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AUTUMN 2006

The official magazine of the Federation of Petroleum Suppliers

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INSURANCE BROKERS

Brobot drivers are first to win new FPS training certificates

Two drivers from Brobot Petroleum have successfully completed the first FPS Driver Training Assessments.

James Cross and Stephen Meacham completed the written assessment and then went on to complete successfully the half-day vocational assessment covering personal protective equipment requirements, vehicle checks, loading, driving and deliveries.

Roger Church, General Manager for Brobot, which has bases in Leicestershire, Warwickshire and Lincolnshire, presented the first two certificates to the drivers at the company's Atherstone depot.

Roger told Downstream that Brobot were looking to expand their existing driver-training programme and the FPS Driver Training Scheme fitted the bill perfectly. The training has been offered to drivers as refresher training and will be used to train new drivers joining the company. As well as using the FPS Driver Training Scheme, Brobot are also training drivers and customers in the "Safe Unloading of Petrol from Road Tankers". This is a Petroleum Retailers Association training scheme endorsed and marketed by the FPS.

Stephen Meacham has been with Brobot for three years as a tanker driver and has over 16 years' experience on tankers carrying chemicals and foodstuffs. With his previous employer, Stephen was required to have assessment every six months and he was pleased to see that the fuel distributor industry ran similar schemes. He told Downstream that the assessment was very good in showing you better ways of doing the job.

When asked about the DVD and Workbook contained in the Driver Training Scheme, Stephen thought that the material was brilliant because it shows you the right way of doing the job. He said that doing the job properly could mean taking that little bit longer, but he believed that doing the job right first time saved time in the long run.



Brobot General Manager Roger Church (right on both pictures) presents the very first FPS Driver Training certificates to Stephen Meacham (top picture) and James Cross (below).

Stephen added that it was good to be able to improve his skills. The scheme had helped him to work to all the health, safety and environment legislation that drivers have to comply with. He thought that it was a credit to Brobot that they had taken up the FPS scheme.



James Cross has been a tanker driver with Brobot for five years and was eager to complete the training and assessments. He volunteered to be the first driver to complete the assessments. James said that he thought the information contained in the pack was very good common sense. James said that the DVD showed how to load a tanker correctly but pointed out you also needed to follow the local rules when loading in a terminal. He felt that it was good that the written assessment was similar to the ADR exam with just tick boxes and no writing required.

James said that he would recommend the scheme for all drivers new to the industry and that experienced drivers would benefit from the half-day vocational assessment.

Ken Taylor of OHES, who assessed Stephen and James, said he was encouraged by the level of competence

shown by both drivers. They had taken on board the information contained in the pack and were putting it into practice on the day of the assessment. Ken added that OAMPS and OHES were pleased to be associated with the FPS Driver Training Scheme and encouraged others to take the vocational assessment. "This is all about raising the standards of competence in the industry. Anything that reduces oil spill incidents or injuries to drivers has got to be good for the drivers, the company and the industry," he said.

Peter Emery, Technical Manager with the FPS, congratulated Stephen and James on passing the assessment and praised Brobot for their overall attitude to training. "Some of the authorities are quick to criticise our industry so it is good to see a company improving its standards in this way," he said.



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Matthew is a truly Advanced driver

When you're just 18 and look even younger than your years, driving a fully laden fuel tanker can draw some very quizzical glances – just ask Matthew Woods.

The Advance Fuels driver, son of Advance director Nigel Woods, is among the youngest in the country to gain the ADR and HGV qualifications which enable him to drive vehicles up to 32 tonnes.

"It's true that people can give me some very funny looks because I'm a young-looking 18, but it's great to get the qualifications and be able to help out with the driving when needed," said Matthew, who spends most of his time in the office.

The ADR and HGV licences have delighted dad Nigel, who said: "I wouldn't have thought of asking Matthew to qualify so early, but our ADR training contractor, EP Training Services, suggested he could do it through the Young Drivers Training Scheme, which is Government funded."

It took a year of coursework and visits to the place of work by trainers and assessors from Quantica Training and Matthew sailed through, helped by the



fact that he had frequently accompanied other drivers in the big tankers. Now he has these qualifications, he will go on to receive spillage and other training.

Said Matthew: "It was pretty straightforward stuff, even taking in some basic maths and English as well as loading a tanker and moving it round the yard. It was not as daunting or difficult as a lot of people think."

"We're very pleased of course," said Nigel, whose co-director is Bob Saw. "We

hope it will encourage other youngsters into the market."

Advance, with depots in Croydon and Harefield and vehicles based in Cambridge and Grays, is a real family firm for the Woods. Nigel's wife Marie and daughter Michelle job-share on many of the office functions at the Harefield depot. Matthew, and his elder brother Danny, also work in the firm. Danny also has an ADR and LGV licence and works from the Harefield depot.

Taster meetings bring Hytek on board

Attending the two tank forum meetings organised by the FPS was enough to convince Hytek GB Ltd that it was time to join the Federation. And the company is now one of our newest members.

"We found the meetings very beneficial and the right sort of environment for our company to be making suggestions and coming up with ideas," said Hytek's Project Manager Rob Davey.

Hytek have been supplying a wide range of fuelling and oil heating equipment for more than 20 years. Founded in 1985, the company has grown from just two staff to more than 30 and, in 2002, moved into a purpose-built facility near Bishops Cleeve. The 20,000 sq ft building houses the customer service teams, technical support centre and warehouse, product testing bays and training suites.

The Hytek range includes a three-channel tank alarm designed to monitor high level, low level and bund alarms on a single tank, or alternatively one level on up to three different tanks.

They also have a comprehensive choice of overflow prevention valves suitable for both diesel and kerosene, along with a secondary contained pipe work system (UPP) – ideal for heating applications.

As well as their oil heating equipment, Hytek supply fuel pumps to haulage industries through distributors, offering



Hytek's purpose-built facility near Bishops Cleeve and, below, its new UPP pipes



products from other manufacturers alongside their own engineered products.

"We make life easier because of our willingness to work with our customers," says Director Kevin Arnold. "We'll open trade accounts within the hour, and our extensive stocks mean we can ship most orders the same day, with next day

delivery to most of the UK. We really do aim to deliver where our customers want, and when they want."

Hytek has launched a new range of 32mm semi flexible UPP pipes and fittings designed for the fuel oil generator systems and heating oil transfer markets. Products include new 32mm UPP Extra and 32mm UPP Co-axial Secondary Containment systems.

UPP secondary contained pipework system is ideal for carrying diesel, gasoil and petrol in underground applications. The pipework is lightweight, flexible, non metallic and has a 15 year guarantee. Electrofusion welding of pipes and fittings creates a pipe system that is strong, flexible and easy to install.

COLLINS YOULDON IN NEW HANDS

Pending the retirement of Chris Youldon, the business of Collins Youldon was purchased by AS Fire & Rescue Equipment Ltd on 22 June 2006. The acquisition helps broaden the portfolio of the parent company Asfare Group plc within the oil and gas distribution, firefighting and security sectors.

Collins Youldon remains committed to maintaining its position as the leading European manufacturer of hoses for vehicle mounting. Production, sales, research and development continues at the Collins Youldon factory in Harlow, Essex.

The range of products includes hoses (for distribution of petroleum products, aviation refuelling,

fire fighting and marine use), manhole covers, PPV vent valves, fuel oil delivery nozzles, earth-bonding reels and hand-portable storage drums.

Collins Youldon and its new owners are delighted to continue sponsoring the annual Golf Tournament associated with the FPS exhibition, and look forward to the 2007 event in Telford.

More details of Collins Youldon products are available from Ian James or Alison Buckley, phone 01279 774330, fax 01279 774331, or sales@collins-youldon.com



Sponsorships flourish

Millers Oils has upped its motorsport sponsorship by extending its product race series and team support in the UK.



Millers will be title sponsor for the Formula Junior Championship and the Welsh Clubman's Championship and it will co-sponsor the Ginetta and Westfield Sports Car Championships. Millers will also provide oil and lubricants to a number of British Touring Car Championship teams, Ascar, GT and DI drifting teams.

This will be Millers Oils' fourth year as the main sponsor for the Millers Oils Welsh Clubmans Forest Rally Championships, which take place between January and October. It has

also run various competitions with Motorsport News, offering readers the chance to win a year's product sponsorship, to the value of £4,500. Recently three motorsport drivers won a year's product sponsorship worth £2,500 each.

South London FPS member Linton Fuel Oils has renewed its sponsorship of West Surrey Racing and Team RAC for the 2006 Dunlop MSA British Touring Car Championship season.

There is a long-standing relationship between Linton and Team RAC driver Rob Collard's Hampshire based demolition business, R. Collard Ltd. Linton have supplied fuel and lubricants for many years. Sponsorship will be seen on the MG ZS touring car and race overalls of Rob Collard.

Team RAC Principal Dick Bennetts said: "We value the support from Linton Fuel Oils and we hope to be able to provide them with some silverware for the trophy cabinet."



Titan Environmental has extended its sponsorship contract with the Ulster rugby team for a further two years after a successful first year. This season the Titan logo will appear on the shorts of the squad and prominent branding at



Gabriel McArdle, Sales Director, Titan Environmental, Ireland, Simon Best, Ulster Captain and Philip Browne, Commercial Director, Titan Environmental UK, with the Celtic League Trophy.

Ulster Rugby's home turf, Ravenhill. Gabriel McArdle, Sales Director, Titan Environmental, Ireland, said: "As a leading Northern Ireland company we are delighted to continue supporting the local Ulster Rugby team."

Simon Wallace, Commercial Manager, Ulster Rugby, said: "It is fantastic to have the company on board for a further two years. Our relationship with Titan has strengthened since our partnership began last season and I am confident that it will continue to strengthen."

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Why the UK needs home refineries

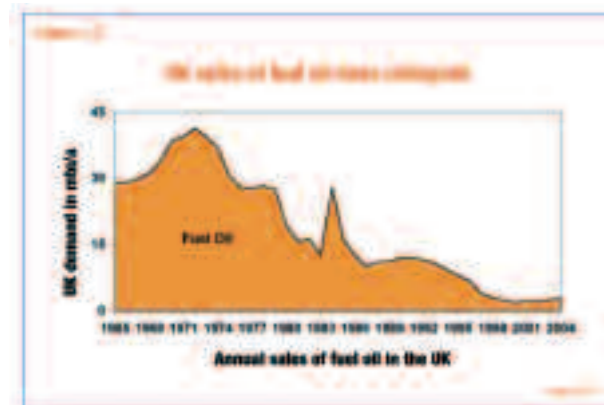
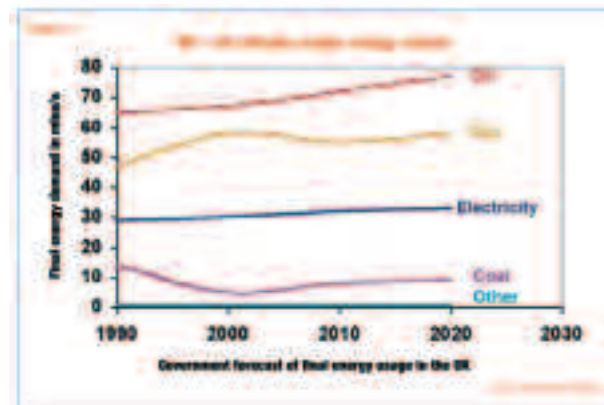
Report calls for setting up of Government and industry taskforce

Fuel supply security, competitive pricing and a large contribution to the UK's balance of payments depend on a healthy UK refineries industry – so claims a new report.

And the report, produced by UKPIA, which represents the nine companies involved in UK oil refining, goes on to conclude that ensuring a robust refineries sector depends, in turn, on government policy.

Meeting our energy needs: The Future of UK Oil Refining recommends the setting up of an industry and government taskforce to address how UK and EU policy and legislation impact on investment and competitiveness.

Key to the recommendations is the belief that oil products will remain central to the nation's energy needs for decades to come.



"UK oil refining plays a key role in the prosperity of this country and has been successfully delivering a wide range of benefits for many years – not least high quality products at competitive prices,

feedstocks for other industries, the early introduction of cleaner fuels and a large contribution to the UK balance of payments," says UKPIA President John Lynn in his foreword.

