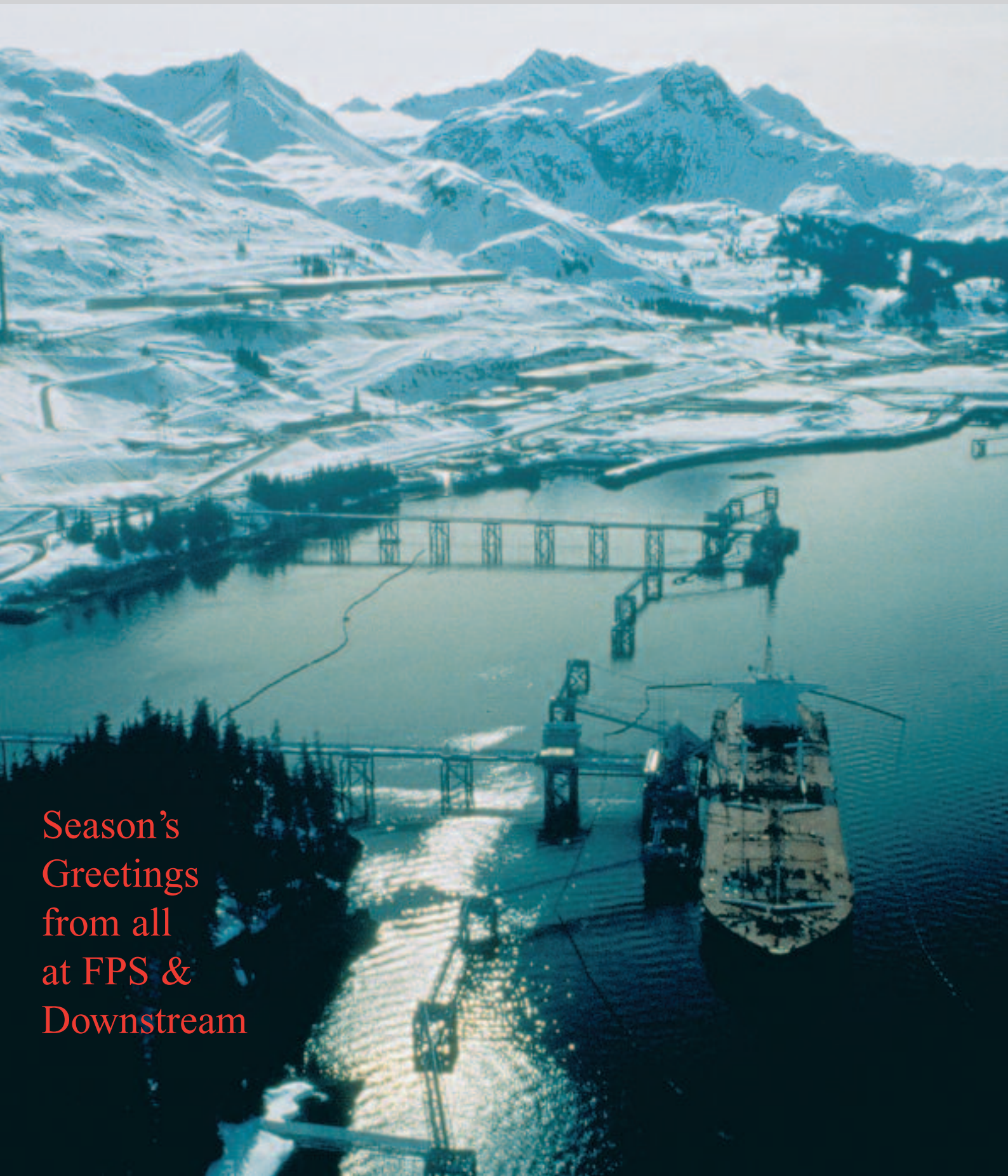


Downstream

THE OIL DISTRIBUTION INDUSTRY MAGAZINE

Winter 2005-06



Season's
Greetings
from all
at FPS &
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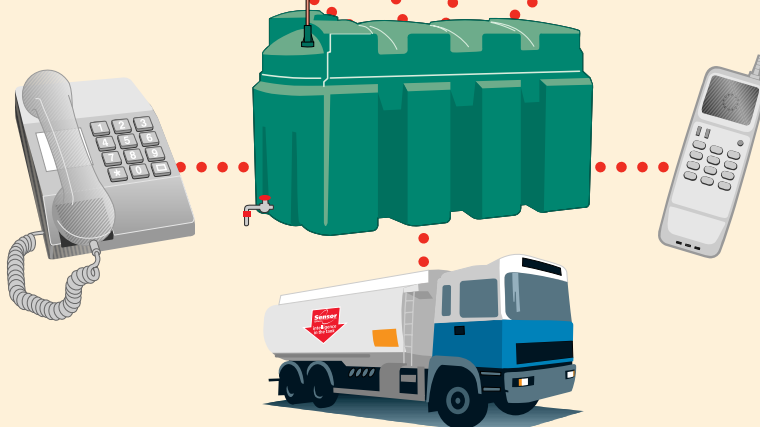
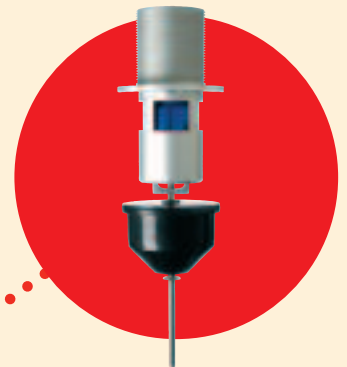
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Cover: Thanks to Enraf Terminal Automation for this seasonal picture. Enraf is the world leader for Weights and Measures approved storage and transport solutions for bulk liquids.

 Enraf Terminal Automation



Downstream

THE OIL DISTRIBUTION INDUSTRY MAGAZINE



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Booking form for the FPS 2006 Annual Dinner AVAILABLE NOW AT www.fpsshow.co.uk
This year the after-dinner speaker is the highly sought-after Vince Earl, a successful singer during the 'Merseybeat' era, stand up comedian and actor, spending over 13 years on Channel 4's Brookside as 'Ron Dixon'.

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Does your driver go 'the extra mile'?



If so, then nominate them for the FPS-OAMPS Driver of the Year 2006 competition. Now in its 7th year, the competition sets out to find the driver who has done something above and beyond the call of duty. Each year the applications received bring to light stories of drivers who put in an extra effort to keep their customers happy, warm and smiling.

Entries can be sent after 31 December 2005 and the three finalists will be invited to the FPS 2006 Awards Dinner, where the winner will be announced. The Winner receives £1,000 and there is £250 each for the two runners-up.

Fill in the form below and tell us why your driver is simply the best!



Last year's driver of the year, Tim Croughwell, of Barton (top), with runners-up Keith Holker of Manx Petroleums (above) and Stephanie Turner of Suffolk County Fuels

RULES

- One entry per depot. (The depot must be an FPS member or additional business mailing)
- The driver must be based at the nominating depot.
- The company must have employed the driver since 01.01.05.
- The driver must have had an incident free year (no accidents or spillages) 01.01.05 to 31.12.05.
- The driver must have gone the 'extra mile', or done something 'above & beyond the call of duty'.
- Entries may be submitted between 1 Jan - 28 Feb 2006.
- Candidates will be short-listed.
- Each short-listed candidate will be visited/interviewed by an assessor during March, from which three finalists will be selected.
- The judging panel will make its decision after a final interview on Thursday 6 April 2006 at the FPS 2006, Harrogate International Centre, Harrogate.
- All three finalists and their partners will be invited to attend the FPS 2006 Awards Dinner on Thursday 6 April 2006 at Harrogate International Centre, where the winner will be announced. Overnight accommodation will be provided as necessary.

CHECK OUT DETAILS ON OUR WEBSITE www.fpsonline.co.uk

Nomination form

Proposer's Name _____

Company Name _____

Address _____

Postcode _____

Tel _____

Fax _____

DRIVER'S DETAILS

Name _____

Time with company _____

(Years/months)

Has the driver had an incident free year? YES/NO

Explain on a separate sheet in no more than 100 words how the driver has 'gone the extra mile', or done something 'above and beyond the call of duty'.

Send it with this form to

FPS-OAMPS Driver of the Year,

FPS, 3 Slaters Court, Princess Street, Knutsford

WA16 6BW or fax to 01565 631314.



Diversify and grow - the Flynn creed

New FPS member company Thomas Flynn and Sons has shown that diversification can be a real route to success.

