDGER TAX MAINTENANCE

RUN DATE: 08/26/88

RUN TIME: 06:25:07
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 PAGE NO: 1

PETROLEUM COUNCIL REPORT BY GALLONS
 04/01/88 - 06/30/89

ACCOUNT: MFT
 SUB ACCOUNT: DIST
 JOBBER

TAXPAYER NAME

APR

MAY

JUN

GLOBE PETROLEUM INC	NOT FILED	NOT FILED	620,047
GLOBE PETROLEUM INC	437,335	527,552	NOT FILED
GOLDMAN SACHS & CO & ETAL	0	0	0
GOICO U S A INC	0	0	0
GRACE OIL CO	NOT FILED	NOT FILED	NOT FILED
GRACE OIL CO	1,522,594	1,737,741	2,041,561
GRAM OIL CORPORATION	165,336	120,745	68,700
HILL PETROLEUM COMPANY	0	0	0
HUNT REFINING COMPANY	0	0	0
J S HOUGH FUEL SERVICE INC	1,639,333	1,646,643	1,936,989
K E DAVID LTD	NOT FILED	NOT FILED	NOT FILED
K E DAVID LTD	64,031	0	NOT FILED
KERR-MCGEE REFINING CORPORATION	839,464	0	548,799
KIMBER PETROLEUM CORPORATION	4,270,243	4,317,780	4,656,726
KIRSCHNER BROS OIL CO INC	2,518,769	2,474,867	2,812,804
KOCH MARKETING COMPANY	8,000	7,000	10,400
L S RIGGINS OIL CO	1,874,971	2,099,095	2,682,876
LANGHAM-HILL PETROLEUM INC	0	0	NOT FILED
LAMES COAL COMPANY INC	103,820	135,030	191,032
LEE TRANSPORT INC	NOT FILED	NOT FILED	NOT FILED
LINCOLN FUEL COMPANY INC	502,235	567,476	616,016
LOUIS DREYFUS ENERGY CORP	0	0	0
HABANAFT INC	0	0	NOT FILED
MAJESTIC OIL COMPANY	173,583	249,731	219,374
MANSFIELD OIL COMPANY OF GAINSVILLE	0	0	0
MATSON ENTERPRISES	NOT FILED	NOT FILED	NOT FILED
MERIT OIL CORPORATION	4,798,329	5,023,035	4,956,959
METALLGESELLSCHAFT CORP	424,933	527,380	846,448
MID VALLEY PETROLEUM CORPORATION	0	0	0
MIECO INC	0	0	0
MILLHURST MILLS INC	NOT FILED	NOT FILED	NOT FILED
MITSUI & CO U S A INC HAS CONSENT	0	0	0
MOBIL OIL CORPORATION	33,998,741	35,552,405	36,163,153
M-HAWK OIL COMPANY INC	1,055,661	1,204,174	1,219,978
MONTELLO OIL CORPORATION	0	0	0
MORE BROS OIL CO INC	NOT FILED	NOT FILED	NOT FILED
MORGAN STANLEY CAPITAL GROUP INC	0	0	0

288

SYSTEM NO: 261 STATE OF NEW JERSEY RUN DATE: 08/26/83 RUN TIME: 06:25:07
 SYSTEM: CRAS DIVISION OF TAXATION PROGRAM NO: CR0335PO
 REPORT NO: CR0335RD LEDGER TAX MAINTENANCE PAGE NO: 24
 FREQUENCY: QUARTERLY
 LOCATION: MISC-AUDIT
 DATE: 08/26/88

PETROLEUM COUNCIL REPORT BY GALLONS
 04/01/88 - 06/30/88

ACCOUNT: HFT
 SUB ACCOUNT: DIST
 JOBBER

TAXPAYER NAME APR MAY JUN

NESTE OY	0	0	0
NEW YORK FUEL TERMINAL CORP	18,895	85,170	72,740
NORTHVILLE INDUSTRIES CORP	644,871	610,007	1,127,492
NOVELLY OIL CO & GOLDSTEIN OIL CO	0	0	0
NOBON PETROLEUM OF MASSACHUSETTS INC	NOT FILED	0	0
PEDRONI FUEL CO	1,294,153	1,584,913	1,918,973
PENN TRADING INTERNATIONAL LTD	0	0	0
PENNZOIL PRODUCTS COMPANY	0	0	0
PETRO-DIAMOND INCORPORATED	0	0	0
PETROFINA DELAWARE INCORPORATED	0	NOT FILED	0
PETROLEUM FOR INDUSTRY INC	858,015	878,305	939,979
PETROLEUM HEAT AND POWER CO INC	1,253,802	1,283,613	1,459,836
PETROLEUM TRADING & TRANSPORT CO	0	0	0
PETRON OIL CORPORATION	1,184,008	825,889	1,870,561
PHIBRO DISTRIBUTORS CORPORATION	0	0	0
PHILLIPS 66 COMPANY	0	162	0
PILDT PETROLEUM CORPORATION	0	0	0
POINT BAY FUEL INC	772,063	930,535	1,123,046
POINT BAY FUEL INC	NOT FILED	NOT FILED	NOT FILED
PURITAN OIL COMPANY INC	1,113,405	1,030,476	1,025,171
R P C INC	1,034,366	1,090,486	1,093,026
R P C INC	NOT FILED	NOT FILED	NOT FILED
RAD OIL CO INC	274,535	247,183	288,162
REFCO PETROLEUM INC	NOT FILED	NOT FILED	NOT FILED
REINAUER PETROLEUM COMPANY	NOT FILED	NOT FILED	NOT FILED
S & S-HARTNELL & CO INC	32,900	38,000	79,805
SABER REFINING COMPANY	0	0	0
SASDELLI OIL CO INC	643,757	790,764	832,695
SCANDIL INC	0	NOT FILED	0
SEACOAST OIL COMPANY INC	477,930	531,877	590,748
SEISOR PETROLEUM COMPANY INC	6,003	5,729	0
SHELL OIL COMPANY	35,352,461	36,392,714	36,941,320
SHORE GAS & OIL COMPANY	NOT FILED	NOT FILED	NOT FILED
SCHIO SUPPLY COMPANY	NOT FILED	NOT FILED	0
SOLAR OIL COMPANY	1,172,186	1,202,521	1,267,910
SPARTAN OIL COMPANY	2,175,552	2,070,936	2,022,137
SPARTAN OIL COMPANY	NOT FILED	NOT FILED	NOT FILED

SYSTEM NO: 261 STATE OF NEW JERSEY RUN DATE: 08/26/88 RUN TIME: 06:25:07
 SYSTEM: CRAS DIVISION OF TAXATION PROGRAM NO: CRO335PO
 REPORT NO: CRO335NO LEDGER TAX MAINTENANCE PAGE NO: 1
 FREQUENCY: QUARTERLY
 LOCATION: MISC-AUDIT
 DATE: 08/26/88

PETROLEUM COUNCIL REPORT BY GALLONS
 04/01/88 - 06/30/88

ACCOUNT: HPT
 SUB ACCOUNT: DIST
 JOBBER

TAXPAYER NAME

APR

MAY

JUN

STAR OIL COMPANY INC	1,111,348	1,432,733	1,432,733
STEM BROS INC	1,134,435	NOT FILED	1,263,284
STEM BROS INC	NOT FILED	1,185,944	NOT FILED
STUART PETROLEUM COMPANY	6,620	6,774	6,823
STINNES INTEROIL INC	0	0	0
SUN OIL TRADING COMPANY	0	0	0
SUN REFINING AND MARKETING COMPANY	24,670,184	26,229,341	27,556,697
SUPER VALUE INC	1,542,859	1,563,674	1,614,472
T & T MARKETING INC	0	NOT FILED	0
TAUBER OIL COMPANY	NOT FILED	0	NOT FILED
TENNECO OIL COMPANY	2,074,912	3,219,731	3,348,132
TESORO REFINING MARKETING & SUPPLY	0	0	0
TEXACO REFINING AND MARKETING INC	12,927,232	13,540,349	14,236,274
TEXAS CITY REFINING INC	0	0	0
TEXPORT OIL COMPANY	0	0	0
THE BELCHER COMPANY OF NEW YORK INC	2,130,416	1,668,009	4,007,567
THE MISSHO AMERICAN CORPORATION	0	0	0
THE ORIGINAL W HARGROVE DEMOLITION I	NOT FILED	NOT FILED	NOT FILED
THE SICO COMPANY	1,826,324	1,996,649	2,207,689
TOYOMENKA AMERICA INC	NOT FILED	0	NOT FILED
TRANSPETROL USA INC	0	0	NOT FILED
TRANSWORLD OIL U S A INC	0	0	0
TRENTON OIL COMPANY INC	3,130,760	2,998,895	3,343,362
T-1-COUNTY OIL COMPANY INC	724,143	761,122	793,309
TRIANGLE REFINERIES INC	NOT FILED	564,284	NOT FILED
TRIANGLE REFINERIES INC	NOT FILED	NOT FILED	NOT FILED
U S OIL CO INC	0	0	0
UNION OIL COMPANY OF CALIFORNIA	104,914	112,042	131,031
UNITED OIL COMPANY	540,673	619,260	685,764
UNITED REFINING COMPANY	0	0	0
VALERO REFINING COMPANY	NOT FILED	NOT FILED	NOT FILED
VAN DUREN OIL CO	251,026	262,903	291,370
VANOL USA INC	0	0	NOT FILED
VITOL S A	0	0	0
WAREX PETROLEUM CORPORATION	2,609,177	2,556,828	2,299,346
WILLIAM CRESCENZO INC	260,263	280,720	362,797

TOTAL

293,776,767

310,950,194

326,356,972

284x

STATEMENT OF EXXON COMPANY, U.S.A.

BEFORE THE
SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE
OF THE NEW JERSEY LEGISLATURE
ON
GASOLINE DISPENSING LEGISLATION
December 16, 1988

Mr. Chairman, members of the committee, my name is William Cash. I am the Northeast Dealer Region Manager for Exxon Company, U.S.A. In that capacity I have responsibility for motor fuel sales at Exxon's dealer operated service stations for nine northeastern states, including the state of New Jersey. I appreciate the opportunity to appear at this hearing to testify against the enactment of Senate bills 2881 and 2906.

Exxon does not believe there is any justification for a continuation of the ban on offering motorists the option of self service gasoline dispensing in New Jersey. While we understand the concern for customer safety during the dispensing of gasoline as stated in both these bills, we believe that existing safety standards adequately protect motorists who choose to self-fuel their vehicles. Additionally, we believe that a ban on self service vending of gasoline deprives gasoline customers and retailers of many benefits.

Safety

The state of New Jersey's ban on self service gasoline vending was originally enacted as a fire safety measure. However, as early as 1969 the National Fire Protection Association endorsed gasoline self service stations with an attendant on the site. Forty-eight states have since permitted self service gasoline, and none have rescinded that permission. Most of these states adopted the safety standards contained in NFPA 30 of the Flammable and Combustible Liquids Code or

-2-

its successor, 30A Automotive and Marine Service Station Code. These codes address operational requirements and include regulations for attended self service stations. And, as you know, the existing New Jersey law banning self service gasoline dispensing was recently held unconstitutional by the New Jersey Superior Court. The basis was that, although the statute was enacted as a safety measure in 1949, "self-service stations no longer present any greater safety hazards than full service stations, and are possibly safer." (Kirschner vs. Serraino; L-85630-87; Burlington County Superior Court.)

Exxon's fire safety records further substantiate this point. Over a three-year period beginning in 1985, 40 incidents were reported nationwide involving fires at Exxon company-operated stores. During that time period, the average number of company retail operations was 540.

Exxon's fire statistics over that three-year period indicate that only a small fraction of reported fire incidents at company-operated gasoline retail outlets occur during the vehicle refueling process. Of the 40 fires during the 1985-87 period, 28 occurred in areas other than the dispensing island. Of the 12 fires that did occur at the island, 3 resulted from customers driving into dispensing pumps and 4 were pump fires attributable to faulty wiring. Thus, only 5 fires out of the 40 reported were related to the fuel dispensing process and the actions of either the driveway attendant or customer.

We estimate that there were 225 million refueling transactions at the company operated retail outlets over the three-year time period. Thus, the 5 fire incidents that were related to the actions of customers or attendants during the refueling process amount to a minuscule fraction of total refuelings.

None of the 5 fire accidents during the refueling process resulted in serious injury. In 2 of the incidents, the customers had spilled gasoline on their clothes and ignited their clothes when lighting cigarettes after re-entering their cars. Each sustained minor burns and refused the offer to secure medical attention. The other 3 accidents occurred because of customers driving off while the hose nozzle was still in the vehicle fillpipe. In these fires injuries were sustained. It is of interest to note that one of these three cases occurred when the attendant failed to remove the dispensing hose from the fillpipe before collecting for the transaction. It is also of interest that Exxon's experience at company-operated retail outlets over this time period indicates that, in terms of accidents to sales volume, there is essentially no difference in risk from fire whether gasoline is dispensed by attendants or by customers.

Consumer Benefits

Moving now to what the availability of the gasoline self service option means to consumers and retailers--self service is a widely-accepted method of merchandising gasoline. Self service gasoline vending in the United States has grown to over 75 percent of all retail gasoline sold. The principal reasons for such widespread acceptance are the advantages that self service offers to consumers. These attractions include lower price and faster refueling than for attendant service, and more retail gasoline outlets operating during the late-night hours. The New Jersey ban on self service denies motorists in this state the option to pump their own fuel and the associated advantages.

-4-

The refueling time factor is especially important in this state. Because of the shortage of service labor in New Jersey, many gasoline retailers have difficulty hiring sufficient driveway service personnel to accommodate all customers in a timely fashion. Motorist delays waiting for service will likely worsen at year end when Stage II vapor recovery equipment becomes operational at the majority of gasoline outlets in the state. The reason for this is that the refueling process itself will take longer because Stage II coaxial hoses dispense fuel at a slower rate--as much as 30 percent slower.

The opportunity for consumers to benefit from all-night or late-night operations is severely limited in the current New Jersey retail gasoline marketplace. The availability of self service would make sales of gasoline in New Jersey safer at night by allowing employees to complete transactions without leaving the security of a kiosk or sales office. This added protection would encourage more retailers to stay open for longer night-time hours. Gasoline outlets open at night are available to shift workers and provide a well-lighted place for stranded motorists to enlist help or make a telephone call.

