

U.S. DOT to Roll Out New Motor Carrier Safety Rating Program by Year's End



The U.S. DOT's Federal Motor Carrier Safety Administration (FMCSA) is preparing to roll out its new motor carrier safety rating program sometime during the second half of 2010. The new program imposes no new compliance obligations on petroleum marketers but changes the way the DOT determines motor carrier safety ratings.

Many petroleum marketers are hearing about the new program now due to an advance outreach effort by the DOT. The new program called CSA 2010 will replace the current SafeStat motor carrier safety rating. All interstate and intrastate petroleum transporters are subject to the FMCSA motor carrier safety rating program.

Under the current SafeStat system, data is taken from roadside inspections and used to target motor carriers for DOT safety compliance audits. In turn, the safety compliance audits are used to determine motor carrier safety ratings. These safety ratings are important to petroleum marketers because they determine operating authority and are used by insurance companies to set premiums for trucking operations.

The CSA 2010 introduces a more comprehensive safety rating system based on a wider range of ongoing data from roadside inspections and driver safety violations collected continuously over a three year period.

New CSA 2010 Program Introduces Changes to Safety Rating in Three Areas

More Comprehensive Safety Management Data Collection System

Safety data is collected from road side inspections rather than from safety compliance audits giving a more

comprehensive safety profile of motor carriers and drivers in real time. Information from roadside inspections is collected in a central database for immediate evaluation. The safety measurement data system pinpoints the source of safety problems and identifies high risk behavior in real time.

New Enforcement Process

New enforcement process employs early intervention tools to motor carriers when collected data reveals unsafe performance. Enforcement interventions (a combination of corrective actions and compliance assistance) match the level of safety risk of the violation and range from initial warning letters to on-site inspections or out of service orders. The more violations that occur, the greater the degree of enforcement intervention.

Change in Safety Data Evaluation

Larger number of motor carriers will be evaluated in real time with safety ratings updated continuously based on new safety data from roadside inspections and driver performance. Violations will, for the first time, be weighted based on safety risk. Driver violations will be directly monitored and factored into carrier safety ratings for the first time (only those violations occurring during employment with the carrier).

Steps Petroleum Transporters Can Take to Prepare for CSA 2010

Understand the new Safety Measurement System methodology - information can be found at www.ndpetroleum.org

Understand the following Behavior Analysis and Safety Improvement Categories (B.A.S.I.C.S) that affect motor carrier safety ratings: unsafe driving (speeding, driving on an invalid or expired CDL, etc), fatigued driving (HOS violation), drug and alcohol (use or possession), vehicle maintenance (faulty lights, brakes, etc), cargo related (improper load, handling, marking etc), accident history.

Educate drivers about their driving records and how their performance affects their driving records and

(Continued on page 16)



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Valued NDPMA Members:

As you read this newsletter, let's hope the snow is continuing to melt and the floodwaters aren't rising. Despite all the perils associated with potential flooding, this remains my favorite time of year as tournament basketball is in full swing across the state and the nation. It never fails, my heart beats a little faster and my palms get a little sweaty when I hear the national anthem before a late winter sporting event. There's nothing better than watching young men and women laying it all on the line for one shot at glory, whatever the sport. It's a once in a lifetime chance to make those childhood dreams a reality.

Many of you may not know this, but my father, Sheldon, was an all-state football and basketball player at New Salem back in the late 1950's. For some reason, that gene skipped me, but my brother Gus followed in dad's footsteps to basketball all-statehood some 25 years later. I share this tidbit because it brings to mind one of the things my dad used to always say to us about our athletic skills. He'd say, "You're darn fast, but you run to long in one spot!"

I can tell you there's no grass growing under our feet in the association office these days! NDPMA with the help of EMC Insurance, has been hosting seminars concerning the new **CSA 2010** rules (see cover story). While about 25 marketers attended the two seminars in Fargo and Bismarck, I was a bit disappointed by the numbers. Every business with a D.O.T. number will be affected by these new regulations. If you operate a vehicle with a gross weight of more than 16,500 pounds this is information you need to know and implement in your operations.

