

ICPA'S 2009 EARNING YOUR SUPPORT

Each day you go to work to earn the support of your customers, while competing against others who are also trying to do business with your customers.



In 2009 What Is ICPA Doing to Earn Your Support?

ICPA's relationship with you reflects the same commitment to earning your support and a commitment to excellence as we are focused on providing benefits, services and products that enhance your business and our industry's ability to compete and grow in Connecticut.

There are many industry organizations you can join . . . but here at the state level only ICPA will *promote, preserve and protect* your business interests. Here are some reasons we feel ICPA is your best choice, and why we work hard to "EARN YOUR SUPPORT!!"

- ✓ ICPA WAS OUT IN FRONT OF MEDIA AND COMMUNICATIONS NEEDS OF MEMBERS WHEN ENERGY PRICES ROSE DRAMATICALLY IN THE SPRING, THEN COLLAPSED IN THE SUMMER AND ATTENTION TURNED TO FIXED PRICE CONTRACTS
- ✓ ICPA WAS OUT IN FRONT OF MARKETERS CREDIT AND CAPITAL NEEDS, STARTING WITH OUR JUNE ANNUAL MEETING THROUGH ICPA AND VFDA WORKING TOGETHER TO MAKE THE CASE TO THE U.S. TREASURY DEPT THAT SMALL BUSINESSES WERE JUST AS IMPORTANT AS LARGE BUSINESSES' CREDIT NEEDS WHEN THE CAPITAL MARKETS SEIZED UP
- ✓ ICPA CREATED A PROGRAM FOR MARKETERS TO GET ASSISTANCE WITH THEIR CAPITAL NEEDS BY WORKING WITH THE SMALL BUSINESS ADMINISTRATION, THE CONNECTICUT DEVELOPMENT AUTHORITY AND THE SMALL BUSINESS DEVELOPMENT CENTERS THROUGHOUT THE STATE
- ✓ ICPA TESTIFIED BEFORE CONGRESS ON THE EFFECTS RAPIDLY RISING ENERGY COMMODITIES MARKETS WERE HAVING ON MARKETERS AND OUR CUSTOMERS
- ✓ ICPA WAS OUT IN FRONT OF THE F&S FAILURE WITH MEDIA WORK AND PROVIDING A FORUM FOR FORMER EMPLOYEES TO FIND NEW JOBS
- ✓ ICPA WORKED WITH MORE THAN 80 ORGANIZATIONS NATIONWIDE TO LOBBY CONGRESS TO CLOSE THE ENRON LOOPHOLE, AND LAY THE FOUNDATION TO RESTORE FEDERAL OVERSIGHT TO COMMODITIES MARKETS
- ✓ ICPA SUCCEEDED IN PARTNERING WITH NEFI TO STOP EPA FROM EXTENDING SPCC PLAN REQUIREMENTS TO DELIVERY VEHICLES PARKED ON THE SAME PROPERTY AS FIXED STORAGE
- ✓ ICPA STOPPED LEGISLATION THAT WOULD HAVE ALLOWED CONNECTICUT TOWNS AND CITIES TO FORM OIL COOPERATIVES THAT WOULD HAVE COMPETED AGAINST FAMILY-OWNED INDEPENDENT HEATING OIL BUSINESSES
- ✓ ICPA DRAFTED LEGISLATION FOR CONGRESSMAN JOHN LARSON THAT WOULD RESTRICT ENERGY COMMODITIES TRADING TO ENTITIES THAT COULD ACCEPT DELIVERY OF THE PRODUCTS, LEGISLATION THAT GARNERED MORE THAN 115 CO-SPONSORS IN THE HOUSE