Retailer Benefits

In addition to consumer benefits from self-service gasoline vending, there are important advantages to independent gasoline retailers. Service station dealers in the forty-eight states that permit self service gasoline dispensing find that self service opens a variety of pricing and operational options that help them compete in the marketplace. The pricing options are obvious, with lower prices for self service than for full service usually being chosen. The operational options include the use of partial self service. Under this arrangement the operator typically offers self service on at least one of his pump islands,

which permits him to attract price-conscious customers, while providing full island service to those customers who desire it. In states where self service is not prohibited by law, an estimated 70 percent of Exxon lessee dealers offer partial self service. Thus, the evidence indicates legal restrictions are not necessary to preserve attendant service in New Jersey. Gasoline retailers will undoubtedly provide full service in this state just as they do in other states that permit unrestricted self service. They will do so because some segments of the motoring public want attendant refueling service and are willing to pay for it. In this connection most Exxon dealers with partial self service--and all Exxon company operations--voluntarily offer to pump gasoline for handicapped drivers at the self serve price when both full and self service islands are open.

Self service operations also give gasoline retailers more flexibility in staffing their service stations. One important advantage is the ability to attract higher-caliber employees for the cashier position in a kiosk or sales office arrangement. These positions provide job opportunities for a wide variety of persons including women, older people, and the handicapped. Another advantage relates to the fact that gasoline retailers in New Jersey currently have a difficult time finding people to work as island attendants. The turnover rate for attendants is very high in this state because of the tight labor market, the low wage scale for the job, and an overall shortage of service workers. To further illustrate this point, the average tenure of island attendants at Exxon company-operated motor fuel stores in New Jersey was about 50 percent of that at Exxon company-operated stores in all other states. Many of Exxon's New Jersey gasoline retailers believe that the self service option will give them enough flexibility to manage attendants in such a way as to

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reduce the attendant turnover rate, strengthen overall employee quality, and improve customer service. These types of changes at New Jersey retail gasoline outlets would obviously benefit both consumers and motor fuel retailers.

To summarize, safety records attest that self service dispensing of gasoline is at least as safe as attendant dispensing. Self service gasoline vending offers many benefits to consumers and to service station operators. Motorists have the option to pump their own fuel to save money and/or time versus full service, or to pay for attendant service. Because of added security for employees, consumers also find motor fuel available at more locations at night. Gasoline retailers benefit because the self service option gives them more competitive flexibility with their operations. For all these reasons, the New Jersey legislature should not adopt a law that would continue to differentiate the state of New Jersey from the forty-eight states that allow motorists the option of self service motor fueling vending. Indeed, an unrestricted retail gasoline marketplace is the best assurance that the needs of New Jersey motorists will be accommodated.

290X

STATEMENT OF ANDREW J. D'AMICO TO
THE SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

DECEMBER 16, 1988

MY NAME IS ANDREW D'AMICO AND I AM VICE PRESIDENT OF GASOLINE STATION OPERATIONS FOR AMERADA HESS CORPORATION. OUR OFFICES ARE LOCATED IN WOODBRIDGE, NEW JERSEY.

I WANT TO THANK THE SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE FOR HOLDING THIS HEARING AND FOR ALLOWING US THE OPPORTUNITY TO EXPRESS OUR VIEWS ON THE ISSUE OF SELF-SERVICE.

WE AT HESS ARE INTERESTED IN PROVIDING THE NEW JERSEY MOTORIST WITH THE FREEDOM TO SELECT EITHER FULL OR SELF SERVICE AT THEIR OPTION. PROHIBITING SELF-SERVICE DENIES EVERY NEW JERSEY MOTORIST FREEDOM OF CHOICE. IN EVERY STATE IN WHICH WE OPERATE WITH THE EXCEPTION OF NEW JERSEY, THE CONSUMER HAS THE OPTION OF FULL-SERVICE OR SELF-SERVICE. TO DENY THAT RIGHT TO CHOOSE DOES NOT SERVE THE PUBLIC INTEREST. IN OTHER STATES IN WHICH WE OPERATE, IT IS THE CONSUMER WHO DICTATES HOW WE SELL GASOLINE. FOR EXAMPLE, IN THE STATE OF NEW YORK, 32% OF OUR STATIONS ARE OPERATED SOLELY AS FULL-SERVICE. ADDITIONALLY, 11% ARE OPERATED AS SPLIT-ISLAND, AND THE BALANCE AS SELF-SERVICE. ALLOWING SELF-SERVICE DOES NOT MEAN THAT FULL-SERVICE WILL BE UNAVAILABLE TO CUSTOMERS WHO WANT IT. IN FACT, I CAN ABSOLUTELY STATE THAT NOT ALL OF OUR NEW JERSEY STATIONS WOULD BE CONVERTED, ONLY THOSE WHERE IT APPEARS THAT SELF-SERVICE IS WHAT THE CUSTOMER WANTS.

THE SPONSORS OF THESE BILLS MAINTAIN THAT ALLOWING SELF-SERVICE WOULD BENEFIT OIL COMPANIES RATHER THAN OUR CITIZENS. AS A REPRESENTATIVE OF AN OIL COMPANY, LET ME TELL YOU HOW ALL OF OUR CITIZENS WILL BENEFIT.

29/x

TO BEGIN WITH, SELF-SERVICE MEANS SAFER SERVICE. HOW? IN SEVERAL WAYS.

FIRST, OUR CUSTOMERS AT THE ISLAND ARE BETTER PROTECTED DUE TO THE INSTALLATION OF AUTOMATIC FIRE SUPPRESSION SYSTEMS AND EMERGENCY SHUT-OFF SWITCHES AT SELF-SERVICE STATIONS, RESULTING IN FEWER ACCIDENTS AND TRAGEDIES.

SECOND, THE SAFETY AND SECURITY OF OUR EMPLOYEES WOULD BE SIGNIFICANTLY IMPROVED, ESPECIALLY DURING NIGHTTIME HOURS. KIOSKS IN WHICH THE ATTENDANT IS ENCLOSED WILL HAVE BULLETPROOF GLASS, THEREBY PROTECTING THE ATTENDANT. ADDITIONALLY, THE INSTALLATION OF SECURITY CAMERAS AND MONITORS IN URBAN AREAS HAVE BEEN SUCCESSFUL DETERRENTS TO CRIMINALS. THE DIRECT RESULT IS FEWER ARMED ROBBERIES IN WHICH INNOCENT PEOPLE ARE INJURED OR KILLED. DURING MY TENURE WITH HESS, I AM NOT AWARE OF ANY CUSTOMERS BEING ATTACKED WHILE FUELING AT ONE OF OUR SELF-SERVE STATIONS.

THIRD, SELF-SERVICE MEANS FEWER INADVERTENT SPILLS OF PRODUCT. FULL-SERVE ATTENDANTS TYPICALLY ENGAGE THE HOLD-OPEN DEVICE ON THE NOZZLE AND GO TO SERVICE ANOTHER CAR. WITH SELF-SERVICE, THERE IS NO HOLD-OPEN DEVICE ON THE NOZZLE. THE PERSON DISPENSING THE GASOLINE INTO THE CAR MUST STAY WITH THE NOZZLE DURING THE ENTIRE TIME THE GASOLINE IS FLOWING. THIS REDUCES THE POSSIBILITY OF INADVERTENT SPILLS.

NONE OF THESE FEATURES IS AVAILABLE IN FULL-SERVICE STATIONS, THUS MAKING SELF-SERVICE A SAFER ENVIRONMENT FOR OUR CUSTOMERS AND EMPLOYEES. OTHER ADVANTAGES OF SELF-SERVICE THAT WOULD BENEFIT CONSUMERS ARE IN THE AREAS OF PRICE AND SERVICE.

NEW JERSEY MOTORISTS ARE PAYING A PREMIUM FOR FULL-SERVICE. WE ARE MAKING OUR CONSUMERS PAY FOR SOMETHING THEY MAY NOT WANT. PROVIDING THE OPTION OF SELF-SERVICE WOULD REDUCE MOTOR FUEL COSTS TO THE CONSUMER WHO PREFER TO SERVE THEMSELVES. [FULL-SERVICE STATIONS THAT WE CONVERTED TO SELF-SERVE WERE REDUCED IN PRICE FROM 3 TO 4¢ PER GALLON, A SUBSTANTIAL SAVINGS TO THE CONSUMER.]

FULL SERVICE IS A WAY OF LIFE THAT HAS BEEN SO ABUSED AND NEGLECTED THAT MANY OF US NO LONGER RECOGNIZE IT. AT ONE TIME OR ANOTHER, EVERY ONE OF US HAS HAD AN EXPERIENCE WITH POOR SERVICE IN A GASOLINE STATION: THERE ISN'T ENOUGH HELP -- SERVICE IS TOO SLOW, ISLANDS ARE BLOCKED, WINDSHIELDS AREN'T CLEANED, OIL ISN'T CHECKED, THE ATTENDANT IS RUDE, ETC. HESS BUILT A REPUTATION ON CUSTOMER SERVICE, YET A PROFESSIONAL SHOPPER SERVICE WE EMPLOY ADVISES US WE ARE NOT SUCCESSFUL AS OFTEN AS WE WOULD LIKE. WHY? BECAUSE HELP IS SIMPLY NOT AVAILABLE. ON THE OTHER HAND, SELF-SERVICE MEANS FASTER SERVICE -- YOU PUMP, PAY AND LEAVE, YOU DON'T HAVE TO WAIT FOR AN ATTENDANT. SELF-SERVICE MEANS BETTER SERVICE FOR OUR CONSUMERS, BECAUSE WE CAN ADEQUATELY STAFF OUR STATIONS FOR EXTENDED OPERATING HOURS, WHICH WE'VE CURTAILED DUE TO MANPOWER SHORTAGES.

THIS TOPIC OF MANPOWER IS THE FINAL AND MOST IMPORTANT POINT I WILL DISCUSS WITH YOU TODAY. SPONSORS OF THE LEGISLATION BEFORE YOU TODAY CITE THE ECONOMIC IMPACT THAT WE'LL EXPERIENCE THROUGH THE ELIMINATION OF JOBS IF WE APPROVE SELF-SERVICE. EVERYONE IN THIS ROOM KNOWS THAT NEW JERSEY IS EXPERIENCING A SEVERE LABOR SHORTAGE, BUT MOST PARTICULARLY IN THE SERVICE AREA WHICH DRAWS ON A DECLINING POOL OF YOUNGER WORKERS. AT HESS, WE ARE STAFFING OUR STATIONS WITH ONLY 65% OF THE NECESSARY MANPOWER TO OPERATE FULL-SERVICE STATIONS, DESPITE AN UNPRECEDENTED LEVEL OF EFFORT TO RECRUIT

WORKERS. WE'VE RAISED HOURLY WAGES, OFFERED A PERFORMANCE BONUS PROGRAM, IMPROVED OUR EDUCATIONAL ASSISTANCE PROGRAM, HAVE INSTITUTED BUSING PROGRAMS, ADVERTISED IN NEWSPAPERS AND AT OUR STATIONS, AND HAVE EXPANDED THE SCOPE OF OUR RECRUITING EFFORTS TO INCLUDE CHURCH, CIVIC, SENIOR CITIZEN, VETERAN ORGANIZATIONS, SCHOOLS AND SHOPPING MALLS.

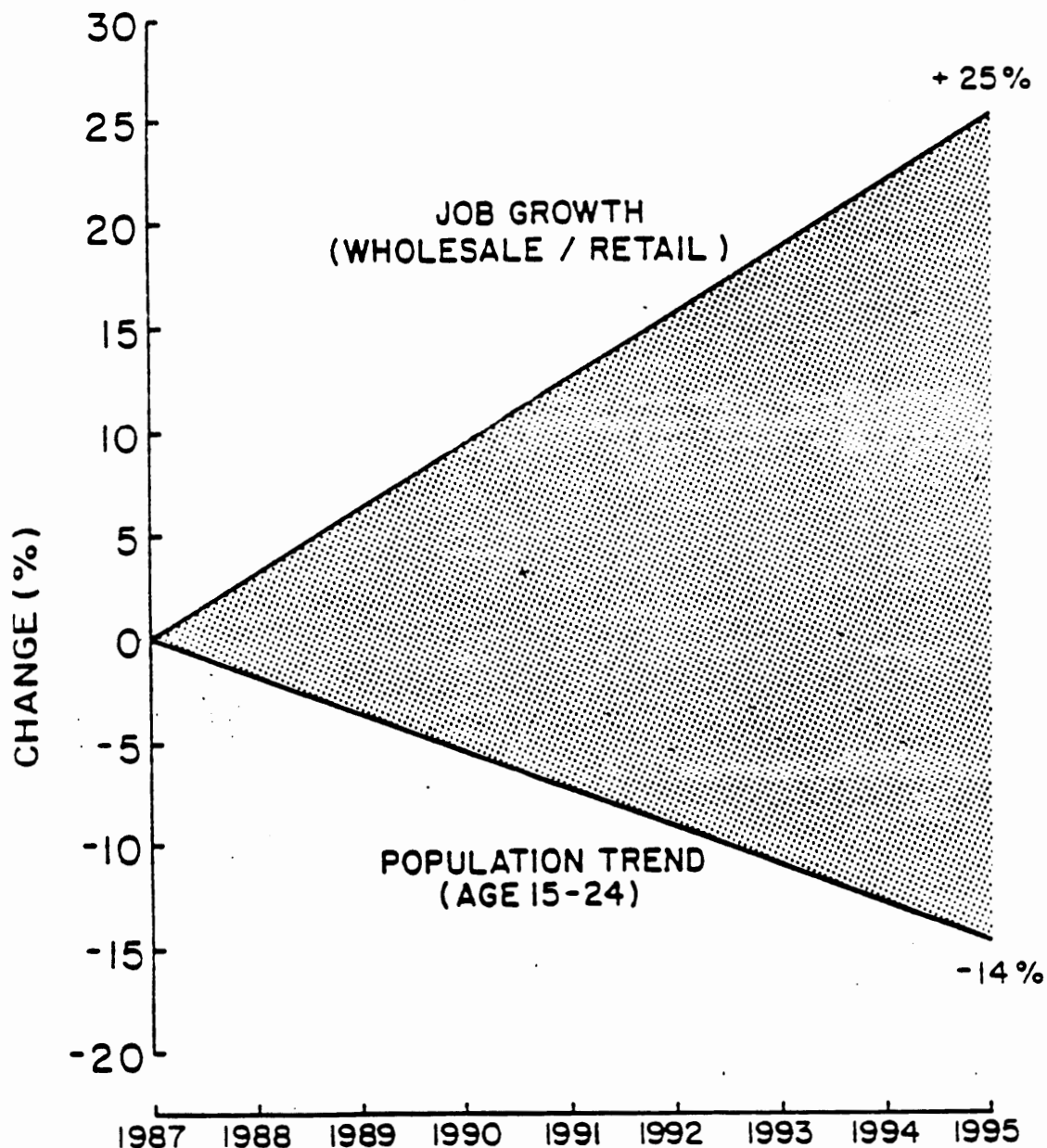
ALL OF THIS HAS NOT SOLVED OUR PROBLEM: THERE JUST AREN'T ENOUGH PEOPLE TO FILL THE JOBS, AND THE NEW JERSEY DEPARTMENT OF LABOR IS FORECASTING A 25% GROWTH IN JOBS IN THE RETAIL MARKET THROUGH 1995. ON THE OTHER HAND, THEY BELIEVE THERE WILL BE A 14-1/2% REDUCTION IN THE NUMBER OF YOUTHS ENTERING THE JOB MARKET THROUGH THE YEAR 1995. A RECENT REPORT ISSUED BY THE PORT AUTHORITY CONFIRMS THE DEPARTMENT OF LABOR'S CONCLUSIONS AND ADDS THAT THE ECONOMIC GROWTH IN THE NEW YORK METROPOLITAN REGION COULD BE STOPPED OR SLOWED BY THE LABOR SHORTAGE.