NDPMA/NDRA, along with several other state associations, continues to evaluate health care reform opportunities on the homefront. You will be getting a survey in the coming days. I urge you to fill out this survey and get it back to the association office as quickly as possible. We are doing everything we can to address the growing concern of rising health care costs for you, your family and employees.

If you attended the 20th NDPMA State Convention last October, the topic of a dues increase was brought before the general membership. The NDPMA Board of Directors appointed a committee to review the current dues structure. NDPMA members have not seen a dues increase in more than 20 years. We hope to roll out a modest, conservative dues increase in the months ahead.

Another issue the board and the association office would like to address is the possibility of hiring a full time regulatory compliance person to work for NDPMA and potentially, NDPGA. The information in this newsletter points out the mounting pressure marketers are facing in making sure they're in compliance with the growing number of regulations. Obviously, the main concern at this point is how can the association fund such a position. The question every marketer must ask themselves is can we afford to be without such expertise for much longer in the current business environment?

Finally, the North Dakota political scene is like our weather: warming up. The political candidates are certainly getting out of the gates quickly. We will be keeping an eye on all the key races as the battle for seats in the U.S. Senate and House heat up in the coming months.

Closer to home, faces will be changing at the State Capitol as well with many long time incumbents not seeking re-election in the upcoming campaign cycle. 2010 might well be remembered as the "Year of Politics" in North Dakota and the nation. Never underestimate the power of the people. It's what makes America great.

Mike Rud - President

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OSHA Injury and Illness Posting Requirement Period Begins February 1, 2010

OSHA requires certain business establishments **with ten or more employees** to post work related injury and illness that occurred during the previous calendar year. The posting period begins on February 1 and ends on April 1. OSHA Form 300A is used to meet the posting requirements.

Gasoline Service Stations (without c-stores) (NAICS Code 447190) are exempt from the OSHA injury and illness reporting requirements regardless of the number of employees.

Convenience Food Stores with Gasoline Stations (NAICS Code 447110). Where a convenience store and gasoline station is combined, exemption from the OSHA injury and illness reporting rule will depend on the "primary activity" at the establishment. The primary activity of an establishment is determined by value of receipts for each business activity. If the value of receipts for fuel sales is greater than c-store sales, then the establishment classified as a Gasoline Service Station is exempt from injury and illness reporting rule. If the c-store gross receipts are greater, then you must comply.

Petroleum Bulk Plants (NAICS Code 424710) are **not exempt** from the OSHA injury and illness recording rule unless there are ten or fewer employees working at the bulk plant or company headquarters. This category includes motor fuel, heating oil and propane bulk facilities.

Petroleum and Petroleum Products Merchant Wholesalers - No Bulk Facilities (NAICS 424720) are **not exempt** from the OSHA injury and illness recording rule unless there are ten or fewer employees working at the company headquarters. This category includes motor fuel, heating oil and propane wholesalers.

Heating Oil Dealers (NAICS Code 454311) are **not exempt** from the OSHA injury and illness recording rule unless there are ten or fewer employees working at the company headquarters.

OSHA FORM 301: Used to record a work related injury or illness. Fill out this form no later than seven days after the injury or illness was first reported.

OSHA Form 300: This is the "log" in which all work related injuries and illnesses must be recorded during a reporting cycle.

OSHA FORM 300A: This is the form that contains a summary of all work related injuries and illness from the previous calendar year as recorded in the 300 log and must be posted in a conspicuous place such as an employee bulletin board from February 1 to April 1.

Forms, instructions and a Q&A on the OSHA injury and illness reporting rule can be downloaded at <http://www.osha.gov>.



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U.S. DOT Issues Changes to Driver Drug and Alcohol Testing Program

The U.S. Department of Transportation issued three final rules on February 25, 2010 that affect petroleum marketers who must comply with federal drug and alcohol testing requirements for CDL/HAZMAT drivers. While the rules do not impose new regulatory burdens, they adopt changes that are required for full compliance.