The company – now operating in a wide range of business sectors – was set up by the late Thomas Flynn to sell feed manufactured in their own mill and a wide range of farm machinery.

The family-run business added many lines over the years and, in 1993, set up its fuel section to sell domestic kerosene to the household and auto markets and marked gas oil to the commercial and farming sector.

From having just one lorry covering the Westmeath area, the company has expanded to serve customers in Westmeath, Dublin and Longford. As well as six delivery tankers, Flynn's operates



a tanker to collect fuel from the Texaco main terminal in Dublin.

One of the company's most successful diversifications has been in offering auto diesel from pumps at the main depot on the main N4 to Dublin – a business that has grown by 40 per cent over the last five years.

"We pride ourselves on growth and diversification," says Managing Director Thomas Flynn, the son of the original owner. "We ensure the business keeps up with trends and new markets. We are now set to open a new garden centre and homeware department early next year. "From a workforce of just six, we have grown to more than 60."

Health and safety has long been a priority for the company. All tankers carry up-to-date certification and every



driver is fully trained and qualified in all areas of delivering fuel.

"Joining the FPS was an easy decision to make," says Thomas Flynn. "The organisation can offer an enormous amount of services and information to our company and keep us up-to-date on changes in legislation and regulations."

Titan invest in R&D

Titan Environmental has invested over £500,000 in a new facility to centralise and enhance the company's R&D capabilities in Banbridge, Northern Ireland.

Titan Environmental, part of the Kingspan Group, is the UK and Ireland's leading manufacturer of environmental products for oil, water and chemical storage. The Environmental Division employs 1,800 throughout Europe, 250 of which are in Northern Ireland, with a further 250 in the Republic. The investment will keep Titan at the leading edge and allow the business to expand into specialist fields. Noel Crowe, Managing Director, Environmental Containers Division, Kingspan, said: "R&D is fundamental in delivering innovation and, ultimately, allowing the company to thrive. This new facility will help us drive forward."

In addition to R&D, Titan continues its commitment to technical development through the Kingspan Graduate Scheme. The scheme offers graduates jobs at one of Titan's manufacturing sites, and they are also given the opportunity to use their knowledge on product development.

■ **CHARITY DONATIONS:** Titan Environmental has donated £5,000 to OXFAM and Age Concern. The money will go towards the Pakistan Earthquake Appeal and various initiatives which help the elderly in the UK. Philip Browne, Commercial Director, Titan Environmental, says: "We are delighted to be in a position to help these worthwhile charities. Titan is committed to pledging support to charities each year."



Demand for HFO brings opportunities

After three years of falling sales, demand for heavy fuel oil (HFO) is increasing.

Steve Gettings from Total's Commercial Sales division estimates that the market could double in the next year. And, with a need for reliable, consistent transport, the rebirth of HFO could bring new opportunities for FPS members.

HFO has been subject to taxation as a fuel in its own right while the Climate Change Levy also taxed the outputs of power stations. Power stations using heavy oil therefore faced double taxation and suppliers had seen sales drop to a quarter of what they were four years ago. This tax gave an advantage to alternative sources of fuel, including recycled fuel oil, tallow and bio-mass. But, Customs and Excise has now proposed that HFO (and gas oil) should be subject to the same tax breaks as other fuels. As a result, fuel oil will become extremely price competitive.

In addition, under the EU Waste Incineration Directive due to come into effect on December 28, it will no longer be possible to burn recycled fuel oil for environmental reasons.

"I have just signed two new significant contracts with major power generators," says Steve Gettings. "The tax change means that costs will fall for our customers and that we can maintain an acceptable margin."

However while demand is increasing, supplies are not unlimited. The problem is not the availability of HFO, but the capacity of the producers to distribute it. Many of the oil majors have moved out of the market and no supplier has invested heavily in its rail or road tankers.

"Tankers that were used for recycled fuel oil can be used for HFO but significant investment is needed where companies have dismantled infrastructure," says Steve Gettings. "Most companies are unlikely to make that commitment. We are the UK's largest supplier of HFO and we have the capacity to supply customers. However, if demand continues to increase at this rate, there will come a point when we can no longer meet that demand. Customers who want to switch back to HFO would be well-advised to start contract negotiations sooner rather than later."

Big Oil signs with Gulf, Siemens

Big Oil Associates is to provide products and services to Gulf independent fuel retailers. Under the agreement Gulf Retail will draw upon BigOil's portfolio and expertise to add to its own offering to independent fuel retailer customers. Big Oil has also signed Siemens Building Technologies to provide installation, maintenance and support for Big Oil's in store digital media network solution for the petroleum and convenience store markets.

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A question of C

"We don't like to take credit cards for the derv customers because the 2.5% charge takes us up over the pump price. We're also concerned about the security of it. Our bank tells us that people can cancel credit card payments. It hasn't happened yet, but we don't want to take the risk.

If a company doesn't have an account and wants to pay by credit card, we do charge them the 2.5% per cent.

With oil rising from 60p a litre to 80p, we've increased credit limits where the credit insurance lets us, but otherwise we're asking for early payment."

**David Hodge, Joint Managing Director
Ribble Fuel Oils, Preston**

"We don't take credit cards at all. It's cash only at the pumps. It's to make sure we get paid. On deliveries, it's either cheque or cash and a lot of customers pay by direct debit.

With new customers, we ask for cash for the first two or three deliveries until we've established a relationship and then we may put them on account."

**Judy McIntyre, Credit Controller
Jentex Petroleum, Ramsgate**

"We prefer to take debit cards because there is a set charge per transaction rather than a percentage of the amount. With the high cost of oil, the credit card percentage eats into your margins.

We still prefer cards over cash or cheque, though, because it gives us more scope for delivery – the person has to be there to hand over cash.

We are just installing a Commedia system – at great expense – which will allow us to reserve credit like they do in hotels. It will also streamline our credit system. The manual method is time-consuming and leaves room for error. This system will give us overnight processing. Quite often, people order a certain amount, but the quantity is changed at delivery. In these cases, the

What do FPS members think of credit cards? Here's what you told us.

system will let us take for the correct delivered amount without having to make refunds or change transactions.

We're hoping the expense will be worth it in the long run."

**John Brown, Managing Director
Browns of Burwell, Cambridge**

"When we took over the business three years ago, there was a surcharge in place, but we very seldom take that route now. In fact, we prefer credit cards – despite losing a bit of money – because you get paid there and then. Cheques bounce and can take 10 days, or even up to three weeks to get into your account.

We've just sent out a mailshot to our customers to tell them we'll be giving a bigger discount for payment on delivery. We've noticed for the first time in three years that we're getting some domestic customers who aren't paying – and they're very clever at getting around it when it comes to solicitors."

**Bob Saw, Partner
Advance Fuels, Croydon**

"We're just about to start taking credit cards because more of our domestic customers are asking to pay that way. I'll be finding out from the bank how much we're being charged and will then add that on to the price to cover my costs.

We won't be taking credit cards for derv, though. I see the amounts of money outstanding and I'm surprised that companies carry on. Our supplier has just changed to a 30-day rolling system.

I know that some companies find this more beneficial because it helps their overdrafts. We don't have an overdraft, though, so we'll have to see how we're affected. It might be that we lose interest. If it doesn't work, we will go back to the supplier, but we are over a barrel!"

**Mike Atkinson, Managing Director
Central Fuel Oils, Burton-on-Trent**

"We'll take money from our customers in whatever way they want to give it! We don't surcharge credit card customers because most of the ones who pay this way are domestic. We give them 1p a litre off if they pay within seven days, so it's in our interests to take cards, as they can pay us over the phone and we get our money more quickly.

A couple of companies pay us by cards and with one of them, we do bear it in mind and add a fraction of a penny to cover the use of the machine. Most, though, are on direct debit or on account, and have to pay by the 15th of the following month.

I know that some suppliers are moving to a rolling basis, but we buy from more than one supplier."

**Sally Benson, Credit Controller
Oakley's Fuel Oils, Telford**

"I worked out an average of the credit card charges and it came out at about one per cent. They vary from bank to bank and can be from nothing up to 2.5%. We don't surcharge; we more or less carry the charge ourselves.

What we have had to do, because of the way oil prices have been going, is to look more regularly at our customers' planned payments."

**Peter Snaith, General Manager
Brett Fuels, Gateshead**

"We do surcharge our customers. The amount varies depending on how much we get hit by each credit card company.

REDIT

We tell customers that there is a charge and some will decide to send a cheque instead, but very few are put off.

Most of our customers are on account – and the terms vary from seven days through to 28 days or the end of the month following. We monitor these and keep abreast of the different terms and bring customers into line where we can.”