ICPA'S 2009 EARNING YOUR SUPPORT

- ✓ ICPA LEGISLATION CREATED THE FIRST-IN-THE-NATION FUEL OIL CONSERVATION FUND THAT WILL REPLACE OLD, INEFFICIENT OIL HEAT SYSTEMS WITH NEW, HIGH-EFFICIENCY OIL HEAT SYSTEMS WORKING THROUGH THE COMMUNITY ACTION AGENCIES
- ✓ ICPA'S WORK GARNERED MORE THAN \$75 MILLION FROM THE STATE OF CONNECTICUT FOR OIL HEAT ENERGY CONSERVATION PROGRAMS
- ✓ ICPA DEFEATED ANTI-GASOLINE JOBBER LEGISLATION THAT WOULD HAVE RESTRICTED RIGHTS OF FIRST REFUSAL, BANNING DTW, ATTACKS ON RETAILER/JOBBER RELATIONSHIPS AND THAT WOULD HAVE CREATED VAST, NEW POWERS WITHIN THE AGS OFFICE
- ✓ ICPA SPENT OVER \$1 MILLION IN NORA FUNDS PROMOTING THE SAFE, EFFICIENT AND ENVIRONMENTALLY SOUND USE OF OILHEAT IN CONNECTICUT
- ✓ ICPA RAN A RADIO CAMPAIGN TO STOP NATURAL GAS CONVERSIONS IN THE SUMMER OF 2008 - AND CREATED AND DISTRIBUTED 58,000 NEW PRO OIL HEAT - ANTI-NATURAL GAS BROCHURES
- ✓ ICPA WORKED WITH OUR NATIONAL, STATE AND REGIONAL PARTNERS TO SUCCESSFULLY LOBBY CONGRESS TO DOUBLE LIHEAP FUNDING TO \$5.1 BILLION
- ✓ ICPA CREATED A TEMPLATE FIXED-PRICE/PRE-BUY CONTRACT TO GO WITH OUR MEMBER SERVICES BULLETIN ON CONTRACTS THAT THE DEPARTMENT OF CONSUMER PROTECTION ADVISED HEATING OIL RETAILERS TO USE AND FOLLOW
- ✓ ICPA WAS INTERVIEWED REGULARLY BY THE NEW HAVEN REGISTER, THE WATERBURY REPUBLICAN AMERICAN, THE DANBURY NEWS-TIMES, THE HARTFORD COURANT, THE NORWICH BULLETIN, THE CONNECTICUT POST, THE DAY OF NEW LONDON, THE JOURNAL INQUIRER, THE NEW BRITAIN HERALD, WDRC-AM 1360 RADIO, WTIC-AM 1080 RADIO, WATR-AM 1320 RADIO, WFSB-CHANNEL 3 TV, WTNH CHANNEL 8 TV, WVIT CHANNEL 30, WTIC FOX -61 TV, NEW ENGLAND CABLE NEWS, CONNECTICUT NEWSMAKERS, FACE THE STATE, AND CONNECTICUT PUBLIC RADIO ON MATTERS RELATING TO EVERYTHING FROM GASOLINE PRICES TO ENERGY ISSUES - ICPA IS NOW WELL KNOWN AND WELL REGARDED IN THE CONNECTICUT MEDIA FOR ITS INSIGHTS AND OPINIONS ON ENERGY ISSUES REPRESENTING MARKETERS IN THE STATE. WHEN THE MEDIA WANTS TO KNOW WHAT IS HAPPENING WITH ENERGY, THEY SPEAK TO ICPA FIRST
- ✓ ICPA DISTRIBUTED DOCUMENTS INFORMING MEMBERS HOW TO COMPLY WITH NEW DIESEL EXCISE TAX REGULATIONS, PUMP LABELING REGULATIONS, AND DELIVERY TICKET LANGUAGE REQUIREMENTS
- ✓ ICPA CONTINUED TO FOCUS MEDIA ATTENTION ON MOTOR FUELS ISSUES WITH OUR WEBSITE AT [HTTP://ICPA.ORG/CONSUMER_MOTOR.HTM](http://ICPA.ORG/CONSUMER_MOTOR.HTM) AND MADE INCREASED USE OF OUR BREAKDOWN OF WHAT GOES INTO THE PRICE OF A GALLON OF GASOLINE IN ORDER TO HIGHLIGHT CONNECTICUT'S HIGHEST MOTOR FUELS TAXES
- ✓ ICPA'S MANAGEMENT EDUCATION PROGRAMS SERVED JUST OVER 600 PEOPLE IN 2008 ON TOPICS RANGING FROM CONTRACTS TO TAXES TO HAZMAT COMPLIANCE TO PREVENTING HEATING OIL CONSUMERS FROM SWITCHING TO NATURAL GAS
- ✓ ITEC'S EDUCATION FOUNDATION SERVED JUST OVER 700 STUDENTS DURING 2008 IN AREAS RANGING FROM HVAC LICENSING PROGRAMS FOR THE S, B & D PROGRAMS TO CDL DRIVER TRAINING TO CETP PROPANE EDUCATION.

ICPA'S 2009 EARNING YOUR SUPPORT

PLEASE REVIEW THE RECORD OF ACCOMPLISHMENT WE HAVE MANAGED TO COMPILE BY WORKING TOGETHER AND FOCUSING OUR RESOURCES AND ENERGY ON BEHALF OF THE MOTOR FUELS AND HEATING FUELS MARKETERS OF CONNECTICUT



COMMUNICATIONS. Your trade association performs a vital function in communicating with the press, and thus to consumers and lawmakers, our industry's point of view on a wide range of energy issues. This has been accomplished through media interviews and appearances, press releases, letters to newspapers, and advertisements. ICPA was not only interviewed by the print and electronic

media. ICPA also published op-ed pieces on heating oil contracts, diesel taxes, energy conservation, energy policy, problems of access to credit, closing the Enron loophole and why converting to natural gas makes no economic sense.

ICPA continued its work with a multi-state group, the Energy Communications Council that ICPA helped to form to coordinate public relations and communications between what are now 10 associations in 9 states - creating greater strength in media relations and communications work and helping to keep our voice - and one voice - in front of the media across the region.

Faced with a substantial run-up in commodity prices in the spring and early summer, followed by a historic collapse from mid-July through to this day, ICPA went all out, with interviews with the Hartford Courant, Ridgefield Press, Stamford Advocate, Connecticut Post, Norwich Bulletin, Danbury News Times, the Journal Inquirer, the Waterbury Republican American and more, plus interviews on radio such as Connecticut Public Radio, WTIC and WRDC and on television, including Channel 12 in Norwalk, Channels 8 & 61, Channel 3's *Face the State* and Channel 30's *Connecticut Newsmakers*. ICPA succeeded in generating an enormous amount of positive press on the side of heating oil retailers in explaining heating oil contracts in the face of very difficult circumstances for retailers and their customers all over Connecticut.

