



Oil Express

exclusive report serving informed petroleum marketers nationwide

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In This Week's Issue

Mogas demand shatters 2007's record high.....	1
How Speedway lured traffic with recipe contest.....	1
Majors offer quick fix for mystery shops.....	3
Chevron, Albertsons growing Gas Rewards loyalty program	4
Sunoco readies locations along the Indiana Toll Road.....	4
Shell, Penske renew motorsports alliance.....	4
From the States: Pipeline initiative ignites conflict	5
Trends: New twist on 'slider' theft may catch on.....	7
In Brief: Trump orders review of clean water rule.....	8

In Every Issue

Gasoline Price Barometer	2
National Rack-to-Retail Margins	2
Average U.S. Contract Prices.....	2
Gasoline Supply Barometer	3
Average U.S. Spot Price.....	3
U.S. Refinery/Inventory	3

Mogas demand shatters 2007's record high

The U.S. Energy Information Administration's (EIA) final reckoning of gasoline demand in the last month of 2016 stood more than 350,000 b/d above weekly estimates and took the year's average decisively past the 9.3-million-b/d mark that was debated for most of 2016.

The higher-than-expected December figure raised the average for all of 2016 to 9.327 million b/d, which exceeds the 2007 all-time record of 9.286 million b/d by 41,000 b/d or 0.44%.

Gasoline demand this year is not likely to repeat 2016's advance, according to an analysis by OPIS.

(continued on page 2)

How Speedway lured traffic with recipe contest

Speedway LLC, Marathon Petroleum Corp.'s retail arm, used a recipe contest to draw attention to its broader coffee menu. The large convenience store chain has been expanding its food service offering, adding made-to-order items as well as specialty coffee.

The "Your Coffee-Your Way" Recipe Contest encouraged Speedway customers to create their own recipe for coffee beverages using the variety of coffees, creamers, sweeteners and syrups available at Speedway stores. Participants had the chance to win free coffee for a year.

Each entrant received one free coffee at Speedway in the form of a Speedy Rewards "Instant Reward," so the contest also allowed Speedway to promote participation in its loyalty club.

- Consumers would submit recipes using an online entry form available on a promotional website, yourcoffee-yourway.com. The recipes would also be posted on the site, so that the public could vote for their favorite.
- One grand prize winner was selected by Speedway from the top 10 recipes with the most votes. The final selection was based on points for public voting score and creativity.
- Participants who supplied a valid Speedy Rewards account number during the entry process got a Speedy Rewards Instant Reward for a free coffee during their next transaction at Speedway. The company gave only one free coffee reward per Speedy Rewards account. The coupon was available 24 to 48 hours after entering the contest.
- Contestants were encouraged to share the website and recipe with their friends to improve their chances of winning, which also created more awareness for Speedway coffee.
- The contest was limited to consumers at least 18 years old who were legal residents of 21 states where Speedway does business.

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Gasoline Price Barometer

Gasoline differentials have gone through a reevaluation period over the past week and change due largely to grades trading against the more expensive April RBOB futures contract that represents a low-RVP gasoline.

Cash markets, with the exception of the West Coast, are trading high-RVP winter grade gasoline, and that has led to wide discounts seen in the futures market. But on top of discounts widening in east of the Rockies markets, futures markets have been under pressure, with losses in the 5cts-plus area in the first two days of the April contract being the first contract on the board.

The deepest discounts in the gasoline markets are found in the New York Harbor where discounts for RBOB and CBOB top 20cts, and with the futures markets falling, flat prices have dropped toward the \$1.40/gal level toward the end of last week. The weak Harbor market is also about 5cts cheaper than the Gulf Coast, and that has hammered line space values on the Colonial Pipeline that have been in negative territory for most of 2017.

The drop in prices in the cash and futures markets should give a bit of a boost to the bottom line for marketers and boost rack-to-retail margins in the short term. Margins have been relatively tight in the U.S. over the past couple of weeks, and some rack downside should offer a bit of breathing room.

(continued from page 1)

According to monthly EIA data issued on Feb. 28, U.S. gasoline in December averaged 9.310 million b/d. The level is 369,000 b/d, or 4.1%, higher compared to a monthly number (8.941 million b/d) based on weekly estimates issued during December. Compared to the last month of 2015, the final December 2016 figure is 162,000 b/d, or 1.8%, higher.

