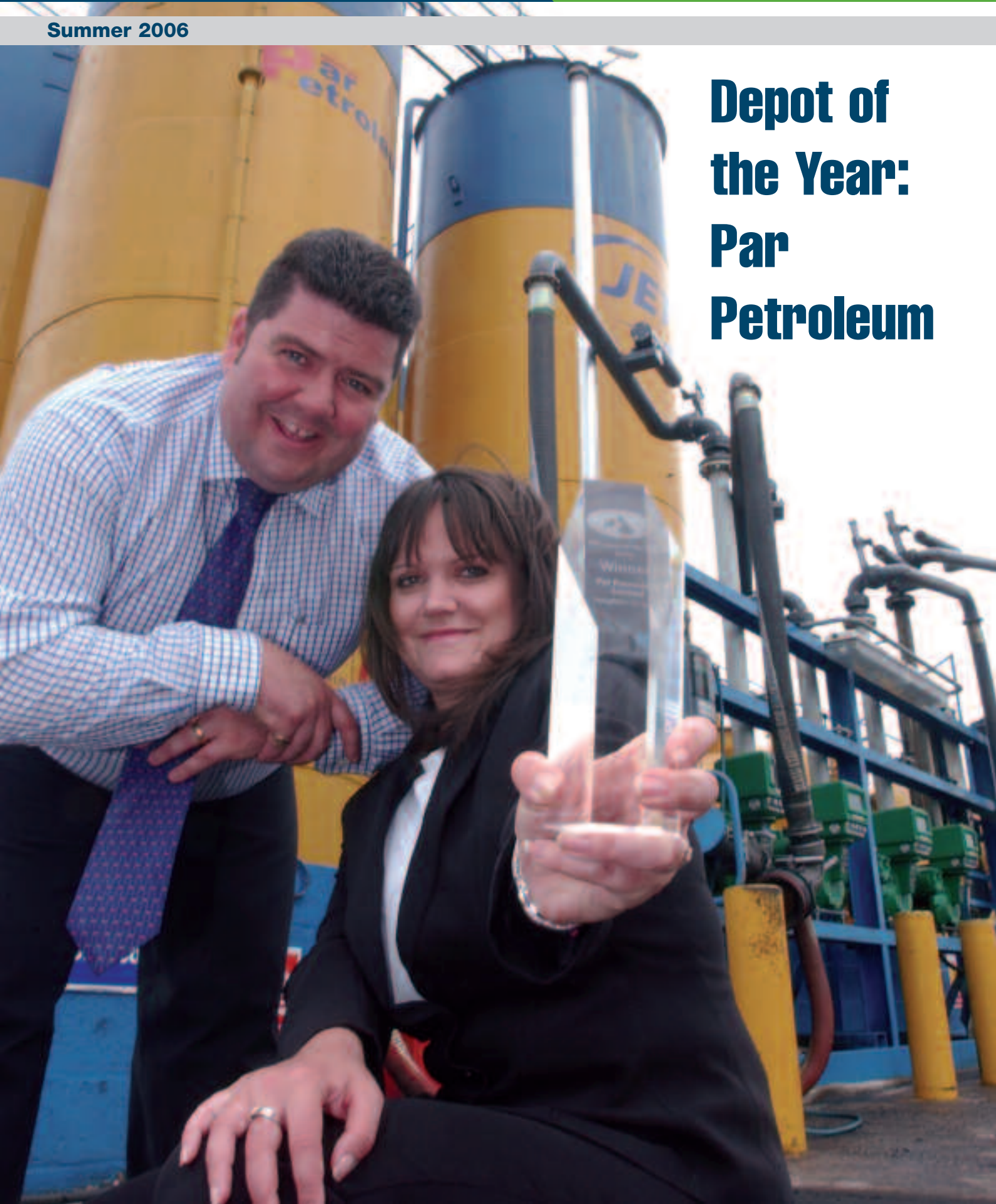


Downstream

Summer 2006

**Depot of
the Year:
Par
Petroleum**



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Balmoral Tanks developed a range of single skin and bunded fuel oil storage tanks which went on to become the industry standard. Others followed.

Balmoral Tanks developed a range of integrated fuelling stations which went on to become the industry standard. Others followed.

Balmoral Tanks developed the fuel oil storage information website www.bundedtank.com which went on to become the industry standard. Others followed.

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Downstream

ISSN 1473-5539

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PUBLISHED BY

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INSURANCE BROKERS

Changing t

Members listening to the FPS Chief Executive's report at the AGM in Harrogate heard some interesting facts and figures on how the FPS has grown and changed over the years.

FPS Membership

Looking back to 1998, the total number of members has varied between 263 and 288, but, within those totals, the proportions in some of the categories of membership (categories are based on the number of tankers operated by a company) has shown more variation. As percentages of the number of UK Ordinary Members in the A to F categories, the two smallest company categories have decreased from 69% in 1998 to 61% in 2004/05. Category C membership has increased by 6% but Category D membership has fallen by 2%. The two largest company categories have increased by 6%. FPS estimates that it currently represents between 70% and 80% of distributor companies in Great Britain.

Regrettably, membership in the Republic of Ireland has reduced, from 18% to 9% of total membership. FPS feels that this reflects the less draconian attitude taken towards regulation and enforcement by government in Ireland; many companies perceive less need for a trade association to protect and fight for their interests at government level. However, FPS is more than just a lobbying body. As well as continuing to play an active role in Ireland, especially concerning implementation of ADR and other issues relating to transport and health and safety, our members' meetings, usually held in Thurles, see some interesting presentations and plenty of lively discussion and networking. Our technical consultant, Margaret Fitzgerald, with invaluable knowledge and experience from her time as an HSA inspector, also provides advice and support to members

on an individual basis, whilst regional manager Edmond Hayes liaises with them on other matters.

Associate membership is the area that has seen most growth, increasing from just 10% of members in 1998 to 20% in 2004/05. The range of industries represented by these members is extensive. There are some very closely allied sectors, such as road tanker manufacture and storage tank manufacture, where exchange of information is invaluable to both sides.

It also enables us to provide some services for specialised sectors that do not have their own, specific, trade associations – such as petroleum road tanker manufacturers, whom we have represented at government level on specific issues. Another sector of note is the software providers to the industry,

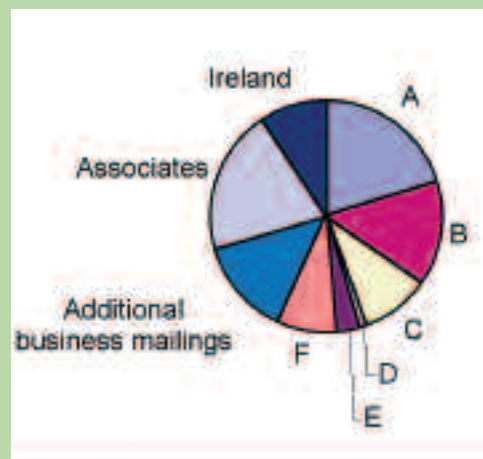
who, through FPS, were involved in discussions with Customs on the RDCO scheme.