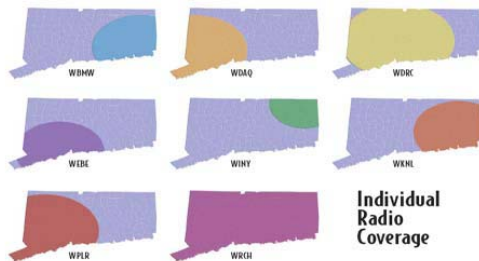
ICPA's website, WWW.ICPA.ORG, also contains a wealth of information for consumers, including such things as energy conservation tips and explaining motor fuels taxes and the difference between prebuy and fixed price contracts. There's a section on how to become a CT licensed heating and cooling technician. The "Member's Only" section contains a wide of materials members may use for consumer education, such as explanation of fuel supply and



variety

ICPA'S 2009 EARNING YOUR SUPPORT

demand, explanation of imports, production and exploration, and giving consumers a comprehensive look at the status of the state's current energy issues. As explained in the following section, we also have all our Member Services Bulletins on line for your examination.



OPERATION MARKETSHARE: While many of our public relations efforts are targeted to consumers in general, ICPA also runs a program specifically targeted to increase oil heat's market share in Connecticut. ICPA's programs focus on the entire state, as reflected by the coverage of radio and newspaper graphics presented here. We represent every part of the state and every part of the state

receives its fair share of exposure to the efforts of the ICPA Advertising Committee. This work is accomplished through applying \$1 million of funding from the National Oilheat Research Alliance (NORA) to ICPA's "Operation Marketshare."



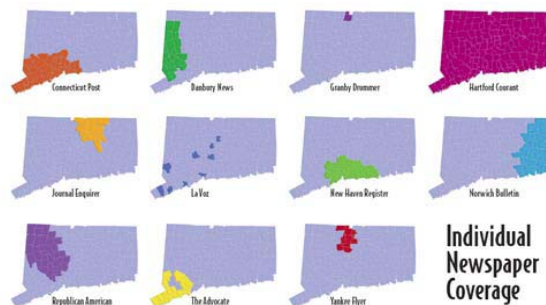
Specifically, this program:

- ICPA began a "Build With Oil" program in the state. We dedicated \$90,000 to establishing an effort between the major home builders in the state and every heating oil marketer who wishes to see more new homes built with oil;
- ICPA continued its Realtor Program in 2007 at a cost of \$61,000. This program communicates Oilheat value to more than 12,000 realtors in the state;
- ICPA spent \$375,000 in Oilheat promotion using the high efficiency equipment ad seen on the front of the ICPA website, a television ad "I am" that focuses on our strength as local energy providers, and a television ad in production promoting the new, domestic alternative fuel with renewable content - biofuel.
- ICPA spent \$150,000 in cooperative radio advertising with the NY-NJ-CT group "tristate," and run NORA-produced radio that focuses on energy conservation and Oilheat technology;
- ICPA spent \$27,000 to develop, produce and distribute communications pieces for the Oilheat industry in the state for use with HVAC contractors and plumbers.
- ICPA spent \$20,000 printing 100,000 "contracts" bill stuffers, 100,000 new "tune-up" bill stuffers, 100,000 Oilheat system report cards, and 50,000 Ambassador of Oilheat brochures. All of which may be ordered free of charge from ICPA in whatever quantities you wish.

-Ran radio ads statewide to promote conservation and the advantages of oil heat to consumers

-Produced and ran the state's first BioHeat television advertising to recast the image and reality of oil heat

- During 2008 ICPA distributed more than 250,000 brochures for oil heat help them keep customers. These included the popular "Heating System Report Cards" and the "Your Partner" bill stuffer.



energy

retailers to

ICPA'S 2009 EARNING YOUR SUPPORT

KEEPING YOU INFORMED

ICPA is the industry's leading source of information not just for the public, but for industry members themselves. As an ICPA member, you would have

received some 26 reports keeping you abreast of the latest developments in our industry at local, state, regional and national levels. This information includes legislative and regulatory developments, national energy policy and trends, new technologies, consumer attitudes, business resources, and much more. For example, in periods where retailers were seeing customers attempt to cancel their contracts, ICPA produced extensive advisories on liquidated damages clauses of contracts, on tortious interference, and free bill stuffer flyers for customers on oilheat contracts.



ICPA GOVERNMENT
RELATIONS
INDEPENDENT CONNECTICUT PETROLEUM
ASSOCIATION

HEATING OIL

In 2008 the Connecticut General Assembly was busy adopting several programs that ICPA has worked on for several years. With heating oil prices racing toward \$5.00 per gallon, state government embraced the industry opposed to investigating a situation that would

accomplish nothing. The legislature funded the first-in-the-nation Connecticut Fuel Oil Conservation Board to the tune of \$15 million, increased funding to the low income energy assistance program by \$35 million, created a \$500 heating system replacement grant program, created a \$200 clean tune and test grant program and maintained the sales tax exemption on high efficiency heating equipment. Several ICPA members were also the



recipient of bio distribution grants (up to \$50,000 per grant) to assist in the upgrading of facilities that sell biodiesel and bioheat. *In all over \$75 million was allocated to programs that will benefit oil heat consumers and the companies that serve them.*

ICPA also established a 0% interest rate loan program for the replacement of furnaces and boilers in residential structures that are at least 84% efficient. This program provides further incentive to upgrade heating systems and works in concert with the grant programs outlined above.