"The continued ability of UK refineries to meet the future needs of consumers and ever more stringent environmental standards requires significant on-going investment. The delivery of this investment in the UK rather than overseas largely depends upon how government approaches regulatory and fiscal policies that impact the sector."

Oil need set to rise

The International Energy Agency (IEA) forecasts that oil will continue to play a major part in meeting the energy needs of the world and Europe to 2030 and beyond. For Europe, the IEA predicts a 15 per cent rise in oil demand by 2030, with oil forecast to be the largest single

source of energy. In line with that forecast, the Department of Trade and Industry (DTI) forecasts a 13% rise in UK oil demand over the period 2000 to 2020.

Although other fuels, such as renewables, will have a role to play, says UKPIA, this will be small in comparison with that of oil for the foreseeable future.

UK refineries were built to produce petrol for cars and fuel oil for power generation. Since 1972, the demand for fuel oil has collapsed from around 40m tonnes a year to around 3m (see left). This decline has caused the industry to close more than half the UK refineries and to turn most of the remaining refineries

into 'petrol production machines', where petrol constitutes more than 40% of the output.

However, since 1990, Government policy,

which favours diesel due to its better fuel economy and higher density, has caused UK demand for petrol to fall by more than a fifth. During this period, two more UK refineries closed and one oil major ceased operating. Current refineries are shown on the map (right).

Production drifts away from demand

The use of North Sea crude oil in UK refineries helped meet the changing market demand as it produces less fuel oil and the fuels produced have reduced sulphur contents so are easier to desulphurise. But North Sea production has started to decline and crude oils are becoming more expensive.

The report states that UK refining production is drifting further out of alignment with market demand.

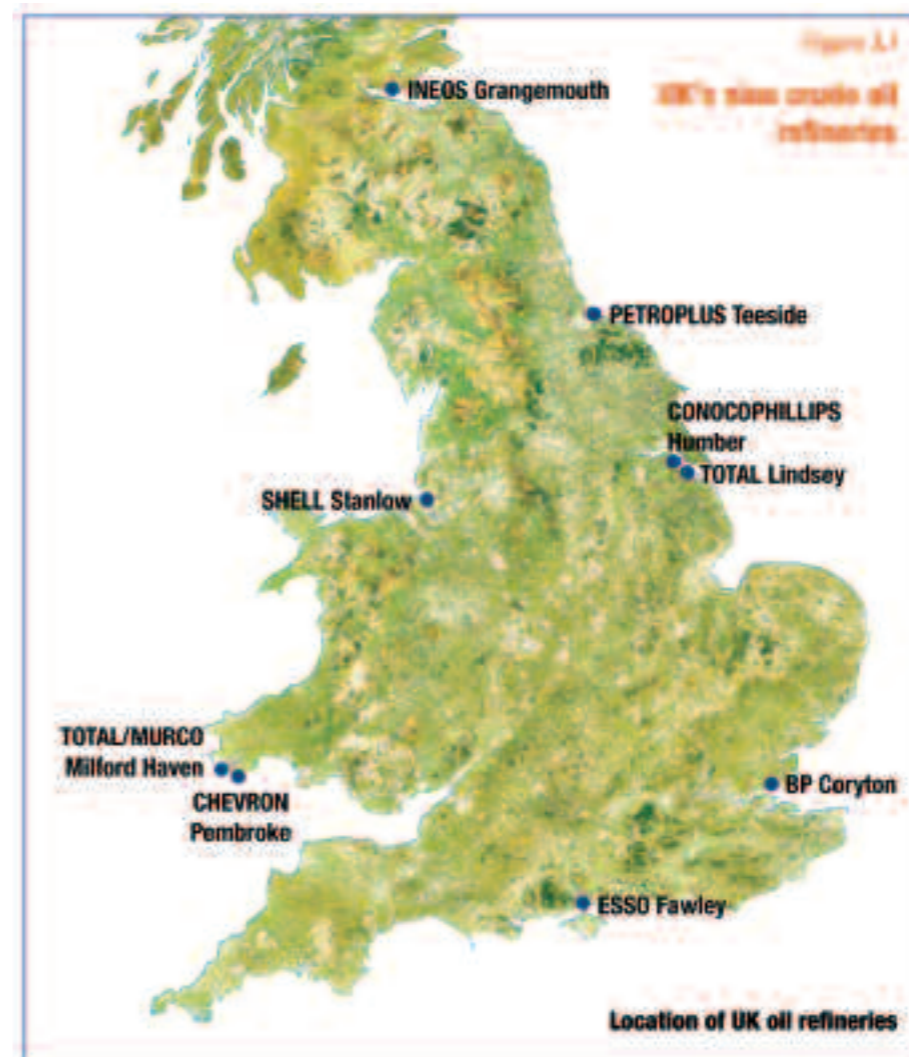
"Compared with current UK demand, our domestic refineries produce a surplus of petrol and fuel oil and too little jet fuel," say authors Malcolm Watson and Nick Vandervell. "Domestic diesel production is roughly in balance with current UK demand, but is expected to move into deficit in the near future as demand rises for both on and off-road applications."

Product specifications will become tighter over time, and meeting tighter product specifications requires refiners either to use more expensive low sulphur crude oil or to invest in new hydrofining units.

"It is therefore important that Government policy is consistent and based on sound science with rigorous cost/benefit analyses," they warn. "Recent policy uncertainty associated with the introduction of sulphur-free fuels must not be repeated."

Tight controls rein in UK firms

Another concern for UKPIA is that environmental standards for refineries are becoming more stringent. In the UK, they say, some local environmental



standards are already tighter than elsewhere in Europe, which forces UK refineries to use more expensive lower sulphur crude. This places UK refineries at a competitive disadvantage.

Examples of what the report claims is 'more restrictive and expensive' UK legislation include applying both UK and EU sulphur dioxide air quality standards

or 'double banking', and replacing the EC Best Available Technology Reference (BREF) Refinery Technology Note with an Environment Agency guidance note with tighter emission values.

Companies have to invest to meet changes in legislation, says UKPIA, so it is important that legislation is based on sound science and supported by

thorough cost-benefit analysis. The UK Government could help achieve this by strongly advocating this approach in the EU. The UK Government could also have a significant influence on the costs for UK refineries resulting from implementing EU legislation.

Major policy issues that impact the UK oil refining industry are handled by many different government departments and, says the report, this brings a high risk of decisions not being 'joined up'. In shaping its future energy policy, the government has to consider what sort of oil refining industry the UK needs and then define its policies to deliver the desired outcome.

The organisation's preferred option is a bilateral refining taskforce to examine the issues in depth and develop the best way forward. The issues they would like to see on the table include the impact of the decline of North Sea oil production on UK refining, the changing demand for oil products and dependence on imports/exports, the impact of Government legislation on individual product demand, and the impact of future EU legislation on environmental controls and oil product specifications.

The report concludes that: "UKPIA and its members believe strongly that a healthy, robust oil refining industry is a vital element of the nation's future secure supply of competitively priced petroleum products (transport fuels, chemical feedstocks, heating oils, etc) and wish to work with the Government at a high level to deliver this."

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NWF boss takes top Chevron award



Shariq Yosufzai, President, Chevron Global Marketing, with NWF's Kevin Kennerley (above) and Malthurst's Graham Peacock (below).

Two FPS members have become the first recipients of the Texaco/Chevron Global Marketing President's Award for 2006.

The two businessmen – Kevin Kennerley, Managing Director of NWF Fuels, and Graham Peacock, MD of the Malthurst Group (Pace Petroleum's parent company) – have, say Chevron, been championing the Texaco brand in the UK for more than 45 years.

Under Kevin's direction, NWF has used the foundations of Chevron's '4+1' philosophy to develop a business portfolio handling more than 300 million litres a year of commercial business, as well as 80 Texaco-branded service stations that are committed to Chevron as a partner for the next five years.

"The Chevron philosophy is built on profitable growth, operational excellence, cost reduction, capital stewardship and organisational capability," explains Kevin. "We realised that our own approach to business has similar values to that of Chevron Texaco."

"We have always developed through people. In fact our continual success is because of the fantastic people we have working within NWF."

The company began back in 1871 as North Western Farmers and moved into the fuel business in 1950. They are now

based in 14 locations, covering large areas of the country, and sell to a mix of domestic, commercial and farming customers. They also have 100 retail garages under contract.

Kevin took over as managing director in 1993 when the firm had just four depots. Since then, business has grown by around 30% a year. "That's not down to me," says Kevin, "but the people I work with."

The World Cup style trophy and slate plaque now join the cast bronze tanker awarded to NWF in 2005 for 55 years of distinguished service for Chevron Texaco.

"Of course, we also buy from oil companies other than Chevron Texaco, but we have a solid and robust working relationship with them and we have been good for each other," says Kevin. "We're not the sort of company to sit back on our laurels. We'll continue to grow profitability either by acquisitions, cold starts or simply expanding our trading area."

In fact, this summer, NWF acquired Brown's of Burwell and now – having already acquired Broadland Fuels – have a major presence in East Anglia. "We have great people there and we have the potential and opportunity to become a major force in the area," adds Kevin.

"We have been FPS members from its inception and have seen the



organisation develop, just as we have. It's now a very professional organisation and we're proud to be long-standing members."

The Chevron awards recognise outstanding individuals who raise standards within the energy industry, show the company's commitment to being number one with customers and personify the visions and values set out in the Chevron Way.

Sharing the honours was Graham Peacock, Managing Director of the Malthurst Group and a director of Pace Petroleum. Their network includes more than 300 retail stations — more than 100 of which are Texaco-branded.

Graham won his award for his actions to ensure continuity of supply following the Buncefield storage terminal fire. Graham insisted that Chevron take a shipment of new tankers that had been intended for Pace Petroleum. This alleviated an incredibly tense situation for Chevron and its customers.

OAMPS notches 20 years of service to oil industry

By ADAM SHEFRAS,
Schemes Director, OAMPS

OAMPS is celebrating its 20th year of service in the UK. The celebration coincides with a softening in the insurance market, causing celebrations for many distributors who will be benefiting from lower premiums, as well as the usual medley of new companies that the soft market brings, all claiming to be able to write high risk insurance.

OAMPS is the longest standing insurance provider to the industry, originally established in Australia in 1976 as a reaction to the difficult conditions in the Australian distribution market. With the support of the Australian Petroleum Agents & Distribution Association (APADA), the Oil Agents Mutual Provident Society (OAMPS) was founded by Australian oil distributors with the support of other insurance and financial experts. OAMPS UK Ltd was registered in the UK on 25 March 1986. The UK's first and only insurance specifically designed for oil distributors.

The services of OAMPS have changed dramatically over the last 20 years as has the fuel distribution market. OAMPS has become more than just a broker providing an insurance policy. Many companies have benefited from the knowledge and services offered by Oil Hazardous & Environmental Services (OHES), the OAMPS subsidiary headed up by Managing Director Stewart Ower.

OHES was set up to provide cost effective 24-hour emergency spillage response, as well as industry specific risk management and training services. With its own experienced claims team



with authority to handle claims on behalf of the scheme insurers and the support of OHES and other industry specific loss adjusters and solicitors, OAMPS is able to provide a top class claims service unrivalled in the UK.

Over the past 20 years it has always been believed that OAMPS has been the only supplier to the oil industry. The misconception has been formed as there is no other supplier in the UK that has managed to continually provide its service to the 'high risk' industry. Generally we see an influx of new companies appear in the soft, more competitive market and disappear in the hard market. Many distributors will remember how they were mistreated by large well known insurers not so many years ago.

Today, OAMPS UK is part of one of the largest insurance operations in Australia, with over 29 branches and over 700 employees and a turnover in excess of Aus\$1 billion. This is in conjunction with our UK insurer partners, Zurich (who have written the motor policy for 15 years) and QBE (who have written the property and liability for the last five years). Both are leading global insurers with a Standard and Poors A+

rating. They provide the OAMPS scheme with the backing and support needed to continue for at least another 20 years. As the market changes we will continue to provide competitive insurance solutions and continue to develop new benefits to our policy and services and that will only benefit distributors.

H&S training cuts incidents

Figures from ALSTOM Power Turbo-Systems - Power Plant Construction Business show a dramatic improvement in its health and safety performance and reduced workplace injuries, ultimately saving money that would have been lost due to injuries.