Income streams

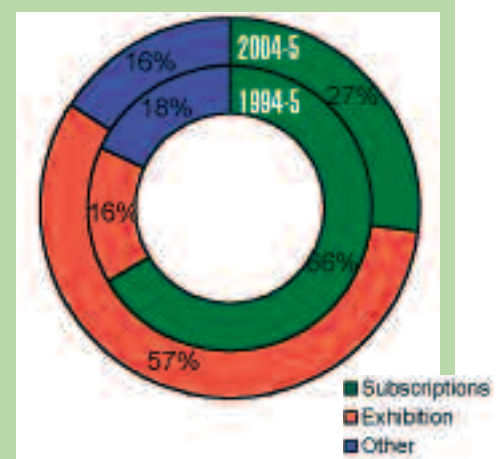
The way FPS has financed its work has changed dramatically over the last decade. There has been over a four-fold increase in income since 1994/95, and, in that period, the proportion coming from membership subscriptions has shrunk from 66% to 27%. There has been a general trend in trade associations to lower their reliance on membership subscriptions and look more to commercial activities to fund their work on behalf of their members. Interestingly though, FPS's reliance on membership subscriptions is far lower than the trade association sector average of 44%. However, because oil distribution is a comparatively small industry in terms of number of companies and because these numbers are undoubtedly shrinking, it places FPS and its members in a more advantageous position.

It will come as no surprise to those who attend the event to know that the Exhibition has become the major source

Membership categories, August 2005



Income streams 1994/5 and 2004/5



times at FPS

of income, having increased from only 16% in 1994/5 to 57% in 2004/05. Some industry sectors have seen their exhibition attendances dwindle – some to the stage that the events are no longer viable. However, the FPS Show has continued to draw more exhibitors and to attract greater numbers of delegates, who are often the decision-makers in their companies.

The proportion of income from other areas has shrunk slightly since 2004/05, but increasing activity in the publications and training spheres should reap benefits in the coming years.

Diversity in income

However, FPS is not complacent about its current position and realises the need to have diversity in its income sources so that too great a reliance is not placed upon a single area. It is

therefore looking to other sources of income to support and assure its activities into the future. We are re-investing the modest surplus that we have made in the last couple of years to help us achieve this aim and to provide better services for members and ensure our continued viability.

In conjunction with OAMPS (UK) Ltd, we have funded the development of our acclaimed Driver Training Scheme. To run alongside this scheme, we have purchased the Forecourt Operator Training Scheme, which dovetails well with the driver training and should provide an ongoing source of income. We have also acquired the FPS Depot Certification Scheme from Terry Furlong, who developed and operated it on behalf of FPS until his retirement at the end of 2005. Developing and operating schemes like these not only helps give FPS financial stability, it also

demonstrates to Government and others the capacity of the industry to regulate itself responsibly without the need for further statutory regulation.

Other investments include development of the EuroConex debit and credit card deal for members.

After many years of managing with generic computer software programs, FPS is moving to a software package designed specifically for membership associations. This will enable FPS's five staff members to operate more efficiently and effectively, so that they can provide members with even better service.

Last, but not least, FPS has made a donation to the Environment Agency's Oil Care Campaign, to help it in its work to assure the protection of the environment from oil pollution.

FPS meets EC officials

A meeting of the Conference of European Fuel Distributors in Brussels in May gave the FPS the opportunity to quiz officials from the Taxation and Customs Directorate of the European Commission. FPS represents the Republic of Ireland and the UK at the Conference, which provides a useful forum to discuss and lobby on forthcoming EU legislation, as well as conferring on operational issues affecting our industry.

Questions from the FPS on the possibilities of reclamation of duty on bad debts and the problems of cross-contamination of rebated and road fuels when using wetline systems were two of the topics debated. Issues raised by the other countries included Polish and Slovenian distributors selling domestic fuel in Austria without charging the local taxes that the Austrian distributors have to charge, and what could be done about it; the disparity in excise duty, which is charged on heating oil but not

gas in some countries. Whilst they did not have answers for everything, the EC officials did provide some pointers on where and how action could be taken. They emphasised how useful they had found their discussions with us and expressed a wish to have regular

meetings with our group to learn more about the workings of the oil distribution industry and how it is affected by European legislation.



Charity donations

The envelope draw at the FPS Exhibition Dinner raised £5,000 for the chosen charities of outgoing President, Bob Armsworth.

£2,250 went to the Royal National Lifeboat Institution (RNLI). The RNLI is a charity that provides a 24-hour lifesaving service around the UK and Republic of Ireland. Last year, its crews averaged saving two lives every day and, up to mid-May this year, its boats had launched 804 times, saving 30 lives and rescuing a further 531 people. It receives no funding from the UK government. In a letter of thanks, RNLI's Adrian Boyd said: "It is only through kind gifts such as yours that we are able to provide our volunteer lifeboat crews

and beach lifeguards with efficient boats, equipment and training that are needed to save lives at sea." Find out more at www.rnli.org.uk

A similar amount went to the Children's Hospice Association Scotland. CHAS was founded in 1992 by a small group of parents and professionals who understood the needs of children with life limiting conditions and their families. Their fundraiser Kerry Jackson said of the FPS donation: "It is only because of people like you that we are

able to continue to create happy memories to last a lifetime for all the families who use our children's hospices." Find out more at www.chas.org.uk

Finally, £500 was sent to the Chernobyl Children Life Line, a charity set up in 1991 to help children suffering from the after-effects of the Chernobyl disaster and economic situation. The charity wrote to thank FPS for the donation, saying the money "will be put to good use for the children of Belarus coming to Perthshire for a health break". Nineteen children will make the trip this summer. Find out more at www.chernobylchildlifeline.org

Champagne Winner



Congratulations and a bottle of champagne to Mike Scott of Caldo Oils. His caption to the previous issue's photo (above) of the outgoing and incoming FPS President ran "....and if you have any trouble from Susan or the rest of the committee a sharp karate chop on the back of the neck usually does the trick."

Competent Persons schemes on the rise

From April 2006, the Government extended the number of Competent Persons Schemes in many aspects of the Building Regulations, including Part J. Part J of the Regulations provides guidance on the safe installation and use of boilers, chimneys, flues, hearths and fuel storage installations.

The regulations are designed to control against fire sources, burning, pollution, carbon monoxide poisoning, etc. For the installer, it means that work on combustion appliances and fuel storage systems must be notified to Building Control.

Several organisations are now offering a Competent Persons scheme for Part J. This means that, instead of arranging for Building Control to inspect every job, plumbers and boiler installers can self-certify their work and use their works notification system to notify building control.

One new scheme comes from NAPIT, a body originally formed as an electrical trade association. NAPIT already runs a successful competent persons scheme for electricians and has extended its scope to take in plumbing, heating and air conditioning. Activities covered include the installation of combustion appliances for oil (and oil storage) and solid fuel (Part J), as well as plumbing, heating, hot water systems and controls.

The NAPIT on-line and fax notification system brings with it far-reaching

insurance cover and the organisation says it is great value for money at only £2.20 for each notification including insurance.

Further information on NAPIT is available at www.napit.org

Another scheme for trades people in domestic and commercial heating (Part J), is offered by BESCA, Building Engineering Services Competence Accreditation Ltd.