During 2016, U.S. gasoline demand grew year on year in every month except October, resulting in annual growth of 149,000 b/d (or 1.6%). However, initial indications are that 2017 may not see similar growth.

Nominal Growth in 2017

OPIS notes that expectations among petroleum researchers at investment banks are for nominal growth this year – maybe 60,000 b/d at most.

The 2016 record high could stand the test of time as a ceiling for demand, but the same statements were made back after 2007’s high of 9.286 million b/d.

Expected to crimp 2017 demand is a combination of an aging population, full employment and retail gasoline prices that are some 40-70cts/gal above 2016 levels, according to OPIS.

Some large retailers tell Oil Express that demand is down by something close to the 6% that EIA is showing on a year-to-date basis in their “admittedly” flawed weekly estimates.

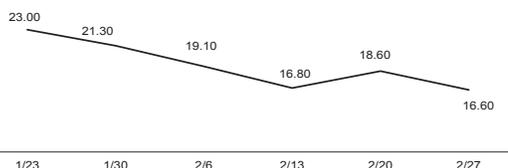
In addition, fuel mileage for new vehicles finally improved in January, according to a continuing study by the University of Michigan, thanks to tightening CAFE standards but also to higher prices motivating choices for more efficient vehicles.

In any case, an OPIS analysis concludes that for 2017 gasoline demand is expected to be very “lumpy.”

The winter months – thanks in part to older driving groups – tend to see little “lift” versus year-ago levels in driving. And it is important to note that 2016 had such incredible fuel price savings versus previous years that extra driving was certainly motivated.

OPIS predicts that driving will surge in the daylight savings time months, although it could be tough to beat the levels seen last year.

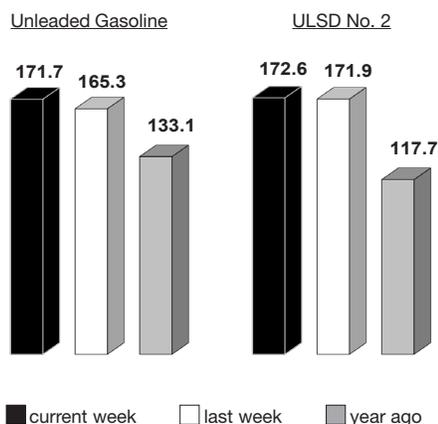
National Rack-to-Retail Margins (in cts/gal)



Source: OPIS Retail Fuel Watch

For more information call 888.301.2645

Average U.S. Contract Prices (in cts/gal)



Exports, Distillate Demand

Other notable points in the EIA’s final monthly data report include:

- Exports of U.S. gasoline in December registered an average of 927,000 b/d, up from 584,000 b/d in December 2015.
- Distillate demand in December was also revised higher by 253,000 b/d, with the final monthly number pegged at 4.059 million b/d. The latter figure represents a year-on-year increase of just less than 6% compared to December 2015.
- During 2016, U.S. distillate demand contracted year on year for nine of 12 months; beginning with October, the metric grew compared to the same fourth-quarter months of 2015.

- Distillate demand for all of 2016 averaged 3.878 million b/d, standing 117,000 b/d (or 2.9%) below the 2015 average.
- U.S. exports of distillate hit 1.207 million b/d in the last month of 2016, which was about 100,000 b/d lower compared to the level seen in December 2015.

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Majors offer quick fix for mystery shops

In the last few years, several majors have toughened the standards and grading scales for the mystery shopper surveys that are used to evaluate how well stations represent their brands.

Now, however, several are giving retailers a break.

Mystery shopper scores can determine whether or not a site earns image incentives or co-op funds. Flunking the evaluation repeatedly can lead to penalties, even debranding.

At least four majors – BP, Shell, Marathon and Valero – have introduced an express remedy to earn back points lost on the mystery shopper survey. The majors already have had some form of appeals process in place and those longer procedures are still intact.

These new, faster processes are known as a “photo cure.” They allow the station operators to make quick fixes – such as painting a dispenser or filling a pothole. The simpler procedure is not for appealing weightier issues considered critical to the brand or serious matters such as when illegal drugs are found on store shelves.

The station usually has 25-30 days from receiving the results of the evaluation to submit the appeal.

Once the correction is made, the retailer or wholesaler can take a digital photo to prove the problem was fixed and either upload the image to a brand website or send it to the major via email.

