

# VOL 4 ISSUE 1 SourceLine



Source™ North America Corporation is proud to serve you for over 35 years as the industry's central source for fueling equipment solutions.

## The Year Ahead: The 2015 Watch List

Source™ will monitor the following trends that could impact fuel retailers in 2015:

### Decreasing Fuel Prices

As fuel prices have dropped to their lowest rates in years, they impact the fueling choices consumers make.

[See related story on this page.](#)

### EMV Implementation

Fuel retailers face their first EMV-conversion deadline on Oct. 1.

[See related story on this page.](#)

### Mobile Payments

Near Field Communication-based Apple Pay debuted in 2014. Another major player, cloud-based CurrentC, is planning to launch this year.

### Alternative Fuels

With low gas prices, increased availability of alternative fuel vehicles and the U.S. Environmental Protection Agency (EPA) set to issue the Renewable Volume Obligations (RVO) for the 2014 Renewable Fuel Standard, the retail alternative fuel sector is facing a curious year ahead.

### Environmental Compliance

States including Connecticut, New Hampshire and Vermont, require Stage II Decommissioning be completed this year. Also, the EPA will release new underground storage tank guidelines.

## Overcoming Concerns About the 2015 EMV Conversion

This fall, U.S. C-store and fuel retailers will begin assuming financial liabilities resulting from the fraudulent use of counterfeit, lost and stolen cards at their business. In-store POS systems need to convert to EMV (Europay, MasterCard and Visa), the global standard for secure payment processing, by Oct. 1, 2015. Gas station owners have until Oct. 1, 2017, to convert fuel dispensers.

### Marketers' Concerns about EMV

C-store and petroleum retailers will need to spend significantly to upgrade their POS systems to be EMV-compliant, including estimates between \$6,000 and \$10,000 per pump. (See this [NACS online article](#) for more information.) Although EMV, which utilizes a chip integrated in the card to authenticate transactions, has proven to be more secure than magnetic-stripe cards, some retailers are focusing on Near Field Communication technology. Other critics doubt EMV's viability as a long-term solution, suggesting scammers will simply adapt.

### Why Migrate to EMV?

Fuel marketers who fail to adopt EMV could face devastating financial consequences. Fraudulent credit card activity is estimated to cost the U.S. \$9 billion a year. Those costs are projected to rise to \$10 billion in 2015 as fraud attacks increase due to scammers targeting retailers who have not adopted EMV. In addition to the financial losses, which could be crippling to a small C-store owner, non-EMV-compliant retailers will need to invest significant time managing the fraudulent incidents.

EMV conversion processes can be time-consuming — potentially including software and hardware upgrades, testing and certification. Retailers who adopt EMV early will position themselves to minimize financial liabilities and public relations headaches. Call (800) 572-5578 to consult with a Source™ representative, who can help you plan your EMV conversion.

### Learn More About EMV Conversion Requirements

Gilbarco Veeder-Root provides several informative EMV resources including ["EMV FAQs for the C-Store Retailer,"](#) a [video](#), and EMV-related articles on its blog, [C-Store Advisor](#).



REGULAR	1 99 <sup>99</sup>
PLUS	2 19 <sup>99</sup>
PREMIUM	2 39 <sup>99</sup>

## How will \$2 Gasoline Affect Flex Fuels?

Due to sharp declines in the cost of crude oil and the seasonal introduction of less-expensive winter blends, motorists are seeing the lowest gasoline prices since 2009. AAA reports that consumers saved \$14 billion in gas in 2014 and projects the average price of gas could stay below \$3 this year.

If gasoline prices remain low — or continue to decline — consumer demand for alternative fuel vehicles could decline as well. A recent [survey](#) by the National Association of Convenience Stores reports that consumers are less likely to consider alternative methods of travel when fuel prices are low. Meanwhile, November 2014 SUV sales were up.

However, consumer preferences aren't exclusively determined by fuel prices. Automotive industry analysts suggest that consumers who are motivated by a sense of environmental responsibility will likely continue to embrace lower-emission vehicles despite low gas prices. For example, Toyota's popular Prius hybrid was introduced in 1997, when regular gas cost about \$1.20 per gallon. In addition, automakers are slashing prices of hybrids and electric cars in order to remain competitive, which could inspire increased sales.

One thing is clear: it's too early to tell if the low fuel prices are here to stay. Industry experts say that oil prices need to decline more and remain low before momentum for alternative fuel will abate.