**Leon Wood, Assistant Accountant
Countrywide Fuels, Pershore**

“Credit cards are very expensive. The costs can outweigh the profit for large deliveries. We add on a charge for transactions over £500, but we were told that you aren’t allowed to make a surcharge – it has to be an admin fee for the extra work involved.

We’ve tightened up on customers who say they’re cash on delivery, but then take a month or more to pay us. Because we’re under more pressure from the oil companies, we’re chasing these customers within three weeks. We’re chasing them harder.”

**Mark Nolan, Managing Director
Nolan Fuel Oils, Bicester**

“We don’t pass on any credit charges to the customer. They are obviously a problem with the price of oil, because the percentage we have to suffer has increased. Similarly, the price of oil has affected us because we have had to resubmit our accounts to have our credit



facilities approved again. We are of the view that if we can get more payments in by accepting credit cards, then it helps on cashflow. We save on admin charges by not having to send out reminder letters. It’s a balancing act.”

**John Dickinson, Company Accountant
Chandlers Oil and Gas, Grantham**

“We do accept credit cards but not AMEX. Charges, with a few exceptions, are absorbed within the price. We do prefer debit cards, though. We’ve tightened our terms and have written to all of our customers to let

them know. Our sole supplier has not tightened his terms to us – they are too tight anyway!”

**Dave Sexton, General Manager
Tincknell Fuels, Somerset**

“We haven’t taken credit cards on principle up till now because of the charges associated with them, but we are reviewing the situation. If we started to take cards, people would be able to pay online via our website.”

**David Todd, General Manager
Gleaner Oils and Gas, Elgin**

New Director of Operations at Millers Oils

Millers Oils has appointed Bob Weale as Director of Operations, to focus on the company’s distribution network and lubricants blending plant at Brighthouse.

Bob joins the firm with years of experience within the lubricants industry. He worked as a supply chain and procurement specialist for both Millers Oils and Shell Gas Ltd. Prior to that, he worked for Shell Gas Ltd as procurement developer and started his career at Total UK Ltd. Lubricants Division where he worked in various

roles for 30 years. Commenting on joining Millers Oils, Bob said: “I aim to bring fresh ideas and innovative strategies that will contribute towards the future growth and development.”

Nevil Hall, Financial Director of Millers Oils, said: “Bob’s appointment is key to the development of Millers Oils, as he has responsibility for the lubricating blending plant and distribution from the Brighthouse, Aberdeen, Glasgow and Leicester depots.”

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It may not be street legal, but it could qualify as the oil storage tank with the best view in Britain. This picture was sent to us by a Downstream reader who came across this 'mobile' while walking in one of the more remote areas of Mid Wales.

If you want to see your installations, or your lorries in action, in Downstream, then send them in to FPS, 3 Slaters Court, Princess Street, Knutsford, Cheshire WA16 6BW or email them to sh@fpsonline.co.uk. We will be delighted to look at them for publication.

Tories warn of booze drive-ins

Hundreds of petrol stations could launch round-the-clock alcohol sales, warned the Conservative Party, as members fought for an 11th hour delay in the introduction of new licensing laws, which have cleared the Commons.

The Tories claimed investigations have shown that petrol stations are seeking to exploit the new laws, which came into force on November 24, by applying for extensions to their licensing hours.

They said that a poll conducted by NOP in 2000 for the Institute of Alcohol Studies found that 78% of people were opposed to petrol stations being allowed to sell alcohol at all.

But despite these concerns, a group representing petrol station owners across the UK is offering the services of a legal firm to enable forecourt owners to dodge provisions in the law that prevent petrol stations from selling alcohol.

Tory peers in the House of Lords tabled an unsuccessful motion demanding that the Licensing Act 2003 be delayed for six months until June 2006.

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Management hot air...

Thanks to an anonymous contributor for the fable below. How many readers can associate with the sentiments, we wonder?

A man in a hot air balloon realised he was lost. He reduced altitude and spotted a woman below. He descended a bit more and shouted, "Excuse me, can you help me? I promised a friend I would meet him an hour ago, but I don't know where I am."

The woman below replied, "You're in a hot air balloon hovering approximately 30 feet above the ground. You're between 40 and 41 degrees north latitude and between 59 and 60 degrees west longitude."

"You must be in Information Technology," said the balloonist. "I am," replied the woman, "How did you know?"

"Well," answered the balloonist, "everything you told me is technically correct, but I've no idea what to make of your information and the fact is I'm still lost. Frankly, you've not been much help at all. If anything, you've delayed my trip."



The woman below responded, "You must be in Management."

"I am," replied the balloonist, "but how did you know?"

"Well," said the woman, "you don't know where you are or where you're going. You have risen to where you are, due to a large quantity of hot air. You made a promise, which you've no idea how to keep, and you expect people beneath you to solve your problems. The fact is you are in exactly the same position you were in before we met but now, somehow, it's my fault."



Get a grip...

Grasping wet or oily objects could be easier and safer with the development of a new glove coating from Ansell.



Ansell Grip Technology™ was validated by the University of Birmingham's Sensory Motor Neuroscience Laboratory, which found that from 34 to 69 per cent less grip force was needed to lift an oily 4.5 kilo object than with comparable gloves.

The company says that, as well as reducing stress and muscle fatigue, the coating makes regaining control of slippery objects easier, improving not only hand comfort but confidence. Exerting less grip force can, they say, help prevent carpal tunnel syndrome (CTS) and other related conditions.

Poor grip is often cited as a serious safety hazard, because objects might be dropped, resulting in foot injuries or cuts.

Composed of a thin nitrile film with a special roughened surface, the grip technology is designed to give better control when objects are covered with oil, oil-based chemicals, water-based lubricants or other greasy coatings. The surface is designed to channel a liquid away from the contact area on the glove surface and as the article is being grasped.



Fast shut-off with a variety of triggers

Darcy Products is producing the Envirovalve, a fast-acting shut-off which provides a cost-effective means of automatically preventing pollutant from flowing into the drainage system. The valve totally isolates at-risk areas where spills or leaks are likely. Designed to fit into manhole chambers or access points, the Envirovalve is simple to install and maintain. Darcy say it offers savings of up to a third when compared with the cost of installing conventional penstocks or automated gate valves. Envirovalve is offered with a range of activation options – manual push-button or lever, or remotely by telephone, radio signal or control switch. The product contains an inflatable oil-resistant bladder which shuts off flow from pipes ranging in diameter from 100-1000 mm. This allows time for full-scale remedial action. Darcy Products, 01732 843131, email enqs@darcy.co.uk

Nozzle handle lock option

Fort Vale are introducing a locking handle option to their full range of fuel delivery nozzles. The main benefit is that the locking system prevents the nozzle from being opened accidentally. The new locking handles are manufactured from stainless steel for added strength as well as corrosion resistance. The handle can be opened in either direction for driver convenience. This innovation has gone hand-in-hand with changes to some internal components to bring commonality across the range. New seal material in all models gives longer life and smoother operation. The upgrades raise the original nozzle's flow rate by 50%, but it is still the same lightweight, easy-to-handle size.



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Safety in the Terrorist Age

Hi-jacking, theft and safety in the terrorist age were the themes of an FPS seminar that proved a success with delegates.

A series of presentations focused on measures to prevent fuel theft from depots and tankers, the risk of hi-jacking of tankers and security of supplies.

The addition of a security section to ADR has put additional requirements on distributors of dangerous goods, and **PETER RICHARDS, a traffic examiner with VOSA**, explained the mandatory requirements and how VOSA would be enforcing them. Although the change to ADR is designed to prevent seizure of dangerous goods by terrorists, many of the necessary measures also help to prevent theft for financial gain.

Terrorism was the theme of the next presentation, in which a **speaker from the Anti-Terrorist branch of the Metropolitan Police** gave a riveting insight into the situation in the UK, covering the subject of hostile reconnaissance and what industry should be on the lookout for. The confidential Anti-Terrorist Hotline number for distributors to report anything suspicious is 0207 230 2717.

One topic that provoked discussion was whether or not keys should be left in tankers parked at depots. The Fire Service and Health and Safety Executive recommend keys should be left in the vehicle, so that they can be moved quickly in an emergency, but the police and the new security requirements call for keys to be locked away. It was suggested that the police, fire and HSE need come up with clear, consistent guidance for the industry.

Leaving keys in the cab also came up in the next presentation by **NINO MULABEGOVIC of MeckLock**, who pointed out that leaving the engine running whilst making deliveries was a weak point in security measures. He explained that weekends were often favoured by thieves, because thefts would go unreported until the Monday.