SELF-SERVICE WILL PROVIDE JOB OPPORTUNITIES TO PERSONS NOT PRESENTLY EMPLOYED IN FULL-SERVE OPERATIONS. IN STATES THAT ALLOW SELF-SERVE, WE EMPLOY PHYSICALLY HANDICAPPED PERSONS, HOUSEWIVES AND SENIOR CITIZENS, THAT MIGHT NOT OTHERWISE BE ATTRACTED TO POSITIONS AVAILABLE IN FULL-SERVES.

IN CLOSING, OUR EXPERIENCE WITH SELF-SERVICE IN OTHER STATES HAS BEEN VERY POSITIVE AND BENEFICIAL TO OUR CUSTOMERS AS WELL AS EMPLOYEES. WE URGE YOU TO SERIOUSLY CONSIDER THE ADVANTAGES WE HAVE PRESENTED, AND KEEP IN MIND THAT OUR CONSUMERS DESERVE THE RIGHT TO CHOOSE EITHER FULL-SERVICE OR SELF-SERVICE IN MAKING THEIR MOTOR FUEL PURCHASES.

THANK YOU FOR YOUR ATTENTION.

STATE OF NEW JERSEY EMPLOYMENT FORECAST (1987-1995)



	1987	1995	% CHANGE
JOB GROWTH	840,200	1,050,000	+ 25 %
POPULATION TREND	1,200,000	1,025,000	-14 %

Source: State of New Jersey, Department of Labor
Division of Planning and Research
Office of Demographic and Economic Analysis

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Amerada Hess, one of the country's largest corporations, is a leader in the petroleum industry. A successful refiner and marketer, Hess Oil began in 1933 with a single delivery truck.

Through the hard work and dedication and rapid growth. By 1969, the company operated pipelines, fleets of barges, ships and trucks. In the same year of Hess Oil and Petroleum Corporation expanded the refining and production and created Amerada Hess Corporation. Our refineries produce residual fuels, heating oil, gasoline and other products principally in the United States.



of its employees, the company experienced rapid growth. By 1969, the company operated three refineries, dozens of terminals, and hundreds of retail gasoline outlets. A Chemical Corporation with Amerada Hess company's activities to include exploration and production. Our refineries produce residual petroleum products which are marketed

Quality is our trademark at Amerada Hess Corporation — both in products and people. We are proud of the employees who help us deliver the CUSTOMER SERVICE that has made us outstanding in the industry.

▽ JOE OPPORTUNITIES ▽

Our Marketing and Retail Operations, headquartered in Woodbridge, New Jersey, offer excellent positions in Gasoline Stations and Convenience Stores throughout the Eastern United States.

Your assignment at Amerada Hess will provide an opportunity for you to learn about the company while improving your skills and knowledge level. Our personnel policies are designed to provide equal opportunity to employees and applicants without regard to race, color, religion, sex, national origin, age, handicap or status as a Vietnam era veteran. Our internal promotion and transfer program provides possible advancement opportunities for superior performance, and our merit increase program is based on "pay for performance".



We have recurring needs for individuals in the following jobs:

ATTENDANTS
CASHIERS
SHIFT LEADERS

ASSISTANT MANAGERS
CONVENIENCE STORE MANAGERS
GAS STATION MANAGERS

▽ BENEFITS ▽

We offer competitive salaries, convenient locations, the possibility of advancement, and a well-rounded benefits package for full-time employees.

- Medical Insurance Plan
- Sickness and Injury Plan
- Long Term Disability Insurance Plan
- Life Insurance Plan
- Family Accident Insurance Plan
- Educational Assistance
- Employees' Pension Plan
- Employees' Savings & Stock Bonus Plan
- Vacation & Holidays
- Travel Accident Insurance
- Dental Coverage — Managers & Assistant Managers



FOR MORE INFORMATION CONTACT YOUR LOCAL HESS STATION
OR TELEPHONE TIM DUNNE-PORTER AT (609) 426-1247



THE NEW YORK TIMES

SUNDAY, OCTOBER 11, 1987

Labor Shortage Is Seen

In discussing regional market trends, Samuel M. Ehrenhalt, regional commissioner of the United States Bureau of Labor Statistics, said: "I don't like to hear people in Westchester talking about growth problems. The problems of growth are easier to deal with than the problems of decline. I know many other communities that would love to change places with Westchester."

However Mr. Ehrenhalt warned of a labor shortage in the county lasting until the mid 90's. "Unfortunately you can't create an 18-year-old worker overnight," he said. "It still takes 18 years. What we're facing now is the decline in the birth rate 18 years ago. And every year now until the mid 90's there will be 200,000 fewer workers than there were the year before. This is the era of the middle age." The unemployment rate for Westchester in the first seven months of 1987 is 12 percent, with the national average 6.6 percent. The Westchester figure reflects the tight labor supply in the county.

Other labor trends mentioned by Mr. Ehrenhalt involved the large supply of workers now in their 30's and 40's who are beginning to feel the competition for promotion to better jobs, the growth of women in the work force, and the increase of minority workers who will account for more than half of all young workers in the next decade.

Rosemary Scanlon, chief economist for the Port Authority of New York

and New Jersey, reported on a new study showing how local companies were reacting to the growing labor shortage in the New York City area. "In the decade from 1970 to 1980, the under-15 population declined by 25 percent. One in every fourth chair was empty," Ms. Scanlon said. "The shortages first appear in entry-level jobs, those traditionally held by teenagers." With fewer workers available, companies will have to become more inventive, Ms. Scanlon said.

"Companies will have to do more imaginative planning," she said, adding that, for example, they might encourage reverse commuting, such as moving workers from the Bronx to Westchester, already being done successfully by some fast-food companies. Other companies are reaching out to the pool of retirees to fill jobs," she said, adding:

"Companies are also making changes in long-term personnel. Jobs are being restructured. Office automation, for instance, means that fewer secretaries will be required in the future and since secretaries are already scarce that will be helpful."

She cited the scarcity of housing in the county as a critical factor already contributing to the growing labor shortage. "We may have to generate a new labor force based on immigration in the New York area, using young people from other countries as guest workers," she said.

PENNY SINGER

EDUCATIONAL ASSISTANCE *

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GASOLINE STATION
PERSONNEL



- 9 CREDIT HOURS PER SEMESTER
- 75% REIMBURSEMENT OF THE COST OF SUCCESSFULLY COMPLETED COURSES
- MAXIMUM REIMBURSEMENT OF \$2,000.00 PER YEAR
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SUNDAY, OCTOBER 12, 1986

State Is Faring Well

LITTLE JOBLESSNESS DESPITE DECLINE IN MANUFACTURING By Robert Hanley

NEW JERSEY'S vast transformation from blue-collar manufacturing to the white-collar services, under way since the end of World War II, is now cemented in place. For the fifth straight year, unemployment is running below the national average. In August, the state's Labor Department reports, the rate was 4.7 percent, compared with the nation's 7 percent. For the year, the state's figure has averaged about 5.5 percent.

Despite continuing difficulties in manufacturing over all, our economy in many other regards is extremely strong," said Arthur O'Neal, director of the Labor Department's Division of Planning and Research. "The service sectors generally, reach new highs month after month. Construction employment is at record levels. And building permits remain strong."

In the coming months, the rapid pace of job growth of the last year or two is expected to slow, but no major reversals are foreseen. "We'll continue to see modest gains in total employment," said Dr. Joseph J. Seneca, chairman of the state's Economic Policy Council. "No recession, no boom, just steady but

very modest growth into 1987."

The new tax legislation will be beneficial overall, Dr. Seneca said. "Disposable income will go up significantly," he predicted, "and there will be more spending statewide." Commercial real estate may suffer, he said, because of tightening of tax shelters for partnerships, and stretched-out depreciation schedules may curtail badly needed investment in new plant and equipment in manufacturing.

Since 1947, manufacturing's share of New Jersey's jobs has fallen from about a half to a quarter of the total. The declines expected to persist, Mr. O'Neal said. Even the state's chemical industry, once strong, has started to slump, primarily because of the nation's persistent trade deficit.

Jobs in chemical manufacturing have fallen from about 130,000 to 112,000 since 1974, Mr. O'Neal said. The few remaining bright spots in the manufacturing sector, according to Dr. Seneca, include commercial printing and publishing and production of medical and scientific instruments and measuring devices.

From 1975 to 1985, jobs in New Jersey increased from nearly 2.7 million to

about 3.4 million, according to the Labor Department. Nearly all the growth came in white-collar service industries, which include law, finance, education, health, consulting, business computers, engineering, sales, and clerical staff for all these segments.

By 1995, labor analysts say, New Jersey will add 656,000 more jobs, nearly two-thirds of them white-collar. The remainder, they say, will be split between blue-collar workers and a job category that includes police and firemen, janitors, cooks and waitresses and clerks.

One possible impediment to this long-range projection is the steadily increasing cost of housing, particularly in the northern half of the state.

In the meantime, there is a shortage of workers in low-paying, unskilled jobs in service stations, fast-food restaurants and department stores. Job openings at these levels are starting to outstrip the available pool of workers.

"The number of young people has been declining," Mr. O'Neal said. "Young people face a good labor market compared to 10 to 15 years ago, both because employment opportunities are greater and fewer kids are competing for jobs."

THE NEW YORK TIMES

SUNDAY, March 6, 1988

Increasingly, Retirees Are Filling Minimum Wage Jobs

Golden Years Spent Under Golden Arches

By JENNIFER A. KINGSTON

THE television commercial is poignant. An elderly man suddenly arrives for his first day of work at a McDonald's restaurant, spends a pleasant afternoon serving customers and mingling with his teenage colleagues, and returns home with a handsome bonus. "I don't know how they ever got along without me," he says.

That "New Kid" commercial, as McDonald's executives would not just to sell hamburgers but also as a recruiting tool. The fast-food chain is one of many businesses trying to cope with labor shortages by filling their ranks with older workers.

An aging society predicts a rapid decline in the number of teenagers, recent retirees are finding themselves in demand. Many businesses that have traditionally relied on younger workers to take minimum wage jobs have found applications rising. Census Bureau figures predict by the year 2000 a 13 percent jump in the number of Americans over 55 and a 12 percent decline in the number of those 18 to 34 years old. As a result, some companies have started to use senior citizens as aggressively as they are approaching them in shopping malls with job applications.

The United States Labor Department has estimated by 1990 companies that specialize in foodservice and helping will be short over one million workers. Giving these mostly low-paying positions to senior citizens means the competition to many advocates for the elderly.

but others see the jobs as a welcome opportunity for people who find retired life penurious or dull. Most older employees choose to work part time. Workers younger than 65 forfeit \$1 of Social Security for every \$2 earned over \$6,000, for older people lesser restrictions apply.

Since 1986, McDonald's has offered a program called "McMentors" that caters to workers over 55. "We can't live without them," said Peter Samadina, who owns a McDonald's in Yonkers and employs a growing number of elderly people. They add a mature face to the business and provide a role model for the younger kids. They're very loyal and they never call in sick.

Phil Mancuso, 62 years old, a former grocer, has been working at a McDonald's in Brooklyn for three years. "I'm well respected here and well liked," he said. Mr. Mancuso, who makes french fries and buses tables, said he decided to return to work after a brief retirement because "staying around home, I got tired of television and walking around." Now he sets his own work hours and attends staff basketball games, although he has declined offers to play.

Economists say that greater prosperity has prompted more people to retire early, only to find that they are bored. According to a study by the American Association of Retired Persons, most men who return to work do so because they are tired of the leisure life. Finding a circle of friends and making money are secondary reasons. Since fewer women have pensions and large savings, financial considerations often take precedence over decisions to rejoin the labor force.

While the number of retirees who choose to spend

their golden years under McDonald's arches is growing, the trend toward hiring older workers did not begin with the fast food industry. In the early 1980's, a number of companies started offering "unretirement" programs for their middle-income and management-level employees. When a survey by The Travelers Companies, the Connecticut-based insurance and financial services corporation found that many of its retirees would like to return, the company created a job bank. Retirees apply every so often and then their 60's and 70's find new careers part time. The program has been copied, with variations, at hundreds of businesses including banks, high technology firms and manufacturing companies.

Fears of Exploitation

While companies benefit from having a flexible pool of trained workers to draw on, some economists worry that the programs invite abuse. Employers, they say, might count on older workers to accept lower salaries and fewer benefits and to take dead-end jobs. The elderly are often viewed as casual workers by their companies and are the first to be dismissed.

"The real concern is that older workers are being used as a labor force which is brought in in times of peak need and discharged in times of slack," said Owen S. Mitchell, associate professor of labor economics at Cornell University.

"Some older people find jobs at McDonald's rewarding," said Robert I. Pulster, director of a management program that matches retirees with jobs. But he added, "I think we can do better in the jobs we can offer them."



Irving Dobson, a 72-year-old retired businessman, now working part time at a McDonald's restaurant in Boca Raton, Fla.

STATION STAMP HERE
HESS STATION #10259
106 CHAMBERS ST.
HAMILTON TOWNSHIP
TRENTON, NJ 08610

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 142 WOODBRIDGE, N. J.

— POSTAGE WILL BE PAID BY —

AMERADA HESS CORPORATION
1 HESS PLAZA
WOODBIDGE, N. J. 07095-9987

CUSTOMER RELATIONS

1988 APR 11 P 4:19

THANK YOU
FOR USING
THE POSTAL SERVICE
IN THE
UNITED STATES



ATTN: CUSTOMER RELATIONS DEPT.



QUESTIONNAIRE:

- | | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 1. Did you find our entire station clean and bright? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Did you receive fast service? — <i>poor</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Was attendant in clean uniform? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Were you treated courteously? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Did attendant extend a friendly greeting? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Did attendant clean windshield and rear window? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Did attendant offer to check motor oil? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Did attendant thank you for your patronage? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

VISIT DATE 4/4/88 TIME 7:30 AM

ATTENDANT NAME OR DESCRIPTION

WOMAN (STOCKY BUILD)

If there is anything that you feel could be handled in a better way, we'd appreciate you jotting down your ideas for us . . . because your ideas will help us to serve you better.

