

2011 SENATE TRANSPORTATION

SB 2127

2011 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee
Lewis and Clark Room, State Capitol

SB 2127
January 13, 2011
12851

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

EPIC is defunct and North Dakota retail gas dealers no longer have access to the EPIC decals.

Minutes:

Attached testimony

Senator G. Lee opened the hearing on SB 2127 relating to ethanol dispensing unit labeling requirements.

Mike Rud, President of the North Dakota Petroleum Marketers Association testified in support of SB 2127 relating to ethanol dispensing unit labeling requirements. Written testimony #1

Senator Sitte asked if North Dakota retailers will still always label the ethanol blend.

Mr. Rud answered, definitely. He stated that they certainly try to avoid any deception, or confusion to the motoring public. It will clearly be labeled as an ethanol blend. He handed out an example of possibilities of what the North Dakota decal might look like. He said that this was not an urgent problem but as the EPIC ethanol decals wear out and marketers put new pumps in, there will be a demand for a new source of decals. He said that they felt they could work together with the ethanol folks in the state to get a decal for the state that they could all agree on.

Senator Mathern asked what is being done to create a common educational sheet. He asked what happened to EPIC and whether there was another organization taking its place.

Mr. Rud answered at this point there is no national organization that has a uniformed decal design. States are going in their own direction and developing their own. They presently have no source to get a uniformed decal.

Senator Nodland asked who oversees the stations and enforces the regulation on the decals.

Mr. Rud said that regulation should be enforced by the State Health Department and added that they do a good job of enforcing. It is also up to the marketer to make sure the decals are replaced if worn out. That is part of the problem they are facing. They will be running out of EPIC decals. That is why they have to develop a decal that will work for all of North Dakota.

Senator Lee asked what he meant when he said EPIC was defunct.

Mr. Rud said that they no longer exist.

No opposing testimony.

Senator Lee closed the hearing on SB 2127.

Senator Mathern moved a Do Pass on SB 2127.

Senator Sitte seconded the motion.

Senator Oehlke voted a Do Pass when he returned from testifying in a different committee.

Roll call vote 5-0-1. **Motion passed.**

Carrier is **Senator Mathern**.

Date: 1-13-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2127

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Mathern Seconded By Senator Sitte

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator Tim Mathern	✓	
Vice Chairman Dave Oehlke	✓				
Senator Dave Nething					
Senator George Nodland	✓				
Senator Margaret Sitte	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Senator Mathern

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2127: Transportation Committee (Sen. G. Lee, Chairman) recommends DO PASS
(5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2127 was placed on the
Eleventh order on the calendar.

2011 HOUSE TRANSPORTATION

SB 2127

2011 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee
Fort Totten Room, State Capitol

SB 2127
03/04/2011
Job # 14944

Conference Committee

Committee Clerk Signature *Janette Cook*

Explanation or reason for introduction of bill/resolution:

SB 2127 is a bill relating to ethanol dispensing unit labeling requirements.

Minutes:

Attachments 1-3

Mike Rud, President of the North Dakota Petroleum Marketers Association, spoke to explain and support SB 2127 and presented written testimony including pictures of decals and a pump. See attachment #1-3.

Vice Chairman Weiler: With the rapid increase of gasoline at the pump, is ethanol rising at the same rate, or is it cheaper? When we first started dealing with ethanol, we were told it would be considerably less than gasoline.

Mike Rud: I can't speak for the ethanol industry. I can tell you from a petroleum wholesale standpoint and the purchasing of the retail product that it is running about a nickel lower right now than gasoline. They are also dealing with commodity increases as well.

Representative Frantsvog: How important is it that the decal be uniform statewide or even nationwide?

Mike Rud: We believe that it is important to have the pump labeled. As far as the uniformity of the labeling, it is important, but it is more important to make sure that the label is readable and understandable. That is why we need to find something that fits the new pumps and is visible.

Representative Gruchalla: Should you be working toward a label that is consistent in every state not just North Dakota?

Mike Rud: We still have the option of using the Epic label. We are just trying to work with Growth Energy to get a smaller label. We just need a label that clearly states "up to 10% alcohol", so that we meet state requirements. That is what we are dealing with right now. We want to come up with our own label, and need to find space to put the label. There is also a label that tells the octane levels in each fuel.

Representative Gruchalla: Even though that it says E-85 on the sticker, you said that in the winter there may be only 70%?

Mike Rud: That is correct. That is what the orange sticker probably says. As it gets colder, you have to have less of a blend of E-85 in your tank to make it work. 70% is the minimum the state will allow.

There was no further support for SB 2127.
The hearing on SB 2127 was closed.

A roll call vote was taken. Aye 13 Nay 0 Absent 1
The motion carried.
Representative Hogan will carry SB 2127.