The first rulemaking adopts in total an Interim Final Rule authorizing employers to disclose to State commercial driver licensing (CDL) authorities the drug and alcohol violations of CDL/HAZMAT drivers when a State law requires such reporting. This rule does not create an affirmative duty to report test results. It only allows such reporting if a state so requires. This is a technical amendment removing previous language that prohibited transfers of drug and alcohol testing results unless the employer first obtained written consent from the driver. Under the new rule, if a state requires reporting of drug and alcohol test results, the employer is not required to obtain consent from the driver to comply.

The second final rulemaking makes technical changes to U.S. Department of Transportation driver drug and alcohol program forms. Both the U.S. DOT Alcohol Testing Form (ATF) and the Management Information System (MIS) Data Collection Form are updated. Petroleum marketers use these forms to comply with U.S. DOT drug and alcohol program testing and reporting requirements. The DOT

recognizes that employers and alcohol testing technicians may currently have a large supply of the old ATF forms. Instead of discarding these forms, the DOT will permit their use until supplies are exhausted or employers may begin using the new forms immediately. Either way, only the updated forms may be used beginning August 1, 2010. Since the MIS is a single-page form that is an annual submission usually done electronically via the Internet, (at <http://damis.dot.gov>), it is less likely employers have a large number of these forms on hand. Therefore, employers may not use existing supplies of MIS forms for the next reporting deadline of March 15, 2010. Instead, the new MIS forms must be used. Both revised forms with instructions can be found at <http://www.dot.gov/ost/dapc/mis.html>

The third final rule adopts an Interim Final Rule (IFR) that allows certain pre-screening devices for alcohol testing. When the federal alcohol testing rules for CDL/HAZMAT drivers were finalized on February 15, 1994 [54 FR 7302 et seq.], a provision was included requiring breath testing be conducted using evidential breath testing devices (EBTs). However, the DOT subsequently added flexibility in testing methods by allowing the use of non-evidential alcohol screening device (ASD). Regulations updating the types of ASD allowed for non-evidential screening purposes were made in an IFR on January 11, 2007 IFR [72 FR 1298].

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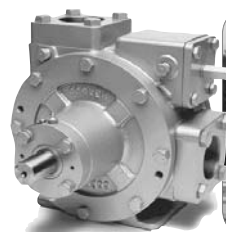


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From our Neighbors to the East

A group of Minnesota jobbers anonymously sent their sales and delivery expenses to a central accountant and came up with the cost for delivering gasoline, diesel fuel and heating oil in 2009 with a bulk truck:

	2008	2009
Gallons Delivered	24,490,078	25,631,943
Delivered Sales	\$78,134,158.85	\$64,517,439.21
Cost of Goods (includes freight to the bulk plant)	\$72,568,810.15	\$59,728,663.41
Discounts	\$ 455,135.25	\$ 486,563.00
Total Delivery Expenses (includes truck operation, driver pay, benefits, administrative expenses and bulk plant maintenance)	\$ 4,600,178.91	\$ 5,294,272.70
Delivery Cost Per Gallon	\$ 0.1878	\$ 0.2065



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Why Oil Prices Might Skyrocket

Adam K White - PMAA Commodity Futures Market Reform Task Force

Crude futures are doing a slow-motion backflip, stoking speculation about the next move for oil prices.

The futures curve, plotted with prices of oil to be delivered in successive months, has flattened. Late last year, a barrel of US oil for immediate delivery cost \$2.35 less than one due a month later. Today the spread is about 40 cents, approaching the narrowest in 1½ years.

Several Wall Street analysts say the market is poised to flip even further, with spot prices rising above longer-dated futures for the first time since mid-2008. The inverted price pattern they envisage – called “backwardation” among economists – would signal a world in which oil demand catches up with supply after a severe, recession-induced lag. This would skim excess inventories from storage terminals.

Here’s your guide to what will happen if crude oil futures prices move into backwardation and stay there:

Crude inventories will drop precipitously and head-in-the-sand economists will say “see the market anticipated the rising of demand” and they will be wrong because inventories are largely held by “cash and carry” arbitrageurs who will sell their physical holdings of oil to take their profits on the trade.

Every commodity index salesman in the world will speed dial every institutional investor that he’s talked to about commodity indices in the last 3 years and tell them “there’s never been a better time to invest in commodities” because, of course, oil is as much as 40% of these indices and the “roll yield” is critical to returns. In a contango market investors face a stiff headwind, but in a backwardated market they experience a nice tailwind.