BESCA scheme members can now self-certify their work online. Again, BESCA says its system eradicates the need to involve Local Authority Building Control departments and will help save time and money on local authority inspections and fees. Instead, qualified 'accredited certifiers' can self-certify that work complies with Building Regulations quickly and simply online.

The new BESCA website at www.besca.org.uk also enables businesses to register details of jobs, print controlled compliance certificates for clients/customers, and call up records of old jobs. Alongside users' own areas within the site, there is a downloads section featuring registration forms, rules, regulations and guidance notes.



A new installer scheme

Titan Environmental has launched the Titan Accredited Installer Scheme, designed to give oil tank installers recognised accreditation for their standard of service.

The company says it has introduced the scheme to assure customers that tanks are being installed and maintained to the best standard and that installations comply with regulatory and OFTEC standards.

Titan will reassess its Accredited Installers at least once a year and claims to have the largest network of installers in the UK. Its installers can be sourced via Freephone 08006335717 or by emailing info@titanaccreditedinstaller.com or checking the web at www.titanaccreditedinstaller.com

FPS ties up card deal for members

FPS has tied up an exclusive credit card transaction commissioning deal with leading card processor EuroConex.

It means that FPS members will be able to take advantage of highly competitive rates for processing their customers' card payments. The rates are outlined in the accompanying table.

EuroConex is the fourth largest card processor in Europe. It owns and operates the merchant services in the UK for Alliance and Leicester, Bank of Ireland and Citibank. They are the European affiliate of NOVA, a wholly owned subsidiary of US Bank.

On a combined basis, the Group processes nearly \$200 billion in global bank card volume, making them one of the top 10 processors in the world. They have the largest number of merchant locations worldwide, with over one million locations, and are rated top by MasterCard for speed, availability and reliability.

EuroConex focuses on payment processing on a pan-European basis, with a footprint in 13 European countries. It is also the leading dynamic currency conversion processor in Europe, with a declared aim of providing the most comprehensive, secure and cost effective transaction processing network in the world.

The rates in the table (above right) have been agreed exclusively for members of the Federation of Petroleum Suppliers, and are based on their combined turnovers. "We are as keen as you are to reduce your costs where possible, and are striving to achieve a high number of new FPS customers to help us maintain these low rates for you," said Kenneth Barlow of EuroConex.

For further information, visit the website www.euroconex.com or contact Hilary Skeates (07876 718906 hilary.skeates@euroconex.com) or Kenneth Barlow (07813 178330 kenneth.barlow@euroconex.com) to arrange a meeting with a local representative.



Right: Kenneth Barlow of EuroConex, welcomes David Rintoul of Johnston Oils, the first FPS member to take advantage of the scheme

euroConex

Credit cards

	Visa	Mastercard	Business cards
UK	1.11-1.15%	1.13-1.20%	+0.5%
Ireland	1.13%	1.18%	+0.5%

Debit cards

	Maestro / Laser	Delta	CVV terminal
UK	15p	19p	£15/mo
Ireland	22c	28c	€22/mo

The above rates are subject to an annual turnover value of £400+. The £150 joining fee is waived for FPS members until the end of June. Communications costs are paid by FPS members (approximately 1.15p per transaction).

Contact FPS office for more information on the deal.

In memory of Ruth

A family-run oil tank supplier and installer, Tank Replacement Services, has named its newest vehicle Ruth Elizabeth in memory of one of its founders, Ruth French, who passed away in March after a courageous battle against cancer.

Tank Replacement Services was formed in 1995 by Managing Director Tony French and his wife Ruth, and is a leading East Anglian oil tank supplier and installer, based in Dereham, Norfolk.

The vehicle shows TRS's commitment to tank manufacturers Titan, its unique "T11TAN" registration number reflecting the strong and successful partnership existing between the two companies.

TRS recently added oil boiler servicing and replacement to their services, a move that it says was instantly popular with customers.

Sons Mark and Simon enjoy major roles within the company, continuing a

family tradition of working in the oil industry started by their grandfather. Sales Director Brent Cockerton also has a wealth of experience in the oil industry with over 14 years at managerial level.



Collective thinking

Trevor Hannington, Direct Fuel Services, Stourport, Worcestershire, and Chairman of the West Midlands Petroleum Distributors' Association (WMPDA) delivered his annual report embedded with a strong co-operative theme.

Does it have Federation-wide potential?

I believe that most of the people who gather round our WMPDA table, myself included, are becoming selfish individuals who care only about their own resources. We continue to slash each other's margins to gain that extra volume. Yet Garage Watch, led by Mark Bradshaw, continues to strive for rural and independent retail sites by using collective buying power. Is it not about time that we did the same?

Take this scenario: A customer rings for a price on 1,000 litres of kerosene and is quoted, perhaps, 35 pence per litre plus VAT. Then he asks for 10,000 litres, delivered COD. He could well expect to be offered a 3p per litre saving, bearing in mind the extra volume and COD incentive for the distributor.

Wouldn't it be fantastic if we, the

distributors, could collectively ring Mr Esso, Mr Shell or Mr Conoco and expect similar treatment to our customer above? The chances of getting a discount are slim, but we will never know because we are afraid to try, or so it would appear. The funding could be sound, the logistics OK and the invoicing arranged – and the savings could be significant.

Wouldn't it be fantastic if we, the distributors, could collectively ring Mr Volvo, Mr DAF or Mr ERF about the purchase of 10 chassis cabs of various spec and colours and then negotiate a discount. Follow that with a call to the tanker builders, with a request for 10 remounts.

The possibilities are endless and yet our selfish attitudes prevent us from pooling

our requirements to make the saving that we could all enjoy. Even as I write, I am getting a call to say that one of my tankers is broken down in Bromsgrove with a suspected broken wheel bearing. It is fully laden, of course, and repairers are calling the heavy breakdown people for a suspended tow back to base. At what cost, I wonder? I have no choice but to stomach the cost – it's a tanker that must be removed from the roadside. Then it has to be repaired. Two days off the road, orders piling up, no replacement, and a driver with nothing to do. It happens to us all, but just think about the co-operative possibilities... What if we as the WMPDA had at our disposal (and collectively owned) a spare tanker or two that each member could use on hire in such an emergency?

The pressure this would take off each of us in a similar circumstance would be such a relief and would recoup some of the downtime. It's another example of how we could pool our resources for the benefit of all while maintaining our independent identities. I bet Mr Sainsbury gets a much better deal on his fleet than you or I can – and imagine if we were able to take the joint ideas nationwide. Need I say more? Come on Distributors, let's hear your thoughts.

Survey shows drop in driver shortage

Results of the Skills for Logistics annual UK survey of LGV driver employers for the UK show that the truck driver shortage has more than halved from last year's predicted shortfall of 46,000 to an estimated shortage of 15,000 by the middle of the 2006-7 financial year.

Key results from the survey indicate that:

- Just over half of the companies surveyed had recruited in the last year - with 50% of these stating that they found it 'very difficult' or 'difficult' to recruit.
- The number of overseas drivers entering the UK workforce rose faster than expected as a result of EU expansion.
- 7% of the logistics workforce is drawn from ethnic minority groups but only 4% of drivers.
- The number of female drivers is still very low - only 1%. However more women are obtaining their LGV licences.
- Weakness in the economy dampened demand for more drivers and reduced the percentage of those leaving voluntarily for non-driving jobs.