The major reviews the correction and, if satisfied, restores the points subtracted from the mystery shopper evaluation score.

Shell indicates which questions are eligible for its “Cure Appeal Process” with a small icon that looks like a camera. The icon is posted within the mystery shopper program guide, on the evaluation form and on appeal submittal forms.

“Eligibility is primarily for structural issues or items requiring contractor work, not basic housekeeping,” Shell said.

In addition to a photo cure, Valero also allows retailers to request a re-shop to dispute the validity of the entire evaluation. A re-shop evaluation is allowed under the following circumstances: the wrong location was audited, the site was under construction, the site has changed ownership, photos belong to a different site, or the site was closed.

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Gasoline Supply Barometer

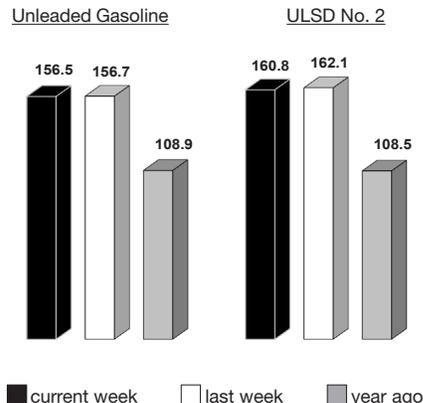
Gasoline inventories have dropped in back-to-back weeks, but that has hardly gotten the market very excited as supplies are still considered elevated and demand has been a disappointment through the first two months of the first quarter.

Last week saw gasoline storage levels drop by 500,000 bbl, according to EIA. Although the market saw inventories draw down, nearly all of the draw was concentrated on the East Coast, where storage levels of gasoline are still near all-time highs and by all accounts “bloated.”

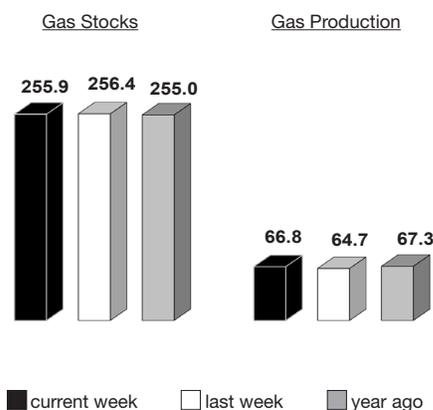
Granted, the EIA does not segregate what portion of gasoline in storage represents winter grade and what represents summer grade. If last year is any indication, gasoline inventories are setting up for a purge of winter-grade gasoline as this week and the next three weeks, based on 2016 EIA data, saw inventories decline by a little more than 12 million bbl. In order for supplies to clean up, chances are that total storage levels in the U.S. are going to need to drop by at least that much if not more.

A drop in gasoline inventories would also need to be concentrated in PADD1, in order to keep the gasoline market from falling apart. Using 2016 as a gauge, PADD1 gasoline storage levels dropped by about 6 million bbl between late February and late March.

Average U.S. Spot Price (in cts/gal)



U.S. Refinery/Inventory (in million b/d)



Chevron, Albertsons growing Gas Rewards loyalty program

Chevron Products Co. and Albertsons Cos. LLC said they have expanded their fuel rewards partnership to new markets, bringing the “Gas Rewards” program to St. George, Utah, and to Las Vegas and Henderson, Nev.

Customers of Albertsons stores in St. George and of Albertsons and Vons stores in Las Vegas and Henderson who already earn rewards points on groceries can apply those points for up to \$1/gal discounts on fuel when filling up at Albertsons or Vons stations and participating Chevron- and Texaco-branded locations.

With the latest program expansion, more than 1,200 of the 2,300 supermarkets in the Albertsons Cos. network are offering the Gas

Rewards program to shoppers and more than 3,500 Chevron and Texaco stations are currently participating in the partnership.

The Gas Rewards program also is available in Safeway, Vons, Pavilions, Tom Thumb, Randalls and Carrs stores in Alaska, Arizona, California, Hawaii, Florida, Idaho, Louisiana and other parts of Nevada, Oregon, Texas, Utah and Washington state.

Albertsons customers can register for the program by downloading the app or signing up at Albertsons.com/rewards. Customers must register their phone number and then use that phone number at checkout to earn Gas Rewards Points.