ALSTOM has invested in a corporate health and safety training programme, designed and delivered by health and safety training specialists, RRC Training. Data shows a year-on-year drop of almost a half in people injured, from over 70 in the previous period to under 40 since the RRC/ALSTOM EHS Elevator Training Programme was launched in March 2004. The Lost Time Injury Frequency Rate has dropped from 3.1 to 1.75 lost time injuries/1,000,000 hours worked.

Glynn Carty, Head of Environmental, Health and Safety, Plant Business at ALSTOM Power-Turbo Systems, believes the difference has been brought about by having a programme designed specifically to the company's needs. Trainers RRC believe large improvements can also be achieved in the oil industry. More information at www.rrc.co.uk



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RDCO: Is it worth our toil and trouble?

Of the issues facing the fuel distribution industry, the one generating the most ill feeling and sense of futility is the Government-imposed RDCO scheme.

In December 2005, FPS first asked Customs for an article explaining why minor errors in RDCO returns resulted in distributors receiving such harsh and

brusque treatment. Customs have now promised an article for the December 2006 Downstream.

In the interim, the strength of feeling on the administrative nightmare created for the legitimate trade by the RDCO scheme is illustrated in these contributions from frustrated members.

Over the last decade, the fuel distribution industry has absorbed a massive amount of compliance tasks imposed by Government, to the point where one begins to wonder if we are all surrogate civil servants.

Not all compliance issues are objectionable, intrusive or unrewarding. As commercial operators, our first imperative is financial viability. This means high efficiency and tight levels of staffing by highly skilled, well-paid people who are motivated to work in a pressurised environment.

After financial stability, the matter of social responsibility enters the equation. As responsible, ethical employers, we have an absolute duty of care to our staff, customers, and environment. This is where legislation-dictated compliance is not seen as particularly onerous or intrusive because the result of working towards these requirements tends to deliver better, safer conditions for all. In addition, the agencies involved are often staffed by people with an industrial background who work with us. In the event of a clash, we are able to refer to our trade bodies as arbiters.

However, we are not statisticians or law enforcers but both these elements have been arbitrarily imposed on us. The pernicious, increasingly complex and time-consuming return required by the Orwellian-sounding Office of National Statistics on pain of serious penalties is a prime example of insidious bureaucratic creep. We are told that the information demanded is essential to measure business activity and the state of the UK economy. After recent revelations about carousel fraud and

HMRC's apparent inability to eliminate it, one wonders if the Office of National Statistics factors in the alleged distortion of the UK's trade figures that these mega-frauds apparently create.

These disturbing revelations lead on to our industry's bureaucratic purgatory – RDCO – which was conceived in haste and is applied with relish by an organisation that enjoys the same public relations status as Attila the Hun. At its inception, it was obvious that the Government was backfooted by fuel fraud which, before the VAT carousel became fashionable, was deemed significant. The problem was approached from the supposition that the oil distribution industry was inherently 'dodgy' and needed 'intensive monitoring and regulation'. HMRC seemed oblivious to the fact that the emerging problem had been identified by many fuel distributors when the majority of road fuel testing vans were withdrawn due to re-allocation of resources. This now seems a pretty lame excuse when one examines our often unmanned ferry ports and airports. As a result of resource redeployment, it became virtually impossible to contact Customs with information, which resulted in most people giving up trying. It begs the question, Where are the resources? From where I sit, it seems that they are administering RDCO so rigorously because it's a pretty soft option in these increasingly lawless times.

Admittedly, things have improved largely due to pressure from our trade and the sheer good fortune of having a few, highly competent people at the sharp end of HMRC. There is an increasingly poor perception of the higher echelons

of HMRC management which refuses to countenance legitimate concerns, preferring to threaten and bully our trade at every opportunity. Because of this management style, many law-abiding RDCOs are intimidated into not complaining openly, rather operating in a climate of fear and resentment which results in undue stress, with its potentially serious health implications for the victims.

WRONG PRIORITIES

Do you pity your visiting RDCO Officers? We do. We have discovered the best way to keep them happy is to give them what they want. Make sure the postcodes are correct, make sure the VAT numbers are correct. They have then completed their part of the job. They can fill in their forms, report to their bosses and all seems well. But is all well? You probably thought, like me, that the whole purpose of the RDCO Scheme was to eliminate fraud. I get the feeling this is not happening.

Pre-RDCO, we used to have a very good relationship with our local officers. We would report problems and suspicions to them. Regrettably, this seems to be far from the experience of today. We are still not in a position to judge whether the RDCO legislation has been perfect. Could it be a matter of resources? Is Revenue and Customs prioritising resources wisely? There are reports of VAT frauds totalling £3 billion in a year, so where are the priorities? The RDCO is sucking the distributor's time and resources – for what purpose? At the same time, here are frauds costing the Government billions that are apparently not being dealt with adequately.

NO UNDERSTANDING

Most of us will now have well defined systems for gathering the information required under RDCO and subsequently completing the returns. As such, it continues to disappoint / frustrate when audit visits concentrate exclusively on small numbers of alleged errors or whether the returns are submitted on the exact due date. One would hope that by now, HMRC would at least have a clear understanding of the amount of hard work that has gone into compliance. Seemingly, their first and only recourse for any slip-up on our part is to write in officialese and threaten a £250 fine if we transgress again. There appears to be no reference to our record.

Overall, there appears to be little concrete evidence that the RDCO programme has identified widespread fraudulent use of rebated product. Most

HMRC press reports major on abandoned laundering plants (who pays for the clean up?) and the activities of the Road Fuel Testing Units. On the bright side, at least in Scotland, we suspect that the frenzy over VAT fraud may well have diverted the resources of HMRC to a more lucrative activity than RDCO audits.

RELATIONSHIP MELTDOWN

Having had the RDCO scheme imposed on us for in excess of two years, the impact is now fully apparent. Our local assurance officer, who is very helpful and understanding, seems the only individual between HMRC and meltdown of the tenuous relationship with fuel distributors.

In a spirit of cooperation, we have always submitted our RDCO returns electronically while many have opted for the hard copy option to register their

dissatisfaction. The IT software that HMRC has installed is not user friendly and barely fit for purpose. Reports are often rejected but subsequently accepted when resubmitted in the same format (frustrating and time wasting). HMRC must acknowledge and appreciate the time constraints the fuel distribution industry works under and the stressful nature of the job. Stress is a known precursor of potentially serious, even fatal, illness. HMRC should not lose sight of the stresses placed on its own staff doing a thankless job in often hostile circumstances. It is felt that HMRC's approach to this legislation is selfish, one sided and bullying.

Prior to RDCO, there was no necessity to record customer VAT registration numbers: it has proven to be a major task to obtain this information. As HMRC already has this data, it seems unfair to compel us to repeat this exercise.

Insurance premiums set to go down, say Hazchem

Specialist broker Hazchem Insurance has reported that since launching its Hazchem scheme in January, it has managed to achieve premium savings averaging 25%.

The response from the industry has been extremely positive. Hazchem believes that the industry will see long term benefits as a result of further competition in the market. Account Director, Scott Dyte said: "We have already seen rates reduce by as much as 40%. This is a good indication that lower premiums are on their way".

To complement its extensive policy benefits, Hazchem have

appointed RAW Consulting as its Spill Response Managers in both the UK and Northern Ireland. Director, Charles Purkess said: "RAW is one of the largest rapid responders, with a reputation for quality and value for money. With our state of the art *in-situ* clean up systems, we are looking forward to working closely with Hazchem Insurance on all aspects of spill management, driver training, surveys and Health and Safety audits". Hazchem have confirmed that they plan to focus on other areas of the Hazchem industry. So far Hazchem's main focus has been to deal with clients on a direct basis but the scheme is now being offered to selected brokers.

Hazchem

Insurance Solutions

T: 08450 725756
F: 08450 725758
E: info@hazcheminsurance.co.uk

Our extensive cover provides.....

- 24 Hour Spillage Response
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- £5,000,000 Sudden and Accidental
- Pollution / Spillage inc driver negligence
- £5,000,000 Public & Products Liability
- Airside Cover to £250,000

These are only our standard limits, higher limits are also available.

We can provide insurance for.....

- Fuel Distribution
- Haz Haulage inc Explosives & Radioactives
- Environmental Remediation
- Drain & Jetting
- Lubricant Manufacture
- LPG Distribution & Decanting
- Chemical / Solvent Blending & Distribution
- Tank Installers, Removers & Cleaners
- Tank & Equipment Manufacturing

& many more.....



Midsummer

Was it the heat? The sun? The desire to keep fit? Whatever was in the air, it inspired all sorts of people to tackle all sorts of feats that are far from the summer norm in the oil business. If you're up to something strenuous, silly or charitable, then send a picture and a few words to Margaret Thornley at the FPS, 3 Slaters Court, Princess Street, Knutsford WA16 6BW, or email to downstream@fpsonline.co.uk

madness



At the summit of Snowdon, from left: Gordon Smith, Sarah Runciman, Rachel Banks, Helen Evans and Adam Wild

ABOVE: Dehydration, blisters, tiredness, aches and pains, and that was just the drivers! This is what happened when a team from ConocoPhillips decided to take on the Three Peaks Challenge in July. The Challenge involved climbing the highest mountains in England, Scotland and Wales in just 24 hours, a combined height of 3407m and a total walking distance of 41km! And the reason? To raise money for CARE, an independent humanitarian organisation working to end world poverty.

The team consisted of five walkers and two drivers. "At times it was tough but we worked well together as a team, keeping each other's spirits up" said team member Helen Evans, who organises the Jet Café Bar at the FPS Exhibition. "Time must have already erased the memory of the pain as we have started discussing taking part again next year and how we can improve on our time!"

In total the team raised over £5,700 for CARE International by holding car washes, auctions and even raffling a days annual leave donated by the company.

BELOW: A team from ConocoPhillips UK opted to burn off some physical and mental energy by taking part in the BG Energy Challenge, a corporate team-building exercise held in the Cambrian mountains of Wales.

Kept in the dark about what each stage involved until the last minute, the ConocoPhillips UK team faced challenges that combined orienteering, mountain biking and canoeing with complex construction, code breaking and mental puzzles. The team's efforts had also raised money for CARE International.



Peter Parker (above) and John Walton (below left) of FPS new members Hytek have both completed gruelling charity bicycle rides in Europe.

Before setting out from Barcelona to La Rochelle, 67 year old Peter undertook a punishing training schedule, including cycling the 26 mile round trip to work every day!

Peter raised £780 for the GUCH (Grown Up's Congenital Heart unit), part of Great Ormond Street Hospital. Peter's 25 year old niece who had experienced heart problems was treated at the unit.

John undertook the London to Paris route, enduring the hottest week of the summer, with constant temperatures of over 30 degrees C!

John successfully completed his journey at the Eiffel tower, which he promptly climbed to celebrate. He also collected £1200 for his nominated charity, Action Medical Research which provides funding for research into premature births.



Titan prepares tank check scheme

Titan Environmental has announced details of Titan OilAssure, a scheme aiming to meet the need to have oil and fuel storage facilities regularly inspected and maintained.

Titan says property owners and commercial sites will be encouraged to join OilAssure and, if there are concerns about the level of safety and regulation compliance, Titan Accredited Installers will be asked to inspect the site and advise on any action that needs to be taken. Membership of Titan OilAssure is free to those who sign up by the end of December. Benefits included a telephone helpline and newsletter. More details of how the scheme will work are available from info@oilassure.com or call 0800 633 5717.

- Titan is incorporating its Spillstop overflow prevention system into its Talking Titan range at no extra charge. Spillstop uses a mechanical overflow prevention valve to shut off the fill point once oil reaches 95% of the tank volume.



Titan's Mark Brookes launches OilAssure, the tank check scheme.

- Titan has also launched a new customer support system with a dedicated team looking after oil distributors using oil storage and telemetry, to help customers do business more efficiently.

John Daly, Managing Director of the Environmental Containers Division of the Kingspan Group plc, said: "The market is continually changing and we need to not only respond to those changes but pre-empt them and put systems in place for our customers to maximise the opportunities that exist. We need to lead the way in innovation across our business – from products through to service. This restructuring means we do just that."