1200 UK companies who employ mainly goods vehicle drivers participated in the survey. This group represents 26,000 drivers operating around 19,000 LGVS, 5,000 vans and 14,000 trailers.

Retirement for Ian

Ian Taylor, founding partner of FPS Exhibition stalwarts Hytek, has announced his retirement.

Ian and joint managing director, Kevin Arnold, founded Hytek, in

August 1985, launching with a commercial fuel pump used in the haulage industry. The firm now supplies a wide range of fuel and lubrication equipment to the oil heating and fuel industries and employs 28 staff.

Ian has been an active member of the fuel industry and has been involved with the APEA since 1993, playing a big part in setting the European standards on fuel equipment. Kevin Arnold continues as Hytek MD.



Death of former President

It is with great sadness that we report the death of David Evans, a former President of the FPS, at the age of 49.

Describing himself as 'oil industry, man and boy', David was active both for the companies he worked with and within the wider oil industry. He was a member of the FPS Council from 1998 and took up Presidency at the Annual Conference in Dublin in April 2003.

David joined Amoco UK in 1975, aged 19, initially working in the exploration company before moving into products supply and transportation. In 1987, he joined the commercial department with responsibility for Amoco's wholesale business in Ireland, where he first got the taste for Guinness and Irish whiskey!

When Elf bought Amoco in 1990, David worked on the project team, alongside Keith Guppy, to plan and implement the merger, followed by

management roles in national sales, aviation and commercial sales.

David left Elf to join UK Petroleum, moving up to the head office in Worcestershire in 1996. He then joined the Board as Sales & Marketing Director, continuing in a similar role with CPL Petroleum following the merger of UKPP with British Fuels. David left the company at the end of 2001 and spent some time as an independent consultant before joining the DCC Group in Flogas UK, working on the development of their oil distribution business in England and Wales.

Having been responsible for the retail dealer operations in UKPP and CPLP, David was well acquainted with the problems being faced by independent garage owners following the fuel crisis in 2000, and quickly became a staunch supporter of Garage Watch. He believed strongly in trying to promote and strengthen the independent



David with his wife Gaye

sector, whilst encouraged co-operation and greater understanding throughout the industry, Government, officialdom and the public at large. He was a key figure in the early stages of Garage Watch.

David lived in Pershore in Worcestershire with his wife Gaye and their two daughters, Alex 17 and Jenny 10. He enjoyed family life, eating and drinking, walking, badminton and golf. He will be sadly missed and our thoughts go out to all his family and friends at this time.

Harlequin launches fuel management option

Harlequin Oil Tanks has introduced fuel management options for its Fuel Station range of diesel storage tanks.

Developed in partnership with fuel handling specialists Centre Tank Services and Piusi SpA, the system is available as an extra cost, factory fitted option on all 110 volt and 240 volt 5,000 and 10,000 litre Harlequin Fuel Stations.

Harlequin's John Switzer said the system enables users to take full control of their fuel usage. He added: "The response from customers has been exceedingly enthusiastic. At a time of historically high energy costs, customers have been quick to appreciate the advantages the system offers. Not only does it allow them to analyse and monitor fuel usage, but through restricting access to authorised users, it dramatically reduces the risk of fuel theft and fraud."

The system is suitable for up to 80 users, incorporating magnetic key activation. Users simply swipe the key, input how much fuel they want to dispense, insert the nozzle into the vehicle and fill up. If users try to

dispense too much fuel, the automatic shut off nozzle prevent an overfill before it begins.

The system also incorporates a memory which records the last 200 fills. This information can be 'hard wired' to a remote PC, up to 0.8km away. Alternatively, it can be quickly and easily downloaded on to a pre-supplied administration key and transferred to a PC later. The software is compatible with most PCs running Microsoft® Windows 98 upwards.

Harlequin currently supplies Harlequin storage products to around 1,000 customers in the UK, Republic of Ireland, Channel Islands, Isle of Man, Belgium, Denmark and France.



DCC's successful integration of Shell Direct UK

Acquisitions are a way of life within DCC, so the IT challenges posed by the integration and absorption of different business are well understood. However, every project throws up its own unique challenges.

DCC Energy is a leading independent marketer of LPG and oil products in Britain and Ireland. In the year to 31 March 2005, DCC Energy's turnover was €1,024 million with an operating profit of €51.3 million. The acquisition of the Shell Direct UK business in November 2004 significantly extended DCC's reach throughout Britain in the sales, marketing and distribution of oil products. Shell Direct supplied heating oils and transport fuels to domestic, agricultural and small commercial and industrial customers across 36 depots in Britain, with sales volumes of



*Peter Quinn,
Head of
DCC's IT
Group*

approximately 600 million litres and delivered another 150 million litres.

The business challenge was to continue to service the customer base without disruption, and to integrate it as quickly as possible into what would be a greatly expanded GB Oils (UK) business. The IT challenge was to match those objectives

with a migration of the IT systems at a pace that would mirror the business targets for full integration of both operations.

The GB Oils (UK) business uses an enterprise-wide application called Codas, which is specifically designed for the fuel distribution industry. The ultimate objective was to bring the Shell business fully onto this platform and facilitate common processes, controls and management across the entire business.

The tight timeframe ruled out an initial total migration of the entire business onto Codas. Instead, it was decided to de-couple the Shell IT systems from their parent company and run them as stand-alone DCC systems. This allowed the business to operate without any disruption and minimised the impact of sudden change.

The next major phase aimed at migrating the Shell business onto Codas then began. The challenges faced included:

- The addition of close to 200 new users across a large number of depots
- The need to expand the existing infrastructure to cater for a 75% increase in both transaction volume and user base
- The addition of extra functionality to support new services provided by the enlarged business
- Ensuring its new users in 36 depots throughout Britain were properly trained
- Ensuring that these new users were properly supported following the go-live date to make sure that any teething problems didn't impact business operations.

The data network technology was upgraded and the IT strategy focused towards a more centralised architecture. This provided future-proofing, with lower operating costs and a more manageable infrastructure.

Peter Quinn, DCC's Head of Group IT, commented: "The technical challenges were considerable but at least it could all be fully tested before going live. The real risk lay with the introduction of this scale of new technology and processes to such a geographically dispersed user community. Failure here would have had a direct impact on our customers and our business. It is testament to the thoroughness and focus of the entire team that this project went live with no negative operational impact".

Looking for niche market

Funding isn't always the determining factor when choosing a new commercial vehicle. That's the message from Hitachi Capital, one of the FPS's newest members, who since 2001 have specified and supplied over 3000 bespoke trucks.

The company's research has revealed that funding is not always the key issue. Stability, the latest technology and a team that is highly skilled in developing custom-built commercial vehicles are just as important.

Hitachi Capital offers a full range of commercial vehicle services that are delivered in a variety of way. This includes the company's newly developed Capital Control website, the first online fleet management tool of its kind, designed to give detailed information about commercial fleets including service intervals for both the vehicles and ancillaries.

With this online capability, customers can access real time information about their commercial fleet, allowing them to manipulate details about their fleet and produce bespoke reports. Capital Control ensures customers can resolve their own queries efficiently at a time that suits them.