Under the Gas Rewards program, customers receive 10cts/gal off for every 100 rewards points earned shopping at stores within the Albertsons network. Members receive one point for each \$1 spent on eligible grocery purchases; two points for each \$1 spent on qualifying gift cards; and one point for every out-of-pocket cost dollar spent at the pharmacy, including co-pays.

To redeem the points, customers enter their registered phone number at the pump or inside the store before fueling.

Albertsons is one of the largest food and drug retailers in the United States, with stores across 35 states and the District of Columbia under 19 banners, including Albertsons, Safeway, Vons, Jewel-Osco, Shaw’s, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen and Carrs.

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Sunoco readies locations along the Indiana Toll Road

Sunoco LP is currently rebuilding and outfitting locations along the Indiana Toll Road after landing long-term contracts to exclusively operate convenience stores with fuel pumps at Portage and Elkhart locations and to operate fuel stations at Rolling Prairie and Howe full-service travel plazas, the partnership told analysts in its most recent earnings call.

The \$70 million project launched last year involves the demolition and rebuilding of four pairs of travel plaza buildings eastbound and westbound in Portage, Rolling Prairie, Elkhart and Howe. The final phase of the projects is scheduled to end in the fall of 2018.

The partnership has many locations along several turnpikes and toll roads such as the New York Thruway, the New Jersey Turnpike, the Atlantic City Expressway, the Garden State Parkway, the Pennsylvania Turnpike, the Ohio Turnpike and locations along I-95 in Delaware and in Maryland, noted Bob Owens, president and CEO.

With the expansion westward through Indiana, motorists can drive from New York to Chicago and obtain service at Sunoco plazas throughout the entire route, Owens said.

In operation since 1956, the Indiana Toll Road stretches 157 miles across the northernmost part of Indiana from Ohio to the Illinois state line. It links Chicago with the largest cities on the Eastern Seaboard, and it also serves as the primary connecting route to the Chicago Skyway, a main route to downtown Chicago.

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Shell, Penske renew motorsports alliance

Shell and Penske Corp. said they have renewed their multi-year business, technical and motorsport alliance.

As part of the agreement, Shell and Pennzoil will continue sponsoring Team Penske entries in the Monster Energy NASCAR Cup Series and the Verizon IndyCar Series through the 2022 season and beyond.

Shell and Pennzoil will also continue to be the preferred supplier of fuels, lubricants and related products to the Penske organization.

“Our alliance with Penske spans most of our downstream businesses and allows us to use the motorsport arena to test and develop more advanced products for the road,” said Bruce Culpepper, president of Shell Oil Co.

Penske also has a presence in many key countries with Shell operations, Culpepper added. The two companies do business together in the U.S., Canada, Germany, U.K., Italy and Australia.

Shell and Pennzoil began their current relationship with Team Penske in 2011. Pennzoil first aligned with Team Penske as part of its IndyCar program in 1983 and won two Indianapolis 500s (1984 and 1988) with driver Rick Mears.

Since forging a renewed alliance in 2011, Team Penske has had more wins in IndyCar than any other organization over that period and 80 total NASCAR national series victories, the second-most of all competing teams.

Driver Joey Logano has won 15 Monster Energy NASCAR Cup Series races since joining Team Penske and Shell-Pennzoil in 2013 and delivered Shell-Pennzoil its second Daytona 500 Championship in 2015. The 26-year-old driver finished second in the series point standings last season and won the season-opening, non-points Clash event last weekend at Daytona.

In addition to the long-term partnership, Team Penske also announced that it has come to an agreement with Logano to continue driving the No. 22 Shell-Pennzoil Ford Fusion throughout the length of the Shell-Team Penske extension.

Shell will continue to be the “Official Supplier of Lubricants” for Team Penske and the preferred fuel supplier for Penske Truck Leasing and Penske Automotive Group.

For the sixth consecutive season, three-time Indianapolis 500 winner Helio Castroneves will continue to represent the Shell and Pennzoil brands in 2017. Castroneves will drive the No. 3 Shell V-Power NiTRO+ IndyCar at the 101st running of the Indianapolis 500 on May 28.

Shell and Pennzoil will also be associate sponsors on all Team Penske cars competing in the NASCAR XFINITY Series and Verizon IndyCar Series.