ICPA secured several house of service waivers for petroleum transporters enabling heating oil dealers to keep their trucks on the road during the coldest times of the year. ICPA's relationship with the Department of Motor Vehicles has allowed us to keep product flowing while other states are forced to shut down.

In this difficult economy, consumers are struggling to pay their energy bills placing economic burdens on many oil dealers. These problems are complicated by intolerable delays that small businesses are encountering when accessing the small claims court system. In response to ICPA's concerns about these delays the State Judicial Department has formed a working

ICPA'S 2009 EARNING YOUR SUPPORT

group of business, magistrates and attorneys to address this problem and get the system working again.

Finally, ICPA was able to defeat a proposal that would have facilitated municipal heating oil cooperatives. The proposal would have allowed Connecticut towns and cities to literally become heating oil retailers by soliciting their residents who use oil to heat their homes or to designate an oil dealer as a preferred vendor. ICPA opposed any and all proposals that would allow the government to either pick the winners and losers or directly compete against family owned businesses.

The success that ICPA experienced in 2008 is a testament to the hard work that our members have dedicated to improving the climate in which we work in. Your calls to local legislators expressing your views on issues that will affect your business enable ICPA to accomplish your agenda and 2008 is a prime example of that.



MOTOR FUELS

With gasoline prices over \$4.00 per gallon, the Attorney Generals Office (AG) and several key legislators engaged the petroleum industry about a comprehensive disclosure of pricing data from the rack to the pump. ICPA, working with representatives from the refining and dealer side of the business successfully defeated a legislative proposal that would have required tens of thousands of documents containing proprietary information. Despite the insistence of the Attorney Generals Office to require that Jobbers disclose the street price and the volume they sell to consumers, the price charged their customers how many gallons are sold, the rack price that they pay for gasoline, and how many gallons they bought from their supplier for a period of three years with fines for non-compliance ranging from \$100,000 per day to \$1,000 per day the ICPA successfully killed the legislation. ICPA had a tremendously successful year defending motor fuels members ability to compete.

After a misguided price investigation of the gasoline industry by the Department of Consumer Protection (DCP), ICPA successfully secured a blanket extension of time for Jobbers to respond to the voluminous request for pricing data so that our members had adequate time to reply. ICPA provided DCP with publically available aggregate pricing data that clearly demonstrated that the rise in gasoline prices that Connecticut was experiencing was consistent with increases across the region. While the investigation proved to be costly in terms of time, money and aggravation no marketers have been fined, sanctioned or prosecuted for gouging.

With credit cards costs soaring, ICPA successfully passed legislation that now allows gasoline retailers to offer a discount when their customers pay for gasoline with cash. This new law allows retailers to determine if they would like to offer discounts to their customers who purchase gasoline with cash and what that discount will be.

With the support of ICPA the scheduled increase of the gross earnings tax was stopped, providing some needed relief to motorists. The tax increase delay resulted in some savings at the gasoline pump while also reducing the diesel excise tax.

ICPA'S 2009 EARNING YOUR SUPPORT

After several years of defeating issues like the right of first refusal, open supply, divorcement, zone pricing, a ban on replacement cost pricing, 24 hour price freezes among other issues, ICPA had to take on a new proposal that would expose marketers to immense disclosures and scrutiny. The effort of our members contributed to another successful year where ICPA protected Jobbers ability to be competitive and serve their customers.

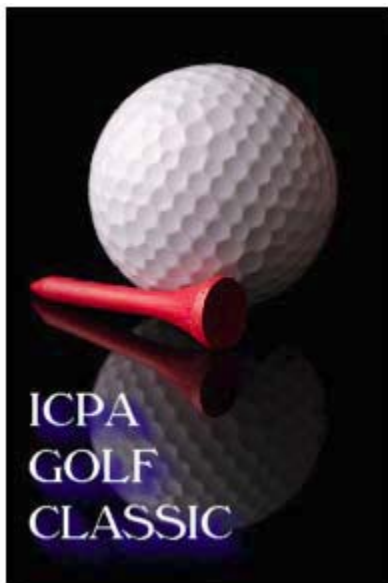
ICPA MANAGEMENT EDUCATION

ICPA EDUCATION FOUNDATION

MANAGEMENT EDUCATION is one of the most cost effective services ICPA offers to our members. Instead of spending thousands of dollars on consultants or attorneys, you can spend relatively few dollars to interact with these same experts at an ICPA seminar. In June 2008, ICPA anticipated the country's credit crisis when we offered training at our Annual Meeting, preparing members to address their cash flow needs and obtain bank financing. In addition we brought to members a wide range of training, including these topics: customer service, commodities markets, consumer behavior, truck inspections, collections, preventing customers from converting to natural gas, temperature correction, TWIC, Tier 2, OSHA HAZMAT, USTs, and more. This year ICPA's Oil MBA program featured advanced hedging techniques with Alan Levine, web and internet marketing with PriMedia, and a new focus on service (promoting conservation) with Bob Hedden. In all, 422 people attended ICPA management education seminars, and another 183 attended training offered at our Annual Meeting. Were you one of them?

NETWORKING

Networking with your peers and vendors in the industry is a key benefit of any trade association. ICPA created plenty of networking opportunities for members in 2008, from our **Golf Outing** at Shuttle Meadow Country Club with 130 players, to the **Annual Meeting** at Mohegan Sun with over 180 attendees, and to our **Holiday Party** at the St. Clements Castle with over 100 attending.