COMMENTS: *Don't like the way*

the attendant was so slow

and I was at the

bank on a Monday morning

and the attendant took almost 15 min

CUSTOMER: RICH DRACHOWSKI
(PLEASE PRINT)

ADDRESS: 866 ROSELAND AVE

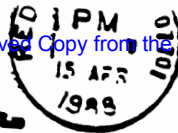
CITY: TRENTON STATE: NJ ZIP: 08611

PHONE: (609) 989-9022

609

STATION STAMP HERE

HESS STATION # 30306
ROUTE #36
EATONTOWN, NJ 07724



- POSTAGE WILL BE PAID BY -

AMERADA HESS CORPORATION
1 HESS PLAZA
WOODBIDGE, N. J. 07095-9987

CUSTOMER RELATIONS
M88 APR 18 P 3:10

ATTN: CUSTOMER RELATIONS DEPT.

QUESTIONNAIRE:

- | | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 1. Did you find our entire station clean and bright? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Did you receive fast service? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Was attendant in clean uniform? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Were you treated courteously? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Did attendant extend a friendly greeting? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Did attendant clean windshield and rear window? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Did attendant offer to check motor oil? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Did attendant thank you for your patronage? | <input type="checkbox"/> | <input type="checkbox"/> |

VISIT DATE APRIL 14 TIME 4:15 PM

ATTENDANT NAME OR DESCRIPTION

If there is anything that you feel could be handled in a better way, we'd appreciate you jotting down your ideas for us . . . because your ideas will help us to serve you better.

COMMENTS:

- 1) ~~1) [illegible]~~
- 2) BUMP ON ENTERING STATION

CUSTOMER: JOEL COOPER
(PLEASE PRINT)
ADDRESS: 296 Rt 71
CITY: WLB STATE: NJ ZIP: 07764
PHONE: (201) 960-1000

302x

ROUTE #22 W/B
BOUND BROOK, NJ 08815
P.O. BRIDGEWATER, NJ 08615

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 142 WOODBRIDGE, N. J.

- POSTAGE WILL BE PAID BY -

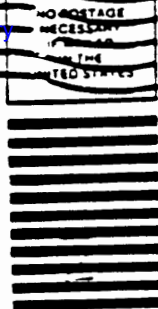
AMERADA HESS CORPORATION

1 HESS PLAZA

WOODBRIDGE, N. J. 07095-9987

CUSTOMER RELATIONS

POB APR 18 P 3:10



ATTN: CUSTOMER RELATIONS DEPT.



QUESTIONNAIRE:

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 1. Did you find our entire station clean and bright? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Did you receive fast service? ? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Was attendant in clean uniform? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Were you treated courteously? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Did attendant extend a friendly greeting? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Did attendant clean windshield and rear window? <i>cleaned windows</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Did attendant offer to check motor oil? <i>No Time</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Did attendant thank you for your patronage? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

VISIT DATE 4/14/88 TIME 7:15 AM

ATTENDANT NAME OR DESCRIPTION

JOE. THIS MAN DOES GOOD JOB UNDER
BAD CIRCUMSTANCES.

If there is anything that you feel could be handled in a better way, we'd appreciate you jotting down your ideas for us . . . because your ideas will help us to serve you better.

COMMENTS: GET MORE HELP PRESENT
PERSON IS ALWAYS LATE. JOE HAS MANY
CARS COMING IN & CANNOT HANDLE
BY HIMSELF. CANNOT EVEN GET UP LATER
TO CLEAN WINDOWS. HE MUST KEEP A
WATCHFUL EYE OUT ON THE CIGARETTE
STANDS. HAVE SEEN CARS DRIVE
OUT. WAITING TIME IS TOO LONG. WAITING
IS A CLEAN & BRIGHT STATION IF GAS LINE IS
LONG

CUSTOMER: CHET WOLSKY
(PLEASE PRINT)

ADDRESS: 13 KING GEORGE RD.

CITY: WARREN STATE: N.J. ZIP: 07060

PHONE: (609) 687-6048

Thank you for this opportunity to comment. My name is Ted. Durnant. My home is in Basking Ridge, New Jersey. I am responsible for Amoco Oil Company's gasoline sales in this state.

During my 25 year career with Amoco, I have seen self-service become well accepted in other states where Amoco operates. The bill before the Committee now, prohibiting self-service in New Jersey, would be contrary to the interests of New Jersey consumers, as well as New Jersey gasoline marketers.

Concerns about the safety of self-service should no longer be an issue. Studies of forty-eight other states, with more than a decade of experience, have shown self-service to be as safe, or even safer, than full service. In the New Jersey Superior Court's decision in June of this year overturning the 39 year-old self-serve ban, the judge found that the technical advances were so compelling that a self-serve ban, based on safety concerns, could no longer be justified.

Amoco strongly supports self-service. Amoco also strongly supports full-service. We support the widest range of options. Permitting self-service does not mean the abandonment of full-service but, instead, means an additional option for the consumer. In other words, **SELF-SERVE WHEN YOU WANT IT; FULL SERVE WHEN YOU NEED IT.**

Preference for the self-serve option has grown over the years. Amoco's research department has published yearly self-service market share studies since 1975. In 1975, only 13% of motorists used self-service. Today, 79% use this service (summary attached). In our neighboring state, Pennsylvania, self-serve is used by 64% of the motorists.

Having observed legislative consideration of self-service for a number of years here in New Jersey, too often the impression has been created that service station dealers are uniformly opposed to self-service. This is not at all the case; many Amoco dealers favor it.

Prior to the April joint committee hearing on self-service, interested Amoco dealers wrote to voice their preference for self-service. I've enclosed copies of those messages, and I urge you or members of your staff to give these dealers a call to discuss their views. What you will undoubtedly hear, as I have repeatedly heard, are stories of severe labor shortages and, most importantly, the need for the continued expansion of self-service facilities.

I would also like to invite members of the committee to visit some of our 24-hour self-service inner-city stations in nearby Philadelphia to see first-hand the effective security measures we have implemented. I would hope that the members of the legislature would feel a responsibility to allow companies to provide, in New Jersey, this same high level of security, for both the public and for station dealers and their employees. Self-service affords this.

One final point. Amoco Oil Company sells gasoline **wholesale** to our dealers. We do **not** sell "full-service gasoline" or "self-service gasoline". In the 48 states where self-service is an option, full and self-service prices are set by independent retail business people, based on their individual competitive conditions, their individual cost of doing business, and their individual marketing strategies.

Isn't this true for every other retail business? I can't think of another retail business in New Jersey that is denied, by law, a widely used and accepted marketing technique in the way that service station dealers have been denied self service. It's time for this to change.

Thank you.



SELF-SERVE MARKET SHARE BY STATE

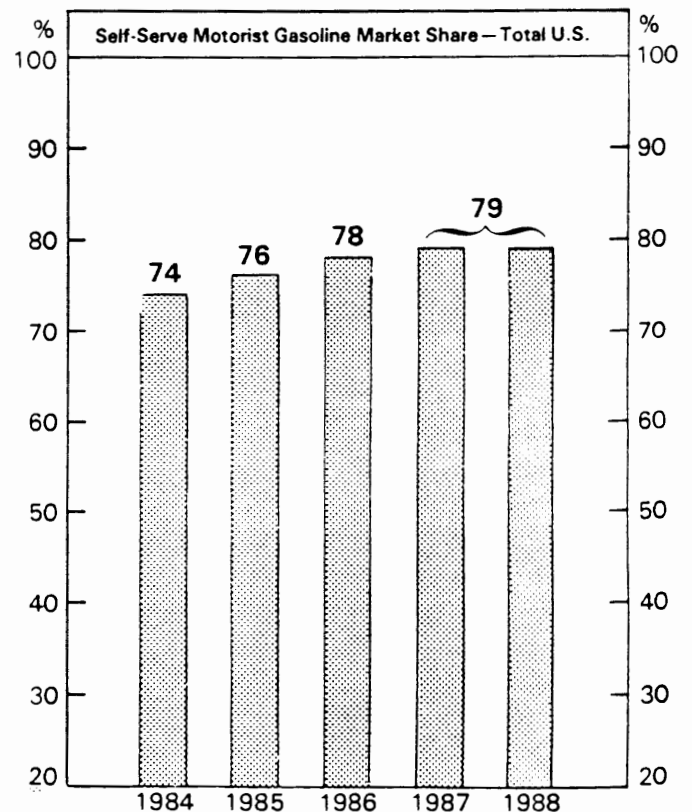
Marketing Research Department—Amoco Oil Company—Volume XVI—Number 4—March 22, 1988

Self-Serve Motorist Gasoline Market Share by State (Percent) January 1988 versus January 1987

	1987	1988	Chg.		1987	1988	Chg.		1987	1988	Chg.
Alabama	82	82	NC	Louisiana	89	90	+ 1	Ohio	83	86	+ 3
Arizona	92	92	NC	Maine	51	47	- 4	Oklahoma	86	86	NC
Arkansas	82	83	+ 1	Maryland	86	86	NC	Pennsylvania	63	64	- 1
California	90	90	NC	Massachusetts	49	50	- 1	Rhode Island	66	63	- 3
Colorado	92	92	NC	Michigan	85	85	NC	South Carolina	88	88	NC
Connecticut	70	71	+ 1	Minnesota	82	82	NC	South Dakota	82	75	- 7
Delaware	81	86	+ 5	Mississippi	82	83	+ 1	Tennessee	84	84	NC
D.C.	83	87	+ 4	Missouri	82	81	- 1	Texas	92	91	- 1
Florida	90	90	NC	Montana	91	90	- 1	Utah	95	94	- 1
Georgia	86	88	+ 2	Nebraska	78	81	+ 3	Vermont	54	55	+ 1
Idaho	87	88	+ 1	Nevada	88	94	+ 6	Virginia	89	87	- 2
Illinois	87	87	NC	New Hampshire	65	60	- 5	Washington	92	90	- 2
Indiana	86	86	NC	New Mexico	88	90	+ 2	West Virginia	73	74	+ 1
Iowa	83	85	+ 2	New York	57	58	+ 1	Wisconsin	89	87	- 2
Kansas	82	80	- 2	North Carolina	86	86	NC	Wyoming	83	86	+ 3
Kentucky	78	79	+ 1	North Dakota	81	73	- 8				

Percent Self-Serve Motorist Gasoline Sold by Brand— January 1988 Versus January 1987—Total U.S.

Brand	1987	1988	Chg.
Arco	88	89	+ 1
Citgo	85	84	- 1
Shell	83	83	NC
Union	81	82	+ 1
Phillips	81	82	+ 1
Conoco	81	81	NC
Sohio/BP	76	78	+ 2
Amoco	76	77	+ 1
Texaco	76	76	NC
Chevron	73	73	NC
Exxon	73	73	NC
Mobil	70	70	NC
Sunoco	55	54	- 1
Independents	84	84	NC
Industry	79	79	NC



These data are drawn from the new trimonthly Purchase Behavior Survey of all household motor fuel purchases of 120,000 respondents.

DATE: APRIL 11, 1988

FROM: A.L. PETRO ENT INC

108 ROCKVILLE DR.

BELLMAWR, N.J 08031.

TO: HON FRANK GRAVES JR.

STATE HOUSE

TRENTON, N.J.

SIR:

I AM WRITING THIS LETTER TO YOU AND ALL WHO MAY BE WORKING ON THE (4 BILLS) TO PERMIT SELF SERVICE INTRODUCED IN THE NEW LEGISLATIVE SESSION.

I HAVE BEEN A DEALER FOR TWENTY THREE YEARS IN SOUTH JERSEY, AND I HAVE NEVER HAD THE LABOR PROBLEMS THAT WE HAVE NOW. IT IS BECOMING NEXT TO IMPOSSIBLE TO FIND GOOD HELP IN THE AMOUNT THAT WE NEED. HELP THAT WILL GIVE THE CUSTOMER GOOD SERVICE, WASH THE WINDOW, NOT STEAL, AND IS NOT ON DRUGS CANNOT BE FOUND FOR LOVE OR MONEY.

I HAVE NO PLANS TO ELIMINATE HELP, ONLY TO HAVE ENOUGH HELP TO SERVE MY CUSTOMERS, OF TWENTY THREE YEARS THE BEST. THE CUSTOMER SHOULD BE ALLOWED THIS CHOICE.

I FEEL AS A BUSINESS MAN I SHOULD BE ALLOWED THE CHOICE, AND DECIDE HOW I WANT TO SERVE MY CUSTOMERS.

IF 79% OF THE UNITED STATES FUEL WAS PURCHASED SELF SERVE, THEN WE IN THIS STATE WHO SAY NO NO NO NO ARE MISSING SOMETHING.

SELF-SERVE SAY YES OVER AND OVER.

LET EACH INDIVIDUAL DEALER MAKE HIS OWN CHOICE TO SAY YES.

IF WE MAKE IT OR LOSE IT WITH SELF SERVE, WE ARE THE ONE HOLDING THE BAG, NOT THE STATE REGULATIONS OR THE OIL COMPANY.

THE DEALER SHOULD BE THE DECIDING FACTOR, IF YOU SAY YES, THE DEALER SHOULD HAVE THE OPTION TO SAY YES OR NO.


ALFRED S LEWIS

PRES

A.L. PETRO ENT INC

108 ROCKVILLE DR.

BELLMAWR, N.J. 08031

307x

GRAVES



COSENZA'S GAS & GO, INC
314 RT. 430
LAWNSIDE, NEW JERSEY 08045

Yes
SELF-SERVICE

*IF YOU HAD OUR HELP PROBLEMS
YOU WOULD WANT SELF SERVICE. TO*

Wm Cosenza

Foreign & Domestic Repairs
1120 Hwy 35
OCEAN TOWNSHIP, NJ 07712
(201) 531-2205

Yes

SELF-SERVICE

DESCRIPTION OF WORK				AMOUNT
LUBRICATION <input type="checkbox"/>	CHANGE OIL <input type="checkbox"/>	OIL FILTER <input type="checkbox"/>	TUNE UP <input type="checkbox"/>	
TRANSMISSION <input type="checkbox"/>	DIFFERENTIAL <input type="checkbox"/>	WASH <input type="checkbox"/>	POLISH <input type="checkbox"/>	
Please support self service				
Thank you				
Walter B. Hanger				

LITERS/GALS. OF GAS ①				TOTAL LABOR	
LITERS/QTS. OF OIL ②				TOTAL PARTS	
kg/LBS. OF GREASE ③				ACCESSORIES	
				GAS, OIL AND GREASE	
I hereby authorize the above repair work to be done along with the necessary materials. You and your employees may operate above vehicle for purposes of testing, inspection, or delivery at my risk. An express mechanic's lien is acknowledged on above vehicle to secure the amount of repairs thereto. It is also understood that you will not be held responsible for loss or damage to cars or articles left in care in case of fire, theft or any other cause beyond your control.				OUTSIDE REPAIRS	
(Print Name) _____				TAX	
				Thank You	
				TOTAL	

Yes

SELF-SERVICE.