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From the States: Pipeline initiative ignites conflict

The stage is set for an East-Midwest battle over the western Pennsylvania “swing” oil products market, as public debate before the Pennsylvania Public Utility Commission (PPUC) heats up.

Buckeye, the operator and owner of the Laurel Pipeline, submitted a proposal to PPUC last November to reverse the pipeline up to Eldorado, which is near Altoona in western Pennsylvania.

The initiative would benefit Midwest refiners at the expense of refiners in the East.

Laurel has a capacity pegged at about 250,000-300,000 b/d, transporting petroleum products from east to west.

Much like the heated debate over the Renewable Fuel Standard point of obligation, the proposed reversal of the Laurel products pipeline has turned into a “big show” due to the many industry giants weighing in on the project, some sources said. Based on public comments submitted to PPUC so far, Marathon Petroleum Corp., BP Products North America, Husky Energy, Sunoco, Philadelphia Energy Solutions, Gulf Oil, Monroe Energy, Giant Eagle and Sheetz Inc. have joined the debate, in addition to industry trade associations.

PBF Energy, which has refineries on the East Coast as well as in the Midwest, is conspicuously absent in the discussion so far.

Major Midwest refiners, including BP, Marathon Petroleum and Husky, are backing the pipeline and are ready to commit to shipping products to Eldorado. Major East Coast refiners, including Philadelphia Energy Solutions and Monroe Energy, are opposed to this plan, as a partial reversal would have a material impact on refining operations and margins on the East Coast.

East Coast refiners are already reeling from high RFS obligation costs. Besides local production, the Northeast also receives products from Europe and the U.S. Gulf Coast. A reversal would have ripple effects across the Northeast and Gulf Coast markets as well as the market for imports.

Changing Directions

Buckeye said that “increased availability of generally lower-priced Midwestern product has generated interest in additional eastbound movement of Midwestern-sourced petroleum products to points east of Pittsburgh. In response to these demand realities, Laurel and Buckeye propose delivery points east of Pittsburgh for Midwestern products.”

Specifically, Laurel proposes to change the direction of service on its pipeline for delivery points west of Eldorado. In order to do so, Laurel will cease providing deliveries from origin points in Philadelphia to destination points west of Eldorado. After the reversal, deliveries to Laurel’s destination points west of Eldorado will be provided by Buckeye from origin points in the Midwest and the Pittsburgh area to Eldorado.

Buckeye said that “the long-developing changes in crude petroleum supplies for refineries and the petroleum products market have generally increased

the volumes and decreased the relative price of Midwestern product supplies.”

The company explained that “because of these broad market changes, in recent years eastern Ohio and western Pennsylvania wholesale prices for petroleum products from the Midwest have generally been below wholesale petroleum products prices on the East Coast.”

Expanding refining capacity in the Midwest, driven by increasing access to lower-cost crude oil in that region, has generated interest from a number of shippers to increase transportation options to reach additional destination points in western and central Pennsylvania, Buckeye said.

Additional eastbound pipeline capacity will provide western and central Pennsylvania with more access to generally lower-priced Midwestern gasoline and petroleum products, it said.

In order to expand access to additional Midwestern supplies and in response to its shippers’ requests, Laurel proposes to reverse flow on part of the western-Pennsylvania portion of its pipeline system to allow petroleum products to move in an eastbound direction to the Altoona area.

In Pennsylvania, Laurel owns and operates about 350 miles of 12-to-24-inch pipeline and related facilities for the transportation of petroleum products to 24 customers at 14 delivery points. From Nov. 1, 2015 through Oct. 31, 2016, Laurel transported a total of 84,090,045 bbl of products.

East Coast Opposition

East Coast refiners PES and Monroe said that a partial reversal of Laurel Pipeline would have a significant impact on their refineries and their customers in Pittsburgh. PES is the largest refinery on the East Coast, and in 2016, PES delivered 20 million bbl on Laurel Pipeline.

Sunoco, a major retailer and wholesaler, highlighted a potential gasoline specification issue in the event of a reversal. Pittsburgh needs 7.8 lb. RVP gasoline from May 1 to Sept. 15, and Sunoco gets low-RVP gasoline from both east and west Pittsburgh, principally relying on Laurel Pipeline.