Titan customer Derek Noble, Regional Manager, Noble Fuels, Brett Fuels, W Eves and W H Bowe, said: "One of the major benefits that I can see from the restructuring is the additional marketing support which will help me grow my business." Customer support includes close co-operation on mailings, promotions and regulatory issues.



Spillstop - becomes standard fit

Why I install Titan

I provide a quality service and give my customers the best products every time. When it comes to oil tanks, it's got to be Titan.

Andrew French - Titan Accredited Installer

Number One & Still Growing



Kingspan
the Power Behind
TITAN

Titan Environmental Limited

Seapatrick Road, Seapatrick, Banbridge, Co. Down, Northern Ireland BT32 4PH.
Tel: +44 (0) 28 4062 6260 Fax: +44 (0) 28 4062 6259

Email: banbridge@titanenv.com www.titanenv.com

Charity breathes new life into young radiation victims

One of the charities chosen for a donation from the FPS 2006 dinner draw by FPS outgoing President Bob Armsworth, of Johnston Oils, was Chernobyl Children Lifeline. The organisation was formed to give the children a break from the radioactive contamination which still pervades the area of Belarus where they live. Experts say that a four week exposure to clean air and good natural foods has a very beneficial effect upon the health of the youngsters. The children are not noticeably ill, but, says Bob, many of them look white and sallow – they haven't got the rosy complexions that our lot have.

This is how Bob describes a recent break, hosted by his local Chernobyl Link: "On 21 June, 19 children and two leaders were welcomed by host families in the Perth area for a four week stay. Although the Perth Link has been actively supporting these opportunities for some eight years through a small but

dedicated band of people, 2006 saw a big increase in the number of families willing to act as hosts/supporters and therefore we welcomed the largest group of children ever.

"Despite the challenges of language, eating habits, culture differences plus all of the 'attributes' of 10-year-old children, the host families managed to adjust and are to be congratulated on their willing acceptance of the children into their family homes and lives for four weeks.

"Throughout their stay, the children as a group were entertained to a wide variety of activities by local clubs, associations and individuals. Events included numerous barbecues, 10 pin bowling sessions, boating on Loch Tay, horse riding and a visit to a safari park. Highlights included visits to the seaside - Belarus is landlocked as well as horribly radioactive. The bonds which had been built up between host

families and these young children during their stay made their departure on 19 July quite emotional."

If anyone is interested in contributing in any way to the continued success of this type of arrangement, there will be a Children of Chernobyl Link near you. Check the web at www.chernobylchildlifeline.org/ If you want more information, let Susan Hancock at FPS know and we'll get details to you.

Rona Archibald, an organiser of the Perth group, has hosted several children herself. She says: "A lot of the children are quite subdued when they arrive, but as the month goes on, you can see them coming out of themselves. Their hair starts to shine, their skin looks better and their eyes sparkle. They're being allowed to be children again and their self-confidence grows. The children don't speak English and we don't speak Russian. You just make a fool



of yourself and use body language to get through. The first 10 days are hard work and you have to establish your house rules, but once you have, it's plain sailing. "Hosting a child for a month may seem a big commitment, but the time just flies. There is a big programme of group activities which takes them out on visits and days out, and we also

built up a support network of other families who can take some of the strain from the host family. The children come from varied backgrounds and the links made vary from child to child. We keep up with some of them when they have gone home, and some of them we don't. A lot of it depends if there's a history of letter-writing in the family."

One of the children's visits was to the fire station. Belarus firefighters were the first to reach the Chernobyl disaster and suffered considerably. There has always been a close relationship between the charity and the Belarus firemen, and this has been extended by the local fire officers.



There were photographs and film footage of the Buncefield Explosion and its aftermath in abundance just after the event and, but for the fact that, thankfully, no-one was injured or killed, someone would probably by now have embarked on making 'Buncefield - The Movie'. You might have thought there was no more to be said, but a new book covering the blaze, the battle to contain it and the resulting damage is, in fact, absolutely fascinating.

'The Buncefield Explosion' has been compiled by the Sceptre School Fundraising Team and is a pictorial record of events, taken chronologically. The photographs have been gathered from a wide range of sources and include one of a line of queuing road tankers, headed by an FPS member's vehicle. The book also including some interesting background information, such as plans of the pipeline system to which Buncefield was connected, the number of daily road tanker collections from the site and plans of the surrounding area from 1958 to the present day, illustrating the steady encroachment of residential and industrial development around the site. It ends with a photograph of a newspaper cutting from 1985 that was unearthed after the disaster and reports on a fine imposed on Mobil for breaching health and safety regulations that resulted in a fire at the depot just over 20 years ago. Then, the fire services were able to contain the blaze and avert disaster.

The book is available at bookstores (ISBN 0-9552759-0-3) at £14.95 or mail order, tel 0870 950 6620 / fax 0870 950 6621 @ £14.95 + £2.95 p&p. Every book sold contributes towards the National Fire Service Benevolent Fund.

Security fears drove 2005 world energy markets

High drama in the global energy markets and new highs for energy prices were the hallmarks of 2005, according to BP's review of the year.

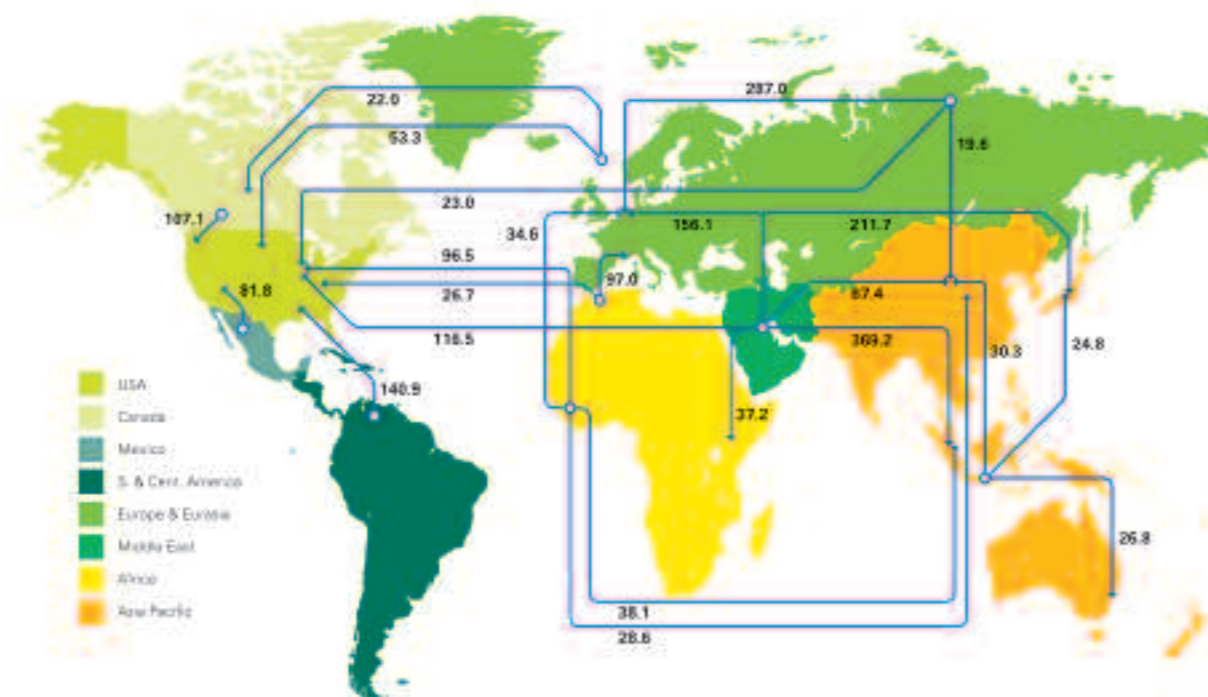
Although markets continued to work efficiently and there was no shortage of physical supplies, energy security became a major worldwide concern for both producing and consuming nations, says the review.

"Supply availability has continued, but at the cost of high prices," said BP chief economist Peter Davies, speaking at the launch of the *BP Statistical Review of World Energy 2006*. "Market adjustments are beginning and will continue. There has been a price effect already with coal and gas prices falling and oil consumption growth slowing sharply and inventories rising."

Published annually by BP, the review contains detailed information on worldwide energy production and consumption. World energy growth slowed in 2005 with an increase of 2.7%, down from the 4.4% increase in 2004, which was the largest rise for 20 years.

Energy consumption in the United States fell by 0.1% last year, the first time since 1985 that the US experienced a combination of higher than normal economic growth and a decline in energy

Major trade movements
Trade flows worldwide (million tonnes)



consumption. This was largely due to the effect of both high prices and the impact of hurricanes in the Gulf of Mexico – in fact, the decline in US oil consumption was concentrated in the last four months of the year, after the hurricanes.

China also experienced a reduction in energy consumption growth, from 15.5% in 2004 to 9.5% in 2005, although economic growth in China was essentially unchanged at 9.9%. China is now the world's largest producer and consumer of

coal, having resolved the shortage of coal for power generation of the previous year. It is also the largest producer of hydroelectricity.

In terms of oil consumption and production growth, 2005 was a weaker year in the oil markets. However this failed to remove excess supply and inventories continued on an upward trend. Prices rose further with Brent crude averaging \$54 a barrel for 2005 as a whole – a development considered to be

due less to 'fundamentals' than to the perception of risk, exacerbated by limited spare capacity. Growth in oil consumption fell by 1.8m barrels a day – to 1m barrels a day – principally due to slowdowns in the US and China but also as a result of weakness in developing Asia Pacific.

Oil production grew to 889,000 barrels a day in 2005, equivalent to 1%, with OPEC supplying almost all of the growth. This was lower than expected for a number of

reasons. Many OPEC producers had reached or were close to full capacity, security problems in Iraq, hurricanes in the US, declines in both the UK and Norwegian North Sea, a slowdown in Russian production, a number of accidents and disruptions to production and rising cost inflation which reflected constraints in the contracting and engineering sectors, leading to delays.

The review noted that consumers around the world were increasingly expressing

their desire to consume energy that is both local and green. Installed wind power capacity continued its annual increase of 28.6% in 2005 but still only generates an estimated 0.7% of worldwide electricity.

Ethanol, together with bio-diesel, is the leading renewable liquid motor fuel and global ethanol production increased by 10% in 2005, reaching 16 million tonnes of oil equivalent or about 0.4% of world oil consumption.

World gas consumption growth also fell back in 2005 though less steeply than for oil, and coal continued to be the fastest growing fuel, thanks to China, which consumes 36.9% of the world's coal, almost all of which is domestically produced.

International coal is now relatively cheap with prices having risen less than gas and then falling back faster. The cost of carbon has yet to make its mark on fuel choice.

Both nuclear and hydroelectricity contribute 6% to total energy consumption. Nuclear output edged up a mere 0.6% in 2005, experiencing above-average growth in Asia-Pacific, where four new reactors were connected to the grid but declining slightly in the US and Europe with Germany and Sweden both permanently shutting down reactors. The year was relatively good for hydroelectricity, up 4.2%.



OIL SERVICE AIDS

EOGB Energy Products has launched a range of service aids specifically to assist the oil maintenance engineer.



Products include a Fuel Spill Sponge which quickly turns oil and chemical spills into an easy-to-lift rubberised mat. EOGB's new Cherry Bomb Gel Deodorizer is a fuel oil deodorant, as are the Sweet Air Powder and Sweet Air Spray which absorb fuel oil and attacks the odour. EOGB also offers a Water Detecting Paste plus an Oil Detecting Paste which is ideal for well water users. Developed as environmentally safe oil cleaners, EOGB's Liquid Safe Spray and Safe Powder Spray converts spilt oil into a natural substance and is ideal for small spills on gardens and patios etc.

For full details of EOGB Service Aids tel 08703 899499, email sales@eogb.co.uk or web www.eogb.co.uk

With the implementation of the Government's new Oil Storage Regulations



in the UK, Fozmula has designed a new storage tank bund monitoring system, the BM series, comprising:

- a float switch, with a pneumatic lifter mechanism, which is secured in the bund;
- an indicator unit housing a battery, an LED leakage alarm indicator and a press button to test/actuate the system.

The float switch is mounted at a height to suit the user on a vertical surface of the bund and transmits any tank leakage or liquid ingress into the bund. The BM has a warning lamp circuit breaker to minimise battery drain in the event of a leakage into the bund.