Hitachi Capital considers staff to be a major asset and has built a team with specialist backgrounds who are highly-skilled in developing custom-built commercial vehicles and can also help customers stay compliant with industry regulations related to Operator Licensing, Health and Safety and so on.

One recent addition to the team is that of Peter Bosi, appointed as of head of commercial vehicle sales. Trowbridge-based Peter brings 25 years leasing and contract hire experience including 13 years with the GE organisation where he was responsible for the special vehicle sales operation.

Depots win morale-boosting recognition



Safety and security are top of the agenda for virtually all distributors these days – especially in the wake of Buncefield. And high on FPS's agenda is recognition for those depots that excel in the way they run their businesses.

For the second year running, Tyne and Wear's Par Petroleum has won the FPS Depot of the Year Award – open to all companies that take part in the Federation's Depot Certification Scheme.

And it was a well-deserved accolade for a family firm that has also won the Jet Circle of Excellence distributor award a record three times.

To win the FPS award, presented to them at the Annual Dinner and Conference, Par had to convince the auditor that their standards were of the highest and that they were making continuous improvements in health and safety and operating procedures.

"Since winning the award last year, we've put our effort into maintaining standards," says Operations Manager Simon Roy-Toole. "Once you have the right procedures and processes in place, it's a case of following those guidelines and making sure you take new legislation into account.

"We've also put our security plan into place, which includes CCTV systems, depot fencing and training for drivers about risks such as hijack."

Par Petroleum, based at Fencehouses, seven miles south of Newcastle, is run by Peter and Carol Roy-Toole, their son and daughter Simon and Leanne and Leanne's fiancé Stuart, who will be joining the family this September.

The company operates seven tankers from its Jet distributorship, supplying domestic, agricultural, industrial and marine customers.

Simon is sure that the awards are excellent for morale because people get formal recognition that they are doing the right thing. "Ultimately," he says, "it's down to them whether we succeed or not. So much is about the impression we give – the cleanliness of the site and vehicles. Everyone is proud of what they do here as a team."

Externally, Par uses the awards on its advertising and finds that customers tend to view them more as professionals because of the recognition.

"More people should take part," advises Simon. "You get free, expert advice on improvements you can make and get very useful recommendations. If you had to employ a consultant to do that, it would cost a fortune."

Awards earn bonuses

Opie Oils of Redruth, founded in 1925, was one of three runners-up in the FPS Depot of the Year Award.

Opie, a Jet distributor, operates from a 300,000-litre capacity depot with five tankers.

"We've been making small changes in line with the recommendations we've been given," explains partner Simon Barnard. "Physically, our depot has always been good, so these are mainly minor changes to paperwork and processes."

Awards are good news for Opie's 16 staff who are now in line for bonuses.

Second-time bridesmaids aim for top

CPS Fuels won a runners-up place in the awards for their state-of-the-art depot at Wisbech. Their Soham depot was a runner-up in last year's prizes.

"We're a Conoco distributor and the new Wisbech depot only opened in 2003," explains Managing Director Stephen Pipe. "When you have the opportunity for a new-build, you can make it as perfect as possible."

The company has a fleet of 30-plus four- and six-wheelers and 44-tonners, delivering to a mixture of domestic and commercial customers.

"Within the industry, it's nice to be recognised as having a good depot," says Stephen. "We've been the bridesmaid twice, perhaps we'll get the top award next year."

High standards as standard

"We always make sure we keep extremely high standards and if ever there is a recommendation for improvement, we act on it instantly," says Linda Kingdon of Heltor Ltd.

Heltor Ltd has three depots running around 20 tankers, and it was the company's Devon operation that took a runners-up prize this year.

"In this business, it's absolutely vital that you keep on top of things all the time," adds Linda.

Drivers of the year



Heroism is all in a day's work for Kent driver

Lots of kids wants to be train drivers when they grow up, but Driver of the Year Darren Gilham always had his heart set on being an oil delivery driver.

"As a kid, there was a distribution depot close to where I lived and I always knew that that was what I wanted to do," says Darren, who works for Southern Counties Fuels.

He took his HGV test in 1997 and joined an international removals firm, driving long-haul all over Europe. The company was a Southern Counties' customer and, one day, he got chatting to the delivery driver.

"He gave me a bit of a kick and told me to make the move if I really wanted to," says Darren (39). "I paid for my own ADR and waited for a vacancy to come up. I waited three years for the perfect job at the Ashford depot and I'm totally happy I did make that move."

And so are Southern Counties. It was

fellow driver Russell Lay who originally nominated Darren. While his driving and customer skills are exemplary, one incident really marked him as special.

Darren, driving to work, happened to be second on the scene at a serious car crash. A driver was trapped in his burning car and the first people there had already used up their extinguishers to no avail.

"The fire was really starting to take hold and no-one knew if the driver was even alive," recalls Darren. "I couldn't bear the thought of him being burnt, so I managed to undo his seatbelt and asked him if there were any passengers. He was able to speak to me and I reclined his chair and dragged him out. He was a big guy and I'm fairly small, so I could only just drag him clear of the car."

Darren simply went on to work and, though shaken, thought nothing more of it. His colleagues only found out about it when he was asked why he was late. His heroism extends to his customers



too. Last winter, for example, snowbound tankers couldn't get out of the Ashford depot, so Darren volunteered to use his 4x4 to take urgent supplies of heating oil to an elderly couple.

"It was just a way of getting out of shovelling snow in the depot," he laughs.

Although Darren needs every penny to continue renovations on his cottage, he decided to use his £1,000 prize to treat the family with a trip to France.

People person makes it to top three

"I love my job," says Shelford Energy's Ben Clarke. And now his enthusiasm has made him an award-winning driver.

Ben has worked at Shelford near Cambridge for the last 10 years, but has been driving fuel tankers for 18. Before that, he had worked in farming, later moving on to driving grain lorries.

Now 46, highly experienced and a runner-up in the FPS Driver of the Year Awards, Ben has the perfect combination of safe driving skills and real customer focus.

"These days, it's not just about the driving," he says. "There are so many environmental issues that you have to be extremely careful about what you do – and look out for other people too."

Depot manager Keith Durrant nominated



Ben (right) with depot manager Keith

him because he's a driver who will always do that little bit extra.

"I have a lot of respect for Keith and if he asks me to do something, there aren't many occasions when I can't," says Ben. "There have been a couple of times when, say, I've had to pump out a customer's tank because it's leaking. So much of the job is about customer care."

Ben drives a six-wheeler, covering a 60-mile radius and serving a mix of domestic and commercial customers. "I wouldn't want to do anything else," he says. "It really suits me. I like meeting people. Lorry drivers have a reputation for being the most whingeing, moaning lot, but I think that if you don't like what you do, you shouldn't do it."

Much more than a driver

He takes on extra duties and, though he has no official title, Jon Noel is much more than your average driver. Jon (46) drives a six-wheeler for CPL Petroleum near Heathrow; has 26 years' experience on the road, and has trained other drivers to his same high standards.

He trained as a baker, but – living so close to Heathrow – found himself working in air-freight. He joined CPL in 2002 and, since then, has taken on more and more responsibilities. He sorts out the planning and route schedules for his small satellite team, troubleshoots any problems and, as he describes it, "keeps things ticking over nicely".