He also explained that his company's mechanical anti-theft device for tankers worked on the principle that thieves

would avoid targets that took time to break into.

In the afternoon, **RICHARD SHREEVE of NCEC** detailed what was expected by the authorities when they phoned the emergency number on a Hazchem plate. He asked whether everyone in the audience was certain that their company's emergency response system met these requirements. There were, he explained, benefits to outsourcing emergency response, which could cover storage tanks as well as tankers, and give the certainty of a prompt, professional response that told the emergency services exactly what they needed to know.

Moving on to topic of deliveries, speakers from HSE described the changes brought about by the new Work at Height Regulations

NEIL HOPE-COLLINS, a field officer from HSE, took members through some scenarios he had encountered in his work and how they should be tackled. He appreciated that there had been a consistent low level of accidents involving the oil distribution industry and he encouraged members to share information on bad sites, ideally via the FPS Hazardgram scheme. He also emphasised that drivers should receive adequate training, be made aware of their company's policies and receive feedback to give them confidence.

He suggested that mobile employees should get the same level of care as depot-based employees; that companies should provide the right equipment, and that they should follow the three steps of risk assess, plan and organise. He said that, with so many variables at each site, specific industry guidance (something the FPS is working on with the HSE) should be welcomed and would help the industry in working successfully within the new requirements.

RICHARD MARTIN of the Environment Agency had good news for delegates, announcing that there had been a significant fall in the number of oil-related pollution incidents since 2002. The main avoidable causes of static storage tank incidents, he said, were tank failure, overfilling and pipework rupture. The Environment Agency's Oil

Care Campaign is concentrating on reducing these avoidable incidents, many of which are down to human error. And this is one reason why the Agency is so supportive of the FPS Driver Training Scheme.

Richard's three rules for reducing these incidents were to stay at the delivery point, to check the tank contents and to connect properly.

Delegates were encouraged to visit the Agency's website for information on preventing pollution and on the Oil Storage Regulations – www.environment-agency.gov.uk/osr.

Whatever problems the industry is currently facing, they will all become irrelevant if distributors are not protecting their profitability. **ROD PROWSE, the FPS Media Representative**, gave some interesting facts and figures about the true costs of doing business and asked if delegates' costing systems truly reflected actual costs. Oil, he said, was now a true commodity market with financial institutions investing in futures. Market volatility was here to stay and the operations of the refiners and importers reflected this.

Looking to the future, Rod thought it unlikely that all the major oil companies currently in the UK would still be here ten years from now. They were, he explained, withdrawing up the value chain and he questioned where they really wanted to be. There would always be others to fill any gaps, but a period of change was definitely in the wind.

STOP PRESS

FPS is holding a round table meeting in December to address means of reducing the number of spillages that occur during delivery. Representatives from distributors, tank manufacturers, the Environment Agency, and insurers OAMPS and OFTEC will be attending the meeting. The outcome of the meeting will be reported in the FPS December circular.

It's hoped that the meeting will be the first of a regular forum at which distributors and tank manufacturers can discuss tank issues directly.



In the Papal Palace at Avignon, there were some seriously strange characters celebrating 100 years of the FPS's French counterpart, FF3C. On meeting them, FPS President Bob Armsworth wisely thought discretion to be the better part of valour, and simply bowed to superior numbers (above). It meant he survived to put the FPS view on problems shared by the distribution industry across Europe. Below, FPS Chief Executive Susan Hancock (far right) and Bob Armsworth (foot of picture) listen to fellow delegates.



FPS French counterpart notches a century in business!

FPS proudly celebrated its 25th anniversary last year with an evening aboard the Royal Yacht Britannia, in Edinburgh. However, our 25 years are somewhat dwarfed by our French trade association equivalent's 100 years in business this year. Admittedly, the FF3C, as it is known, represents coal distribution interests as well as oil, or 100 years would be an amazing achievement!

FF3C decided on the Papal Palace in Avignon for the venue for its celebrations, which included a congress with over 500 participants and a dinner in the medieval banqueting hall of the palace, complete with medieval entertainments. Luckily for the diners, the menu owed more to the 21st century.

As part of its centenary celebration events, the French trade association hosted a meeting of the European Conference of Fuel Distributors (ECFD), at which FPS represents the Republic of Ireland and the UK.

Squeezed into an extremely busy schedule for FF3C, discussions ranged from relationships with other European bodies and the EU to the ending of the derogation on duty for fuel for private pleasure craft and driver training. Also considered were which common problems ECFD should raise at EU level in addition to members raising them nationally.

Despite a shorter than usual meeting, ECFD members were not let off lightly and were asked to give their views on the problems facing the oil distribution industry in their own countries to the 500 strong Congress audience.

FPS President, Bob Armsworth, gave a forthright view of the major hurdles for the Irish and UK industry and it came as no surprise that the same problems were common to all.

The future for clean-up operations?

By Andy Wheatley

Every day we receive news of events that adversely affect 'the environment'.

Regulations protecting the environment are almost entirely non-party political and the EU Commission and EU parliament see the environment as an area where they can legislate and be seen to be effective. It is reasonable to expect wider ranging and more stringent environmental legislation from the EU, more effective scrutiny, and harsher punishments for transgressions.

The legislation we have today is not an 'end point' but a place along the way. The Control of Pollution (Oil Storage) (England) Regulations 2001, recently applied to all oil storage containers above a certain size, is a perfect example of the continual extension of environmental controls.

In this context, this article seeks to outline the way the UK environmental sector may develop in response to the needs of the oil distribution industry.

Oil Distribution issues

For distributors of oil products, environmental issues arise largely when control of the product is lost, i.e. spills and leaks. Spills tend to be obvious and actions required are usually urgent. Leaks are more insidious, potentially remain hidden for extended periods of time during which they can cause serious pollution or harm to the environment. The other difference between the two issues is that generally spills occur on other parties' land whereas leaks (for which the industry is responsible) most often occur on the oil owners' own premises.

Clearly all try to minimise the number and impact of such events. Even so, more than 5,000 oil incidents are reported to the Environment Agency every year – 14 every day.

Experience suggests that reported incidents are simply the 'tip of the iceberg' and that most go unreported.

However, there are a significant number of spills and leaks that require some degree of clean-up for environmental reasons, and because prosecutions (and fines) will become more severe.

Clean-up Options

DISPOSAL

The UK waste management sector is presently wrestling with the impact of the Landfill Directive. The key principles in this legislation can be summarised as:

- Strict assessment methods and classification of waste
- A preference for treatment processes ahead of landfill disposal
- The requirement for pre-treatment of waste where the landfill option is chosen
- The separate disposal of non-hazardous and hazardous waste.

Over 80% of all the UK's waste is currently sent to landfill - but this is set to decline significantly as the Landfill Directive, Landfill Tax and decline in the number of landfill sites take effect. There will be few landfill sites south of the Thames by 2010 and this situation will spread into East Anglia and Wales over time. The consequence will be to push up the price of waste management and enable alternative technologies to enter the market.



The thermal desorption plant

The Landfill Directive is already having very significant effects on how hazardous waste (and most waste arising from oil spills and leaks is likely to be classified as hazardous) is managed - and prices are rising steeply. Rates for the disposal of hazardous waste now range from £80/m³ to £200/m³ and on top of this there is the cost of excavation, transport and reinstatement of the land. The reason is simply supply and demand - there are now only 10 hazardous waste landfills in the UK able to accept hydrocarbon contaminated soils (down from 200 before July 2004). There is also a limit on the contamination level that even these sites can accept - above this level, treatment remains the only option.

So, landfill is likely to be a very expensive and scarce solution for oil spills.

PRESENT TREATMENT SOLUTIONS

The alternative solution to landfill disposal is treatment. This can be carried out in-situ (i.e. the contaminated soil is cleaned without being disturbed) or off site.

A variety of companies respond to spill incidents and offer on-site services such as: 'pump and treat', soil vapour extraction, and bio-remediation. Often, due to lack of alternatives, remediation of contaminated soil has been undertaken at the site of the spill. Treatment in such circumstances can be time-consuming and, where the spill has taken place on a client's premises, rather testing for supplier/client relationships.



FUTURE - TREATMENT CENTRES

A development beyond 'site response solutions' is the establishment of regional fixed facilities.

A consequence of the Landfill Directive is to encourage in the UK the development of waste management facilities similar to those that already exist in Northern European countries. This suggests the establishment of fixed treatment centres where small volumes of contaminated wastes can be sent for treatment at competitive and economic rates. A number of companies is developing such proposals.