The float and indicator are hard-wired during manufacture, at two metre or four metre lengths and, protected by flexible tubing, can lie in the bund without detriment to the system operation. Contact David Cotton Fozmula, tel 01926 466700 or email sales@fozmula.com or web www.fozmula.com

Dichtomatik has launched a range of high performance encapsulated gaskets for use with cam-lock and quick release pipeline couplings. They are designed for maximum seal integrity under adverse conditions even in continuous closure/release operations. The non-stick low coefficient coating helps with installation, prevents product adhesion and simplifies clean-up procedures. The gaskets range from 0.75 to 4 inch sizes. Contact Dichtomatik Ltd, tel 01332 524400, email mail@dichtomatik.co.uk or web, www.dichtomatik.co.uk



Enraf Fluid Technology is extending the advantages of biodiesel and ethanol blending at the load rack with its Micro-Blend System. Blending bio-fuel products at the load rack reduces the dependency on multiple storage tanks, and maximises flexibility by creating variable product load arms. Intended as an off-the-shelf package, the system can be engineered and customised for specific applications and installations. Enraf's designers have taken into consideration several key issues, including:

- The need for a small foot print blender.
- The accurate specification of static and dynamic seals.
- The special requirements for accurate volume measurement of ethanol and biodiesel.
- Volume growth when mixing ethanol into petroleum.
- The cold flow properties of FAME products.
- The varied communication interfaces into the existing load rack.
- The flexibility of varying blend ratios.

Contact Jon Denis, Enraf Fluid Technologies UK, tel 01329 825823 email jdenis@uk.enraf.com, web www.enraffluidtechnology.com



High Court to decide waste oil debate

A judicial review scheduled for later this year will decide whether a new product made from used oils is acceptable as a fuel oil or should be classified as waste which therefore has to be disposed of under strict conditions.

This follows High Court hearings in which The OSS Group successfully argued against the Environment Agency's attempt to halt production of OSS's new fuel, CFO. The Environment Agency lost subsequent appeals and the High Court has issued an order which enables OSS to legally produce and sell CFO for industry to use.

The Environment Agency believes CFO is a waste until it is burnt as fuel while OSS contends the opposite.

OSS has invested £3 million into processing waste oils at a Worcestershire refinery to produce CFO. It maintains the product is a lower cost and environmentally acceptable alternative to fossil fuels and it provides a recycling route for some of the 400,000 tonnes of waste oil British industry collects each year.

The Waste Incineration Directive (WID), implemented last December, imposes very strict emission limits on burning fuels classed as waste. Until then, OSS, and other companies, had been producing a basic recycled fuel oil (RFO). This now cannot be used by most industries as it falls into the waste category and its users would need to comply with the WID limits. For the time being at least, CFO is outside the Directive.

The Environment Agency has issued a note on its position, saying that it wants to ensure a level playing field for all operators in the waste oil market. It says: "Before judgement is delivered on this issue it is possible that other companies may seek to produce and market a CFO equivalent and claim that it is not a waste. We regulate the production, storage, transport, export and the burning of wastes in larger plant, while Local Authorities regulate most

of the plant that burn waste oil as fuel. Whilst considering each case on its particular facts, we would be likely to regard any such material as waste. We would then have to decide what, if any, enforcement action we should take.

"Given our wish to ensure consistency of regulation while OSS's claim is being decided, it would be inappropriate for us to take enforcement action against other companies where we believe we would be precluded from doing so if the substance were CFO itself. [NB: ...this advice does not apply to the

use of Recovered Fuel Oil (RFO) as a fuel.] We consider that we can do this for a short time without significant risk of pollution of the environment or harm to human health. However, we can take this position with more confidence if industry takes a constructive and sensible approach, and we would therefore ask industry to continue to comply with the requirements of the Hazardous Waste Regulations 2005 in the meantime, 'without prejudice' to the outcome of OSS's challenge. This would keep us aware of movements and will allow us to carry out sampling, analysis and auditing if

appropriate.

"If a company/individual wishes to enquire on the status of these, they should email wasteoil@environment-agency.gov.uk"

While the parties wait for the High Court hearing, OSS has started sales of CFO, mainly to the quarry industry's roadstone coating plants but also to other industries as diverse as dairies, poultry farms, food processors, glass producers and metal processors.

Whelan behind £2m waste oil refining project

Work is under way to refurbish a redundant oil refinery in Stoke-on-Trent as a waste oil refinery producing base oil for sale to the lubricant manufacturing industry.

Whelan Oil Refining is behind the £2 million project, which comes at a time when the UK has become a net importer of base oils for the first time. Work should be complete and production under way by next January. The plant is thought to be the first of its kind in the country.

MD of Whelan Refining Ltd, John Whelan, said: "Whelan Refining will provide an alternative and, importantly, secure outlet to the currently beleaguered waste oil collection industry - opening marketing opportunities to those collectors who wish to promote the notion of re-generation to their customers."



John Whelan, Managing Director of Whelan Refining Ltd

More than 300,000 tonnes of waste oil are collected in the UK every year and Whelan will be re-refining 50,000 tonnes of it to produce base oil. The company will be seeking to buy primarily 'crank-case oils' from

collectors to satisfy the feedstock needs for the conversion plant, which will run on a year-round 24/7 basis. Collectors interested in supplying the refinery can contact John Whelan on: 07880 726 013.

TOTAL wins exclusive three-year oil deal with

Total Lubricants has signed a new deal with FirstGroup, the UK's largest bus operator, to supply around two million litres of lubricants per year for First's 9,300 strong fleet.

Total will provide a wide range of lubricants and greases and plans to trial Rubia DPF, designed to prolong the life of the expensive particle filters used in buses to remove pollutants and Rubia Fuel Economy oils, which could help First save up to 4% of fuel costs.

Colin Corstorphine, UK Purchasing Projects Manager FirstGroup, said: "We are pleased to have completed this

exclusive deal with TOTAL Lubricants. We have invested heavily into our large modern fleet using the latest technology to ensure they meet existing Euro III emissions standards and therefore we need products that will help us maintain our fleet and continue to cut emissions."

First will also use the TOTAL ANAC system, an intuitive fleet management assistance tool, which creates an analysis of all mechanical parts of the vehicle and equipment (engine, transmission, and hydraulics) based on oil samples. This system will enable First to see when services are required and help prolong the lifetime of the vehicles.

Biolubes ideal in gardens of Eden

Extensive long-term use in a series of vehicles and equipment in abrasive, dusty conditions has shown that biolubes have performed reliably with no mechanical problems reported.

The trial was run when the Eden Project, the tourist magnet in Cornwall, joined forces with Fuchs Lubricants Ltd, McAlpine Ltd, Highway Plant Ltd and the National Non-Food Crop Centre to assess and show the use of biolubricants manufactured from harvestable and renewable resources in the equipment used to help construct a new education resource centre which was opened this year.



Club cars were among the test vehicles

Results show the crop-based fluids give a high level of protection, with extremely low wear metals detected in the oil, despite the equipment operating in dusty and dirty quarry/china clay environment. The Eden Project was developed in what had previously been the largest china clay quarry in Europe, a despoiled and dusty landscape which had made construction on the site a major undertaking.

China clay dust itself is a major abrasive substance, causing considerable damage to equipment when entering lubrication systems. The severely abrasive qualities of china clay are well recognised in the extractive industries.

The vehicles selected for the biolube tests included a Merlo Telehandler, IHI excavator, a Barford dump truck, and club cars and road trains. None of the hydraulic fluids was changed throughout the two-year trial. Tests tracked changes in the viscosity, checked for cross contamination from dust, dirt, water, etc., and carried out particle analysis. As a monitor for any wear occurring within the equipment, analysis was also carried out on all major metals picked up by the oil, including common wear or corrosion components from ferrous, copper based alloys, aluminium, steels, etc.

Cliff Lea, of Fuchs, said that compared with similar equipment operating with

LUBRICANT	EQUIPMENT	Iron (Fe)	Chromium (Cr)	Aluminium (Al)	Copper (Cu)	Lead (pb)
Mineral Hydraulic Oil (ISO 6743 -3, HM VG 46)	Shovel	25	5	8	25	10
	Excavator	35	13	13	35	15
Biofluid (FUCHS Plantosyn 46HV1)	Barford Dump Truck	1	0	1	1	0
	IHI Excavator	3	0	0	1	0
	Merlo Telehandler	5	1	1	4	0

mineral oil, the levels of wear on metals such as iron, chromium, copper and aluminium were a factor of typically 10 times lower. This suggested that equipment life may be considerably extended by biofluids from renewable resources, in comparison with mineral oils. Mineral oil also has poor biodegradability, greater persistence in the environment and more pronounced toxicity. The full analysis results are displayed in the table above.

Mr Lea said that synthetic esters, derived from harvested crops, had proved highly successful in recent years. These esters give distinct performance advantages including:

- High load carrying abilities –

- excellent anti-wear character
- Excellent Coefficient of Friction – energy saving benefits
- Low toxicity – high level of safety
- Natural multigrade properties
- Good solvent powers for additives
- Low evaporation rates – low emissions
- Feedstock for high performance synthetic esters
- Rapid biodegradability – environmentally favoured
- A renewable, harvestable resource

In particular, their load carrying ability and extremely low coefficient of friction have ensured special consideration in formulations. They also have low



Merlo Telehandlers were tested

evaporation rates and natural 'Multigrade' characteristics which are significant where variations of ambient temperature are a factor.



Castrol Marine Managing Director David Gilmour

Marine oils vital to fuel supply continuity

base oils critical to the manufacture of marine lubricant, has hit the marine industry hard in recent years, with the supply chain literally shocked into taking out cost and becoming considerably leaner as a result," said Castrol Marine Managing Director David Gilmour. "The bottom-line is that the availability of marine lubricants can no longer be taken for granted, in more ways than one. The message on continued tight supply, however, has not really hit home yet."

The problem is exacerbated by the link between the traditional high value end of the lubricant market, which is automotive, and the low end, which is shipping. At the low end, profitability is borderline.

Investment is driven by the demands of automotive markets, where demand and margins are typically higher. If there were plans to upgrade a refinery it would be more attractive to upgrade for production of automotive base oils

rather than for marine base oils. Mr Gilmour warned of serious effects for the marine industry if there is no expansion of supply capacity for marine grade products.

The threat of further disruption is a major worry for an industry not yet fully recovered from the nightmare of 2005 – the year when the devastating combination of skyrocketing base oil prices, additive shortages, fires, floods and hurricanes, which decimated production and refining capacity, reduced the marine lubricant industry to a state of chaos. At its peak, the crisis left some vessels confined to port simply through a lack of essential lubricants and caused some marine lubricants suppliers to cry force majeure and either cancel contracts or leave customers short in the face of this unprecedented disruption to the supply chain. "In a market where our margins have long been wafer thin, Castrol Marine has incurred significant extraordinary costs to ensure supply to

its customers during the disruptions due to the recent hurricanes," Mr Gilmour said.

"But unlike our rivals – who are either other oil majors or smaller local suppliers – Castrol decided the time had also come to stand up and shout about what we describe as the 'hidden value' of marine lubricants.

As well as flagging up that value, Castrol is also strengthening relationships with ship-owners and shipping companies.

Castrol R&D is intent on 'building a flexible slate of formulations', allowing the company to meet supply challenges as they arise. That includes ensuring formulations are cost-effective and maintaining high product quality, securing as broad a supply base as possible for raw materials and devising different ways of formulating some of the key materials that are in short supply. The challenges are not only



around supply reliability. There is a strong emphasis on critical Health, Safety and Environment factors, which have significant cost implications for lubricant companies. It is possible that a global organisation may be needed to implement standards.

Castrol believes the marine industry needs to think and talk more about some key issues, especially HSE. "We need to train our customers' staff in the use of lubricants to the very last detail," Mr Gilmour said. "An environmental disaster from a spill can result simply from turning the wrong valve, so like all quality operations, the devil is in the detail."

There are also the issues of product quality, reliability and profitability.

For these reasons, selected oils, with appropriate additive treatment, have enjoyed niche usage, even in the face of lower cost and more thermally stable mineral oil derived products. For instance, London Bus and other vehicle operators were using castor oil based fluids in rear axles as long as 40 years ago and gained a significant advantage in fuel consumption due to the oil's excellent low coefficient of friction.