Date: 3/4/11

Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2127

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Weisz Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Representative Delmore	X	
Vice Chairman Weiler	X		Representative Gruchalla	X	
Representative Frantsvog	X		Representative Hogan	X	
Representative Heller	X		Representative Onstad	X	
Representative R. Kelsch					
Representative Louser	X				
Representative Owens	X				
Representative Sukut	X				
Representative Vigesaa	X				
Representative Weisz	X				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Hogan

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2127: Transportation Committee (Rep. Ruby, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2127 was placed on the
Fourteenth order on the calendar.

2011 TESTIMONY

SB 2127



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#1

Testimony SB 2127 January 12, 2011–Senate ~~Finance and Tax~~ Committee *Transportation*

Chairman ^{*Lee*} ~~Cook~~ & members of the committee:

For the record, my name is Mike Rud. I'm the President of the North Dakota Petroleum Marketers Association. NDPMA members urge a "DO PASS" recommendation on SB 2127.

In 2007, NDPMA agreed to support a bill (SB 2159) which made the EPIC ethanol decal a requirement on all gas pumps dispensing an ethanol blended gas. At the time, EPIC decals were being used in over a dozen other states. The main purposes of the decal were to promote uniformity and lessen customer confusion among the nation's gas retailers and general public when it came to the selling and purchasing of E-10. However, four years later, EPIC is now defunct and North Dakota retail gas dealers no longer have access to the EPIC decals.

SB 2127 simply calls for the EPIC decal requirement to be removed from the law, so NDPMA and its members can develop a new E-10 decal or decals which would still meet State requirements.

Again, we urge a "DO PASS" on SB 2127.



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Testimony SB 2127 March 4, 2011–House Transportation Committee

Chairman Ruby & members of the committee:

For the record, my name is Mike Rud. I'm the President of the North Dakota Petroleum Marketers Association. NDPMA members urge a "DO PASS" recommendation on SB 2127.

In 2007, NDPMA agreed to support a bill (SB 2159) which made the EPIC (Ethanol Promotion and Information Council) decal a requirement on all gas pumps dispensing an ethanol blended gas. The main purposes of the decal were to promote uniformity and lessen customer confusion among the nation's gas retailers and general public when it came to the selling and purchasing of E-10.

At the time, EPIC decals were being used in over a dozen other states. Within the past year, EPIC closed up shop and is now a wing of Growth Energy. In visiting with personnel at Growth Energy, officials had no problem with NDPMA seeking to remove the EPIC decal requirement from law.

While many marketers will continue to use the EPIC decal, some retailers would like the option of developing another decal which might better suit today's newer gas pumps in terms of size. I've attached a photo of recently installed blender pumps in the Fargo market to show how difficult it's becoming to get all the required decals on a pump.

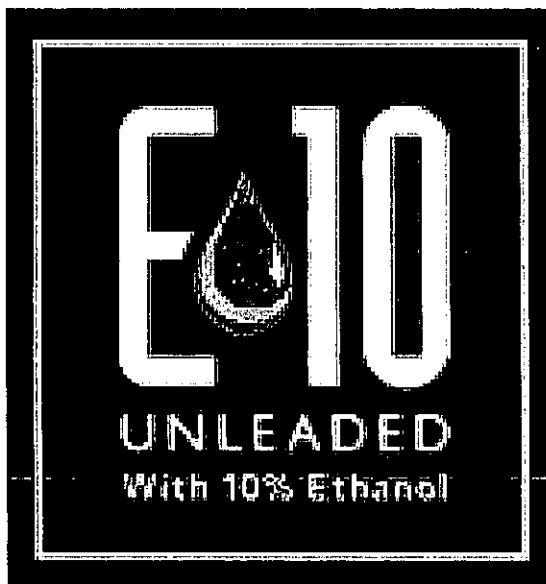
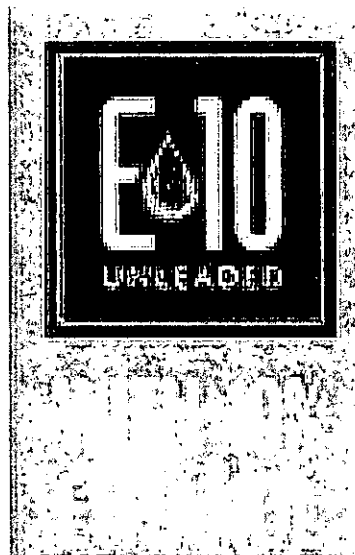


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SB 2127 simply calls for the EPIC decal requirement to be removed from the law, so NDPMA and its members can develop a new E-10 decal or decals which would still meet State requirements.

Again, we urge a "DO PASS" on SB 2127.



#3