In 2009, the **Golf Outing** will be on **May 11th** at the Wallingford Country, and the **Annual Meeting** will be held on **June 25** at Water's Edge Resort. Mark your calendars now!

REGIONAL CHAPTER MEETINGS offer our members the opportunity to network together and express how they want their trade association to serve them. We start with the premise that we are here to serve members, not the other way around. These meetings also allow members to voice their concerns and meet face to face with staff and officers on a wide range of topics that affect their business. If you have a local concern or issue, you may contact your Chapter's president:

Hartford Chapter, Ed Guarco, State Line Oil, (860) 653-7241
New Haven Chapter, Open
Bridgeport Chapter, Tom Devine, Devine Brothers, (203) 866-4421

Waterbury Chapter, Sue Santopietro, Baribault Oil, (860) 274-6724
Danbury Chapter, Jeff Jennings, Jennings Oil, (203) 790-1406
East Chapter, Dick Gada, Guy's, Inc., (860) 739-8700

ICPA'S 2009 EARNING YOUR SUPPORT

Northwest Chapter, Peter Aziz, Bantam Fuel, (860) 567-9431



MEMBER SERVICES BULLETINS: Life can be difficult enough without having to decipher every legalistic utterance of every bureaucrat between Hartford and Washington, D.C. Our Member Services Bulletins advise you of important matters in a way more understandable and easy to comply with than the bureaucratese used by government. Our bulletins include:

- MSB #1 - SECURITY PLANS
- MSB #2 - HOME HEATING OIL & PROPANE CONTRACTS
- MSB #3 - SERVICE AND OIL DELIVERIES
- MSB #4 - HIRING CDL DRIVERS
- MSB #5 - FEDERAL IRS TAX GUIDANCE
- MSB #6 - UNJUST ENRICHMENT
- MSB #7 - TIER III COMPLIANCE KIT
- MSB #8 - HEATING OIL LIABILITY WAIVERS
- MSB #9 - ULSD COMPLIANCE KIT
- MSB #10 - CT TAX-FREE HOLIDAY
- MSB #11 - HAZMAT REGISTRATION KIT
- MSB #12 - FAQs ABOUT DOT AND DRIVER REQUIREMENTS
- MSB #13 - TORTIOUS INTERFERENCE IN A BUSINESS RELATIONSHIP
- MSB #14 - OIL SPILL PREVENTION AND RESPONSE PLANS
- MSB #15 - ICPA MASTER TAX BULLETIN
- MSB #16 - ICPA CT UST INSPECTION CHECKLIST
- MSB #17 - SPCC PLAN COMPLIANCE GUIDANCE
- MSB #18 - CONNECTICUT GROSS RECEIPTS TAX CALCULATION

These bulletins are available to members only at the ICPA website, <http://www.icpa.org/protect/tb.htm>.



TECHNICAL TRAINING

ICPA's Technical Education Center (ITEC) is the premier HVAC training center in Connecticut. It is owned and operated by the fuel oil industry, and managed through

ITEC's School Advisory Board consisting of our member company's service managers. We offer programs for the S, B and D licenses in Cromwell with an accelerated day program and evening classes on Tuesday and Thursday. The satellite-training center in Fairfield County currently offers the B-License program on Monday and Wednesday evenings at Sippin Energy in Monroe.

ITEC has designed its program following Connecticut's mandated curriculum. Upon completion of our 288-hour B program, students receive a certificate of completion that satisfies the state's educational requirements towards a B license. Should the student decide to further his or her career in HVAC, we offer an S program for an additional 288 hours. Combined with the B program, the total 576 classroom hours satisfy the state's educational requirements towards an S license. We have had 478 students attending B, S & D courses in 2008, with 249 students attending multiple classes.

ICPA'S 2009 EARNING YOUR SUPPORT

For 2009 ITEC offers two online courses - Basic Electricity and Codes & Building Trade Safety. These distance learning courses enable a student to take the course entirely online. For more information see http://icpa.org/tec/itec_distance_classes.html

With the addition of another class we expect to see many more students take advantage of our online curriculum in 2009.

Companies throughout the state sent 35 technicians to attend CETP classes. ITEC will continue to offer Certified Employee Training Programs for the growing propane industry in 2009. Our Commercial Driver Training course with instructor Gary LaBrake had 58 students in 2008. He has had a 95% pass rate - the only school in Connecticut able to make this claim! ITEC ran a number of customized training seminars across the state at member locations and at our facility in Cromwell.

ITEC holds license review seminars on a monthly basis. In 2008, 110 students attended our license review courses. We offer a combined review for the S, B and D - HVAC license categories, the EPA 608 Refrigeration Certification Exam, Plumbing License Review and Gas License Review.

ITEC also runs a number of seminars on a wide range of training subjects, each of which is held multiple times during the year, including:

- Low-Tech Training for Frontline People
- Ventilation
- AC Systems
- One Pipe Steam
- Electricity and Controls
- Radiant Heat
- Burner Boot Camp
- Home Inspectors Training

There were 308 attendees in 2008 that took advantage of these training sessions. We also invite equipment representatives to hold demonstrations and conduct seminars on various topics.

Throughout the past year ITEC attended 56 career fair programs at high schools around the state, conducted 18 in-house tours with various high schools, numerous individual tours and met with or provided materials to all of the state's high schools - introducing ITEC's programs and the energy industry to a new generation of future energy conservation technicians.