(MAY BE CONTINUED ON OTHER SIDE)



Mike & Jim Gulsti
Rt. 34 & S. Atlantic Ave.
ABERDEEN, NEW JERSEY 07747

TO:

TERMS

I support Self Service

James Swift

INVOICE NO. 1234

JOB PHONE

DATE OF ORDER	
---------------	--

DATE OF ORDER
4/11/55

JOB NAME / LOCATION	DATE	TIME	STATUS	REMARKS
...

PHONE

ORDER TAKEN BY

TAX

Thank You!
PAY THIS AMOUNT →

RODY LEYVA
JOSE J. BORGES

B & L AMOCO
(201) 938-7428

I support Self-Serve

BORGES - LEYVA CORP.

R.R. 2, Box 167
State Highway 33 & 34

[Signature]
Farmingdale, N.J. 07727

Yes
SELF-SERVICE

To: Senator Graves

4/11/88

E. & J. HOWELL AMOCO, INC.
RT. 9 & WICKOFF ROAD
FREEHOLD, N. J. 07728
201 431-2595

4/11/88

Dear Senator Graves,

As a gasoline dealer in
New Jersey I would like
to support self service
in New Jersey

Joseph J. Amico

Howell Amoco



STATEMENT

WALL TOWNSHIP AMOCO, INC.
2004 Route 35
WALL TOWNSHIP, NEW JERSEY 07719

DATE 4/7/88.

(201) 449-1480

Dear Senator Lanes,

TERMS:

DATE OF PERMITANCE

\$

DATE

CHARGES

CREDITS

BALANCE

Yes
SELF-SERVICE

*I support Self Service I hope
you do also.*

Bob. Liffel.

WALL TOWNSHIP AMOCO, INC.

Thank You


PAY LAST AMOUNT
IN THIS COLUMN



MK/JM, INC.
t/a Cliffwood Amoco Service Center
Hwy. 35
CLIFFWOOD, NEW JERSEY 07721
Phone (201) 583-9688
Mike & Jim Guisti

NAME <i>Devin Limited Partners</i>		DATE OF ORDER <i>4/2/85</i>
ADDRESS		No 0182
CITY	PHONE	
CUSTOMER'S ORDER NUMBER	ORDER WRITTEN BY	DATE PROVIDED
YEAR, MAKE AND MODEL	SERIAL NUMBER	LICENSE NUMBER
	MOTOR NUMBER	ODOMETER

[illegible]

Thank You



SOUTH STREET AMOCO

78 South Street • Freehold, NJ 07728 • (201) 431-1115

To:

Dear Senator Gavey,

Date:

4/11/88

Work Performed:

PLEASE SUPPORT SELF SERVICE



Victor P. Roman

TOTAL: \$

LIPPY'S INC.

536-9853 OPEN 7 DAYS



RT 9 SOUTH MARLBORO (NEAR UNION HILL PD)

RECEIVED

DE RF LH RT GH WH

APR 26 1988

PUBLIC & GOVT. AFFAIRS

ESTIMATE AMOUNT AUTH BY PHONE DATE TIME BY

CUSTOMER REQUESTS PARTS RETURNED DISCARDED

CUSTOMER

ADDRESS

CONTACT PH

VEHICLE

LICENSE TAG

ODOMETER

SHOP CODE	DESCRIPTION	ESTIMATE	PART ID	PART DESCRIPTION	QTY	PRICE EACH	PARTS AMOUNT	LABOR AMOUNT
-----------	-------------	----------	---------	------------------	-----	------------	--------------	--------------

Senator Graves

I support self-serve !!

Anthony 1022 mg Lippy's Inc 4/12/88

Yes
SELF-SERVICE

PARTS TOTAL

LABOR TOTAL

SUBTOTAL

SALES TAX

TOTAL

X

317x

GRAVES

AMOCO #4338
Rt. 73 & High St.
Maple Shade, N.J. 08052

Yes
SELF-SERVICE

PLEASE GIVE US SELF-SERVE, AT LEAST
FOR SAFETY REASONS ON MIDNIGHT AND FOR
HELP PROBLEMS DURING THE DAY SHIFT.

Elizabeth Humphreys
INDEPENDENT OIL DEALER

WARREN'S AMOCO GASOLINE
339 Haddon Avenue
Westmont, NJ 08108

4/8/88

GR

Yes
SELF-SERVICE

*Let's move this store
into the 20th Century!!*



3/9x

ROBERT G. AUSTIN
8 COVENTRY CIRCLE E.
MARLTON, N.J. 08053



Robert G. Austin
Territory Manager

GRAVES

Amoco Oil Company
Walnut Hill Plaza, Suite 432
150 South Warner Road
King of Prussia, Pennsylvania 19406
609-596-9751

Yes

SELF-SERVICE

Self service is needed in New Jersey, in order to meet the shortage in the work force.

A service station during the midnight shift, using self service, would protect the employees from robbery and personal harm. (Dealers in New Jersey at this time have no choice.) Let's give the dealer a chance to see what he would like.

Robert G. Austin
Territory Manager
320x Amoco Oil Co.



SOUTH STREET AMOCO

78 South Street • Freehold, NJ 07728 • (201) 431-1184

To:

Dear Senator Graves,

Date:

4/11/88

Work Performed:

PLEASE SUPPORT SELF-SERVICE

Victor J. Roman



TOTAL: \$

NAME <i>Elisabeth H. Jones</i>		DATE OF ORDER <i>4/7/55</i>
ADDRESS		No 0182
CITY	PHONE	
CUSTOMER'S ORDER NUMBER	ORDER WRITTEN BY	DATE PROMISED
YEAR, MAKE AND MODEL	SERIAL NUMBER	LICENSE NUMBER
	MOTOR NUMBER	GDOMETER

[illegible]

Thank You

STATEMENT

WALL TOWNSHIP AMOCO, INC.
2004 Route 35
WALL TOWNSHIP, NEW JERSEY 07719

DATE 4/1/88

(201) 449-1480

Dear Senator Granger,

TERMS:

- MITTANCE

\$

DATE

CHARGES

CREDITS

BALANCE

Yes
SELF-SERVICE

*I support Self Service I hope
you do also.*

Ed. V. [Signature]

WALL TOWNSHIP AMOCO, INC.

Thank You


PAY LAST AMOUNT
IN THIS COLUMN

D. & J. HOWELL AMOCO, INC.
RT. 9 & WYCKOFF ROAD
FREEHOLD, N. J. 07728
201 431-2595

4/11/88

Dear Senator Graves,

As a gasoline dealer in
New Jersey I would like
to support self service
in New Jersey

Joseph Inamor
Howell Amoco



RODY LEYVA
JOSE J. BORGES

B & L AMOCO
(201) 938-7428

I support Self-Serve

BORGES - LEYVA CORP.

R.R. 2, Box 167
State Highway 33 & 34

[Signature]
Farmingdale, N.J. 07727

Yes
SELF-SERVICE

To: Senator Graves

4/11/85

325x

Yes

SELF-SERVICE

(MAY BE CONTINUED ON OTHER SIDE)

**Phone 583-7310**

TO: Dear Senator Hawes

TERMS

DESCRIPTION OF WORK

I support self service

James Lusk

Thank You!
PAY THIS AMOUNT -

[illegible]

OCEAN TOWNSHIP AMOCO

Foreign & Domestic Repairs
1120 Hwy 35
OCEAN TOWNSHIP, NJ 07712
(201) 531-2205

NAME <i>Rev. Senator Greene</i>		CUSTOMER'S ORDER NO.		DATE <i>4/9/88</i>	
ADDRESS		PHONE		PROPOSED	
CITY		ORDER WRITTEN BY		A.M. P.M.	
YEAR, MAKE AND MODEL		SERIAL NUMBER		LICENSE NUMBER	
		MOTOR NUMBER		ODOMETER	
DESCRIPTION OF WORK					AMOUNT
LUBRICATION <input type="checkbox"/> CHANGE OIL <input type="checkbox"/> OIL FILTER <input type="checkbox"/> TUNE UP <input type="checkbox"/>					
TRANSMISSION <input type="checkbox"/> DIFFERENTIAL <input type="checkbox"/> WASH <input type="checkbox"/> POLISH <input type="checkbox"/>					
<p><i>Please support self service</i></p> <p><i>Thank you</i></p> <p><i>Walter B. Flanagan</i></p>					
LITERS/QALS. OF GAS @				TOTAL LABOR	
LITERS/QTS. OF OIL @				TOTAL PARTS	
kg/LBS. OF GREASE @				ACCESSORIES	
I hereby authorize the above repair work to be done along with the necessary materials. You and your employees may operate above vehicle for purposes of testing, inspection, or delivery at my risk. An express mechanics lien is acknowledged on above vehicle to secure the amount of repairs thereto. It is also understood that you will not be held responsible for loss or damage to cars or articles left in care in case of fire, theft or any other cause beyond your control.				GAS, OIL AND GREASE	
				OUTSIDE REPAIRS	
				TAX	
SIGNATURE				<i>Thank You</i>	
				TOTAL	

Dear Sir :

As an independent gasoline dealer, I
am very much in favor of self-service.

Walter B. Tucker
Green Brook, New Jersey

Yes
SELF-SERVICE

328X



L.O.V. SERVICES INC.
t/a Bernardsville Amoco
Rt. 202 & Childs Rd.
BERNARDSVILLE, NJ 07924

Yes
SELF-SERVICE

TO WHOMEVER IT MAY CONCERN.

AS AN AMOCO DEALER IN N.J. I AM VERY MUCH IN FAVOR OF INCORPORATING SELF SERVE IN OUR STATE. HAVING A BUSINESS THAT OPERATES 24 HOURS A DAY I FEEL SELF SERVE WOULD BE A SAFE ALTERNATIVE FOR THE NIGHT SHIFT.

WITH THE EMPLOYMENT SITUATION AS IT IS AND THE FUTURE NOT LOOKING ANY BRIGHTER THIS COULD BE A SOLUTION IN MY BUSINESS.

BOTH MYSELF AS A DEALER AND THE GENERAL PUBLIC WOULD BENEFIT FROM SELF SERVE. THEY WOULD PAY A LOWER PRICE AND I WOULD BE ABLE TO SERVE THEM BETTER.

Sincerely

LEON J. LOV

329x

Phone 221-1357

Route 23 Amoco Inc
36 Rt. 23 North
Riverdale, New Jersey 07457

To Whom it may Concern:

I am for Self Service for many reasons. The main reason is safety. It would be much safer for employees to stay inside the booth. It will cut down the possibilities of being held up and getting hurt. This is a problem especially on the midnight shift. This will also cut my insurance costs down. Self service will also allow me to save on labor because I wouldn't need as much manpower as I need now. I really feel that it is necessary to be allowed to run my station Self Service so that I can continue to compete with others.

Signed *Stephen M. Smith*

Yes
SELF-SERVICE

Market Street Amoco, Inc.

780 Market Street
Paterson, New Jersey 07513

(201) 684-5169

April 11, 1978

Yes
SELF-SERVICE

The Honorable Frank X. Graves
United States Senate
Washington, D.C. 20510

Dear Senator Graves,

This is a request for you to re-introduce legislation concerning self-serve gasoline stations in New Jersey. I am aware that you are a supporter of self-serve on a limited basis and I applaud your efforts in that direction.

There are advantages to the pro self-serve position for both the consumer and the gasoline dealer:

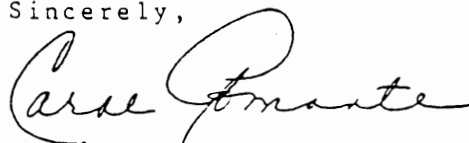
SECURITY: With a secure kiosk, the dealer's interest could be protected and monitored more efficiently. Dealing with the internal and external crime factors has become an expensive proposition for most dealers. We are small businesses and are finding it difficult to maintain our operations being limited to only full-serve, especially if we are operating on a 24 hour basis.

PRICING: The ability to price on a self-serve and full-serve level would provide the consumer with additional choices and pricing advantages.

SAFETY: With a manager overseeing the location from a protected area, faster responses to emergencies on site would result. The ability to halt hoses or emergency stop the entire location would provide a safer workplace for both employees and consumers.

We feel it is time for New Jersey to reconsider self-serve and appreciate any effort that you are making in that direction.

Sincerely,



Carol Pomante

Market Street Amoco, Inc.

780 Market Street
Paterson, New Jersey 07513

(201) 684-5169

April 11, 1988

To whom it may concern:

Many of the gasoline retailers feel that the time has come for New Jersey to reconsider it's position on the issue of self-serve gasoline stations. I am one of them.

In this competitive market, self-serve would enable the dealer to be more aggressive with their pricing structures and provide additional choices to the consumer.

Safety and security at a location would be maximized. The manager/cashier handling the transactions would have a better overview of what was going on at the entire location and would be able to deal with any emergency that might arise.

Your support in passing legislation making self-serve a reality in New Jersey would be greatly appreciated.

Sincerely,


Carol Pomante

Yes
SELF-SERVICE

LA VALLE'S AMOCO
395 WEST NORTHFIELD ROAD
LIVINGSTON, N. J. 07039
(201) 533-9432

April, 1988

To whom it may concern:

It is in my best interest to be able to
operate my station on a Self-Sew basis

My station is a pump-out. Self-Sew will
enhance security at my station, especially
during the night time hours.

It will also help to reduce staffing costs,
shortages, and give me options concerning staffing.

Your help in securing passage of Self-Sew will
be greatly appreciated.

Very Truly,
Joe La Valle

Yes
SELF-SERVICE

333x

J&J AMOCO
277 Rt. 46 West
Rockaway, NJ. 07866

To whom It May Concern,

Please be advised that it
would be beneficial to both dealers
of service stations and the general
public if a self service law
was approved.

Sincerely,
Joseph J. Amoco
J & J Amoco

Yes
SELF-SERVICE

ANNA PELLICANI
LLEWELLYN AMOCO
83-85 MAIN ST.
WEST ORANGE N.J. 07052

April, 4, 1988

Frank X. Graves
100 Hamilton Plaza
Paterson, N. J. 07505

Dear Sir:

As a concerned gasoline retailer, I feel we must bring self service into existence in the state of New Jersey. First for the safety of our employees and secondly for the savings which could be passed onto the consumer.

Self service would permit an employee to secure himself in a bullet resistant sales room, especially during late hours of the night.

Current legislation restricts gasoline retailers from operating a business which affords maximum protection for our staff and provides the greatest benefits to the consumer on a 24 hour basis.

New Jersey needs to take an aggressive stand on self service as 48 other states have successfully done so.

Very truly yours,

Anna Pellicani

Anna Pellicani
83 Main Street
West Orange, N.J. 07052

Yes
SELF-SERVICE

BAYWAY CIRCLE SERVICE, INC.

908 S. Elmora Ave.
Elizabeth, N.J. 07202
Telephone: 353-9650

Yes
SELF-SERVICE

Hon C Louis Bassano
324 Chestnut Street
Union, N.J. 07083.