After further refining and modification, downstream esters from vegetable oils have even greater advantages and such materials are preferred for highly stressed and high temperature applications. Indeed many are used simply for their advanced performance characteristics – their use for formulation of speciality racing and competition lubricants is one area. A more recent driver for introduction of biolubricants has been the sharp cost increase for mineral oils.

One of the important advantages for crop based lubricants is the lower coefficient of friction, which can lead to the reduction of energy use in almost any equipment using biolubricants; energy savings in operation is an attractive benefit.

Biodiesel – so what's new about that?

Peter Barlow, environment, health and safety adviser to the Retail Motor Industry Federation (RMIF), and technical consultant to the Petrol Retailers Association (PRA), tracks the history of biodiesel



Biodiesel - the latest newfangled car fuel, right? Not quite. Rudolf Diesel demonstrated the first engine to run on peanut oil at the World Exhibition in Paris in 1900.

In 1912 he said: "The use of vegetable oil may seem insignificant today. But such oils may become in the course of time as important as the petroleum and coal tar products of the present time." Foresight indeed!

Because today, biodiesel - in one form or another - is here to stay, if only to reduce the UK's dependency on petroleum. So we might as well take some time to understand the pros and cons of using this fuel and the cautions which apply.

What is biodiesel?

Biodiesel is fuel made by chemically processing vegetable or animal fats. In Europe it is predominantly based on rapeseed oil chemically processed to give the fatty acid methyl ester, or FAME for short. Sunflower oil is also used. In the US biodiesel has been mostly based on the oil from soybeans which has a chemical structure leading to greater application problems, while in Newfoundland, for example, biodiesel has been based on fish oils.

What are its advantages?

Obviously, for governments, the reduced dependency on imported crude oil as a source of transport fuel is paramount. For the environmentalist, the prime benefit is the recycling of carbon dioxide, reputedly 80% reduction in net carbon dioxide according to some sources and 60% reduction in others.

This is just one of the environmental benefits.

Diesel engines are by design lean burn engines but with biofuels which contain oxygen within the chemical structure they are even more lean burn; that means reduced hydrocarbon, carbon monoxide and particulate emissions. Also, the fuel has no aromatics and no sulphur so local air quality benefits. Biodiesel autoignites easily so its cetane number, the measure of ignition quality, is naturally higher than that of petroleum-derived diesel. This means less diesel knock and quieter engines on biofuels. Because of the fatty nature of the fuel it has good lubricity. In blends with petroleum-derived diesel it compensates for the removal of sulphur- and oxygen-containing compounds during processing, and provides anti-wear protection for pump and injector components.

These are all very positive aspects of biodiesel to which may be added the politico-economic benefits of oilseed growth for rural areas. Biofuels provide a way that governments can, productively, put more money into rural economies. A factor which is particularly important in countries such as France.

What are its disadvantages?

It is at this stage that a little more science is called for. Like me, many in the motor trade will remember the early aroma of Castrol R based on castor oil. As a crankcase oil, this had terrific lubrication properties for protecting highly stressed racing engines but had to be changed very frequently because of its poor thermal and oxidation

stability. Biofuels have the same inherent problem. This, plus the fact that they are hygroscopic and so absorb water, makes for many of the difficulties experienced.

The fats/oils which form the basis of biofuel are called triglycerides. The fat molecules themselves are too large and too viscous to be used effectively as biodiesel. They are, therefore, converted into esters such as rapeseed methyl ester by a process called transesterification using methyl alcohol (methanol) and a catalyst which could be sodium or potassium hydroxide. By this means three smaller molecules of ester and one molecule of glycerine are obtained from one molecule of fat. The smaller molecules have a far better viscosity for diesel fuel.

Unfortunately, unless the unreacted methanol, the catalyst material, the glycerine and other impurities are completely removed, all sorts of engine and fuel system problems can occur. These are compounded by the thermal instability, the reactivity and the absorbed water of biodiesel.

Here are a few of the problems experienced:

- Corrosion of fuel injection equipment and non-ferrous metals;
- Elastomeric seal failures;
- Low pressure fuel system blockage;
- Fuel injector spray hole blockage;
- Pump seizures due to high fuel viscosity at low temperature;
- Increased injection pressure;
- Fuel dilution and polymerisation of crankcase oil;

- Formation of corrosive formic and acetic acid on ageing.

The corrosive nature of biodiesel can stem from impurities remaining after processing but also from the reversibility of the chemical reaction which produces the ester. So, under the right conditions, absorbed water can convert some of the ester back to fatty acid plus methanol. The acid can then react with metals. Two recent examples are the corrosion of a silver component of the in-tank fuel gauge mechanism, and the removal of the zinc protective layer from galvanised pipework carrying the fuel from storage. Bear in mind that the recirculating fuel from a common rail injection system can be returned to the fuel tank at temperatures well over 100 °C so the fuel tank itself becomes a reactor.

I didn't mention that the environmentalists also extol the use of biodiesel because it is non-toxic and biodegradable. So petrol retailers and motorists can be proud that they will be giving a home to all sorts of micro-organisms that will happily feed on this fuel.

The future for biodiesel

The current British/European Specification BS EN 590 already permits the incorporation of 5% FAME in the diesel as an extender. FAME must meet the European Specification EN 14214. The blend is termed B5. In the US, B20 biodiesel is already being used (in out-of-warranty vehicles, it must be assumed). Europe, with France and Germany in the lead, is considering a standard for B10.

This traps fuel injection equipment suppliers and motor manufacturers between a rock and a hard place - having to meet strict emission standards for their engines yet, at the same time, under pressure to allow higher proportions of biofuel in blends without invalidating warranties. They are disturbed by the mechanical and chemical problems being caused by impurities and ageing of biodiesel and are seeking higher purity and higher thermal stability for the biofuel components of blends.

Know what you are buying!

B5 can be sold in the UK as meeting the BSEN 590 specification without any labelling showing that the fuel contains a biofuel extender. So the motorist, commercial customer, or petrol retailer is unaware that the fuel can have different properties from those expected.

At a recent BSI fuel standards committee meeting I raised the issue of unlabelled biofuel-containing blends in stand-by generators. Normally, non-biodiesel can be in tanks for years before use without being rotated. Emergency generators need to operate reliably and only by knowing what is being delivered can operators take the steps necessary to ensure that stand-by power is available when needed. Petrol retailers also need to be informed if they are being supplied with a biofuel blend so that they can take steps to maintain clean and water-free storage tanks to avoid biological growths and corrosion. Another downside of biodiesel is that, because it contains oxygen, its energy content is not as great as that of conventional diesel. This may not matter much with B5 but will be more significant in higher biodiesel proportions and should be reflected in the price.

There is a long way to yet go in the biodiesel saga and many problems to solve. There is also considerable innovation in the pipeline. Remember the scheme for taking carbon dioxide from power station flues, liquefying it and injecting it into deep saline aquifers offshore?

A Massachusetts rocket scientist has come up with another solution; he concocted a green algae soup which was placed in clear tubes in a power station flue stream. The algae grew happily, consuming by photosynthesis 40% of the carbon dioxide and, as a bonus, 86% of the nitrous oxide as well. The algae is harvested daily and its oil extracted to make biodiesel, leaving a green dry flake which can be converted to bioethanol. Algae could produce 15,000 gallons of biodiesel per acre compared with just 60 gallons from a soybean crop.

World growth of ethanol

World ethanol production will exceed 15 billion gallons in 2007. Double-digit growth in production will continue for the foreseeable future and world investment in biofuels projects including ethanol could exceed \$100 billion over the next 20 years. These are key points in the McIlvaine Company's online continuously updated report, *Biofuels World Markets and Projects*.

The report foresees that the United States will edge out Brazil as the leading producer. Other countries around the world will also be accelerating investments.

Brazil will not only be expanding its own production of ethanol from sugar cane but helping other countries such as Ecuador do likewise. Many other countries in Asia and Europe will also be pursuing the biofuels market by encouraging growth of raw organic materials for conversion.

Big companies will be providing the investment capital. BP has allocated \$500 million for research and development of biofuels. DuPont will be putting its money into developing new breeds of corn which yield more ethanol. Marathon, ADM, and many other large companies are also in the race.

In the USA, more than 100 power plants are now up and running. Another 50 plants are in the planning or construction stages. Even if only half this target is achieved, it will mean a huge investment in process equipment, engineering and construction services, and controls.

McIlvaine predicts that it is likely that much of the production will eventually come from conversion of switch grass and crops other than corn.

Biofuels World Markets and Projects is available at www.mcilvaine.com/energy.html#47ai

Biofuels major challenges

FPS Media Spokesman ROD PROWSE takes an overview of biofuels in UK transport and the major challenges ahead

Background:

In November 2005, the Government unveiled its Renewable Transport Fuels Obligation (RTFO) Feasibility Report, which examined future proposed obligations for use of biofuels in the transport sector. This formed part of its wider commitment to increase the use of renewable fuel sources and to lower CO₂ emissions. The report concluded that:

- replacement of 5% of existing petroleum based fuels in the transport sector could save around 1 million tonnes of carbon.
- on the basis of a relatively simple design and no major complications it would be possible to introduce a RTFO in April 2008.

By way of follow-up, the Chancellor set out targets and intentions around duty incentives and a 'buy-out' price mechanism in his March 2006 Budget. He wants biofuels to become an increasing volume of total transport fuels (petrol and diesel) consumed over the three years from April 2008: 2008/2009 @ 2.50%; 2009/2010 @ 3.75%; 2010/2011 @ 5.00%.

He indicated that the existing 20ppl duty incentive would be maintained to 2009/2010, supported from 2008 by a 'buy-out' price of 15ppl, levied on suppliers who fail to comply with the targets set out above. In 2010/2011 this arrangement will be replaced by a 30ppl 'buy-out' price, with the duty incentive being discontinued. The consultation process on the proposed RTFO is on-going.

So where does the UK stand in terms of indigenous biofuels production capacity, particular in respect of biodiesel plants?

Biodiesel Production Capacity

Reliable data on biofuels' sales volumes are extraordinarily difficult to obtain. Last November, these were assessed to be running at circa 12 million litres per month, of which approximately 65% were deemed to be bioethanol to produce E5 (unleaded petrol with 5% bioethanol) and 35% biodiesel. The E5 is blended and supplied by the non-refining independents (Greenergy, Harvest Energy and Mabanaft), principally out of the Thames, with the lion's share to Tesco out of its supply relationship with Greenergy.

At this level, biofuels' volumes represent 0.3% of current road fuels' sales.

The table below summarises the current position, as it is known, for the development of the principal (over 50 mln litres/year projects) UK indigenous biodiesel production capacity.

Company	Plant	Capacity	Start-up/Completion
Argent Energy	Motherwell	50 mln. litres/year	May 2005
Biofuels' Corporation	Teesside	284 mln litres/year	Feb 2006 (1)
D1 Oils	Middlesborough	36 mln litres/year (4 units)	End Sept 2006
		45 mln litres/year (5 units)	End Dec 2006
Greenergy	Immingham	114 mln litres/yea	Dec 2006
		114 mln litres/year	Aug 2007

Notes:

(1) Facility formally unveiled by the PM in June 2006, at which time it was operating at just under 60% of nameplate capacity.

Excluded from the above are:-

- Rix Petroleum facility in Hull, with 100 mln litre/year capability, pending modification/development. Rix Biodiesel Ltd. is an active biodiesel supplier to the inland market.
- Ebony Solutions (Cheshire) bio-distillate capacity, which is primarily earmarked for the heating oil sector.)

According to the EBB (European Biodiesel Board), total EU biodiesel production last year (2005) amounted to 3.6 billion litres. Germany was by far the largest producer, at 1.9 billion litres, followed by France (555 million litres) and Italy (450 million litres).

The EBB estimated total 2005 production capacity to be circa 4.8 billion litres, with Germany having by far the largest amount, at 2.1 billion litres, followed by Italy (930 million litres) and France (600 million litres).

In April, the EBB projected substantial 2006 capacity growth, to a year end position at 6.8 billion litres, with Germany accounting for no less than 44% of the total, at 3 billion litres.