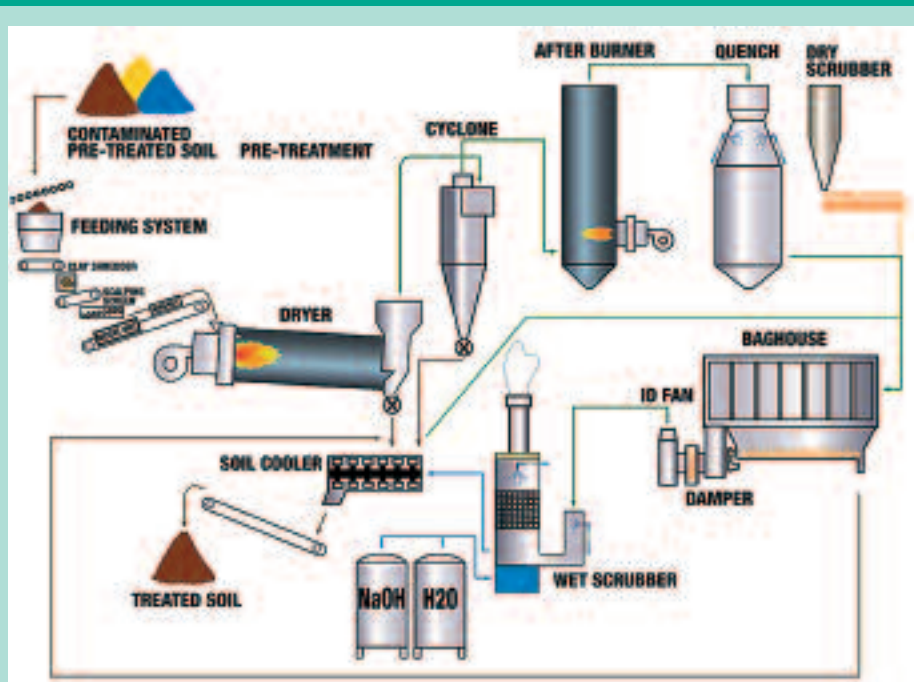
One of the most promising technologies to be used at these treatment centres (sometimes unfortunately termed 'soil hospitals') is thermal desorption.

Thermal desorption is ideal for the treatment of soils contaminated with hydrocarbons. It consists of a simple two-stage process.

First, the material is screened and then heated in a rotating dryer to about 550°C, to volatilise (desorb) the organic contaminants from their liquid or solid phase, into the gaseous phase. These off-gases are then collected and treated in a thermal oxidiser (occasionally chemical treatment is used).

The soil produced by the thermal desorption process is essentially a sterilised inert material, presenting no future environmental liability.

The benefits of fixed sites over the on-site 'spill response' solution is that contaminated material can be removed from site immediately – the nuisance ceases to exist for the landowner, whose



The process

Soils are blended as far as practicable and screened, to ensure a stable feedstock to the plant. The soils enter the hopper where they are weighed and delivered to the primary treatment unit – the dryer. The dryer is a rotating drum that can have an in-line flame front (as shown) or contrary flame front (burning against the flow of soil). As the soil progresses through the drum its temperature increases until it exceeds the boiling point of the soil's contaminants. At this point the contaminants will have been desorbed into the gas stream. The soil exits the drum, is cooled, and water added to produce a soil with a natural moisture content.

The off-gases generated by the primary treatment process are sent via a cyclone (to remove solid particulates) to the after-burner. The after-burner is the key component of the off-gas abatement system. It is a cylindrical chamber heated to about 1100°C and designed to have a gas residence time that ensures the



complete oxidation of the contaminants.

The gases from the after-burner are cooled in a quench unit and, if necessary, further treated to remove chemical contaminants not amenable to thermal oxidation. The next element in the treatment system is the baghouse which is the primary unit designed to remove solid particulates from the gas stream. Further scrubbing of the gas stream may be required before the treated gases are exhausted to atmosphere.

The key products from the thermal desorption process is sterilised soil that can be categorized as 'clean', and treated gases that consists of CO₂ and water vapour.

property can be restored to a clean state quickly, more polluted soil can be treated at fixed sites and they will be cheaper.

In a world where companies are under

greater pressure to protect the environment, changes in the waste management industry have the potential to provide an effective pollution clean-up solution for the oil distribution industry.

Andy Wheatley is MD of Deep Green UK, a joint venture between two thermal desorption businesses that have treated over nine million tonnes of contaminated soil.

Contact him on 0117 3111250 or email andy.wheatley@deepgreenuk.com

Time for petrol retailers to get what

The lack of integrity in the measurement system, in regulations, in government and in oil suppliers means that under-deliveries are costing petrol retailers huge sums in lost product and lost profits every year.

The Petrol Retailers' Association is pressing hard for a fair and accurate system of measures to restore petrol retailers' confidence that they are receiving the volume of fuel that they actually pay for.

The main controllable elements of under-delivery which leave petrol retailers with a smaller quantity of fuel than they pay for are:

- inaccurate measurement of volume at distribution terminals;
- loss of vapour back to the supplier through Stage 1a and Stage 1b vapour recovery systems;
- thermal contraction after measurement at the distribution terminal.

Inaccurate Measurement at Distribution Terminals

The positive displacement meters used in terminals can potentially meter to +/- 0.05 % volume accuracy, that is +/- five litres in ten thousand litres. Meters at Customs and Excise-controlled duty point terminals, such as refineries or import terminals, are notionally controlled to meet Customs and Excise required minimum level of accuracy which is +/- 0.15% by volume but higher if the meter is capable of achieving higher accuracy.

Meters at inland duty-paid terminals are not prescribed instruments and their accuracy is unregulated. Reportedly, one terminal eventually owned up to under-deliveries of 3% volume from their terminal meters and a second was believed to be under-delivering by a similar percentage.

All terminal meters should be designated as prescribed instruments for trade and controlled accordingly by Trading Standards Authorities. We are,

The PRA makes the case for eliminating under-delivery

after all, dealing with what are the largest bulk-traded liquid products in the country, excepting water.

With environmental regulations banning the use of dipsticks on tankers, there is no independent means of checking either the volume loaded onto a tanker or the volume off-loaded at the retail site. So gross errors can occur at any time and go undetected.

Retailers' Loss of Recovered Vapour

When the Stage 1 vapour recovery legislation was being developed, the PRA asked the then Department of the Environment about recompense to the petrol retailer for the vapour returned to the oil company. The vapour, already paid for by the petrol retailer, is condensed and incorporated into other product and resold.

In duty point terminals, the vapour recrosses the duty line and the duty, already invoiced to the retailer, is repaid to the oil company by Customs and Excise. It should be perfectly obvious that if the terminal meters are accurate and product is being recycled to benefit supplying oil companies, retailers are receiving an under-delivery on every load of petrol.

DoE advised the PRA that this was a matter of contract between the retailer and the oil company. However, it is not a matter of contract, it is a matter of inadequate measurement systems and, consequently, false documentation. There is no contract which says that the supplying oil companies are

allowed to deliver less than the quantity invoiced.

Failure to address this issue means that every delivery note produced by a supplier is incorrect as far as the volume measurement of petrol is concerned because the Stage 1a vapour is taken out of the tanker after metering and no attempt is made to adjust the meter conditions to compensate for vapour returned to storage.

AEA Technology carried out the calculations for DoE on the benefits of vapour recovery and determined that the petrol vapour displaced on loading the tanker would amount to 0.18 % of volume. That is 72 litres on a 40,000 litre tanker load. Put in the context of total 2004 retail sales of petrol in the UK of 18,263,776 tonnes, at 1,363 litres per tonne there are nearly 25 billion litres delivered which gives almost 45 million litres which retailers do not receive. That is on average 4,347 litres per year for every service station in the UK.

Likewise, Stage 1b vapour is returned to the tanker on delivery. The amount of hydrocarbon returned to the terminal is lower in this case because of entrained air, yet is still economically significant to both retailers and oil suppliers, to the extent that suppliers complain if any attempt is made by retailers to fit devices designed to limit the return of vapour to the tanker. There will of course be seasonal variations in the amount of product under-delivered in this way.

Under-delivery through vapour recovery affects every petrol retailer in the UK.