Dear Sir:

I am in favor of self serve because I believe that this will allow us to serve the buying public better. - It will also make it better for our help because we would be able to provide better security for them. -

Thank You
Paul J.
Amoco Dealer.

1842 E. ST. GEORGE AVE.
LINDEN, N. J. 07036
TEL. 925-8106



808 COMMUNIPAW AVE.
JERSEY CITY, N. J. 07304
TEL. 333-6297

**TOLTUR INC.
AMOCO**

April 14, 1988

Louis Bassano
324 Chestnut Street
Union, NJ 07083
Distrito 21

RE: Self Service

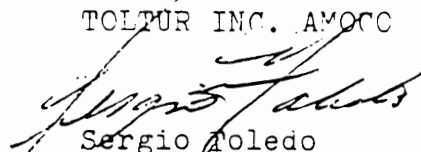
Dear Mr. Bassano:

I, Sergio Toledo, Amoco Dealer, agree with self service for the following reasons:

- more security
- lower prices
- better service
- more communication with customers

Sincerely yours,

TOLTUR INC. AMOCO


Sergio Toledo
President

Yes
SELF-SERVICE

337x

Vasco Regula
Regula Stations, Inc.
232 Thero St.
Elizabeth, NJ 072
(201) 355 0142

Hon. C. James Bassano
324 Chestnut Street
Union, NJ 07083

Dear Sir:

I am writing this letter to state my support of having self-service gas stations in New Jersey. I have been an Arrow Deal for 13 years and I feel it would benefit the public & myself in many ways. By having a lower payroll I will be able to lower the prices of my gas to pass the sur on to my customers. There would be less chance of theft and cars taking off without paying. Also there would be less of a problem in finding reliable help since I wouldn't need as many employees. Please take this letter into consideration.

Thank You,
Vasco Regula
Regula Stations, Inc.

Yes
SELF-SERVICE


338x

Hon. George Hudak (Dem.)
24-52 Rahway Ave.
Elizabeth, N. J. 07202

Dear Sir:

As an Independent Amoco Dealer, I favor Self Serve in the State of New Jersey, because it will eliminate most of the problems gas station operators are experiencing at this moment; which are shortages, hold ups, lack of qualified employees. I'm definitely in favor of self-serve

Yes
SELF-SERVICE

Sincerely Your

Felix Hernandez
HMO Service Co.
1695 Rt 1-9 North
Rahway N. J.
07065.

Riley's Urban Renewal Corp.

390 WASHINGTON STREET

THOMAS A. RILEY
PRESIDENT

NEWARK, NEW JERSEY 07102

TEL. 624-1427

April 17, 1988

Hon. Willie Brown
1081 Bergen Street
Newark, New Jersey 07112



Dear Honorable Willie Brown:

I have been an Amoco dealer for over (20) twenty years and I am in favor of self serve.

Self serve would benefit the public. It will make it safer for service station employees and make it less expensive to operate a service station. Savings can be passed on to the public in the form of lower price per gallon of gasoline.

Thank you.

Sincerely yours,
Thomas A. Riley

EDWARD'S AMOCO
845 Riverview Drive
Totowa, NJ 07512

April - 7 - 88

I Support Self serve in
new Jersey

Yes
SELF-SERVICE

Edward's

LINCOLN AMOCO
401 WAGARAW RD.
FAIR LAWN, N.J. 07410
423-9078

Want self-service in N.J.

April 13 '88

Yes
SELF-SERVICE

J. Sheffert

1480 RT. 46 EAST FORT LEE, NJ 07024
201 461-9477
201 461-3251

APRIL, 11, 1988

DEAR MR. GRAVES!

I BELIEVE THAT I SPEAK NOT ONLY FOR MYSELF
BUT FOR THE WHOLE BUSINESS COMMUNITY WHEN I SAY
THAT YOU CAN BE SURE OF OUR FULL COOPERATION
AND SUPPORT.

PLEASE DON'T HESITATE TO CALL ON US IF WE CAN
BE OF ANY ASSISTANCE IN THE IMPORTANT WORK
THAT LIES AHEAD OF YOU.

Yes
SELF-SERVICE

CORDIALLY,



SONA MANAGEMENT INC.

ARA ABOYALIAN
PRESIDENT

SUNNY'S AMOCO
272 ROUTE 46 EAST
TOTOWA, N.J. 07512

I Am For Self-Service April 8, 1988.

Yes
SELF-SERVICE

[Signature]

State Ohanian, Inc.
60 Essex St.
Lodi, NJ 07644
366-0997

April 8, 1988

I favor self service in new Jersey

Yes
SELF-SERVICE

[Signature]

A.D.P.P. ENTERPRISES INC.

193 Route 17 North
Mahwah, N.J. 07430
Phone (201) 529-9892

Ref. _____

Dated 4/11/88

Assemblyman Frank Grimes



I am in favour of SELF SERV.

William S Grimes

T.N.T. PETROLEUM, INC.
9275 Crescent Blvd.
RT # 100 South
Pennsauken, NJ 08110

I Am in favor of SELF SERVE.
BECAUSE OF HELP PROBLEMS & SECURITY.

TOM TURNER
PENNSAUKEN AMOCO
STA # 5188

Yes
SELF-SERVICE

LIPPY'S INC.

536-9853 OPEN 7 DAYS



RT 9 SOUTH MARLBORO (NEAR UNION HILL RD.)

CUSTOMER

ADDRESS

CONTACT PH

VEHICLE
LICENSE TAG
ODOMETER

E AMOUNT AUTH BY PHONE DATE TIME BY

REQUESTS PARTS RETURNED DISCARDED

DESCRIPTION	ESTIMATE	PART ID	PART DESCRIPTION	QTY	PRICE EACH	PARTS AMOUNT	LABOR AMOUNT
-------------	----------	---------	------------------	-----	------------	--------------	--------------

Senator Graves

I support self-serve !!

Kathy Toza mg Lippy's Inc 4/12/88



THE ABOVE INFORMATION IS FOR YOUR INFORMATION ONLY. LIPPY'S INC. IS NOT RESPONSIBLE FOR LOSS OR DAMAGE TO ANY PROPERTY OR PERSONS. LIPPY'S INC. IS NOT RESPONSIBLE FOR THE ACTIONS OF ANY CUSTOMER OR MECHANIC. LIPPY'S INC. IS NOT RESPONSIBLE FOR THE ACTIONS OF ANY CUSTOMER OR MECHANIC. LIPPY'S INC. IS NOT RESPONSIBLE FOR THE ACTIONS OF ANY CUSTOMER OR MECHANIC.

PARTS TOTAL

LABOR TOTAL

SUBTOTAL

SALES TAX

TOTAL

348x

GALMIN - THORMANN

CORPORATION

Dear Sirs:

Yes
SELF-SERVICE

Due to the Labor shortage, service stations suffering from the lack of qualified help. Therefore self-service would benefit all gasoline dealers, cutting our expenses & passing the savings on to our customers. Self-Service is necessary in the state of N.J.

Thank You
[Signature]

COMMENTS TO
NEW JERSEY SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE
ON
SENATE BILL 2881 AND SENATE BILL 2906
SELF SERVICE GASOLINE MARKETING

PRESENTED BY:

LOUIS J. MARRONI
TEXACO REFINING AND MARKETING INC.
MOORESTOWN, NEW JERSEY

DECEMBER 16, 1988

Good morning, my name is Lou Marroni and I am the Marketing Manager for Texaco's Northeastern Division. Our Division office, which is headquartered in Moorestown, New Jersey, is responsible for Texaco's marketing activities in the eleven northeast states from Maryland to Maine. We supply approximately 475 Texaco Stations in New Jersey and, according to the Lundberg Gasoline Report on share of market for this state, we sell approximately 10% of the total retail gasoline sold in New Jersey.

I am here to offer Texaco's comments concerning New Jersey Senate Bill 2881 and Senate Bill 2906. Texaco opposes both Senate Bill 2881 and Senate Bill 2906 as unnecessary expansion of governmental intervention in the marketplace.

Texaco supports regulated attended self service gasoline marketing that conforms with nationally recognized safety regulations for all states including New Jersey.

When I say Texaco is a supporter of attended self service marketing, I am saying we support optional self service; that is, the individual operator of each and every gasoline outlet would make his own determination under which method he would operate. It has been our experience that, in the many states where self service is utilized, there is a balanced mix of three types of operations, full service, self service and split island service where both full service and self service is offered. We firmly believe that would be the case in New Jersey if self service is permitted.

One bill previously introduced in the New Jersey Legislature would permit self service but would require stations to also have a full service island open from 9:00 A.M. to 5:00 P.M. While Texaco does not endorse this approach, we do believe it may be a solution during a transitional period to many of the concerns which have been raised relating to pricing and the availability of full service gasoline. If, for example, every outlet that sold gasoline in New Jersey was required to have a pump island available for mandated service during specific hours each day, this would answer the concern for service availability especially for senior citizens and the handicapped drivers. Also, if each outlet was required to have a full service island open during specific hours, we believe the consumer would benefit from competitive prices for full service gasoline because everyone would be required to have a service island open during specific hours.

There is no evidence to support the claims in Senate Bills 2881 and 2906 that self service marketing is more hazardous than full service. In fact, our experience has been quite the contrary. We market self service gasoline through several thousand stations in the northeast where self service is permitted. Our records indicate that the rate of accidents involving the handling of motor fuels has been about the same or less for self service than full service. Therefore, it is our

- 2 -

experience that self service marketing is at least as safe as full service marketing.

Generally speaking, self service gasoline offers our consumers the option of saving additional monies in purchasing gasoline by pumping their own and sharing in the labor savings of the operator. There are individuals who simply do not wish to pump their own gasoline. We support their decision. If they do not wish to pump their own gasoline, they should not be forced to do so; however, they should expect to pay extra for the service of having their gasoline pumped for them. Offering these options is the most fair and equitable solution for all consumers.

Senate Bill 2881 claims that low income individuals are discriminated against by significantly high prices usually charged for full service in states where self service is permitted. We believe the opposite is true with the prohibition of self service in New Jersey. We believe that the low and fixed income citizens of New Jersey who can least afford to pay more for gasoline and who would use self service if available, are being forced to pay high prices because of the mandated service in New Jersey. In effect, these people are being forced to subsidize the decision of individuals who prefer full service and are willing to pay extra to continue to receive that service. Under the current prohibition on self service, the person on a limited income, who pays a disproportionately large percentage of his income for gasoline, is unnecessarily disadvantaged.

Regulation in this area is always good for the seller as it eliminates an element of competition from the marketplace. However, the Legislature should develop legislation that encourages competition and benefits the consumer, it should not develop legislation that eliminates competition at the expense of the consumer.

It is impossible for me to predict what the exact price of any product will be in the future. However, studies have shown when all adjustments, such as individual state motor fuel taxes, have been made, self service prices in neighboring states are cheaper than the full service prices in New Jersey.

I realize pricing is a disputed area which is critical to the consideration of the self service issue. Therefore, in the intervening time period between now and the time when this bill will be formally considered by this committee, Texaco would be agreeable to lend its full cooperation with a non-partisan independent group or staff appointed by this committee to do an up-to-date price survey of our neighboring states - New York, Pennsylvania and Delaware - to make a determination of the true price difference in New Jersey full service vs. self service in those states. This type of survey, which could be completed within a few days, would assist this committee in its deliberations concerning this legislation. We are confident that

the evidence will support the fact that self service gasoline provides a reduction in gasoline prices for the consumer and we urge the committee to participate in a survey. We believe this type of survey will prove that the consumer is the real winner if self service is allowed, as an option, in New Jersey. This impartial survey would be open for public review.

A significant factor at this time, and which appears will become even more critical in the years ahead, is the tremendous shortage of semi-skilled service type employees in all types of businesses throughout the northeastern U.S. Because of this shortage, keeping an adequate crew on duty and offering quality service has deteriorated significantly in our business and is becoming increasingly more and more expensive to gasoline retailers. Offering self service will significantly reduce this major problem. Continuing to prohibit self service will make the situation more and more critical.

Senate Bills 2881 and 2906 also claim that the increasing use of self service has contributed to the diminished availability of repair facilities. The facts dispute this claim. Historically, consumers had their automobiles repaired at service stations. However, today there are many more repair facilities competing with the service station operator for the repairs business. Much of the competition comes from sources that do not sell gasoline and in no way are related to the petroleum industry. The specialty shops featuring mufflers, brakes, tires, tune-ups, quick lubes and others, now compete with the service station retailer. Additional major chains such as Sears, Penney's and K-Mart offer repair services and auto parts. The automobile today is more complex and requires more specialized training to repair than ever before. Automobile warranties have been extended along with tires, batteries and other accessories. A good example is the oil change. Ten to fifteen years ago, it was recommended you change the oil in your car every 1,000 miles. Today, thanks to new technology, the recommended change level is approximately 7,000 miles. We do not require three or four service stations at every intersection as we had in the 60's and 70's.

The safety and acceptance of self service dispensing of gasoline has been established in 48 states. A national standard for the safe operation of the self service retail sale of gasoline has been adopted by the National Fire Protection Association. Texaco supports attended self service gasoline marketing when such self service dispensing conforms with nationally recognized safety regulations.

Thank you for the opportunity to present our views before this committee.



NEW JERSEY STATE
CHAMBER OF COMMERCE
GOVERNMENTAL RELATIONS OFFICE
28 WEST STATE STREET — 11th Floor
TRENTON, N.J. 08608 • (609) 989-7888

STATEMENT OF THE NEW JERSEY STATE CHAMBER OF COMMERCE

IN SUPPORT OF SELF-SERVICE GASOLINE

FOR NEW JERSEY MOTORISTS

SENATE TRANSPORTATION AND COMMUNICATIONS COMMITTEE

DECEMBER 16, 1988

Senator Rand and members of the committee, my name is Bill Healey and I am pleased to represent the views of the New Jersey State Chamber of Commerce, our affiliate regional chambers and their combined membership of 45,000 business and commercial enterprises in New Jersey.

The State Chamber of Commerce supports the introduction of self-service gasoline to the market place in New Jersey. We are one of only two states in the entire country (along with Oregon) that do not allow motorists to pump their own gasoline at their local filling stations. It is an option that should not be denied any longer, even if recent court decisions had not persuaded the Legislature to look at the issue once again.

We have been long supporters of the need for self-serve. Back in 1985, representatives of the Chamber spoke in favor of this option before this committee and your counterparts in the Assembly Transportation and Communications Committee, then chaired by Assemblyman Byron Baer.

Besides being supportive of an additional marketplace option for the New Jersey motorist, self-service gasoline will also help us address the critical issue of labor shortages prevalent in most areas of the state. Obviously, there are fewer younger workers to take the jobs made necessary by a total full-serve system. How many of us have been kept waiting to get gasoline because we are not allowed to get out of our cars and pump it on our own? Speed of service is a key factor in any consumer purchase.