Huge amounts of money will begin to flow into these investments as an “inflation hedge.” The amount of money will dwarf the \$60 – \$100 billion that poured into commodity investments in 2009. It was the flattening of the oil futures curve in 2007 that set off the “gold rush” mentality that caused the Great Oil Bubble of 2008.

You will have numerous Wall Street banks out there touting oil as an inflation hedge, making \$200 per barrel predictions, etc. All this will be necessary to help the salespeople get more investors to enter the trade, keeping the good times rolling while the bubble expands. Rising oil prices will become the self-fulfilling prophets of inflation.

Make two additional notes regarding why oil prices might skyrocket:

First, the CFTC’s attempt to limit speculation with its Position Limit Rule (which does not tackle passive commodity investment) will either be defeated because Commissioner Dunn refuses to vote responsibly or it will lack teeth because it is adopted in its currently weak state (92,000 contracts is so high it’s like no limit at all).

Second, while many Democrats will shriek and wail about “speculation” it will take them weeks if not months to hold all the hearings, craft bills, etc. And because it is an election year, the Republicans will ridicule them while chanting “drill, baby, drill.” Wall Street lobbying efforts will delay any legislation by months – just enough to get us to the election recess.

The greatest risk to this analysis is the initial premise that oil futures prices will become backwardated **“and stay there.”** As the huge cash and carry trades are unwound the selling of spot oil and the buying back of longer-dated futures would tend to exert a contango-like effect.

Likewise, as the amount of money being rolled by investors grows, that also would tend to push things toward contango. If the producers scramble to hedge by selling production forward and/or the consumers decide to hedge less and therefore buy less, then that might be enough to tip the curve into a sustained period of backwardation. For that reason I think we need to be in backwardation for 3-6 weeks before this whole juggernaut starts snowballing.

From the blog of Tom Kloza of OPIS:

“In the decade of the 1990s, a barrel of crude oil traded from a low of \$10.92 to a high of \$40.42 - a spread of \$29.50. However, for the decade of the 2000s, the low was \$17.45 and the high was \$145.29 - a spread of \$127.84. One only needs to look at these statistics to understand why the price of gasoline has become so volatile and why the market fundamental of supply versus demand no longer applies.”



Carolyn Kastella

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U.S. DOT Bans CMV Drivers from Texting While Driving

The U.S. DOT announced a ban on texting while driving a commercial motor vehicle (CMV). The ban is important to petroleum marketers because it effects drivers of cargo tank vehicles and transports that operate in interstate commerce. The ban, effective immediately, was not subject to the federal rulemaking process which requires notice and a public comment period. Instead, the ban is the result of a regulatory interpretation made by the Federal Motor Carrier Safety Administration (FMCSA) of existing federal rules prohibiting unsafe conduct while driving a CMV. The civil penalty fine for violating the texting ban is \$2,750. Drivers who violate the texting ban may also be subject to criminal penalties under certain circumstances.

The DOT announcement did not specify whether texting on handheld phones and other devices would be the only activity subject to the new ban. The DOT

previously indicated that other types of driving distractions such as the use of global positioning systems or other electronic devices **may be** subject to such bans. However, the ban does not apply to onboard devices that allow dispatchers to send text messages to truck drivers. These devices generally have mechanisms that prevent their use while a truck is in motion.

Research by the Federal Motor Carrier Safety Administration shows those drivers who send and receive text messages take their eyes off the road for an average of 4.6 seconds out of every six seconds while texting, the department said. At 55 miles per hour, this means that the driver is traveling the length of a football field, including the end zones, without looking at the road, the department said.



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SPCC Rules Finalized – Possible Deadline Extension

*The November 13, 2009 EPA rules finalized several changes to the oil spill prevention control and countermeasure (SPCC) rules. The EPA believes it has addressed all pending concerns expressed since 2002. On June 14, 2009 the EPA indicated that **both farm and non-farm** facilities would share the same compliance date; currently **November 10, 2010**.*



While the EPA alluded that one additional deadline extension may be necessary, the final countdown has started. If you have not yet revised your facility's SPCC Plan, avoid the last minute rush and possible "premium" charges. See our website at under <Regulatory Alerts> for additional information.