The Hot Fuel Problem

That oil companies deliver hot fuel is not open to dispute. It has long been known that the volume and density of crude oil and products derived from it will change with temperature (the density of a substance is its mass per unit volume). When hydrocarbon oil expands on heating its density is correspondingly reduced and vice versa.

they pay for

Recent terminal closures have resulted in more deliveries from refinery based terminals and the increased throughput gives a greater likelihood of hot fuel. In 1994 the PRA carried out a nationwide survey which revealed that the largest stock losses were from refinery-fed distribution terminals, with average losses from one refinery terminal at over 0.6 %.

What was the reaction of local authorities to this situation? From Petroleum Officers, responsible for writing petroleum licences for retailers the response was to change the requirement in those licenses to alert the petroleum officer from... 'when the stock loss became greater than 0.5 %' to ... 'when the stock loss becomes greater than normal'. The issue of measurement accuracy was ignored. From Cheshire Trading Standards, responsible for the Stanlow area, came doubts as to whether they had powers to take action under the Weights and Measures legislation and they advised the PRA to seek a change in the law to cover the hot fuel situation.

PRA pressure about hot fuel has resulted in some oil companies providing terminal specific allowances to retailers in tacit admission that they were not giving proper value.

However, payment of arbitrary, unfair and inadequate terminal-specific allowances can only be a temporary palliative and addresses neither the fundamental measurement issues concerned, nor the environmental imperative of accurate stock reconciliation.

PRA activity has also resulted in the National Weights and Measures Laboratory commissioning NEL to produce a report on the issue. The 1999 NEL report recommended the introduction, on a voluntary basis, of Standard Temperature Accounting (STA) from oil supplier to retailer and from retailer to motorist. The PRA accepted those recommendations, the oil companies did not.



FPS President Bob Armsworth (front right) hosted the Council meeting in Edinburgh at the end of November and arranged for members to have a pre-meeting 'bonding session' on the ice at Murrayfield Curling Rink. It was the first time for all the guests apart from Robert Gill, who confessed that he had tried curling once before, many years ago.

Bob and his son, Justin, coached a group each in the finer touches of the sport. The object is to slide as many of the 20kg 'stones' as close to the pot lid (a sort of bullseye target) as possible, and definitely more than the opposition. Sweeping in front of the stone with the brushes is aimed at decreasing friction in front of it so it can travel further. "I'm not sure there were any potential national champions amongst us, but we all thoroughly enjoyed it and managed to stay upright on the ice," reported FPS Chief Executive Susan Hancock.

The Council line-up, back from left, is Susan Hancock, Malcolm Hunt, Nick Hayes Robert Gill and David Meekin, front John Eveson and Bob Armsworth.

Plane pollution means zero CO₂ for the rest of us

All householders, motorists and businesses will have to reduce their carbon dioxide pollution to zero if the growing aviation industry is to be incorporated into Government climate change targets for 2050. So says new research from the UK's Tyndall Centre for Climate Change Research.

The report shows that even if aviation's current growth is halved from today's level, the rest of the economy will require carbon dioxide cuts far beyond Government targets.

"If the UK government does not curb aviation growth, all other sectors of the economy will eventually be forced to

become carbon neutral. It will undermine the international competitiveness of UK industry," says Dr Kevin Anderson who led the research.

Aviation is especially polluting because planes burn vast amounts of kerosene fuel at high altitudes. Its rapid growth stems from falling ticket prices and increasing passenger demand.

The Government's Aviation White Paper predicts that UK passenger numbers will more than double from 180 million to 475 million over the next 25 years.

The new Tyndall Centre report is called *Decarbonising the UK*.

Hi-tech additive promises 10 per cent fuel saving

Rising fuel prices have hit tanker operators hard. Now, one company has developed a product that, it claims, can cut diesel consumption by up to 10 per cent.

Oxonica, a European nanotechnology company, developed Envirox™ fuel-borne catalyst for the automotive industry and, in particular, for heavy duty vehicles.

Envirox™ reduces fuel consumption in diesel engines and is said to save between five and 10 per cent, depending on the application. Harmful particulate emissions could be reduced by up to 15 per cent.

So far, the company has concentrated on selling the product to fleet depots, but is now working on an 'on board' dosing unit that could, in principle, be used by tanker drivers when filling up. Vehicles do not need to be modified and any vehicle using the additive can revert to standard diesel at any time. The benefits of Envirox™, though, rely on using the additive consistently.

The dose level of Envirox™ is very low because of its high activity; the catalyst

concentration in diesel fuel is only five parts per million.

Stagecoach in the UK and in New Zealand are already using the additive across their entire fleets, after a 12-month commercial evaluation. Oxonica is also in discussion with major oil companies and international fleet operators.

"Fuel is one of the biggest costs in the transport industry and the savings this product is able to deliver will help us continue to provide value-for-money bus services that attract people to public transport," said Stagecoach Group Chief Executive Brian Souter. "It will also help improve the environmental impact of our operations and the quality of life in our towns and cities."

If all HGV fleet operators in the UK were to convert to using Envirox™ in their engines, Oxonica estimates a reduction in diesel consumption in excess of 2.6 million barrels a year – and a possible saving of more than a million tonnes of carbon dioxide equivalent.

Envirox™ is based on cerium oxide, a

well known combustion catalyst, which has a unique ability to rapidly 'donate' and 'absorb' oxygen to a reactive process. Oxonica has shown that the effectiveness of cerium oxide can be vastly increased by reducing the size and increasing surface area of the particles. The result is a more powerful combustion catalyst.

Once in the combustion chamber, the material moderates the combustion process, extending and improving fuel burn. These combined effects lead to a better ratio of positive to negative work being delivered by each piston stroke. An additional characteristic of cerium oxide is that it reduces the temperature at which carbon combusts. This facilitates the removal of hard carbon deposits and soot, which further increases fuel efficiency and potentially reduces wear in the engine.

Oxonica develops commercial solutions from nanotechnology – the science of making things smaller – and was spun-out from Oxford University in 1999. It operates in the environmental, healthcare and materials markets.

MAN ERF go for service by bike

MAN ERF is running a rapid response motorcycle service as part of its MAN ERF EuroService 24 nationwide emergency roadside assistance programme.

Run through MAN ERF Truck Centres throughout the country, the service is aimed at seriously reducing downtime for operators.

The rapid response bike carries MAN-CATS diagnostic equipment, as well as having two large panniers for a basic tool kit and a stock of small-parts.

Six-wheelers drive Central

A market shift from low-spec four-wheelers to sophisticated six-wheelers is behind the busiest ever 12 months for County Antrim's Central Welding.

"We have seen a shift within the local market towards six-wheel rigids with all the toys," says Managing Director Robert McNeill. "This could be due, in part, to the advent of rear steer systems on many new six-wheelers or possibly to our constantly improving road networks and infrastructure."

Whatever the reason, the company has seen a marked increase in the number of high specification tankers for the Irish market, north and south.

One recent example was a new addition to the fleet of Nicholl Fuel Oils.

The tanker was mounted on a Scania P310 DB 6x2 MNA chassis supplied through Road Trucks Ltd of Larne and fitted with a Gardener Denver Drum flow 800 electronic bulk metering system and Scully high-level cut-off.

This tanker brought the number of Central Welding tankers in the Nicholl fleet to 12, with more ordered for 2006.

"We have also experienced an increase in the number of re-mounts and upgrades as well as a large number of product return systems being fitted," adds Rob.

Secondhand vehicles fetch good prices

Road Tankers Northern has had another successful year, supplying more than 200 new tankers, tank trailers and used vehicles.

"New orders for 2006 are very encouraging," says RTN General Manager Brian Edwards. "Indications are for another busy year with large fleet distributors from the UK and Ireland pre-booking production availability. Aluminium tank vessels are still proving very popular because of the advantages of extra payload." RTN is also on the look-out for second-

hand vehicles as used tankers have become fairly scarce.

"The majority of buyers are looking for four-year old bottom loaders of two or three axle configurations," says Brian. "We also supply aluminium tank trailers from 42,000 litre to urban artics and pay good prices for secondhand vehicles."



A new tanker supplied by RTN to Stewart Oil in Ireland. The tanker is a new Scania P310 6x2 with a 20,000 litre, five-compartment aluminium tank vessel, Drum bottom loading with product return and Alpeco meter system.



Stainless sparkles for busy Maidment

Maidment Tankers have had a year that has exceeded all their expectations and orders stretch well into 2006, reports the firm's Eric Gillespie.

Above: A Maidment tanker



Pace Petroleum has invested £1.7 million in a fleet of 16 delivery vehicles, supplied by Lakeland Tankers, for its distributor business. Above, one of the new delivery vehicles with (left to right) John Blyth, Fuelcare Fleet Engineering Manager; Fuelcare Manager Robin Exley, and Roger Adams, Sales and Marketing Manager for Lakeland Tankers.

