

## Recent CIOMA Legislative & Regulatory Accomplishments – Saving Members \$\$\$ Through Action

### **2005 Accomplishments**

- *CIOMA sponsored and helped obtain passage of legislation (AB 2955, McCarthy) that provides financial assistance to CIOMA members in meeting new “vapor tight” UST installation requirements as well as provide interagency cooperation and certification on overlapping requirements*  
Cost savings/assistance – Grants up to \$30,000/service station for CIOMA members in meeting requirements for UST installations. Significant potential cost-savings and delay reductions in having ARB and Water Board cross-certify requirements.
- *CIOMA was able to convince CARB that diesel engine retrofits for fuel delivery trucks severely impacted small businesses, with minimal environmental benefit, and had their regulatory proposal withdrawn.*  
Cost savings: Elimination of a requirement that would have cost \$10,000 - \$25,000 per fuel truck.
- *CIOMA was instrumental in delaying announced closure date of Shell Bakersfield refinery and encouraging all parties to seek a purchaser for the facility.*  
Cost savings: Difficult to determine on a per company basis but business-saving potential, especially for small central valley members and customers. The closure would have resulted in significant added costs for extended fuel pickup trips, increased wholesale prices for fuel, and substantial logistical complications in obtaining adequate supplies.
- *CIOMA was, again, a key element in defeating a measure that would have required GPS and remote stopping devices on hazardous materials transport equipment.*  
Cost savings: \$750 - \$3000 per vehicle in equipment costs; \$2000 – \$4000/year/vehicle in service costs, allowing marketers to determine their security needs based upon location/delivery routes.
- *CIOMA was the primary participant in halting a regulatory proposal to place enhanced vapor recovery equipment on aboveground storage tanks. This proposal was headed for approval by CARB in early 2004; CIOMA was able to have the regulation development process started over from scratch.*  
Cost savings: Approximately \$10 - \$20,000/AST, proposed at the time the program was stopped.
- *CIOMA continues to be an active participant in the development and implementation of CARB’s Enhanced Vapor Recovery (EVR) requirements. Most importantly in 2004 CIOMA worked effectively with other retailer organizations to convince CARB to postpone and modify service station dispenser upgrades related onboard vehicle vapor recovery (ORVR) compliance.*  
2-part Cost savings: Eliminated “six-pack” conversion requirement for vacuum assist units; approximately \$16,000/dispenser, and allowed marketers to decide a one-step or two-step upgrade process, possible savings of \$50,000, or more, per station.
- *CIOMA was a primary factor in getting the RUST Fund (low interest loans and grants for small businesses) reauthorized and re-funded after money was stolen to balance the state budget and after the authorizing legislation “sunsetting” the program.*  
Financial assistance: Provision of low interest loans for small businesses to meet state’s expensive and re-occurring environmental requirements.
- *CIOMA’s continuing involvement with the CARB cargo tank enforcement program has resulted in their looking at cost-effective requirements for tanker trailers, and has resulted in a continuing moratorium on certain enforcement actions.*  
Cost savings: \$500/citation and elimination of insulated tank proposal (\$20-30,000/tanker retrofit).
- *CIOMA guaranteed that its members would not have to report monthly purchased-at and sold-to fuel price information to the Energy Commission.*  
Cost savings: Estimated \$1000 – \$5000/ month labor costs in compiling and reporting customer sales information.
- *CIOMA was able to convince the Board of Equalization (BOE) to keep the UST fee point of collection where it currently stands, at the point of sale by the tank owner. BOE was exploring a move of the fee to the rack, with non UST deliveries having to obtain a refund.*  
Cost savings: Hundreds of thousands of dollars in tax prepayments/year, and related costs to obtain refunds.

**For a full accounting of CIOMA’s Government Relations accomplishments and activities go to the CIOMA Government Relations web page and click the link, [CIOMA 2005 Accomplishments & Activities Report](#).**

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### Previous Accomplishments

- *CIOMA negotiated a moratorium on certain penalties related to fuel cargo tank fugitive emissions from faulty equipment such as pressure valves. This moratorium is ongoing.*  
Cost savings: \$500 - \$1000/penalty avoided.
- *CIOMA worked with the Air Resources Board and the Energy Commission during the MTBE-ethanol fuel transition to assure rational enforcement of commingling requirements and emergency fuel delivery when racks encountered shortfalls.*  
Cost savings: Not ONE marketer was fined for commingling violations; penalties could have ranged from \$5000 - \$250,000 per violation (per day or per fueling activity). In addition, CIOMA was able to assist marketers in obtaining fuel supplies during rack shortages for key customers such as emergency services and local governments.
- *CIOMA participated in rulemakings that assured the agricultural diesel tax exemption provided least-intrusive paperwork requirements for marketers with agricultural customers.*  
Cost savings: Estimated \$500/agricultural customer in reduced paperwork and audit risk savings.
- *CIOMA was instrumental in removing expensive, illogical compliance requirements from Air Resources Board vapor recovery “check list”, and limited the ability of CARB and Districts to shut stations down for violations.*  
Cost Savings: \$500 per violation; thousands of \$\$\$/day savings by allowing continued operation of stations while assuring compliance.
- *CIOMA successfully sponsored legislation to exempt marketers from prepayment of sales tax on the diesel fuel they sell to agricultural-related businesses.*  
Cost Savings: Improved cash \$\$\$ flow from \$25,000 - \$250,000/ quarter for marketers extensively involved in agricultural markets. Savings for finance & interest charges in replacing lost cash flow (\$\$amount of financed cash flow × \_\_%interest + finance charges = avoided cost savings).
- *CIOMA defeated legislation that would have allowed drivers to sue their employers when the drivers violated hours-of-service regulations.*  
Cost Savings: Potential savings of \$250 per day, per employee plus attorney’s fees and court costs (\$200 - \$400/hour for legal fees; thousands of \$\$\$ in court costs).
- *CIOMA defeated legislation that would have made it easier for public water agencies to sue companies that it considered responsible for water contamination.*  
Cost Savings: \$400 per hour for attorney’s fees, up to the value of your business if unsuccessful in a lawsuit
- *CIOMA defeated legislation allowing private parties to sue companies that they thought were in violation of air quality permit regulations.*  
Cost Savings: \$200 - \$400 per hour for attorney’s fees, \$\$\$thousands in court costs, bankruptcy.
- *CIOMA helped to enact legislation establishing the Underground Storage Tank Fund and has worked diligently to insure that the fund covers CIOMA members on a high-priority basis.*  
Cost Savings: \$1.5 million per incident; decreased environmental liability insurance costs.
- *CIOMA worked with the California Department of Food and Agriculture to prevent a requirement that all vehicles be retrofitted with ticket printers.*  
Cost Savings: \$2,500 per meter
- *CIOMA defeated a proposal that would have required the retrofit of new tanks on most cargo tank vehicles.*  
Cost Savings: \$25,000 – \$50,000/tank.

Membership in CIOMA is valuable to YOU –  
it is a easily one of the best returns-on-investment you will receive.