Keitu's Recent Staff Addition

Jeremiah Trnka finished his masters degree in environmental engineering from Washington State University in August 2009. His research focused on chlorinated hydrocarbon remediation techniques. Also a UND-Grand Forks graduate, he grew up in the Bismarck-Mandan area. His wife Dianna, a former Dickinson native, also welcomed the opportunity to return to the state. His initial assignments include environmental site assessments, soil mapping & remediation, and air emission permits & reporting.

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Gallons per Year	Gallons per Month	Gallons per Day	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6
50,000	4,167	137	22	43	65	87	108	130	152	173	195	216	238	260
100,000	8,333	274	43	87	130	173	216	260	303	346	390	433	476	519
200,000	16,667	548	87	173	260	346	433	519	606	693	779	866	952	1,039
300,000	25,000	822	130	260	390	519	649	779	909	1,039	1,169	1,299	1,429	1,558
400,000	33,333	1,096	173	346	519	693	866	1,039	1,212	1,385	1,558	1,732	1,905	2,078
500,000	41,667	1,370	216	433	649	866	1,082	1,299	1,515	1,732	1,948	2,165	2,381	2,597
600,000	50,000	1,644	260	519	779	1,039	1,299	1,558	1,818	2,078	2,338	2,597	2,857	3,117
700,000	58,333	1,918	303	606	909	1,212	1,515	1,818	2,121	2,424	2,727	3,030	3,333	3,636
800,000	66,667	2,192	346	693	1,039	1,385	1,732	2,078	2,424	2,771	3,117	3,463	3,810	4,156
900,000	75,000	2,466	390	779	1,169	1,558	1,948	2,338	2,727	3,117	3,506	3,896	4,286	4,675
1,000,000	83,333	2,740	433	866	1,299	1,732	2,165	2,597	3,030	3,463	3,896	4,329	4,762	5,195
1,100,000	91,667	3,014	476	952	1,429	1,905	2,381	2,857	3,333	3,810	4,286	4,762	5,238	5,714
1,200,000	100,000	3,288	519	1,039	1,558	2,078	2,597	3,117	3,636	4,156	4,675	5,195	5,714	6,234
1,300,000	108,333	3,562	563	1,126	1,688	2,251	2,814	3,377	3,939	4,502	5,065	5,628	6,190	6,753
1,400,000	116,667	3,836	606	1,212	1,818	2,424	3,030	3,636	4,242	4,848	5,455	6,061	6,667	7,273
1,500,000	125,000	4,110	649	1,299	1,948	2,597	3,247	3,896	4,545	5,195	5,844	6,494	7,143	7,792
1,600,000	133,333	4,384	693	1,385	2,078	2,771	3,463	4,156	4,848	5,541	6,234	6,926	7,619	8,312
1,700,000	141,667	4,658	736	1,472	2,208	2,944	3,680	4,416	5,152	5,887	6,623	7,359	8,095	8,831
1,800,000	150,000	4,932	779	1,558	2,338	3,117	3,896	4,675	5,455	6,234	7,013	7,792	8,571	9,351
1,900,000	158,333	5,205	823	1,645	2,468	3,290	4,113	4,935	5,758	6,580	7,403	8,225	9,048	9,870
2,000,000	166,667	5,479	866	1,732	2,597	3,463	4,329	5,195	6,061	6,926	7,792	8,658	9,524	10,390
2,250,000	187,500	6,164	974	1,948	2,922	3,896	4,870	5,844	6,818	7,792	8,766	9,740	10,714	11,688
2,500,000	208,333	6,849	1,082	2,165	3,247	4,329	5,411	6,494	7,576	8,658	9,740	10,823	11,905	12,987
2,750,000	229,167	7,534	1,190	2,381	3,571	4,762	5,952	7,143	8,333	9,524	10,714	11,905	13,095	14,286
3,000,000	250,000	8,219	1,299	2,597	3,896	5,195	6,494	7,792	9,091	10,390	11,688	12,987	14,286	15,584
3,500,000	291,667	9,589	1,515	3,030	4,545	6,061	7,576	9,091	10,606	12,121	13,636	15,152	16,667	18,182
4,000,000	333,333	10,959	1,732	3,463	5,195	6,926	8,658	10,390	12,121	13,853	15,584	17,316	19,048	20,779
4,500,000	375,000	12,329	1,948	3,896	5,844	7,792	9,740	11,688	13,636	15,584	17,532	19,481	21,429	23,377
5,000,000	416,667	13,699	2,165	4,329	6,494	8,658	10,823	12,987	15,152	17,316	19,481	21,645	23,810	25,974
5,500,000	458,333	15,068	2,381	4,762	7,143	9,524	11,905	14,286	16,667	19,048	21,429	23,810	26,190	28,571
6,000,000	500,000	16,438	2,597	5,195	7,792	10,390	12,987	15,584	18,182	20,779	23,377	25,974	28,571	31,169
7,000,000	583,333	19,178	3,030	6,061	9,091	12,121	15,152	18,182	21,212	24,242	27,273	30,303	33,333	36,364
8,000,000	666,667	21,918	3,463	6,926	10,390	13,853	17,316	20,779	24,242	27,706	31,169	34,632	38,095	41,558
9,000,000	750,000	24,658	3,896	7,792	11,688	15,584	19,481	23,377	27,273	31,169	35,065	38,961	42,857	46,753
10,000,000	833,333	27,397	4,329	8,658	12,987	17,316	21,645	25,974	30,303	34,632	38,961	43,290	47,619	51,948