That is why we think that legislation aimed at reinstating a legal ban on self-serve fails to recognize the needs - and the capabilities - of New Jersey motorists.

Some of the arguments used by opponents of this option have been weakened by the evolution of the auto-care and auto-service industry.

Self-serve will not mean the demise of the station that also makes car repairs. The presence of the state's dual public/private inspection system (which was also supported by the Chamber's membership) is a large incentive to remain in the repair business.

The changing technology of automobiles, such as more computerized instrumentation and electronic diagnosis, is determining how and where car owners have their autos serviced.

Our State does indeed have some of the lowest fuel prices in the nation, however, they have been a function of our low gasoline taxes, especially in comparison to our neighboring states of Delaware, Pennsylvania, New York and Connecticut. We are the state with the lowest tax in the entire northeast U.S. These savings should be passed to consumers by assuring competition, not limiting or restricting choices.

As part of a self-service option for New Jersey's motorists, the State Chamber supports a disclosure notice at every station that would clearly spell out for the motorist the price differential between full-serve and self-serve.

Again, let's give the consumer the option that they already have nearly everywhere else in the country. Approximately 25% of the fuel purchases in New Jersey are made by out-of-state residents - people to whom self-service gasoline is an everyday routine. New Jerseyans are capable of enjoying the same option.

The State Chamber would also work closely with the Department of Labor to formulate regulations that would best serve New Jersey's motoring public and familiarize them with the benefits that self-service would mean.

Let's meet the changing needs of our marketplace and residents by allowing self-service to begin in New Jersey.

Thank you for considering the views of the New Jersey State Chamber of Commerce.



Mayor's Office for the
DISABLED
Wayne Kraemer, Coordinator
(609)890-3454

December 12, 1988

Mr. Peter Manoogian
c/o Senate Transportation and
Communications Committee
State House Annex
CN 068
Trenton, N.J. 08625 re: S-2906

Dear Mr. Manoogian:

Please express my views on self-service gas stations to the
committee and at the public hearing on Friday December 16, they are:

I am in favor of S-2906 or any other legislation that would ban
self-service gas stations in New Jersey. As a representative of the disabled and a
wheelchair user, I know of many individuals that drive but can not get out of their
car, without great hardship. If self-service gas stations are allowed how are the
disabled going to get their gas.

In an Oct. 25, 1985 news release Governor Thomas Kean stated that
"We have a long-standing commitment in New Jersey to do everything we can to assist
those whose disabilities make the business of day-to-day living more difficult".

Self-service gas stations seem to contradict that statement.

I urge you to release this bill from this committee, pursue its
passage and send a message to the oil companies, New Jersey Cares!

Sincerely,

Wayne Kraemer
Wayne Kraemer

cc: Patrick O'Conner, EPVA Legislative Assistant

One Municipal Drive
CN00150
Hamilton, N.J. 08650-00150

Report of John D. Adkins
Eastern Region CORS Manager -
Exxon Company, U.S.A.
Concerning
Kirschner Bros. Oil Co. vs. Charles Seraino
Docket No. L-85630-87

Introduction

Exxon Company, U.S.A. has been requested by the law firm of Brandt, Haughey, Penberthy, Lewis & Hyland to provide expert testimony in litigation brought by a third-party to overturn the statute that prohibits self service gasoline dispensing in the state of New Jersey. Exxon is not a plaintiff in this case.

Exxon has agreed to testify because it is the leading gasoline marketer in the state of New Jersey, and has considerable experience with self service gasoline dispensing in other states.

The data presented in support of the statements in the testimony have been collected for the most part from Exxon's business records. Generally these records reflect experience at our company operations since we do not have detailed information on the operations of our lessee dealers who are independent businessmen. Data from sources other than Exxon are so identified.

John D. Adkins will testify for Exxon. Mr. Adkins is presently the Eastern Region Manager for Exxon's company operated retail stores in the eastern part of the country, which area includes New Jersey. There are approximately 280 company operated retail stores in this Region. Mr. Adkins is a graduate of the University of Virginia with a degree in economics. Since joining Exxon in 1963, he has held several positions with increasing supervisory responsibilities in the Marketing Department. His most recent assignments included Manager of Retail Sales in the Eastern Region Office from 1976 to 1980. In this position he was responsible for sales performance and profitability of all classes of retail sales in the states of Delaware, Maryland, and Pennsylvania. From 1980 to 1983 he served as Manager of Retail Services in the Headquarters Office. In this position he was accountable on a nationwide basis for developing retail operating plans and policies, formulating short and long range retail strategies, and optimizing profits and return on investment on sales to all classes of retail customers. In 1983 he was appointed Regional Sales Manager for all of Exxon's company operated retail stores. In 1986 an internal company reorganization split the company operations geographically, and he assumed his present title. Since 1983, his responsibilities have included all facets of the company operated retail store operation and organization, including relations with, and the safety of, customers and employees.

Exxon Company, U.S.A. is an integrated petroleum company. Its marketing operations extend across the nation, but its major gasoline markets are concentrated along the Gulf/East Coast. Over the past several years, Exxon has consistently ranked among the top four major oil companies in terms of national gasoline market share.

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Exxon has operated a small percentage of service stations with company employees for many years. In the 1960's when Exxon expanded its marketing operations to the West Coast and certain other areas, the number of retail company operations increased because Exxon could not attract qualified dealers in the new markets until it had established its brand presence. After conversion to dealer operations of most of its retail outlets in those expansion markets in the early 1970's, the number of company operated stations averaged about 900 until 1981. Since then, the number has ranged between 500 and 600. At the end of 1987, Exxon had 570 company operated retail outlets.

In the early 1980's Exxon was company operating about 250 complete self service retail outlets. Today Exxon operates about 150 complete self service outlets and about 175 convenience stores, which are full self service. Almost all other Exxon company operated stores, and an estimated 70 percent of lessee dealer operated retail outlets, offer self service on at least one island and full service on other islands. This partial self service operation gives the customer the choice of saving time and/or money by pumping his own gasoline, or paying more for attendant service. Typically, the choice is for self service. Lundberg Survey, Inc., an organization that publishes pricing and marketing information for the petroleum industry, estimates that over 75 percent of all retail gasoline sold in the United States is dispensed on a self service basis.

Employees

Service station operators in the forty-eight states that permit self service gasoline dispensing find that self service opens a variety of pricing and operational options that help them compete in the marketplace. The pricing options are obvious with lower postings for self service, and a differential for full service. The operational options include the use of partial self service. Under this arrangement, the operator offers self service on at least one of his pump islands, which permits him to attract price-conscious customers, while maintaining full service and auto service customers. Self service operations also give the operator more flexibility in staffing his service station.

The availability of the self service option enables Exxon to attract higher caliber employees to staff its company operated stores. Better educated personnel apply for the cashier position in a kiosk arrangement at complete self service stores, and the position provides job opportunities for females, older people, and the handicapped.

Sixty-three percent of the island attendants at Exxon company operated service stations in New Jersey had some high school education whereas eighty-six percent of kiosk cashiers employed at all Exxon self service stores in other states had some high school education. In New Jersey the average age of Exxon's island attendants was 25 years compared to 26.7 years nationwide. Only 4 percent of the Exxon New Jersey island attendants were female compared to 11 percent nationwide. In contrast the average age of Exxon kiosk cashiers was 31.4 years, and 57 percent of them were female.

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Many managers of the Exxon company operated retail outlets in New Jersey are concerned about the difficulty in finding people to work as attendants, and about the quality of the help that can be hired for those jobs. The turnover rate for island attendants is very high in New Jersey because of the tight labor market, the low wage scale for the job, and an overall shortage of service workers. The annual turnover rate for island attendants in New Jersey at Exxon's company operated motor fuel stores was 232 percent. This compares with a turnover rate of 190 percent for island attendants at such stores nationwide. In contrast, the turnover rate for cashiers in kiosks in Exxon company operated stores was only 106 percent. Further demonstration of the acuteness of the labor problem in New Jersey, the average tenure of attendants at Exxon company operated motor fuel stores in New Jersey was 10 months, compared to 13 months--almost twice as long--at Exxon company operated stores in all states.

Many of Exxon's New Jersey company operated station managers believe that the availability of the choice of self service dispensing of gasoline would improve the attendant turnover rate and overall employee quality.

Safety and Fire Hazard

Exxon is a self-insurer with respect to fire hazards at retail gasoline outlets. Over the three-year period of 1985 through eleven months of 1987 40 incidents were reported involving fires at Exxon company operated stores. During that time period, the average number of company operations was 540.

Exxon's fire statistics over the last three years and experience prior to that period indicate that only a small fraction of reported fire incidents at gasoline retail outlets occur during the vehicle refueling process. Of the 40 fires during the 1985-87 period, 28 occurred in areas other than the dispensing island. Of the 12 fires that did occur at the island, 3 resulted from customers driving into dispensing pumps and 4 were pump fires attributable to faulty wiring. Thus, only 5 fires out of the 40 reported over a three-year period occurred during the fuel dispensing process as a result of the actions of either attendants or customers.

We estimate that there were 225 million refueling transactions at the company operated retail outlets over the three-year time period under review for fire incidents at these stores. Thus, the 5 fire incidents that were related to the actions of customers or attendants during the refueling process amount to a minuscule fraction of total refuelings. Expressed another way, Exxon experienced a fire incident during the fuel dispensing process attributable to employee or customer actions every 45 million times a vehicle was refueled.

The 5 fire accidents during the refueling process did not result in serious injury. In 2 of the incidents, the customers had spilled gasoline on their clothes and ignited their clothes when lighting cigarettes after re-entering their cars. Each sustained minor burns and refused the offer to secure medical attention. The other 3 accidents occurred because of driving off while the hose nozzle was still in the vehicle fillpipe. In these fires no injuries were sustained. It is of interest to note that one of these cases occurred with attendant service when the attendant collected for the transaction before removing the dispensing hose from the fillpipe.

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It is also significant to note that 4 of the 5 fire incidents during the vehicle refueling process occurred from customer actions during self service, and one from an attendant's actions while dispensing gasoline for a customer. During the three-year period during which these accidents happened, the sale of gasoline through self service pumps is estimated at over 75 percent of total retail gasoline sales. Therefore, Exxon's experience at company operated retail outlets over this time period indicates that in terms of accidents to sales volume, there is essentially no difference in risk from fire whether gasoline is dispensed by attendants or by customers.

Security

Exxon's records do not support a contention that complete self service stores constitute a greater security risk to employees than attendant served outlets.

During the first eleven months of 1987 Exxon company operated approximately 560 stores, of which about 150 were complete self service outlets. There were a total of 76 armed robberies at company operated stores during that eleven month time period. Of this number only 18 occurred at complete self service stations. Thus, while comprising over one-third of the total company operations, complete self service outlets experienced less than one-fourth of the armed robberies. This higher incidence of robberies at conventional service stations occurred despite the fact that complete self service outlets tend to remain open longer hours at night. Many service station operators offering fuel dispensing service tend to close early because of security concerns and because of the difficulty of hiring attendants to work late night hours.

The reasons for the low incidence of robberies at complete self service outlets become apparent upon examination of the safety features at the facilities. The kiosks where the cashiers work are constructed with several features that enhance safety. The kiosk can be locked, which protects cashiers from assault. The doors, walls and, in most cases, the glass used to enclose the cashier booth are bullet resistant. The kiosks have restroom facilities so that the cashier does not have to leave its safety. Moreover, the cashier maintains only a small amount of cash for change, depositing large bills directly into a safe. Posted signs of this cash policy tend to deter potential robbers.

The kiosk offers additional safety features. The cashier can control the flow of gasoline at all dispensers from the kiosk. And there is a shut-off switch mounted on the exterior wall of the kiosk that can be used by customers to cut off power to the pumps.

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Opinion

Retail outlets offering self service vending of gasoline in conformance with the generally accepted operating standards of the National Fire Protection Association (Code 30) do not pose a public safety hazard. Exxon records show no direct correlation between fire related accidents occurring at self service as compared to attendant serviced islands. In addition, self service outlets provide a safer and more secure environment for service station operators and employees. Greater security encourages longer hours of operation, and extended business hours directly benefit consumers, particularly evening and night shift workers.

Self service vending of gasoline has grown from about 30 percent of all gasoline sold ten years ago, to over 75 percent today. The principal reasons for its acceptance are lower price and faster refueling time. The time element will become particularly significant in New Jersey when the state implements mandated Stage II controls at service station pumps to capture refueling emissions. These controls will increase refueling time because the coaxial hoses require that the person dispensing the gasoline maintain a constant seal at the fillpipe. This means that an attendant can refuel only one vehicle at a time. Secondly, the hoses dispense fuel at a slower rate--as much as 30 percent slower, according to recent field tests.

In my opinion, self service dispensing of gasoline is as safe as attendant dispensing. Availability of the self service gasoline purchase option offers many tangible benefits to consumers, and provides operational options and additional safety to service station operators and employees. Exxon strongly endorses the principles of offering merchandising choices to consumers and of adopting sound and safe business practices. Accordingly, in all markets in which Exxon has direct retail operations and self service gasoline dispensing is not prohibited, Exxon makes that option available to the motoring public at its company operated stations, and encourages its dealers to do the same.

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WARREN W. LUESSEN, OWNER
Warren's Amoco Gasoline (a sole proprietorship)
339 Haddon Avenue
Westmont, New Jersey 08108

REPORT OF WARREN LUESSEN

Background

I have been in the service station business for 17 years and am the owner and operator of Warren's Amoco where three grades of gasoline are dispensed. In addition, diesel fuel and kerosene are dispensed to customers. At the station, there are three separate fueling islands:

The first island has 6 hoses, two for each grade of gasoline, and cash sales only are permitted.

The second or center island has 6 hoses (2 for each grade). Credit card sales take place at this island at a price of 4 cents per gallon higher than cash sales. It is not uncommon for gasoline retailers to charge a higher price for credit sales or, conversely, to offer a discount to cash customers. At the center island is also located a transaction kiosk where attendants can make change and attend to other retail sales which are conducted on the premises, such as cigarettes, motor oil, etc.

The third island is identical to the first, except that auto-diesel fuel is available on this island.

My station is located on Haddon Ave. in Haddon Township (Camden County). Gasoline sales are approximately 2.9 million gallons per year. Diesel sales are approximately 125,000 gallons per year and kerosene accounts for another 40,000 gallons. Sales of kerosene are by self-service dispensing, utilizing a pump which is identical to the pumping equipment used for sales of gasoline. Since kerosene is purchased in five-gallon containers, there are approximately 8,000 self-service transactions presently taking place at my station alone. I would estimate that no more than one person in a hundred will ask for assistance in dispensing kerosene

since they are unfamiliar with the operation of the pump. My employees are instructed by me to assure that proper containers are used in these transactions.