The 2004 introduction of ADR has not reduced demand for replacement vehicles, and Maidment's decision to concentrate on supplying stainless steel vessels has been worthwhile. The company says that more than 95% of tanks supplied since ADR have been in that material.

"We have supplied everything from 10 tonne rigids to 44 tonne trailer combinations in the past 12 months, and the vast majority have been carrying stainless steel," said Mr Gillespie.

Welding



"The industry obviously recognises the need to prevent, where possible, drivers from having to work at height."

Increased payload for FPS member

By specifying DAF's rear-steer FAX four axle chassis for two new tankers, FPS member WCF Fuels is achieving a 25% increase in payload compared with a typical three-axle tanker, whilst keeping the same manoeuvrability.

"We often find ourselves in tight spots when making deliveries," says Transport

each load, these DAFs are already proving to be very productive."

Both trucks are on an eight-year contract hire arrangement with Artegy Limited, who manage over 1,200 fuel tankers across Europe. The trucks were supplied through Lancashire DAF. It's an arrangement that works well for WCF, according to Brian Allerton.

"Contract hiring means that we know our costs very precisely throughout the lifetime of each vehicle," he says. "Artegy take care of everything involved in keeping the trucks on the road, from routine servicing and repairs, to tyres and road tax. This leaves us to concentrate on getting optimum use out of them, although we do have to insure the vehicle, put fuel in the tank and a driver behind the wheel!"

WCF Fuels is one of the UK's leading independent fuel distributors, with five locally-managed businesses operating out of 15 locations in the north of England and southern Scotland. The company have brought their considerable experience to bear in getting the spec of their new DAFs exactly right for their type of multi-drop, mixed-load operation.

"We listen to our drivers and these

vehicles incorporate several features that have been suggested by them. The tankers are fitted with proximity sensors on both front and rear, a reversing camera and audio warning, all of which reduce the possibility of damage to vehicles and property as well as contributing to safety. Other safety features include the use of reflective material for the logos on the tank sides and cab doors to make them more visible in the dark, and also the fitting of Spatz anti-spray suppression."

WCF Fuel's new FAXs are powered by the 12.6 litre XE250C DAF engine, which delivers 250 kW (340 bhp) at 2900 rpm and gives them a comfortable 10.6 bhp/tonne of power to weight. The torque characteristics of this engine are very flexible at 1600 Nm between 1000 and 1500 rpm, making moving-off easy in any load or road surface conditions. Both the new DAFs are operating out of the WCF Fuels depot at Killingholme, near Grimsby from where they deliver within a 100 mile radius. Local DAF dealer Lex Commercials take the trucks in overnight for their six-weekly inspections and any other maintenance work to minimise disruption to WCF.

Tasca Tankers of Wakefield built the aluminium tanks with five-compartments ranging from 2,500 litres to 7,000 litres capacity. The Alfons Haar pumping and metering equipment incorporates bottom-loading, vapour recovery and product return facilities, and can also handle the gravity metering of petrol.



Manager Brian Allerton. "Here the rear-steering axle can prove a real boon, enabling our drivers to quickly and safely get into and out of places with restricted access, all of which contributes to more efficient operation.

"On top of this, running on four axles at 32 tonnes gross weight allows us to fit a 25,000 litre tank compared with 20,000 litres on a three-axle chassis. This means more payload on each delivery run and effectively, fewer journeys. With three loads a day and up to six drops on

Semi-trailers in full production

After major investment in equipment and personnel by the Newell & Wright Group, Lakeland 2000 has gone into full production with its aluminium semi-trailers.

The trailers, which are fully ADR EN 13094 compliant, are proving to be popular with major oil companies and hauliers – thanks, says Sales Manager Doug Watts, to being built specifically for the UK and Irish markets and to the high level of after-sales service.

Current production capacity is 50 trailers a year, with orders secured for well into next year. There are already plans for expansion and the company is continuing



its refurbishment and repair work. "We have a workforce with many years' experience of the industry," adds Doug.

Asda order for Cisternas

Cisternas Cobo UK Ltd have secured an order to supply 29 semi-trailer petroleum tankers to Asda Stores Ltd.

These CoboLite model tankers, introduced at the FPS show in Telford, include a number of innovative, weight-saving design features.

By ensuring the trailer tare weight comes in under 5150kg, they maximise Asda's available payload in their bulk fuel distribution sector.

The 43,000-litre, six-compartment layout allows for petrol cargoes of more than 1,500 litres – a significant increase on typical vehicle capacities.

The design also retains many tried and tested features of the older generation Cobo models, to ensure reliability and durability throughout the life of the trailer and minimise maintenance costs.

With recent ECE Regulation 111 governing on-road stability of tank-vehicles, Cobo's design produces a very low centre of gravity. This, coupled with the Knorr-Bremse, TEBS4 braking system with RSP (Roll Stability Programme) and low profile tyres, makes Asda's Cobo tankers amongst the most stable on the road.

The specification also includes GD UK Ltd BLVR equipment, Civacon, Liberty HLCO equipment and SAF integral system axles and suspensions with 22.5" disc brakes.

"Cobo are very pleased to have secured their first order for Asda and are proud to be associated with such a household name," says Sales Director Terry Morgan. "The fact that the tankers will be operated by Exel Logistics, a long-standing and valued customer of ours, adds icing to the cake."



Midas touches national treasures

Midas have supplied four plastic oil storage tanks for an unusual project at Upton House (above) in Warwickshire. The National Trust property dates from 1695, and contains an outstanding collection of English and continental Old Masters' paintings. The 2400 litre bunded tanks supplied by Midas were part of a project to create a new visitor toilet block, and supply oil for heating and for cookery events in the large manor house and cottage.

The tanks were specified and installed by Alpha Tank Services of Worcester. Gary Hughes from Alpha explained: "The National Trust wanted the tanks out of sight, so they were installed in an existing concrete structure which was originally a large water cistern. We had to make sure we complied with Building Regulations concerning fire resistance, using offset fills located outside the building. The job also involved cutting up the two old 800 gallon metal tanks on site."

Midas Tanks' bunded models are designed to comply with the very latest Control of Pollution regulations. There are currently five bunded models available from 1200 to 2400 litres, all of which feature a unique 45° angle filling access to make life easier for delivery drivers and minimise the risk of spillage.

Meetings? Don't waste my time!

Time wasting is a key issue in today's business climate, reveals a survey by PTP Training and Marketing.

Meetings are no longer the essential communication tool they once were and came top in our list of the worst time waster in the office. Almost four out of 10 people find them unwarranted, and 35% of workers felt that they spent 2 – 3 hours a week in pointless conferences. This was followed by unnecessary admin eating into their time. A third of the sample believed that they wasted over 10 hours of their week on administrative tasks.

So what was the preferred communication tool and the best time saver? The old fashioned letter is overlooked and preference is given to the telephone with nearly 40% of managers using it as their main communication tool. However this lagged slightly behind email, with 45% opting to use this as the best way to communicate.

Fifty eight per cent also believed email to be the best time saver in the workplace. Texting was disregarded and not seen as a professional mode of communication.

NORTHERN IRELAND
Regional Representative
David Meekin, Meekin Fuels
Tel: 02894 432417

TRIPLE TROUBLE IN STORE...

Proposed amendments to the Northern Ireland Building Regulations include one to incorporate pollution prevention measures in the Regulations.

At present, Northern Ireland has regulations governing oil for agricultural use stored on farms. Storage at commercial, industrial, institutional premises and in larger domestic tanks is to be covered by the impending Oil Storage Regulations. If the proposed changes to the Building Regulations go ahead, there will be three pieces of legislation covering oil storage. Each set of Regulations will have slightly different requirements and, as has happened in England, there will be confusion for both tank owners and for distributors.

FPS has commented that there should be one set of Regulations to cover all oil storage. Why perpetuate the mistakes made in English legislation – learn from them instead. Scotland has decided to incorporate agricultural storage tanks within its Oil Storage Regulations, which makes sense. Surely Northern Ireland should simplify and rationalise its regulations too? Added to that, Building Control officers are not experts in pollution prevention, but the Water Management Unit staff are. It is unfair to load even more areas onto already overburdened Building Control staff, especially if those areas are outside their expertise.

NORTH WEST
Regional Representative
David Hodge, Ribble Fuel Oils
Tel: 01772 337367

THIEVES STAYING ONE STEP AHEAD

With the Government suspecting terrorism everywhere, local VOSA inspectors were keen to talk to members at the regional meeting in November. VOSA is responsible for enforcing the new security requirements aimed at preventing seizure of dangerous goods by terrorists. VOSA inspectors give the impression that they are taking their new responsibilities seriously while at the same time taking a pragmatic approach to helping carriers of dangerous goods meet the new requirements.