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"The session on employee driving and checking motor vehicle reports was the most beneficial. It explained the importance to the business to check MVRs and hire only good drivers."

"The amount of risk management knowledge shared is almost overwhelming. I was most impressed by Federated's commitment to help us minimize risk."

"I would recommend this program to anyone in the petroleum business. It's made me take a step back and realize that the ideas discussed could be put in place for minimal cost."

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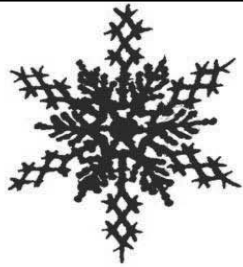
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The Latest Attempt at Credit Card Theft

Gray Taylor - NACS payments consultant

What is skimming?

Skimming is any attempt to acquire the data from a credit or debit card transaction. At its simplest, it is stealing credit card receipts. Today, it often involves placing a small electronic device over a terminal that the criminal later takes back to download card data. In all cases, the thieves need to open your dispenser to place the skimming device(s).

Is skimming a particular problem at convenience stores/gas stations?

The incidence of skimming at the fuel island is over-exaggerated, as industry data points to retail environments where the consumer gives up possession of the card as the biggest source of skimming. In fact, according to the 2009 Verizon Business Data Breach Investigations Report, the real risk to consumers isn't retail at all; 93 percent of compromised accounts occurred at breaches within financial institutions. The simple fact is that criminals go "where the money is," and complicated, site-based hacks of retailers is a high-risk, low-yield proposition.

Consumer Reports magazine suggests that customers use signature debit, instead of PIN?

The recommendation that consumers not use their PINs when paying is erroneous at best, and could increase consumer risk of compromise, overdrafts and increases retail prices.

Industry data shows that card transactions without PINs have a **six times greater chance** of being compromised – which is why PIN usage is the de facto standard for world payments. Consumers who choose not to use a PIN are also at risk for overdraft fees that occur when their bank does not remove debit holds from their account in a timely fashion. Signature-based transactions are processed on the antiquated Visa and MasterCard systems that do not process in real-time, versus the instant operation of PIN debit. Not using PIN also increases the cost of the transactions, which is passed back to the consumer. The Federal Reserve Bank of Kansas City documented that a \$50 transaction processed with a PIN cost the retailer 49 cents, while the same transaction processed without a PIN cost the retailer 68 cents – a cost difference of 19 cents.