I do love the fact that my job is a 50/50 split between planning and driving," says Jon, "but I do think that over the last two to three years, it's got more and more dangerous on the roads."



In search of the 'Driver of the Year'

Behind the Driver of the Year Award lie many miles and much hard work for the FPS's Peter Emery (right)



The search for this year's Driver of the Year started on a cold March morning. The first driver to be interviewed was located in West Wales. I travelled along the M4 in fog, snow, rain, and when I finally reach my destination, bright sunshine. If the rest of the search was going to be like this then finding the best of the best was going to be interesting!

To find the Driver of the Year 2006, or DOTY as it is fondly known in the FPS office, I would be:

- Interviewing 19 drivers from 11 companies after sifting through all the entries;
- Driving over 3400 miles and taking one flight to Scotland;
- Interviewing drivers in every part of the country from Kings Lynn to Newquay and from Ashford in Kent to Gremouth.

Some drivers take the interview in their stride; others find it less easy.

Meeting the drivers and spending an hour or so with them was a real pleasure. Without exception I found all of them extremely modest and it was easy to see why 'just doing their jobs' had impressed their employers so much that they had been nominated for this award.

When I meet a driver, I like to spend a short while explaining the award and what has happened so far in the selection process. This puts everyone at ease before I ask a number of set questions designed to find out more about the driver's attitude to the job. I want to find out what they like about it and what they dislike. I get them to explain in their own words what qualities they think a tanker driver needs. From the information already supplied by the company, I then ask the driver to tell me about the exceptional event that made them stand out from their peers. One example of 'above the call of duty' was the driver who took in the customer's washing when it started

to rain during a delivery! The customer rang the depot to thank the firm and the story was out. Did he take some ribbing from his workmates!

Some of the dislikes of the job that came out this year were: the M25, frustrations of having to wait to load, the poor standards of other road users and - most disliked - the cold wet weather. What drivers liked most was the variety the job gave, meeting different people and the fact that every delivery was different, which always makes the job interesting.

What was evident was the lack of knowledge by the drivers as to what Driver of the Year was all about. Some did not know why they were being interviewed. Many had not been informed about the award or their entry into the competition. When I tell them that they have a chance of winning £1,000 and a VIP trip to the FPS Exhibition, complete with overnight stay and dinner with their partner, they soon realise how important the interview is.

As the days went by, I realised it was going to be very difficult to choose three finalists from the entrants. I could easily have had 19 finalists - they were all that good. By asking the same set of questions I was able to choose my three finalists from the way they answered and their attitude to the job. I also ask to take a couple of photographs of the driver and his truck for this magazine. I use this opportunity to cast a critical eye over the cleanliness and condition of their tanker. The condition of the tanker gives me a good idea as to the standards the drivers apply to the rest of the job.

I started the month knowing that I would make three people very happy and disappoint 16. I felt that I had given all 19 the same chance of being a finalist and that I had chosen the right three. The hard job was then left to a panel of Council members to choose the winner and the two runners up.

SOME FRIENDLY ADVICE...

My advice to employers and future DOTY candidates is this:

- Get your application forms in as soon as they appear in Downstream's Winter issue
- In your responses to how has the driver "gone the extra mile", give equal consideration to environmental examples as well as customer care examples.
- Brief your drivers on the award and prepare them for the interview.
- Allow them time for the interview: remember, they will be under some pressure from knowing someone is coming to see them. On some occasions the driver was expected to slot this interview in between deliveries.

Drivers - a credit to their company

They weren't eligible for DOTY, being a group entry, but they are well worth a mention - the drivers from the Watford depot of Barton Petroleum. MD Richard Burton wrote that, to a man, his driving staff, Bob Hatt, Terry Hawe, Lee Martin, Paul Turnley and John White, had responded magnificently following the Buncefield fire. "They have been under considerable pressure to meet our customers' demands since the fire. They have worked much longer hours than normal and adapted to collecting product from different terminals under very trying circumstances," Richard said. "They have been a credit to our company during this unique crisis."



WHAT IS THE FPS DRIVER TRAINING SCHEME?

This is the 'must have' qualification for tanker delivery drivers. Training is delivered via a video or DVD and Workbook, which will allow the candidate to work through at their own pace.

When the Workbook is complete, it will be assessed externally and then the driver can take a half-day 'vocational assessment'. This will entail drivers carrying out vehicle checks, loading operations, driving and making deliveries whilst being assessed.

When drivers have successfully completed both the Workbook and the vocational assessment, they will receive a certificate showing that they have completed and passed the FPS vocational training course in Fuel Distribution.

WHY TRAIN YOUR DRIVER?

Driver training raises the standards of a company's workforce, increases morale amongst staff and leads to safer, more efficient deliveries.

WHAT DOES IT COST?

The FPS Driver Training Scheme is currently available at an introductory price of £125.00 +VAT for FPS Members, and £199.00 + VAT for Non FPS Members, per driver pack. This includes the external Workbook assessment, but not the 'vocational assessment'.

FOR MORE INFORMATION CONTACT
PETER EMERY ON 01565 631313

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Why the world is not about to run out of oil



Is the world really running out of oil? Colin Campbell, an Irish geologist, has been saying since the 1990s that the peak of global oil production is imminent. Kenneth Deffeyes, a respected geologist at Princeton, thought that the peak would arrive late last year. It did not. In fact, oil production capacity might actually grow sharply over the next few years (see chart on next page). Cambridge Energy Research Associates (CERA), an energy consultancy, has scrutinised all of the oil projects now under way around the world. Though noting rising costs, the firm concludes that the world's oil-production capacity could increase by as much as 15m barrels per day (bpd) between 2005 and 2010 - equivalent to almost 18% of today's output and the biggest surge in history. Since most of these projects are already budgeted and in development, there is no geological reason why this wave of supply will not become available (though politics or civil strife can always disrupt output).

Peak-oil advocates remain unconvinced. A sign of depletion, they argue, is that big Western oil firms are finding it increasingly difficult to replace the oil they produce, let alone build their reserves. Art Smith of Herold, a consultancy, points to rising funding and development costs at the big firms, and argues that the world is consuming two to three barrels of oil for every barrel of new oil found. Michael Rodgers of PFC Energy, another consultancy, says that the peak of new discoveries was long ago. We're living off a lottery we won 30 years ago, he argues.

It is true that the big firms are struggling to replace reserves. But that does not mean the world is running out of oil, just that they do not have access to the vast deposits of cheap and easy oil that are left in Russia and members of the Organisation of Petroleum Exporting Countries (OPEC). And as the great fields of the North Sea and Alaska mature, non-OPEC oil production will probably peak by 2010 or 2015. That is soon but it says nothing of what really matters, which is the global picture.

When the United States Geological Survey (USGS) studied the matter closely, it concluded that the world had around 3 trillion barrels of recoverable conventional oil in the ground. Of that, only one-third has been produced. That, argued the USGS, puts the global peak beyond 2025. And if unconventional hydrocarbons such as tar sands and shale oil (which can be converted with greater effort to petrol) are included, the resource base grows dramatically and the peak recedes much further into the future.