### Compare 2011-2014 Gas Prices

Check out this [AAA chart](#) that provides a state-by-state comparison of gas prices.

## Upcoming Industry Trade Shows

Visit Source™ at these trade shows:

### Western Petroleum Marketers Association's National Convention and Convenience Store Expo

**When:** February 17-19, 2015

**Where:** [Booth 419](#), Mirage Convention Center at The Mirage Hotel, 3400 S. Las Vegas Blvd., Las Vegas, NV

**For more information:** [www.wpma.com](http://www.wpma.com)

### Midwest Petroleum and Convenience Tradeshow and Convention

**When:** March 24-26, 2015

**Where:** Booth 801, Indiana Convention Center, 100 S. Capitol Avenue, Indianapolis, IN

**For more information:** [m-pact.org](http://m-pact.org)

### New England Convenience Store Association Trade Show

**When:** March 18

**Where:** Booth 149, DCU Center, 50 Foster St., Worcester, MA

**For more information:** [www.necsa.net/](http://www.necsa.net/)

## Citywide E15 Mandate Stalls in Chicago — For Now

Although the Chicago City Council recently hit the brakes on a proposed ordinance that would require gas stations offer E15, the measure hasn't stalled completely.

If the ordinance is approved, Chicago would become the first major U.S. city to mandate the sale of E15. Under the proposed ordinance, stations selling more than 850,000 gallons of gas per year — representing almost 25% of stations in Chicago — would be required to offer the 15%-ethanol blend. Retailers would have 360 days to install E15 dispensing equipment.



Chicago has a history of leading change in the fueling market, having been the first city to ban leaded gasoline in 1984 and MTBE in 2000. Alderman Ed Burke first proposed the E15 ordinance in July of last year. Mayor Rahm Emanuel tabled the proposal Dec. 10, saying it needed to be refined in order to minimize burdens on small businesses while still meeting the city's environmental goals.

[Petroleum-industry groups](#) and retailer organizations have opposed the ordinance, citing E15's reduced fuel economy and the financial burden infrastructure requirements would cause to smaller, independent fuel retailers. Marine, motorcycle and small-engine groups object to the ordinance due to the risk E15 poses to engines, effectively voiding their warranties.

Ethanol advocates, the American Lung Association of Illinois and environmental groups applaud the proposal, saying E15 would cause gas prices to drop and reduce greenhouse-gas emissions. Burke has indicated that funding would be available to help retailers offset equipment installation costs.

Additional Resources: To brush up on the U.S. Department of Energy's E15 dispensing guidelines, review the [DOE's Handbook for Handling, Storing, and Dispensing E85 and Other Ethanol-Gasoline Blends](#).

## PEI Offers Unique Enrichment Opportunities in 2015

[The Petroleum Equipment Institute](#) has several informative educational and networking opportunities planned for 2015, including a new online CNG Fueling Station Design and Construction course, a PEI Women Conference, as well as a Service and Construction Managers Conference.



The first [PEI Women Conference](#), April 29 to May 1 at the Embassy Suites in downtown Denver, CO, will provide women the opportunity to learn from — and network with — female peers. The conference will include an update on the soon-to-be-released UST guidelines, as well as discuss leadership strategies, how to build powerful relationships, communication skills necessary for today's business climate, and more.

[The Service and Construction Managers Conference](#) will feature roundtable discussions, networking, exhibits and engaging talks March 19 to 21 at the DoubleTree by Hilton Orlando at SeaWorld in Orlando, FL. General session presentations by speaker, author and coach Mike Staver will cover enhancing customer satisfaction, attracting and retaining talented performers and leading courageously during turbulent times. Roundtable discussions will address general management, service management and construction management.

PEI's new [online CNG Fueling Station Design and Construction Course](#) features 12 hours of streaming video that covers the most common station configurations and subsystems, keys to developing the right equipment specifications, permits, piping and instrument diagrams and plot plans, safety procedures, and more. Leo Thomason, Executive Director of the [Natural Gas Vehicle Institute](#), leads the class.



## Featured Product Wagner Z-18 Zip Changer

The Wagner Z-18 Zip Changer features an 18-inch aluminum pole and ratchet that fastens to a cup assembly for applying letters and numbers on non-electronic signs. A release wire disengages the letters or numbers once they are inside the track. To learn more about the Wagner Z-18 Zip Changer, call Source™ at (800) 572-5578.