The assertion that "a lot of gas pumps use older technologies, so PIN codes are not encrypted" is totally unsupported by the facts. With the introduction of master session encryption technology in the early 1990s, fuel dispensers have been required by Visa and electronic funds transfer networks to encrypt PINS or not accept PIN debit. In fact, *every* one of the estimated 6 million fuel

dispenser terminals installed today accepting PIN debit encrypts PIN numbers – as has been the case for the past 15 years. The convenience and petroleum retail segment has invested more than \$5 billion in payment systems and technology to provide a safe, fast and accurate card payment experience for consumers.

How can a retailer check if terminals are being skimmed?

Unless you are a trained dispenser technician, you probably can't tell. We recommend serial-numbered security strips and periodic inspections of them. The idea is to know if the dispenser has been accessed – if a strip is broken, then shut down the dispenser and call in a tech to inspect the pump.

How can retailers minimize the risk of being skimmed?

- Use serialized security strips over all access doors you wish to protect.
- Re-key the locks on dispenser doors that have access to electronic payment data.
- Consider investing in anti-breach kits for dispensers. Manufacturers now offer anti-breach kits, which generally notify and shut down dispensers that are accessed without proper security code entry. This can be expensive, but is the ultimate line of defense.

What should a retailer do if there is an incident?

- Stop the bleeding. Take the dispenser offline to discontinue any more transactions.
- Have a tech identify the device, but do not remove or touch it. If there is no device, get it in writing from the tech and restart the dispenser.
- Call the police to inspect. Remember, this is a crime scene and the perpetrators are probably doing the same thing to other retailers in the general area. Also, the Secret Service and FBI are frequently involved in large cases; let the police handle this. After the investigation, ask for a dated police report.
- You don't know if any of the cards used at the dispenser have been compromised, so don't assume that they have been.

Do you have advice for consumers?

- Use payment terminals and ATMs at established retail or banking locations, where access to the device is controlled by on-site personnel.
- Use a PIN whenever you can; it reduces your risk of compromise six-fold and leads to lower retail prices.
- Place reasonable limits on the daily or weekly withdrawals from ATMs.

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Steering Committee Names Consultant for Refinery Study

A steering committee of oil industry leaders formed to analyze whether it's feasible to increase oil refinery capacity in North Dakota has selected The Corval Group, with offices in St. Paul, Minn., and Beulah, N.D., to conduct the study.

The Corval Group teamed with Purvin & Gertz, Inc. (PGI) and Mustang Engineering, both based in Houston, Texas, as partners in the study.

"The steering committee selected The Corval Group and their partners because of their keen understanding of the North Dakota oil industry," said Dennis Hill, spokesperson for the study, who also serves as general manager of the North Dakota Association of Rural Electric Cooperatives (NDAREC), Mandan. "The Corval Group also best responded to the committee's top priority of determining if there's a business case that can be made to increase refining capacity in our state, before work is done on building or expanding refinery capacity."

NDAREC was authorized last year to conduct a study on the feasibility of increasing oil refinery capacity in the state. The funding for this oil refinery capacity study was provided by the U.S. Department of Energy, through the National Energy Technology Laboratory (NETL) and was secured by Sen. Byron Dorgan. NDAREC is project administrator for the \$415,000 study, which is scheduled to be completed by July 2010.

The study will be conducted in two parts, according to Hill. In Phase I, the study will analyze whether a business case can be made to increase oil-refining capacity in North Dakota. If that result is promising, Phase II of the study would describe refinery logistics, configuration, capital costs and potential site locations.

The study is being led by an oil industry steering committee, co-chaired by Sen. Rich Wardner, Dickinson, and Rep. Kenton Onstad, Parshall. The steering committee includes representatives from the production, pipeline, refinery and petroleum marketing companies doing business in North Dakota. An advisory committee of leaders and officials representing industry associations, state government, economic development agencies, energy providers and higher education has also helped with the study design and decision making.

"The Corval Group is very proud to have been selected for this important work," said Jim Simon, executive vice president of Corval Group. "Our team offers extensive refinery-based engineering, marketing, construction and maintenance expertise needed to provide a useful analysis for potential refining capacity expansion in the state of North Dakota. This study will be headed by Kurt Swenson, vice president of Northwest Region at Corval's Beulah office."