The quality of fuel into Altoona and Eldorado does not meet low-RVP Pittsburgh standards in summer, Sunoco said. “This eliminates any potential to truck additional supply into the Pittsburgh market from Altoona and Eldorado if supply from the west is tight or restricted. The proposal eliminates the Pittsburgh source of supply from the east, thus potentially causing shortages of gasoline for consumers in the summer,” it said.

Several other big players voiced their opposition to the project, including:

- Gulf Operating, the parent of Penn Products Terminals and Gulf Oil Limited Partnership, which noted that both ship large volumes on Laurel (a combined total of 19.5 million bbl of products, mostly gasoline, to west of Eldorado in 2015);
- Giant Eagle, which owns and operates supermarkets and convenience stores in western Pennsylvania, north-central West Virginia, Ohio, Indiana and Maryland;
- GetGo, one of the largest retail brands in western Pennsylvania, which said a reversal would reduce competitiveness due to the elimination of supply from the East Coast; and
- Sheetz, which operates over 250 retail fuel stores in Pennsylvania and more than 550 stores nationwide.

“Laurel’s proposed reversal constitutes an abandonment of public utility facilities. ... [It is] detrimental to the Pittsburgh area fuel market, to public interest, [and] must be denied,” Sheetz said in its comments.

Supporters in the Midwest

On the other hand, BP said a reversal would allow more products and natural gas liquids to go east, and “it offers greater security of supply and a decrease in supply disruptions to consumers in the eastern U.S.”

The major said the project also provides consumers greater product availability as refineries like Whiting are able to source a diverse slate of crude for their refining operations.

BP’s 410,000-b/d Whiting refinery produces 8 million gal/day of gasoline, 3.8 million gal/day of diesel and 1.7 million gal/day of jet. At its joint-venture BP-Husky refinery, that 160,000-b/d refinery near Toledo, Ohio, produces 3.8 million gal/day of gasoline, 1.1 million gal/day of diesel, and 750,000 gal/day of jet.

It also said that the expanding Midwest pipeline network is ready to support a products supply push to the East: Wolverine Pipeline will deliver from Chicago to Woodhaven, Mich.; Buckeye’s Broadway will go from Michigan to Ohio and central Pennsylvania; the Allegheny Access pipeline is delivering from the Midwest to Ohio and western Pennsylvania; Sunoco Logistics’ Mariner East 1 is delivering NGLs from western Pennsylvania

to Marcus Hook.; and Mariner East 2 should be starting up soon.

Marathon, the third-largest refiner in the U.S. and the largest in the Midwest, argued the project would not materially decrease utilization at PADD1 refineries as the East Coast could back out foreign gasoline imports. “A reversal would attract more Midwest products to Western Pennsylvania,” the major said. “This should increase utilization of domestic refining capacity and reduce dependence on foreign gasoline imports.”

MPC now has the capability to ship some of its gasoline and diesel production to Pittsburgh via pipelines, barges and trucks. It could use products from the Gulf Coast to supply Pennsylvania as well. The company has a total refining capacity of 1.794 million b/d, 710,000 b/d in the Midwest.

Husky said that it could deliver price-advantaged Midwest fuel to east of Pittsburgh, and members of the Delaware Valley Fuel Dealers Association, Better Home Heat Council, South Central Pennsylvania Energy Association, Martin Oil and HB Steele & Sons said they could benefit from more competitively priced Midwest supplies.

Beyond Altoona

Buckeye Partners and Midwest refiners have been eyeing oil products markets beyond Altoona, Pa., following the approval of the second phase of the company’s Michigan-Ohio-West Pennsylvania pipeline expansion project. The near-term goal is to ultimately deliver products to Harrisburg, a comparatively larger market and delivery hub than Altoona. In the second phase, Buckeye will reverse oil products flow on the Laurel Pipeline segment from Pittsburgh to Altoona.

The distance between Pittsburgh and Altoona is about 100 miles, and Altoona is about 130 miles west of Harrisburg. In the longer run, Midwest refiners, including Marathon, are aiming to deliver Midwest oil products all the way to Philadelphia. That initiative would take a full reversal of the Laurel Pipeline and would be at least several years down the road if approved.

The Midwest products push eastward from Pittsburgh is expected to reach Altoona by the end of 2018, but sources said that this pipeline reversal could be completed in the third quarter of 2018 if everything runs smoothly.