Distributors believe that the motive for most fuel theft lies quite close to home – for end consumption rather than for use as an explosive. Whatever use the thieves are intending to put the fuel to, members found VOSA inspectors' comments on site security useful in helping prevent thefts. The number of incidents of theft has increased considerably since the RDCO scheme came fully into effect, controlling supply of gas oil

REGIONAL Roundup

and kerosene more tightly. Whatever security systems are put in place, the thieves appear to be one step ahead. They are able to overcome sophisticated security technology and, at the same time, handy at plumbing when it comes to connecting into the depot's pipework!

Whilst Customs may crow about the success of the RDCO scheme, the fact that thefts of fuel have increased dramatically as a consequence is not their problem. Even though thefts from storage tanks are not part of VOSA's remit, perhaps the new security requirements will have a secondary benefit in helping to combat theft from depot tanks as well.

SCOTLAND
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FRAUD CHECKS AND COMPUTERS

Some two months after a standard RDCO audit visit, we have a different type of visit from HMRC. Apparently, OCT (whatever that is) are beginning to identify higher risk matters and directing field officers to visit distributors to check them out.

In our case, they produced a list of customers who had, according to their reports, collected large quantities of gas oil – commonly upwards of 1,000 litres. We established during the visit that from the list of five such, four of the examples involved delivered product and one was where they had aggregated a month's collections – a subject we've discussed with them several times before. Since we report electronically and their computer then does whatever with the information, their first reaction was that it had something to do with our computer generation of the returns. You can guess that we have a healthy scepticism for the veracity of their records.

If we have that problem(!!!) then beware, it will be manifested in any number of computer generated returns. Hopefully, they will follow our recommendation that they need to speak with software suppliers whose programmes have been approved by HMRC –

I'm sure they will be welcomed with open arms. Despite the cynical comments, it is encouraging to note that HMRC appear to be looking at the information supplied and are seeking to identify potential fraudulent uses. We have no problem in supplying them with information where suspicions arise.

SOUTH-WEST
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MARGINS OF ERROR

'The road to hell is paved with good intentions' they say! We spend all winter saying 'We'll do that in the summer' and then as summer arrives, the holiday season starts so those left behind are trying to do three jobs and then, just to make matters more interesting, we go ahead with a major computer upgrade which takes us back 10 years!

Halfway through what must have been one of the mildest autumns on record, prices are literally storming up, down and around, average drop sizes around 30% down and as predictably as ever, margins on kero are on the floor – which distributor is the one who brings it down first? Everyone I speak to says they want to make a minimum of 4ppl on 1,000 litres and if they can get away with 5 or 6ppl they will, but my customers who shop around say they can get it for between 1ppl and 2ppl less than we're quoting! Perhaps I'm buying it wrong? Perhaps my competitors are 'matching' someone else (who?)! Perhaps the customer hasn't called anyone else and is telling porky pies?! If you know an oil distributor who can make money selling kero at 2ppl margins, tell him to stop – he would make more as a consultant!!

We had a lively regional meeting in Redruth in July with guest speaker Donald MacDonald, a Counter Pollution & Salvage Officer from The Maritime and Coastguard Agency. He certainly got the oil distributors' perspective of the vagaries and difficulties of supplying marine diesel and will hopefully encourage harbour authorities to work with owners of vessels to raise standards.

SPILL LIABILITY

In October, we ventured north east to Bridgwater with the Oil Storage Regs being top of the agenda and, more specifically, to consider how a distributor deals with tanks which are nearly compliant.

Richard Martin and Doug Tilley of the Environment Agency were reluctant to give any specifics on when a distributor could be held liable for a spillage resulting from filling a non-compliant tank, but the message seemed to be that if the distributor has told the tank owner that it does not meet current regulations (preferably verbally and followed up in writing), then the Environment Agency

is likely to place the emphasis of blame on the tank owner in the event of a spillage, even if there is a degree of negligence on the part of the driver.

TANK LIFE EXPECTANCY

Tim Hawkins of DESO Tanks also attended and helped debate the issue of when plastic tanks should be replaced. The consensus of the meeting was that the manufacturer should clearly stamp a 'Replace By' date near the fill point so the boiler engineer, driver and owner would be in no doubt as to the tank's life expectancy and be able to plan a replacement rather than waiting for it to fail. We also agreed to look into setting up a South West Region Credit Register.

REPUBLIC OF IRELAND

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PRICE FIXING IGNOMINY REFLECTS ON ALL DISTRIBUTORS

The recent announcement by the Competition Authority that it is being given additional resources for criminal cartel investigations will have a certain poignancy for some in the oil distribution industry. In mid-November, it was reported in the Irish Independent that J P Lamb, the Chief Executive of the Connaught Oil Promotion Federation, had

pleaded guilty in Dublin Circuit Court to two separate charges of aiding and abetting in price fixing of home heating oil. Lamb faces a fine of up to €3.2 million or up to two years in prison. He will be sentenced by the court in January.

The court case is the result of an extensive Competition Authority investigation into price fixing in home heating oil in the Galway, Mayo and Roscommon areas. The trial of three other defendants has been adjourned for a further 12 months as the trial is estimated to need about three weeks and no earlier slots are available in the court's schedule. They are charged with entering into an agreement which had as its objective the restriction or distortion of competition in the trade of kerosene and gas oil by directly or indirectly fixing the selling price at one level. Evidence submitted to the court ran to over 2,000 pages, including statements from over 60 witnesses. The Competition Authority spent two years investigating the case and is claiming it as the first-ever prosecution by the State, through the Competition Authority, and possibly the first in the EU into oil price fixing.

The Competition Authority's increased resources for criminal investigations are seen as a reflection of the serious nature of cartel offences. Price fixing or other types of cartel

behaviour are viewed as theft by businesses looking to make extra money at the expense of their customers and are not tolerated in the EU.

Whilst highlighting the consequences of getting together to engineer prices, these ground-breaking prosecutions will have unfortunate repercussions for the legitimate trade if customers now view all distributors with suspicion and the trust that they previously enjoyed is destroyed. Distributors need a decent margin if they are going to survive and invest in their businesses in order to operate within the requirements of the health, safety and environmental legislation that bombards them. Yet this case has now laid them open to suspicion if ever two or more quoted prices are the same and, in the eyes of the consumer, overpriced.

COME AND MEET

Despite the activities of the Connaught Oil Promotion Federation's landing its members in court, it is still possible for distributors to meet and discuss common interests and problems and remain within the law. The FPS provides such a forum for its members, with speakers on topical subjects and discussion and activity relating to improving standards throughout the industry. We would encourage all interested distributors to come along to the next meeting, to be held in February, and see for themselves.

New life in old oil fields?

Oil fields could be given a life extension under plans by a Scottish-based company and university experts to develop a state-of-the-art computer tool.

Sciencesoft and the University of Glasgow will work on the software package which will allow energy companies to rapidly evaluate methods to improve the recovery of oil from their reservoirs.

The project has already attracted worldwide interest. Dr Richard Barrett, from the University's Department of Physics and Astronomy is working on the project as part of a year long placement with Motherwell-based Sciencesoft, which develops and supplies technical software to the oil and gas industry.

Dr Lindsay Wood, the company's head of research and development, said: "This is potentially an exciting breakthrough as it will allow oil and gas companies to look at ways to extend the life of their oil reserves in a

simple and efficient manner. Even an improvement of 1% in the total oil recovery can be financially attractive and we anticipate any software package which allows oil companies to realise this improvement will be highly sought after."

The oil industry currently use computer models of reservoirs which show how much oil is present, where it is located, and how easy it will be to extract.

Reservoir engineers use these models, calculated in a complex technical program, along with considerable knowledge and experience, to select a method which maximises oil recovery while minimising economic and environmental costs. However, incomplete knowledge of reservoir conditions due to the remote physical location of the reservoir can mean this is as much an art as a science.

The software being developed by Sciencesoft will place reservoir engineers' analysis on a firmer footing



Kevin Cullen, Director of Research & Enterprise at Glasgow University with William Wood of Sciencesoft.

and allow companies to evaluate schemes such as injecting water into reservoirs to force more oil out of them.

The £75,000 initiative developed from an initial approach by the University's Dialogues programme, which aims to build links between the educational institution and small and medium sized businesses in the west of Scotland.

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