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Federal Motor Fuel Excise Tax Rates 2010

The federal motor fuel tax rates below remain unchanged from 2009. However, it is important to remember that although the one dollar per gallon federal biodiesel blender credit expires December 31, 2009, the federal excise tax of 24.4 cpg is still due on any volume of biodiesel blended into clear diesel fuel after this date. In other words, the tax credit expires but the federal tax on the biodiesel portion of the blend does not.

Product	Rate*	Cents Per Gal
Gasoline	\$.184	18.4 cpg
Gasoline (removed for gasohol blending)	\$.184	18.4 cpg
Alcohol (for use in downstream gasohol blending)	\$.184	18.4 cpg
Aviation Gasoline	\$.194	19.4 cpg

Ethanol blends are taxed at the full federal rate for gasoline. A tax credit of 45 cpg is available on the amount of alcohol used in the blend.

Ethanol Blend	Rate*	Cents Per Gal
10% gasohol	\$.045	4.5 cpg
8.2% gasohol	\$.03465	3.465 cpg
7.7% gasohol	\$.03465	3.465 cpg
5.7% gasohol	\$.02565	2.565 cpg
Diesel (clear)	\$.244	24.4 cpg
Diesel (dyed)	\$.001	1/10th cpg
Diesel (used in trains)(dyed)**	\$.001	1/10th cpg
Diesel (removed for blending with biodiesel)	\$.244	24.4 cpg
Biodiesel (removed for blending with diesel)	\$.244	24.4 cpg

Biodiesel blends are taxed at the full federal rate for diesel fuel. The federal biodiesel tax credit of one dollar per gallon expires December 31, 2009. The biodiesel content of any blend after this date is still subject to the \$.244 federal excise tax.

Kerosene (clear)	\$.244	24.4 cpg
Kerosene (dyed)	\$.001	1/10th cpg
Kerosene (clear - non-commercial aviation)***	\$.219	21.9 cpg
Kerosene (clear - for use in non-taxable aviation)	\$.001	1/10th cpg
Kerosene (clear - for use in commercial aviation)	\$.044	4.4 cpg
Propane	\$.183	18.3 cpg

* Rates include the \$.001 cpg federal Leaking Underground Storage Tank (LUST) tax. The LUST tax is non-refundable.

**This tax is paid by the railroads, NOT by petroleum marketers.

*** Marketers pay \$.244 cpg at the rack, user's rate is \$.219. Ultimate vendor claim is \$.025 cpg. The ultimate vendor is the only party that can make the claim for 2.5 cpg. Ultimate vendor must have a certificate from the ultimate purchaser verifying the fuel is used for non-commercial aviation. Ultimate vendor must have an IRS 637 UA registration to file claim.

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(Continued from page 1)

the safety assessment of the carrier. Emphasize that every roadside inspection and violation counts towards the motor carrier safety rating.

Ensure your U.S. DOT Number (MCS-150 Form) is up to date. The MCS-150 form and instruction can be downloaded at: <http://www.fmcsa.dot.gov/registration-licensing/print-forms/print-forms.htm>.

Review roadside inspection, violation and accident history for the past two years to identify areas for improvement. These records can be viewed at <http://ai.fmcsa.dot.gov>.

Keep detailed records of all roadside inspection results, and driver violations as evidence to contest improper safety rating determinations.

Make any necessary safety performance improvements now.


Sign up for CSA 2010 e-mail updates at http://csa2010.fmcsa.dot.gov/Stay_Connected.aspx

Visit the CSA 2010 website for a variety of fact sheets, tutorials and PowerPoint presentations on the new safety rating program at <http://csa2010.fmcsa.dot.gov>.

Visit <http://csa2010.fmcsa.dot.gov/yourrole/motorcarriers.aspx> and click on "Frequently Asked Questions". Check

the box next to "Motor Carrier" for a comprehensive list of questions and answers on the CSA 2010 program.

Should you have any questions about these new forms or drug and alcohol testing requirements, please contact Mark S. Morgan, Esq., PMAA Regulatory Counsel at 202.364.6767.



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