My station was originally opened as a lessee-operated station. However, I subsequently purchased the station in 1976 and have operated as an independent dealer since that time. Additionally, between 1981 and 1983, I operated another station on Admiral Wilson Boulevard in Camden, N.J., but later closed the station since I could not attract competent help.

Employment

I employ a total of 13 people, five of whom are full-time. These employees consist of 12 island attendants and 1 office employee. My payroll is presently in excess of \$100,000. Although several of my employees have now been with me for four to five years, it is extremely difficult to attract and retain competent and loyal employees. For example, in 1986 there were a total of 53 different individuals listed as employees on my business records although there were only 13 employed at any given time. Likewise, as stated above, I was not able to remain in business at my Camden location, since I could not attract sufficient capable help to run the station successfully.

Opinions on Self-Service in New Jersey

Based upon my experience in the retail dispensing of gasoline, it is my opinion that implementation of self-service in New Jersey would not constitute any greater hazard to the citizens of this state. The state-of-the-art equipment available today either as a result of choice or where imposed by law has created a pattern of safety in the dispensing of gasoline which reflects that gasoline can be dispensed safely by self-service means.

It is my opinion that no real real safety issue exists any more and the present prohibition on self-service sales constitutes a significant and unfair hardship upon me since I am not able to take advantage of a marketing technique which is used as a matter of course by retailers throughout the rest of the country with the exception of Oregon and New Jersey.

I frankly think that self-service in New Jersey will not realize any additional profit for me automatically, however, it will certainly raise competition among dealers and refiners to a much higher level and therefore I will at least have the opportunity through competition to make my business more successful. Such competition will in my judgement likewise be beneficial for the consumer.

There has been a significant amount of knowledge and experience which has been acquired about self-service since it was originally banned by the state. This is apparent to me from my own involvement in this industry. That history has demonstrated that self-service is no different than full-service. The kinds of problems thought to be attributable to self-serve such as "driveaways", careless inattention, smoking, etc. present themselves at a full-serve station also. I have seen it at my own station. There really is no difference in the method of dispensing. Moreover technology has addressed these problems in both the self-serve and full-serve contexts and as a result has rendered both forms of dispensing considerably safer than when I first went into business.

For these reasons, I sincerely believe that implementation of self-service in New Jersey would be a significant benefit for both the retailer and the consumer. The advances in equipment and marketing techniques have resulted in a significant change in the circumstances which existed when this law was adopted. Experience has shown that there is no correlation between self-service sales and any higher degree of danger to the motoring public. In fact, greater attention by the motorist to the fueling of their own vehicle which would be required by the elimination of any automatic filling device (something which I would recommend) would probably increase the level of safety since the motorist will be quite attentive to his or her own vehicle during this process.

The present prohibition hurts me as a businessperson since I cannot conduct my business the way I would wish. I do not suggest that self-service should be without regulation. However, there have been governmental regulations carefully developed to govern this matter, particularly NFPA-30. These regulations or some similar code regulates self-service sales in 48 other states. From my perspective as a gasoline retailer and as a consumer in other states, there is nothing so special or

unique about gasoline sales in New Jersey which continue to justify a complete prohibition on self-service.

REPORT OF HOWARD E. DRANSFIELD,
EASTERN REGION MANAGER
OF MOBIL OIL CORPORATION,
IN SUPPORT OF PLAINTIFF
KIRSCHNER BROTHERS OIL COMPANY

I. INTRODUCTION

I am Mobil Oil Corporation's Eastern Region Manager -- a position that I have held for the past ten (10) years. I will testify on behalf of Mobil in support of plaintiff Kirschner Brothers Oil Company's lawsuit.

As Eastern Region Manager, I am responsible for managing Mobil's business and marketing operations in the eastern region of the United States. This region essentially covers the eastern seaboard of the United States, where more than half of Mobil's gasoline is sold through retail outlets.

I have been an employee of Mobil for thirty-one (31) years. Over these years, I have held several marketing positions at Mobil, including Marketing Planning Manager; Retail Manager;

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Retail Promotions Manager; and District Manager for two of Mobil's Western Districts.

As reflected below, my testimony will be based on my knowledge of Mobil's business operations with respect to marketing motor fuel products. This testimony in large measure will be based on Mobil's experiences with its company-operated facilities, as well as my experience in overseeing Mobil's business operations with respect to its dealer-operated stations. Detailed information pertaining to the latter group, however, is not readily available since dealers are independent business people and do not share their business records with the company.

II. MOBIL'S "SELF-SERVICE" OPERATIONS

As of the end of 1986, Mobil's chain of service stations in the United States consisted of 3,500 units. Currently, 258 of these service stations are located in New Jersey. These stations include all of Mobil's company-operated and dealer-operated stations.

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Of the 3,500 stations, 2,922 or 83.4% offered either "full self-service" or "partial self-service" in 1986. ^{1/} These stations sold approximately 85% of the gasoline products sold through Mobil's service stations in the United States in 1986.

With respect to Mobil's company-operated service stations, Mobil operated a total of 550 such stations as of the end of 1986 of which forty-seven (47) are currently located in New Jersey. Of the 550 stations, 375 or approximately sixty-eight percent (68%) offered full self-service in 1986. One hundred four or approximately nineteen percent (19%) of the remainder of the company-operated stations in 1986 offered partial self-service.

- is this due to market demand?

Therefore, eighty-seven percent (87%) of our company-operated stations in 1986 offered some form of self-service. These service stations sold approximately 86% of all gasoline products sold by Mobil's company-operated stations.

1985 shows in nearly 99% other 49. Oregon a one three other plans which only have full-service? - if yes, why?

^{1/} "Full self-service" refers to service stations which operate completely on a self-serve basis, with no option for "full service" by attendants. "Partial self-service" or "split island service" refers to service stations consisting of two or more fueling islands where both self-service and full-service (i.e. attendant service) are available to the customer. The split island concept offers to the motorist the choice of faster (and perhaps less expensive) fueling by pumping one's own product, or attendant service.

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Thus, Mobil has extensive experience in operating or managing self-service stations throughout the nation.

Mobil's extensive self-serve operations exist to meet public demand. ^{Looking?} Surveys show that fifty-six percent (56%) of all motorists use self-serve exclusively. Seventy-eight percent (78%) of Mobil's customers rely on self-service facilities to meet their fuel needs.

III. EMPLOYMENT ISSUES

Although some have argued that self-service should be prohibited in order to ensure that only trained and experienced attendants dispense gasoline, Mobil's experience shows that this proposition is not tenable.

Mobil, for example, conducts various training programs for its employees at company-operated stations in order to educate them as to the hazardous nature of motor fuels and the proper handling procedures for these substances. The programs also seek to instill incentive in employees to remain with the Company for as long as possible in order that Mobil may benefit from their experience.

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Despite our efforts, however, Mobil's company-operated stations in New Jersey experience a high "turnover" rate in employees, thereby affecting the overall level of experience of its full-serve station attendants. In an effort to assess the level of experience of these attendants, we have reviewed our employment records for the recent two-year period of November 1985 to October 1987. During this period, Mobil hired a total of 3,542 full-serve attendants in New Jersey. This group had an average period of employment of 117.2 days or approximately 3.9 months. Significantly, nearly forty percent (40%) of these employees were employed less than 60 days, while not more than twenty percent (20%) remained employed for more than 6 months.

This high turnover rate in New Jersey limits a gasoline marketer's ability to staff stations with attendants who have time to gain significant experience in dispensing gasoline. Among other things, the turnover rate results from New Jersey's apparent low rate of unemployment (resulting in fewer potential candidates) and from the higher wages offered by local service and retail establishments.

Despite the turnover problem, however, Mobil is unaware of any safety problems in the dispensing of gasoline attributable to the high turnover rate or to the relative inexperience of

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station attendants. In New Jersey, for example, there were no fires at Mobil's company-operated stations for the two-year period of November 1985 to October 1987 related to accidents in dispensing gasoline.

Given the turnover rate, moreover, it would seem the experience level of the average station attendant (as to the dispensing of gasoline) may not be significantly greater than the public at large in states where self-service is allowed. In our experience, persons who pump their own gas a few times perform as well or better than attendants, because these persons tend to be more careful with their own cars. As noted earlier, Mobil does train all of its station attendants, and we believe this training makes them better attendants. The nature of gasoline dispensing, however, is such that significant levels of training are simply not required.

In this regard, Mobil, among other things, relies upon the American Petroleum Institute's Publication 2005 on Service Station Safety for guidance. This publication does not set forth elaborate procedures capable of being implemented only by attendants trained in safety. Rather, it seeks to establish a safe context in which any individual can safely dispense gasoline by adhering to certain common sense principles.

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IV. SAFETY AND FIRE

Mobil Oil Corporation is self-insured with respect to fire and safety hazards at its company-owned retail outlets and collects data on all claims. Based on our records and experience in retail sales of gasoline, we find no correlation between incidents of fire and the manner of dispensing (full-serve vs. self-serve).

It is Mobil's experience that ~~fires which have occurred at service stations generally have occurred in areas unrelated to~~ the sale of gasoline. Areas of greater susceptibility are service bays and other areas where mechanical work is performed. Similarly, restrooms and storage areas are vulnerable to vandalism.

V. SECURITY

Self-service dispensing of gasoline is no longer a safety issue. Rather, ~~the safety issue at service stations is~~ security. Self-service stations allow Mobil the opportunity to protect its employees in a way that simply is not possible at full-service stations. Full-service stations require attendants to deal directly with the public while handling money. At such stations, security enclosures and certain other physical protections are of little use. Thus, Mobil's security program necessarily focuses more on self-service stations.

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Although robberies at service stations constitute only a small percentage of total robberies (the FBI's Uniform Crime Reports show that for 1985 only 3.3% of all robberies occurred at service stations), Mobil long ago committed itself to a security program for its service stations. This program includes:

- ° Salesroom modifications and security enclosures for installation in new and existing locations in areas designated as high crime areas.
- ° Installation of pass-through drawers and remote door locks at stations currently open 24-hours which have no security.
- ° The recommended use of time-release cash controllers and safes.
- ° Development of a Crime Prevention Training Program for dealers and managers. This training program is part of Mobil's pre-installation training for new dealers.

As noted earlier, Mobil's plans include the installation of pass-through drawers and remote locks at all stations currently open 24 hours. This will be completed nationwide at an estimated cost of \$5.5 million. Another \$15 million is

allocated to provide additional physical security modifications to facilities as needed. Mobil's commitment to security has resulted in approximately thirty-five percent (35%) of all new and rebuilt locations being equipped with security enclosures since 1982. Since 1981, Mobil has invested \$12 million nationwide in salesroom modifications, \$10 million in security enclosures and over \$2 million in pass-through drawers and remote locks. (The FBI's Uniform Crime Reports for 1985 notes that robberies at service stations nationwide decreased thirty-three percent (33%) between 1981 and 1985.) When the current investments are completed, Mobil will have spent over \$32 million on station security.

Unfortunately, ~~many of the Mobil's service stations in New Jersey will not receive the full benefit of Mobil's enhanced security program if self-service continues to be prohibited there. A number of the proposed salesroom~~ modifications simply make no sense where the service station attendant/cashier is forced to leave a protected enclosure to dispense gasoline. The net result is that needed security improvements are being sacrificed for an old safety argument that became irrelevant years ago.

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VI. OPINION TESTIMONY

Based upon Mobil's experience in selling gasoline products throughout the United States, there is simply no rational basis to prohibit outright the dispensing of gasoline by self-service.

Mobil's experience with self-serve has shown me that this method of dispensing is safe, virtually trouble-free and well accepted by motorists. From the standpoint of safety, we have had fewer problems with self-serve stations than with full-serve stations.

When self-service dispensing was a novel concept it was natural to be concerned about the safety of the process. Gasoline is an extremely volatile substance, and caution is mandated. It was previously assumed that the only proper and safe way to dispense this product was through trained attendants. In other words, during the formative years of self-service, it was assumed that self-service must be dangerous. Hence, government and other agencies and organizations, particularly those interested in fire safety and fire prevention opposed it.

~~As the public's experience with this new concept has grown and as technology has addressed the concerns, however, it has become apparent that those circumstances which may have justified prohibition in the past have significantly changed to the point where self-service can be documented to be no more hazardous~~

) ~~than the full-serve~~ approach. Forty-eight of fifty states have accepted self-service. Based upon Mobil's experience, the hazards associated with gasoline are not related to the method of dispensing.

Regulation of self-service is the answer -- not prohibition. That regulatory framework already exists in the form of NFPA-30A and similar regulation which can be easily adopted in New Jersey as it has been likewise implemented throughout the country. Gasoline retailers in New Jersey, whether major companies or independent retailers, should be afforded the opportunity to avail themselves of an alternative means of conducting their business. Similarly, self-service has been enthusiastically accepted by the motoring public as evidenced by the fact that such a substantial portion of gasoline sold is by self-service.

For all the reasons set forth in this report, it is my considered opinion that the implementation of self-service in New Jersey will be a positive advancement in petroleum marketing which will be of equal benefit to the retailer as well as the consumer.


Howard E. Dransfield

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Issues Relating to Self-Service Gasoline Stations

1. Judge Haines concluded in his opinion on this issue: "...self-service stations no longer present any greater safety hazards than full service stations, and are possibly safer." In support of this Judge Haines cites the testimony of the oil industry that insurance premium rates are not higher for self- service stations than for full service. Yet the findings and declarations section of the bill notes that general liability premium rates are higher for self-service stations, which would appear to rebut this argument.
2. With new vapor-reducing equipment, manipulation of gasoline hoses and nozzles will become more difficult and present a greater burden on senior citizens and the disabled, and may cause more accidents, spillage, etc.
3. In many states the price differential between full service and self-service is so great that individuals, such as the handicapped or senior citizens, are deterred from using full service pumps.
4. Increasing use of self-service has contributed to the diminished availability of repair facilities and maintenance services at gasoline stations by increasing the number of "Gas Only" stations, and thus reduces automotive safety.

Issues Relating to Self-Service Gasoline Stations

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5. Increasing use of self-service may have tended to reduce the number of owner owned and operated gasoline stations and increase the number of company owned or leased gasoline stations. This trend would tend to reduce the number of stations offering repair and maintenance services, as well as having an adverse effect upon competition and thus increase gasoline prices.
6. Would savings incurred by the owners of self-service gasoline stations be passed on to the consuming public or would these savings merely increase profit margins? It should be noted that full service gasoline prices in New Jersey are consistently lower than self-service gasoline prices in neighboring states. This fact would tend to call into question the argument that self-service stations will result in lower prices to the consumer.

Issues Relating to Self-Service Gasoline Stations

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7. Even if gasoline prices were to be lowered on self-service pumps, the substantially higher prices at the full service pumps might lead to a net increase in gasoline costs to the consumer and certainly would lead to a substantial increase in price for those consumers who must use, or elect to use, full service pumps.