After Ghawar

It is also true that oilmen will probably discover no more super-giant fields like Saudi Arabia's Ghawar (which alone produces 5m bpd). But there are even bigger resources available right under their noses. Technological breakthroughs such as multi-lateral drilling helped defy predictions of decline in Britain's North Sea that have been made since the 1980s: the region is only now peaking.

Globally, the oil industry recovers only about one-third of the oil that is known to exist in any given reservoir. New technologies like 4-D seismic analysis and electromagnetic direct detection of hydrocarbons are lifting that recovery rate, and even a rise of a few percentage points would provide more oil to the market than another discovery on

CONTINUED OVERLEAF

Why the world is not about to run out of oil

FROM PREVIOUS PAGE

the scale of those in the Caspian or North Sea.

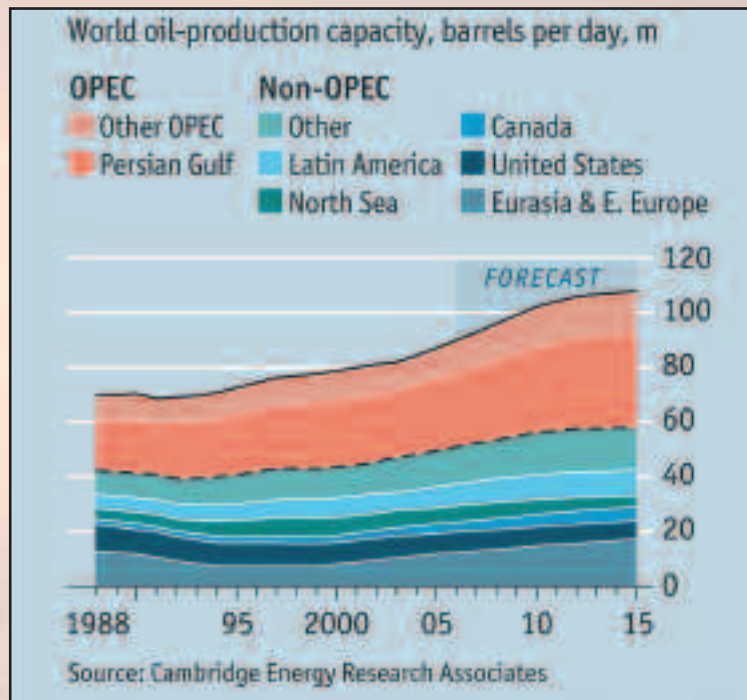
Further, just because there are no more Ghawars does not mean an end to discovery altogether. Using ever fancier technologies, the oil business is drilling in deeper waters, more difficult terrain and even in the Arctic (which, as global warming melts the polar ice cap, will perversely become the next great prize in oil). Large parts of Siberia, Iraq and Saudi Arabia have not even been explored with modern kit.

The petro-pessimists' most forceful argument is that the Persian Gulf, officially home to most of the world's oil reserves, is overrated. Matthew Simmons, an American energy investment banker, argues in his book, *Twilight in the Desert*, that Saudi Arabia's oil fields are in trouble. In recent weeks a scandal has engulfed Kuwait, too. Petroleum Intelligence Weekly (PIW), a respected industry newsletter, got hold of government documents suggesting that Kuwait might have only half of the nearly 100 billion barrels in oil reserves that it claims (Saudi Arabia claims 260 billion barrels).

Tom Wallin, publisher of PIW, warns that the lesson from Kuwait is that the reserves figures of national governments must be viewed with caution. But that still need not mean that a global peak is imminent. So vast are the remaining reserves, and so well distributed are today's producing areas, that a radical revision downwards even in an OPEC country does not mean a global peak is here.

For one thing, Kuwait's official numbers always looked dodgy. IHS Energy, an industry research outfit that constructs its reserve estimates from the bottom up rather than relying on official proclamations, had long been using a figure of 50 billion barrels for Kuwait.

Ron Mobed, boss of IHS, sees no crisis today: Even using our smaller number, Kuwait still has 50 years of production



left at current rates. As for Saudi Arabia, most independent contractors and oil majors that have first-hand knowledge of its fields are convinced that the Saudis have all the oil they claim and that more remains to be found.

Pessimists worry that Saudi Arabia's giant fields could decline rapidly before any new supply is brought online. In Jeremy Leggett's thoughtful, but gloomy, book, *The Empty Tank*, Mr Simmons laments that the only alternative right now is to shrink our economies. That poses a second big question: whenever the production peak comes, will it inevitably prompt a global economic crisis?

The baleful thesis arises from concerns both that a cliff lies beyond any peak in production and that alternatives to oil will not be available. If the world oil supply peaked one day and then fell away sharply, prices would indeed rocket, shortages and panic buying would wreak havoc and a global recession would ensue. But there are good reasons to think that a global peak, whenever it comes, need not lead to a collapse in output.

For one thing, the nightmare scenario of Ghawar suddenly peaking is not as grim as it first seems. When it peaks, the whole super-giant will not drop from 5m bpd to zero, because it is actually a network of interlinked fields, some old and some newer. Experts say a decline

would probably be gentler and prolonged. That would allow, indeed encourage, the Saudis to develop new fields to replace lost output. Saudi Arabia's oil minister, Ali Naimi, points to an unexplored area on the Iraqi-Saudi border the size of California, and argues that such untapped resources could add 200 billion barrels to his country's tally. This contains worries of its own Saudi Arabia's market share will grow dramatically as non-OPEC oil peaks, and with it the potential for mischief. But it helps to debunk claims of a sudden change.

The notion of a sharp global peak in production does not withstand scrutiny, either. CERA's Peter Jackson points out that the price signals that would surely foreshadow any peak would encourage efficiency, promote new oil discoveries and speed investments in alternatives to oil. That, he reckons, means the metaphor of a peak is misleading: The right picture is of an undulating plateau.

What of the notion that oil scarcity will lead to economic disaster? Jerry Taylor and Peter Van Doren of the Cato Institute, an American think-tank, insist the key is to avoid the price controls and monetary-policy blunders of the sort that turned the 1970s oil shocks into economic disasters. Kenneth Rogo, a Harvard professor and the former chief economist of the IMF, thinks concerns about peak oil are greatly overblown: The oil market is highly developed, with worldwide trading and long-dated futures going out five to seven years. As oil production slows, prices will rise up and down the futures curve, stimulating new technology and conservation. We might be running low on \$20 oil, but for \$60 we have adequate oil supplies for decades to come.

The other worry of pessimists is that alternatives to oil simply cannot be brought online fast enough to compensate for oil's imminent decline. If the peak were a cliff or if it arrived soon, this would certainly be true, since alternative fuels have only a tiny global

market share today (though they are quite big in markets, such as ethanol-mad Brazil, that have favourable policies). But if the peak were to come after 2020 or 2030, as the International Energy Agency and other mainstream forecasters predict, then the rising tide of alternative fuels will help transform it into a plateau and ease the transition to life after oil.