The Eugene M. Mangini ITEC Scholarship was created by ITEC with a \$50,000 scholarship fund, the largest oil heat scholarship in the nation. This scholarship is available to eligible high school students or recent graduates. It pays 50% of the cost of tuition and books to attend the ITEC B-License program on a full-time basis.

ITEC offers a student loan program through Sallie Mae's Career Training Loan Department to facilitate enrollment by students in need of financial assistance. We are also approved by the Department of Veteran Affairs in assisting eligible Veterans to apply for benefits to offset the cost of their education while attending ITEC. Our HVAC program is also an approved Trade Adjustment Act training program.

ICPA'S 2009 EARNING YOUR SUPPORT

ICPA MEMBER SERVICES

ICPA EDUCATION FOUNDATION

improve productivity. These are listed below; for a full description of our affinity programs, see our website:

BUSINESS RESOURCES AND AFFINITY PROGRAMS

ICPA's Member Services Committee researches and endorses a variety of vendors and business resources and suppliers to help reduce your costs of doing business or

<http://www.icpa.org/protect/memserv.htm>.

- Federated Insurance: property and casualty insurance
- Group Benefits Administrators of CT: health insurance and employee benefits
- HRH: home and auto personal lines of insurance
- AccuComp: workers' comp. premium recovery
- MPE: SPCC plans and engineering
- Apex Environmental: SPCC plans and engineering
- MAP Communications: answering service
- Citizens Bank: banking, financing
- COCARD: credit card processing
- Energy Loan: consumer equipment financing
- Transworld: collection agency
- NCO Receivables Management: collection agency
- Law Offices of John Regan: collection attorney
- Boston Environmental: consumer AST inspection and warranty
- UniFirst: uniforms
- Foley Services: DOT compliance; drug testing
- Fleetmatics: GPS installation and service
- YHB Retirement Services: retirement plans

CONNECTICUT AND BEYOND

ICPA is associated with the New England Fuel Institute (NEFI), the Petroleum Marketers' Association of America (PMAA), the National Oilheat Research Alliance (NORA), Oilheat Manufacturers Association (OMA), the Propane Gas Association of New England (PGANE), the National Fire Protection Association (NFPA), the National Association of Convenience Stores (NACS), the National Conference on Weights & Measures (NCWM), and the Atlantic Region Energy Expo (AREE). Through ICPA you are plugged into regional and national developments in our industry, from legislative issues to technology developments.



PMAA's primary mission is to unify petroleum marketers across the country, through their state and regional associations in order to effectively further the common business interests of the petroleum marketing industry. This affiliation affords us the opportunity to be proactive and involved with Connecticut petroleum issues on

Member Association of



ICPA'S 2009 EARNING YOUR SUPPORT

a federal level. It also fosters relationships on common issues with sister organizations around the country. NEFI is a nationally recognized business association of 1,100 member companies in the heating oil and related heating service industry. They are ambassadors before the public to promote the benefits of oil heat. Hundreds of Connecticut marketers pay nominal dues to NEFI through ICPA.

[ISSUES FOR 2009 - FEDERAL](#)

Energy

As we reported in the November 24, 2008 ICPA newsletter, President-Elect Obama will have a White House level "Energy Czar," overseeing energy and environmental policy development coordinated between the White House, Energy Department, EPA and the Interior Department. Obama has selected former Clinton EPA Administrator Carol Browner for the White House post. Steve Chu, director of the Lawrence Berkeley National Laboratory and 1997 Nobel Prize winner for physics, has been chosen as his Energy secretary. Chu is a proponent of developing renewable, alternative fuels and significantly reducing the nation's reliance on fossil fuels. Lisa Jackson, a former New Jersey Department of Environmental Protection commissioner, has been selected as Obama's Environmental Protection Agency (EPA) administrator. Jackson, while in New Jersey, was a strong proponent of regional greenhouse gas emission reductions. Here is what to look and plan to deal with;

- Environmental policy will drive energy policy. Cap & Trade is a major Obama policy initiative as the U.S. begins to play a leading role in reducing greenhouse gas emissions. ICPA has written an article on this topic and released it last January. [http://icpa.org/newsletters/2008%20newsletters/icpa_ezine_1_31_08.htm#climate]
- Carbon taxes, along the lines proposed by VP Gore in 1993, will be on the table to drive up the cost of coal and oil and drive energy decisions to less-carbon intensive fuels [natgas]. The United States generates 6 billion tons of CO2 each year so a CO2 tax would generate whatever dollars per ton times 6 billion. A \$60/ton of CO2 tax would generate \$360 billion/year. A complete replacement of all federal payroll taxes would be about \$120/ton of CO2. No joke, this is an actual policy proposal floating around the greenhouse gas emission advocacy community - and at the \$120/ton level it amounts to a carbon tax of about \$1.15 per gallon on oil and about 75c equivalent/btu on natural gas. This shifts taxing income to taxing lifestyles and energy choices.
- Obama may reverse Bush' decision to lift restrictions on increasing domestic oil and gas exploration and production by Executive Order - and work with Congress to weaken the recent passage of legislation allowing for more domestic oil & gas production beyond 50 miles of the U.S. coast, passed just last September.
- The new energy/environment team understands that rising fossil fuels prices are beneficial, if not necessary, to drive the development of alternative fuels and reduce reliance on fossil fuels.
- Recently we have been provided with scientific papers on evolving heating oil into a ULSD/BioFuel product that will place heating oil as an environmentally competitive fuel with natgas. This evolution will be necessary to having a prospect of having heating oil remain as a viable energy product over the next decade in the face of cap & trade, carbon taxes and other greenhouse gas emissions strategies.
- The centerpiece of the new administration's energy policies will be implementing the incoming president's plan to resuscitate the U.S. economy with millions of new green

ICPA'S 2009 EARNING YOUR SUPPORT

energy jobs that will "cut America's polluting emissions and the country's addiction to foreign oil supplies. The biggest challenge for the next energy secretary is to develop, support, and adopt clean energy policies that put Americans to work and reduce global warming pollution."