Future Perspectives

On the basis of current (2005) total UK road fuels' volumes, which amounted to just over 48 billion litres (and were split almost 50/50 between petrol and diesel), the Chancellor's March 2006 Budget targets equate to the following obligations:-
2008/2009 = 1.2 billion litres; 2009/2010 = 1.8 billion litres; 2010/2011 = 2.4 billion litres.

With existing and planned capacity of 640 million litres/year from 50 million litres/year + projects (as described in the table below left), these indigenous biodiesel plants will be able to meet about 50% of the 'diesel' element of the 2010/2011 RTFO target. The target itself is an aggregate one, so there is no specific requirement by individual product grade (petrol and diesel).

Apart from the Petroplus' 'bio-plus' diesel initiative (for which the Argent Motherwell plant constitutes an important supply source), the plans of the other mainline oil refining companies are unknown, with no specific intentions announced regarding sourcing of biofuels' requirements.

Its representative body, UKPIA, in a submission (1 March 2006) to the Environmental Audit Committee's Inquiry into reducing carbon emissions from transport, stated that 'the oil industry is currently working towards meeting the Government's target of replacing 5% of road fuels by biofuels by 2010 under the Renewable Transport Fuels Obligation (RTFO), which they estimate will save 1 million tonnes carbon/year. This will require time and significant investment by the industry at refineries and in the supply/distribution chain.'

In its summer 2006 news bulletin, UKPIA emphasised the extent of the challenge, in maintaining that 'the move to bio fuels represents the biggest change in fuel composition since the introduction of unleaded petrol, so logistically represents a major challenge, quite aside from ensuring that bio blending components are available to an assured quality and in the required volumes. It will require significant investment by the industry at refineries and in the supply/distribution chain, particularly for bioethanol.' It remains to be seen how these challenges will be met by the key participants in the industry, whether mainline oil refining companies, independents or specialised producers and blenders.

Let there be 'Lite'



Despite the gloom mongers, ERF remains a main player in the hazardous goods tractor market, with the major oil and petro-chemical companies still operating significant numbers of ERF's ECT product.

Half of Shell's distribution fleet comprises ECT tractors – a total of some 60 units – while BP run a 100% ERF fleet. Major supermarkets Tesco and Asda also rely on ECT fleets for their fuel distribution operations.

MAN's TGA range is also seeing significant sales successes, specifically the 6x2 mid-lift 'Lite' tractor offering powered by MAN's frugal 430bhp D20 engine and with MAN TipMatic automatic transmission. Oil giant Total has just ordered 68 TGA tractors, while BP has ordered new Euro 4 units with MAN's 'Add Nothing' Exhaust Gas Recirculation (EGR) system.

MAN ERF maintain that EGR is the simplest, most cost-effective system for Euro 4, allowing users, especially Pet



Reg operators, to run their trucks as they have always done. Selective Catalytic Reduction (SCR), on the other hand, requires the regular addition of AdBlue – a urea-based solution that, in turn, requires its own filler tank located next to the diesel tank.

SCR and AdBlue presents tanker operators with extra running costs, a significant weight penalty and, for 6x2 tractor operators in particular, severely restricted chassis space. National availability of AdBlue and potential tax implications are also issues that remain unaddressed.

The MAN ERF UK network has a 100% commitment to keeping its trucks on the road. It's called the UpTime Principle (UTP), and, should an operator with an R&M contract not have his truck back on the road within 24 hours, UTP will supply a replacement or will compensate the operator with a range of tangible benefits.

MAN ERF UK has also introduced '365' – the company's network-wide parts availability and delivery programme. The company says that with a dedicated 'phone line, 365 saves time through its fast-ordering process with next-day deliveries almost always met. A stringent price-watch policy is also in operation and extends to the 'Tanker & Trailer Parts' campaign, too.

Turnover up by 1000% for TankShare innovator



Just five years ago, Suckling Transport had a turnover of around £2m. Today, that figure stands at £20m – a feat, that, according to Managing Director Peter Larner, is down to innovation combined with a respect for safety and the environment.

Suckling, whose head office is based at a two-acre depot next to the M25 motorway in Essex, operates 110 petroleum tanker vehicles from 17 different locations in the UK. Customers include Shell, ConocoPhillips, Total Butler, Murco Petroleum, Somerfield Stores, Pace Petroleum, Bayford, Gulf and Petroplus Marketing. Suckling run more than 90 Heil semi trailers, including an Evolution model delivered last year. They also have a further five similar tanks on order.

The majority of the fleet are painted in the customers' livery, but the remaining tankers carry the distinctive gold and white TankShare colours.

The company pioneered TankShare to offer a resource-sharing service for distribution and help customers avoid the costs and inefficiencies of half-empty tankers.

Tanker vehicles are compartmentalised and are suitable for carrying a variety of products, such as petrol, diesel and kerosene, without the need for cleaning or flushing.

The scheme operates from terminals along the Thames, from Immingham, Ipswich, and Bristol and from Grangemouth in Scotland. More than 40 companies have used the service since its launch, paying rates based on a simple pence-per-litre basis, by postcode, dependent on the delivery load size.

"Last year, Suckling Transport was the third fastest growing road transport company in the UK – and the fastest if you discount those who grew through acquisition," says Peter Larner.

"Business has stabilised this year and we are seeing less growth. The major opportunities and challenges have come from the closure of Buncefield Terminal. Although we don't know yet whether this will be permanent or not, it has generated extra business because customers formerly serviced from that terminal are now being serviced from terminals further away."

Peter prides himself on Suckling's approach to safety and environmental protection. The company is registered to the quality standard BS EN ISO 9001:2000 and was also the first UK company to gain the Dutch standard NEN2726, which provides extra safety procedures for the haulage of dangerous goods in bulk. The company was also the first in the UK to register to BS EN 12798.

"Never quiet" becomes "extra busy" for RTN

With full order books and plans to extend their South Yorkshire facilities, Road Tankers Northern is driving ahead at full speed.

The company, which specialises in tailor-made tankers and trailers, has just completed an order of 10 vehicles for East Cork Oils and has orders for more than 30 for companies including Linton Fuels, Texoil and Watson Petroleum.

Sales Manager Clive Felton puts some of their extra business down to rising oil prices.

"When prices rise," he says, "people seem to make money and rather than hand it over to the taxman, they look

to improve their fleets. Of course, it's also the case that companies can't afford to be running about with trucks that aren't up to scratch. All the new legislation and standards aggravate that situation."

The result for RTN has been a healthy 2006 and the promise of an even busier 2007, but also the challenge of building to new specifications.

"ADR means additional time is needed to construct to the standards, then there are factors such as getting stability figures, inspections and paperwork," says Clive. "But it's the same for everyone these days."

As for trends in the tanker world, RTN

has seen an increase in demand for fixed wheelers, and for aluminium tanks with their improved payload capability. The semi-trailer side of the business, a joint venture with Lakeland, is also doing well thanks to orders from companies such as BP, Wincanton and Suckling Transport.

Next year, RTN is planning to rebuild the offices at its Hoyland site and create a new tank fabrication shop.

"We have our regular customers who come back to us all the time," adds Clive. "We're never quiet – because we're good at what we do. You mustn't forget, though, that it's a very competitive market out there."

Innovation keeps tankers running

Trailer Systems, the Worcester company that makes running gear for tanker manufacturers, is turning out an order a week – up 50 per cent on last year.

Sales Manager Carl Watkins says innovation is the key to their success.

The 10-strong Trailer Systems team design and build axles, suspension, braking systems and subframes for both the petroleum and waste tanker industries.

With legislation changing the limitations on manufacture, the company also has a growing business in building chassis for remounts.

Carl explains: "A manufacturer may have a barrel that is still very good, but the running gear is 20 years old, or they may want to take advantage of legislation by going up from 32 tonnes to 44. People want to maximise payload and our innovations can help them do that."

These developments include new engineering techniques, new materials and a full state-of-the-art CAD design service which, says Carl, takes all the "hard work and grief" out of the process before they even start to cut the metal.



"We can take tank drawings from the manufacturer and work to these to ensure an absolute fit," he says.

Next year, Trailer Systems is anticipating a major switch from drum brakes to the new design of discs with electrical braking systems. They are also working closely with Lakeland to see what weight they can take out of the products without affecting performance.

Fit for market - streamlined Heil stresses support for UK

Eighteen months ago, Heil Trailer International moved production to Poland in a bid to stay more competitive and to maximise opportunities in mainland Europe.

In the last year, the company has delivered more than 150 new semi-trailers to the UK, and is preparing for the relative doldrums of 2006 to give way to a new burst of energy over the next two years.

The company has been designing, developing and manufacturing transportation equipment for more than a century, and serves all the world market from manufacturing facilities on four continents.

Following a complete reorganisation of the UK company at the end of last year, Heil is now operating with a smaller management team. Sales Manager Peter Havis sees the streamlined company and the move to Poland as demonstration of his company's determination to make their business – and products – fit the market.

"From Poland, we are in a stronger position to be able to meet the market

requirements throughout mainland Europe as well as the UK," says Peter. "That's not to say that we have turned our backs on the UK. Heil Trailer International is strategically based in Kingsbury in Staffordshire close to the important oil terminals. From here, our parts and service operation continues to grow. We offer a comprehensive refurbishment, maintenance, degassing and repair service at these modern workshop facilities to support our new and existing equipment."

It's at this location that the company carries out pre-delivery inspections on all new tanks entering the UK, as well as first MoT and ADR inspections and certification.

Since 2000, Heil has concentrated production on the aluminium petroleum tank semi-trailer market. These higher capacity tanks have been designed to meet the demanding requirements of the oil industry and its contractors, and allow for a greater payload per journey.

As well as the numerous Heil 44-tonne ADR 5000 series tanks, which Peter says have dominated the market since 2000, the new lightweight Evolution tanker

launched last year has now undergone extensive trials, including drainage and vapour recovery. More than 30 of this design now operate in the UK.

"The market requirement this year for petrol tank semi-trailers is, as predicted, very much down on the last five years," says Peter Havis. "All major fleets and many smaller operators have satisfied their initial requirements for the larger tanks to operate at 44t." But, he predicts, 2007 should see an increase, and 2008 a further rise as some of the earlier 41/44t tanks are replaced.

"It is unlikely for requirements to reach that of previous years as there has been a very strong focus in the industry to utilise tanks to their maximum, using higher capacity tanks and concentrating on more efficient operations with less down-time," he explains.

"There is an increased number of tank builders offering aluminium tanks and they are all competing for a smaller UK market requirement. Heil Trailer International is committed to continuing to lead the UK market as it has for the several years."

Sales boom leads to expansion

Expansion plans are underway for Williams Tanker Services after a year of "exceptional" sales.

The company, sole UK distributors for leading Belgium tank and trailer manufacturer LAG and Dutch manufacturer Burg/HOBUR, is extending facilities at its depot in Morley near Leeds.

Plans include extra on-site parking and fleet servicing for more than 130 of tank trailers.

"Although the competition has been very fierce this year, we have had an exceptional increase in sales in our tank

division compared to 2005," says Sales Manager Martin Bullock. "We expect to see even greater competition in 2007, but remain confident that we will go on to increase our business."

Recent deliveries include tanks to Nynas, J Wyatt, William Nichol, McPherson Transport and Lewis Tankers. On the order books is a contract to supply seven AD rigid vehicles for Bayford Oil.



Clayton's LPG innovation

New turbine meters that promise greater accuracy and less downtime are the latest innovation for Ormskirk-based Clayton Commercials.

Clayton has been appointed the UK agent for ACME Fluid Handling Pty Ltd, who produce LPG turbine meters in three different sizes with flow rates of 20 to 1,250 litres per minute.

"Unlike other turbine meters that are designed for fixed flow rate deliveries, the VTM meter is designed to deliver linear accuracy over its flow rate range," explains Clayton's Peter Norris. "When tested with a UK Trading Standards meter, accuracy is better than 0.1%."

"The reliability of the VTM meter system means there is less downtime and therefore reduced operational costs," adds Peter. "The system only requires a 20-minute re-check every 12 to 24 months, increasing the operator's service level and profitability."



The VTM 150 is being fitted to new mini-bulk tanks currently in build, and Clayton is refurbishing a large number of bulk vehicles with the high flow rate VTM 200.