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Trends: New twist on ‘slider’ theft may catch on

Thieves might have started a new technique for carrying out “slider” crimes. In what could be a new twist, someone who pulls into a gas station to get fuel is tricked into spotting what appears to be a lost purse on the ground. The thieves hope their target will pick up the purse and take it to the gas station clerk. While the customer is being a Good Samaritan, the thieves steal items from the customer’s vehicle.

Normally in slider crimes, thieves steal items from the customer’s vehicle – or maybe take the customer’s vehicle – while the customer is outside his car, fueling up.

The new, more elaborate technique happened recently at a gas station in Fairburn, Ga., which is in the Atlanta metropolitan area, according to Sgt. Mario Jones of the Fairburn Police Department.

Around 9 p.m. on Feb. 26, a Lexus RX 330 crossover vehicle sat in the lot of a gas station/truck stop in Fairburn, Jones said. There were two people in the Lexus, he said.

A male customer, about 55 years old, pulled into the gas station to get fuel. Someone in the Lexus threw a purse out the window and the Lexus drove away to the other side of the lot.

As the customer finished pumping gasoline into his car, he saw the purse lying on the ground and took the purse to the attendant working in the gas station store.

“That’s when the perpetrators made their move,” Jones said. “They actually waited until they saw him walking inside the store with the purse before they drove to his vehicle to enter it.”

One of the thieves went inside the customer’s unlocked car and took a smart phone and a wallet containing credit cards, Jones said.

Jones said this was the first time his department had heard about a dropped purse being used as part of carrying out a slider crime.

“It’s a new tactic. We’ve just got to adjust to it and combat it the best way we can,” he said.

Jones predicted that the technique will become more common.

“It gives the perpetrators more safety ... when they know they have an allotted amount of time that they have to commit their crime, and know that the owner of that vehicle is away,” he said. “And they know exactly where he’s going, and when he’s returning. They can watch when he’s returning.”

He said the investigation is ongoing and that the gas station’s surveillance video captured an image of the Lexus and its license tag numbers.

Asked what gas stations can do to address these types of crimes, Jones suggested:

- high-quality security cameras;
- a well-lit station;
- a sign warning customers to take their valuables with them if leave their vehicles; and
- a security guard.

Fairburn is in Fulton County, Ga., which recently passed a tough new gas station security law for the unincorporated portion of the county in light of an increase in slider crime – but it wouldn’t apply to Fairburn, which is incorporated.

Under that new law, certain security measures would have to be implemented at stations where certain serious crimes have occurred and the station itself has had problems such as not adequately monitoring patrons.

Among the measures, the stores would have to hire a security guard to be present at all times, the stores would have to have a security camera system, a lighted parking lot, unobstructed views from outside of the customer transaction area, a silent-alarm, and the county police would train store employees on security matters.

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In Brief: Trump orders review of clean water rule

President Trump signed an executive order that requires the U.S. Army Corps of Engineers and the EPA to review or rescind the 2015 Waters of the U.S. (WOTUS) rule, according to PMAA.

The president will also call for a halt of a lawsuit that challenges the rule from dozens of states, businesses and agricultural groups while the measure is under review, PMAA said.

“This rule is important to petroleum marketers because it defines how far federal clean water regulations extend into local land use and permitting decisions including the construction of new gasoline stations and surface water runoff from parking and fueling areas,” the group said.

“Many petroleum marketers with bulk storage could also be adversely affected by the revised definition,” it added.

In 2015, PMAA joined a coalition representing a broad range of businesses to voice strong opposition to the revised definition of the WOTUS. The group has supported congressional efforts to scrap it through legislation.

Footnote: PMAA Now Neutral in RFS Debate

PMAA last year said it supported keeping the Renewable Fuel Standard’s compliance obligation on refiners and importers. But now it is telling EPA that it is taking a “neutral” position on the issue.

PMAA said in recent formal comments to the agency that it is concerned the regulation may allow large retailers that are able to blend and to capture the RINs (Renewable Identification Numbers) to undercut fuel prices of smaller retailers. The organization said it “believes that inflated value of RINs due to annual increases in the renewable fuel obligation is driving much of the downstream market distortion.”

The trade group said it “will continue to pursue a cap on the maximum amount of ethanol blended into gasoline at 9.7%,” adding that it believes such a cap “is the most effective way to lower the value of RINs and in turn, allow business retailers to compete on a level playing field.”

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