Taxes

- Obama will advocate allowing Bush' tax cuts to expire in 2010 on all wage earners earning over \$250,000
- Obama will advocate allowing the Bush tax elimination of the estate tax and instead advocates a 45 percent rate and a \$3.5 million exemption.
- The social security payroll tax is now applied to all wages up to \$102,000 a year, which covers the entire amount for most Americans. Under Obama's plan, the tax would not apply to wages between that amount and \$250,000.
- Obama advocated raising the tax on capital gains and qualified dividends. However, Obama has raised the possibility of deferring some of his tax hikes on the wealthy given the ailing economy.

Credit Markets

On November 20, 2009 nine organizations, including ICPA, met with Treasury Department officials in Washington concerning the severe constrictions in the credit markets that effect petroleum marketers. Capital markets being locked up means lending to small businesses and consumers shuts down or gets very difficult and the fact is the \$700 billion Congress appropriated that is designed to free up lending hasn't reached Main Street yet. The Senate Banking Committee says "The Emergency Economic Stabilization Act of 2008 (EESA) provides up to \$700 billion to the Secretary of the Treasury to buy mortgages and other assets that are clogging the balance sheets of financial institutions and making it difficult for working families, small businesses, and other companies to access credit, which is vital to a strong and stable economy." These small businessmen and women are not asking for a bail out or a hand out. They want to borrow money and pay it back. We simply want the system to work as Congress intended - to free up commercial and consumer lending. This is the point of Emergency Economic Stabilization Act.

Treasury officials asked us to provide an extensive list of the financial institutions we either do deal with or would like to so that emphasis can be made by Treasury as to the critical importance of lending to especially heating oil retailers as winter sets in as credit issues can and do constrain our ability to serve consumers. This will require follow-up and additional attention with the next President's administration.

Futures Markets

Futures markets reforms will return as issues in the next Congress. The events on Wall Street concerning the mortgage and banking crises have highlighted the need for greater transparency and oversight of market activities across the board. Reforms at the SEC and CFTC as well as new legislation concerning closing the "swap" and "foreign boards of trade" loopholes will follow the success of the last Congress closing the "Enron" loophole. In reversing the deregulation allowed for in the 2000 Commodity Futures Modernization Act,

ICPA'S 2009 EARNING YOUR SUPPORT

Congress is likely to impose new, significant regulatory restraints on Wall Street and reimpose stronger federal oversight of market activities.

NORA Reauthorization

The current NORA law expires in February, 2010. Efforts have been underway since mid-2008 toward the reauthorization of NORA by seeking to [a] repeal the sunset provision entirely as well as [b] allow for an increase in the 20 pt fee to 40 pt. NORA has asked ICPA to engage with Senators Dodd and Lieberman to request their support for legislation in this Congress, though every state has found that there is no legislative vehicle for accomplishing the reauthorization in 2008 given the banking and mortgage crises Congress has dealt with since mid-September. Jim Townsend met with Senator Kennedy and Kerry's staffs on 12/9 and learned that there may be hesitance in totally eliminating the sunset, perhaps instead preferring a 10-year sunset instead of the current law's 5-year sunset. In addition, it may not be possible to gain the authority of the NORA Board to set the fee, instead preferring to set the fee in statute as current law provides. Everyone is finding that their Senator's advice is that Obama will have an energy bill early in the next Congress and that is the legislative vehicle most appropriate to secure NORA's reauthorization. The difficulty may be in that most of us will likely find very little we like about Obama's energy bill.

Credit Card Interchange Fees

There were two congressional hearings held this year and bipartisan support has now been secured for legislation we expect will make great progress in 2009. This will be a very difficult fight because the banking industry has successfully energized community bankers who have significant grassroots capabilities. None the less, we do believe the educational efforts on interchange fees have been effective and that Congress will be motivated to address them.

Tobacco

There were two tobacco related legislative measures in 2008 and PMAA, NACs & SIGMA and their members successfully opposed both of them. One measure would have increased cigarette taxes by sixty-one cents a pack. The other would have given the Food & Drug Administration complete jurisdiction to regulate tobacco retailers. The Bush Administration played a key role in stopping both measures and the Obama Administration has indicated support for legislation next year. The new Administration will have other priorities therefore it is uncertain when these tobacco measures will arise, however, the tobacco tax which was vetoed three times in 2008 will probably be considered very early in 2009. Members of Congress seeking to expand the State Children's Health Insurance Program (SCHIP) to cover children from wealthier families are exploring new ways to pay for it. The Senate Finance Committee generally has agreed to reauthorize SCHIP for five years with a \$35 billion expansion funded by an increase in the federal tobacco tax - that will be back in 2009.