The company began life as Clayton Commercial Accessories Ltd in 1972, selling commercial vehicle components and carrying out repairs. A year later, Clayton Tanker Services was established as a tanker repair facility and, in 1974, moved to open larger premises at Burscough. Today, the company operates from a purpose-built plant, manufacturing pressure and non-pressure vessels for the chemical, petroleum spirit, pharmaceutical, dairy, brewery and liquid waste industries.

Buy-out brings new life to tanker firm

Belfast-based Gilmore Services bought Main Engineering back in April. Since then, a dwindling workforce has been reinvigorated, new equipment has been brought in to modernise services and there are plans to expand the facility onto a neighbouring site.

Main, based at Cullybackey, is a road-tanker manufacturer, acting as agents for Tasca. The company also looks after milk collection tankers for United Dairy Farmers and up to 40 vehicles for Calorgas.

General Manager Matthew Gilmore explains that Gilmore Services had been looking for opportunities to extend their business and diversify.

"Our manufacturing operation was doing well and so was our oil spill service, but we were keen to move into different areas," he says. "We were already carrying out servicing and repair for road tankers in the Belfast area, so the addition of Main Engineering gives us a complete package – from build right through to maintenance."

Staffing problems at the newly-acquired company were one of the first issues for Gilmore to tackle. Many experienced workers had left Main at the time of take-over.

"We were very low on staff," he says, "but we've now built ourselves back up into a very good, strong team. People who had left have actually returned to work for us."

Gilmore also took stock of Main's equipment, quickly adding a new breakdown truck to serve the milk tanker side of the business, and buying in modern kit, such as state-of-the-art welders, for the manufacturing workshops.

"We're going to continue to expand and push up production," adds Matthew. "We've already bought a 1.4 acre site next to Main Engineering."

LONDON SOUTH
Regional Representative
Malcolm Hunt, Advance Fuels
Tel: 0208 689 5500

Check your RDCO customers

I would like to share with you a recent experience concerning RDCO. Our company supplies a number of RDCO registered businesses. Whilst most are above suspicion, we have on occasion been approached by some more questionable businesses. As you are no doubt aware, unlike ordinary customers, it is the responsibility of HM Revenue and Customs to verify that an RDCO company is indeed legitimate. We just have to check on HMRC's website that the number is valid.

We were recently advised that one of our RDCO customers had had his registration withdrawn. We were most concerned to find that the withdrawal pre-dated our own online check on his RDCO number that showed it to be valid. Whilst this did not cause us any problems with Customs, it does concern me that the online list of withdrawn RDCO numbers is not kept up to date. I am not sure whether Customs are aware of the fact.

Technically, you are only required to check on a registration periodically, but, in doubtful cases, we now ensure that we check the Customs web site every time we supply. We also print out the verification to prove that we checked that the number was valid according to Customs' website at the time we made the supply. I would therefore suggest that you ensure that you print out and keep any on-line validation so that it can be presented as evidence if required.

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

Concern over farm fuel duty

A Co Armagh farmer was moving top soil from part of his land to restore the excavations surrounding a recently erected barn when he was approached by an HMRC road fuel team.

He was told that the exercise he was carrying out was not agricultural and therefore he should be using derv in the tractor. They immediately impounded the vehicle and demanded £500 for its restoration.

My concerns are:
Firstly, was the farmer actually breaking the law?
Secondly, can we be sure that HMRC road testing teams are capable of making decisions in specialist areas such as agriculture to be able to assess the legality of a particular exercise being executed with a farm vehicle?

It appears that the officers made their judgement on the basis that the load in the trailer was topsoil and 'obviously' could not be an agricultural exercise.

Is this the next big issue to envelop the industry and possibly create even more problems for suppliers of gas oil to agriculture?

Clearly the use of gas oil has been abused by some and HMRC have a duty to try to reduce this abuse. However, a general sweep throughout the owners of agricultural tractors seems fraught with danger. There are situations whereby this type of vehicle should be using derv, for example when it travels beyond the given distance from the farm boundary on the public road – although a lot of gas oil users are not aware of the laws regarding this. The situation could be clarified if HMRC were to make the NFU aware of these rules and advise them to pass the information to their members, stating clearly the rules and how they will be enforced.

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

How reliable is your supply?

Theoretically, the North West of England is well off for sources of supply – Stanlow, Manchester Fuel Terminal and Bramhall. This makes it all the more concerning that there have been such frequent stockouts and product allocations in the region over the summer. What the situation is going to be like this winter, when demand is so much greater, is a scary thought!

The loss of Buncefield appears to have decimated the distribution infrastructure to the stage where a problem in one area has a knock-on effect across the whole country and it doesn't bode well for the future. North West distributors might be advised to ensure they have access to as many sources of supply as possible.

REGIONAL



SCOTLAND
Regional Representative
David Todd, Gleaner Oil and Gas
Tel: 01343 557400

The benefits of experience

This is the first time I have been asked to write the Regional Roundup for Scotland and this, together with my newness to both the FPS Council and indeed the industry makes it a challenge. However, having Bob Armsworth as a predecessor makes the role easier, as does the industry knowledge that I receive from fellow FPS members at Scottish regional meetings.

At my first meeting I asked those present how many years they had each been in the industry and the total was staggering. This tells me a couple of things: firstly that the companies represented by these people are in good hands with the amount of background knowledge available; secondly the industry as a whole can and should benefit from this amount of experience.

On more pertinent matters, and after what was a very hot and dry June and July in Scotland, August has brought some rain and a downturn in temperature. While the warm weather has not done much for fuel sales, at least those driving the tankers have had a better time!

If the weather is one of the three main talking points, then the other two are obviously the price of base product and the experience of individual companies with HM Revenue & Customs' approach towards the RDCO Scheme (see pages 12 and 13). In summary, it appears to be very much about the line each individual inspector takes and I am sure once again this will be discussed at our next regional meeting towards the end of September.

Atomic launch to schools campaign



Former Atomic Kitten singer Natasha Hamilton swapped her microphone for a lollipop stick to launch the TOTAL Little Learners Road Safety Campaign at St Matthews Church of England School in Westminster. The aim of the pilot campaign, targeted at the under 6s, is to highlight the importance of road safety with the aid of creative classroom packs. Schools elsewhere in London, and in Manchester, Watford, Birmingham, Leeds, Hemel Hempstead, Surrey and Hampshire, are also taking part in the pilot campaign.

The all-new FPS website:
www.fpsonline.co.uk

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Finally, it has been noted that VOSA have embarked on depot inspections under the Security of Dangerous Goods Regulations and, to date, any comments they have made seem to be quite constructive.

Thinking about it, perhaps the recent flourish of Government inspectors/officials has been brought about by the warm weather, making visiting some of Scotland's more outlying areas even more enjoyable than normal.



The new Mechtronic base will allow expansion of the company's product range

Thriving Mechtronic plans move to larger premises

In order to support its continued growth, Mechtronic has announced plans to relocate to larger premises near Leeds City Centre later this year.

Mechtronic has secured a modern 6,000 sq ft. steel portal frame building comprising generous office space with large workshop/stores facility within easy reach of M1/M62 motorways. This facility will provide an excellent base to further develop existing products alongside what the company says are new and exciting products dedicated to the fuel oil distribution market.

Since Mechtronic was established just over two years ago, it has secured orders for over 200 vehicle systems. This success has been achieved through innovative design coupled with a strong commitment to customer support.

MechTronic says its Maxflow metering, Smart Product Grade Indicators, Visiflow manifold and product transfer systems perfectly complement each other to create the ultimate 'one stop shop' for fuel oil distributors.

MaxFlow's unique integral gas separator provides easy fitment and reduced contamination. Veeder-Root mechanical and electronic registers are added to the proven 'oval gear' meter to provide reliability and performance for years to come.

The introduction of MechTronic's Smart PGI System continues to underpin driver confidence, significantly reducing product contaminations. The system displays compartment product grade information, within the control cabinet, to assist the driver when a compartment selection is being made.

MechTronic's VisiFlow manifold system has become the industry benchmark, its success highlighted by MechTronic's approach of 'keeping it simple'. The company says that this can be repeatedly seen in its provision of industry firsts such as the full flow manifold sight glass, manifold 'open/closed' indicator, self draining manifold, product return spout sight glass/integrated controls and guard bar incorporating magnetic locks.

Downstream is the official magazine of the Federation of Petroleum Suppliers. If you would like to subscribe, phone Margaret Thornley at the FPS on 01565 631313 or email downstream@fpsonline.co.uk



THE TOTAL PACKAGE FOR THE FUEL
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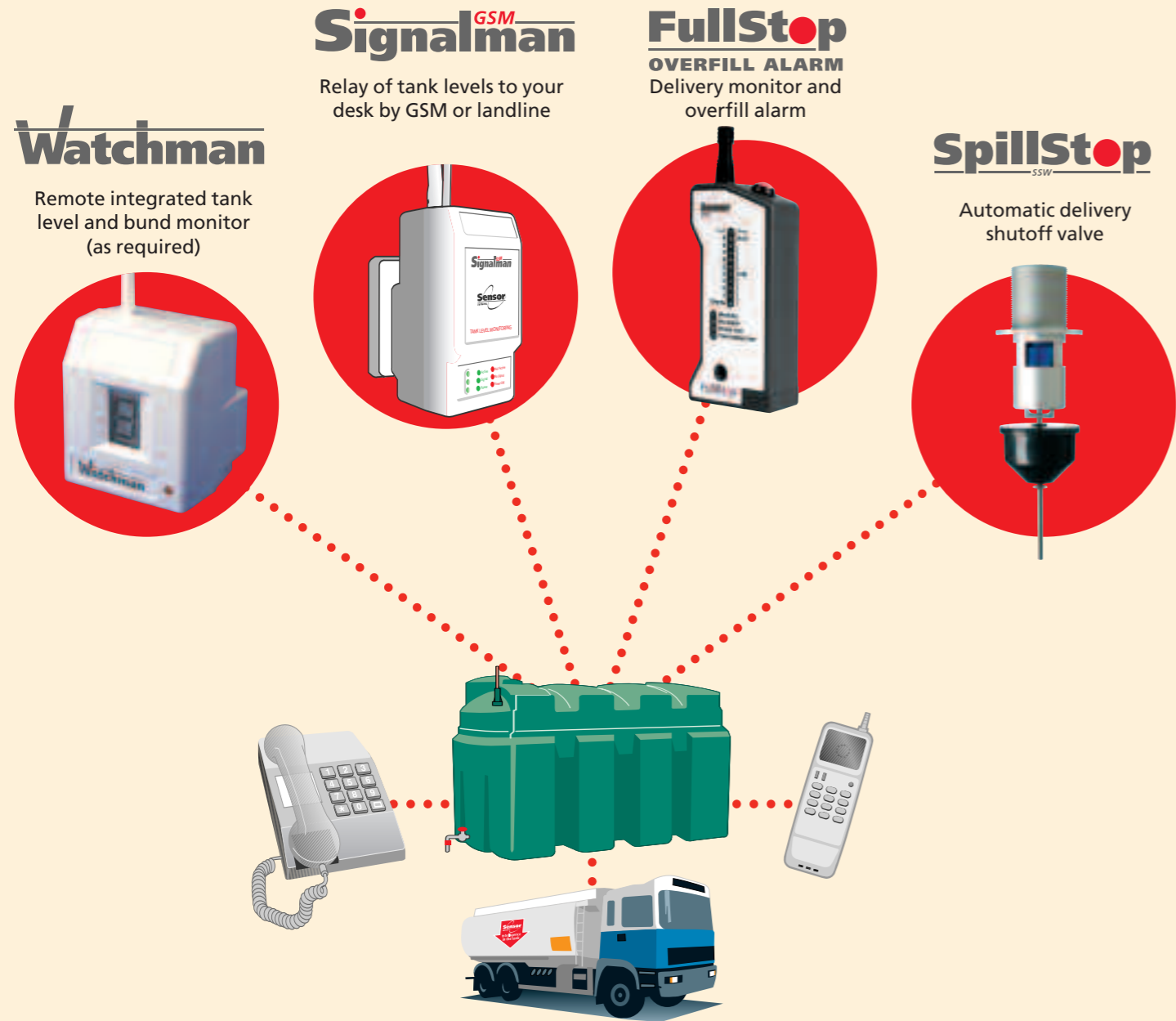
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