EPCRA Tier II Inventory Reporting

The Environmental Protection Agency (EPA) requires petroleum marketers to report to state or local emergency authorities the identity, location and quantity of hazardous materials located on site by March 1 of each year. The information must be filed on an EPA Emergency Planning and Community Right to Know (EPCRA) Tier II Inventory Reporting Form or on Tier II Submit electronic filing software. Tier II reports must also be filed for marinas and fleet fueling facilities as well as

ICPA'S 2009 EARNING YOUR SUPPORT

retail facilities above a certain storage capacity. Retail fueling facilities with storage capacity less than 75,000 gallons of gasoline and/or 100,000 gallons of diesel fuel are exempt from the annual Tier II inventory reporting under EPCRA. Retail facilities above these thresholds must file an EPCRA Tier II report. However, among the exempted products does not include "biodiesel," as in the minds of EPA "diesel," that is exempted is not "biodiesel." The same is also true for gasoline that is exempted but not E85, which is not exempted. This needs attention, as retail fueling facilities will increasingly sell alternative fuels not now specifically exempted and the blanket exemption should be for any fuels sold at any retail fueling facilities.

ISSUES FOR 2009 - STATE

In November ICPA's Legislative and Motor Fuels Committee approved a legislative agenda to address several issues affecting the petroleum industry in Connecticut. With dramatic changes in leadership and a growing state budget deficit, the upcoming legislative session will present challenges that have not been seen since the income tax was adopted in 1991.

For the first time since the landslide election after Watergate in 1974 where 118 Democrats won to only 33 Republicans, the Connecticut General Assembly has the largest margin of elected Democrats in the Connecticut legislature since that time. House Democrats captured eight Republican seats bringing their majority to 114 with only 37 on the Republican side of the isle. The House will be led by a new Speaker (a union employed progressive Democrat) Chris Donovan of Meriden who replaces moderate Jim Amann of Milford. In the Senate, Democrats will be led once again by Don Williams of Thompson, the Senate Democrats picked up one seat and now have a veto-proof majority of 24 Democrats to 12 Republicans. Below is the heating oil and motor fuels legislative agenda as approved by the Legislative Committee and Motor Fuels Committee for consideration by the Board of Directors.

Heating Oil Legislative Recommendations

AAC Minimum Fuel Deliveries (to be included in a omnibus petroleum bill)

This bill increases the minimum fuel delivery to 150 gallons restoring it to its previous limit. In the August Special Session the legislature reduced the minimum delivery to 100 gallons in an attempt to help consumers pay for oil that appeared to be heading over \$5.00 per gallon. Now that oil is nearing \$2.00 per gallon this law is no longer necessary and should be determined in the market not by state mandate.

AAC Electronic Contracts (to be included in a omnibus petroleum bill)

This bill allows for oil dealers that offer guaranteed price contracts to do so telephonically or online. Currently, contracts and signatures must be literally on paper. This law modernizes how fuel is sold and allows oil dealers to buy and sell heating oil in real time if they choose to.

ICPA'S 2009 EARNING YOUR SUPPORT

AAC Elimination of Gross Earnings Tax on Fuel Additives

The petroleum gross earnings tax is assessed on heating oil additives that are not pre-blended prior to the first sale in Connecticut. This bill would exempt all heating oil additives from the GET.

Heating Oil Regulatory Issue

With a temporary ban on automatic temperature compensation in effect in Connecticut, ICPA pledged to re-examine a continuation of that ban in June of 2009. The intention of the temporary ban was to afford the industry the opportunity to reach a consensus among itself and with state government recognizing the political and operational issues that we need to deal with over that time and avoid a permanent ban by legislation. Once that standard has been met ICPA will work with state government to repeal the ban.

Motor Fuel legislative Recommendations

AAC Price Gouging

This bill will clarify the definition of price gouging in order to protect the purchasers of fuel and provide guidance to Connecticut businesses that sell fuel. The Office of the Attorney General has used the current gouging law that prohibits "unconscionably excessive" increases and "gross disparity"

AAC Air Compressors

This bill would repeal the requirement that gasoline stations must provide free air to consumers.

AAC The Price of Cigarettes

This bill will increase the minimum markup by the cigarette stamping agents by an additional twenty per cent of the basic cost of cigarettes. This increase will allow Connecticut to be in line with adjacent states.

AAC Lottery Sales Agent Commissions

This bill will provide increased commissions for lottery agents from the current reimbursement for five percent to seven percent. This would be the first increase since the inception of the lottery in Connecticut.

AAC the Petroleum Gross Earnings Tax

This bill would eliminate the percentage tax on petroleum products and set a fixed 15 cents per gallon. The GET peaked this summer at nearly 27 cents per gallon to only plummet below 8 cents per gallon this Fall. This bill allows the state to have a more predictable revenue while stabilizing taxes on motor fuels.

ICPA'S 2009 EARNING YOUR SUPPORT

AAC Gasoline Dispensing Equipment

This bill repeals the use of Stage II vapor recovery equipment where widespread use of onboard canisters is attained, once the Federal government establishes a definition of "widespread use". The current requirement to use Stage II equipment conflicts with onboard canisters increasing air emissions defeating the purpose of requiring the equipment in the first place.

**NO ONE ELSE DOES THIS WORK IN
OUR STATE - JOIN US IN 2009 AND
STRENGTHEN THIS INDUSTRY**