The best reason to think so comes from the radical transformation now taking place among big oil firms. The global oil industry, argues Chevron, is changing from an exploration business to a manufacturing business. To see what that means, consider the surprising outcome of another great motorcar race. In March, at the Sebring test track in Florida, a sleek Audi prototype R-10 became the first diesel-powered car to win an endurance race, pipping a field of petrol-powered rivals to the post. What makes this tale extraordinary is that the diesel used by the Audi was not made in the normal way, exclusively from petroleum. Instead, Shell blended conventional diesel with a super-clean and super-powerful new form of diesel made from natural gas (with the clunky name of gas-to-liquids, or GTL).

Several big GTL projects are under way in Qatar, where the North gas field is perhaps twice the size of even Ghawar when measured in terms of the energy it contains. Nigeria and others are also pursuing GTL. Since the world has far more natural gas left than oil much of it outside the Middle East making fuel in this way would greatly increase the world's remaining supplies of oil.

So, too, would blending petrol or diesel with ethanol and biodiesel made from agricultural crops, or with fuel made from Canada's tar sands or America's shale oil. Using technology invented in Nazi Germany and perfected by South Africa's Sasol when those countries were under oil embargoes, companies are now also investing furiously to convert not only natural gas but also coal into a liquid fuel. Daniel Yergin of CERA says the very definition of oil is changing, since non-conventional oil becomes conventional over time.

Alternative fuels will not become common overnight, as one veteran oilman acknowledges: given the capital-

intensity of manufacturing alternatives, it's now a race between hydrocarbon depletion and making fuel. But the recent rise in oil prices has given investors confidence. As Peter Robertson, vice-chairman of Chevron, puts it, Price is our friend here, because it has encouraged investment in new hydrocarbons and also the alternatives. Unless the world sees another OPEC-engineered price collapse as it did in 1985 and 1998, GTL, tar sands, ethanol and other alternatives will become more economic by the day (*see table below*).

Oil price at which energy source is economically viable

\$80	Biodiesel*
\$60	US corn-based ethanol*
\$50	Shale oil
\$40	Tar sands; Brazilian cane-based ethanol; Gas to liquids[†]; Coal to liquids[‡]
\$20	Conventional oil

* Excludes the impact of tax credits

† GTL economic at \$40 if gas feedstock price is \$2.50 or less per m BTUs

‡ CTL economic at \$40 if feedstock price is \$15 per tonne or less

Sources: Cambridge Energy Research Associates; *The Economist*

This is not to suggest that the big firms are retreating from their core business. They are pushing ahead with these investments mainly because they cannot get access to new oil in the Middle East: We need all the molecules we can get our hands on, says one oilman. It cannot have escaped the attention of oilmen that blending alternative fuels into petrol and diesel will conveniently reinforce oil's grip on transport. But their work contains the risk that one of the upstart fuels could yet provide a radical breakthrough that sidelines oil altogether.

If you doubt the power of technology or the potential of unconventional fuels, visit the Kern River oil field near Bakersfield, California. This super-giant field is part of a cluster that has been pumping out oil for more than 100 years. It has already produced 2 billion barrels of oil, but has perhaps as much again left. The trouble is that it

contains extremely heavy oil, which is very difficult and costly to extract. After other companies despaired of the field, Chevron brought Kern back from the brink. Applying a sophisticated steam-injection process, the firm has increased its output beyond the anticipated peak. Using a great deal of automation (each engineer looks after 1,000 small wells drilled into the reservoir), the firm has transformed a process of flying blind into one where wells practically monitor themselves and call when they need help.

The good news is that this is not unique. China also has deposits of heavy oil that would benefit from such an advanced approach. America, Canada and Venezuela have deposits of heavy hydrocarbons that surpass even the Saudi oil reserves in size. The Saudis have invited Chevron to apply its steam-injection techniques to recover heavy oil in the neutral zone that the country shares with Kuwait. Mr Naimi, the oil minister, recently estimated that this new technology would lift the share of the reserve that could be recovered as useful oil from a pitiful 6% to above 40%.

All this explains why, in the words of Exxon Mobil, the oil production peak is unlikely for decades to come. Governments may decide to shift away from petroleum because of its nasty geopolitics or its contribution to global warming. But it is wrong to imagine the world's addiction to oil will end soon, as a result of genuine scarcity.

As Western oil companies seek to cope with being locked out of the Middle East, the new era of manufactured fuel will further delay the onset of peak production. The irony would be if manufactured fuel also did something far more dramatic if it served as a bridge to whatever comes beyond the nexus of petrol and the internal combustion engine that for a century has held the world in its grip.

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Growing interest in biofuels

The price hike in crude oil prices to US\$60/barrel which is unlikely to decrease significantly in the foreseeable future has certainly prompted interest in biofuels

Advances in process conversion technologies making it increasingly possible to use lignocellulosic (wood) material as feedstocks are making the production of biofuels and other valuable co-products fairly competitive. Nicki Smoker overviews some of the key technological developments in the field and describes the contribution from some of the key players

BIOFUELS- fuels derived from biological matter - can make a major contribution to cutting damaging emissions from the transport sector and providing at least a partial answer to the growing need for oil independence. Many types of biomass (e.g. wood, oilseeds and organic wastes) can be converted into bio-fuels such as biodiesel, ethanol, methanol, DME (dimethyl ether), biogas and biohydrogen (*table 1*).

Interest in these fuels is growing rapidly, with rising concerns about energy security, oil prices and global warming, and production is set to accelerate with new measures announced such as in the US Energy Bill and the EU Biofuels Directive. The latter, which sets a mere 5.75% target for biofuels' share of transport fuel by 2010, equates to a 10 billion litres/year opportunity in Europe alone. Much of the technology has been known for decades, however substantial scientific and technological challenges lie ahead. Development of new and genetically modified feedstocks

and production methods, as well as process, biochemical and catalyst developments, should lead to a range of economical biofuels with reduced environmental impact.

FROM FIELD TO YIELD

The key to high yield is to use as much of the plant matter as possible in order to maximise fuel energy output from the available land. Biomass-to-liquid (BtL) technologies, in which a biodiesel-type fuel is synthesised, are therefore attracting much attention as BtL technology can use the entire plant matter, unlike conventional biodiesel processes (transesterification) that utilise only seed oil. Depending upon the processes used (e.g. gasification/Fischer Tropsch synthesis, pyrolysis, hydrothermal upgrading) BtL fuels offer high purity, they generate low emissions, they can be blended to high percentages and utilise existing fuel supply infrastructure, whilst cold start properties can be tailored. Using biomass as a feedstock in thermochemical processes has its problems though - biomass contains sticky, tar-like hydrocarbons that are very difficult to process. These problems are now being overcome with new developments in high temperature processes.

At the forefront of developments, German company Choren Industries believes BtL fuels could meet 10% of Germany's transport fuel needs by 2015. Its 'Carbo-V' gasification process that turns wood and other biomass into 'SunDiesel' has captured the attention of major automotives. Shell recently made an investment in the company to construct a 15,000 tonnes/year facility. Other companies are also exploring the BtL opportunity - such as Neste Oil in Finland, who are constructing a 170,000 t pa production unit for their NExBTL fuel in Porvoo, Finland, utilising vegetable oils and animal fats.

From 2010, synthetic biofuels could provide the main route to vehicle biofuel

production in Europe. Meanwhile, improvements to conventional feedstocks and transesterification processes have a role to play. Through process intensification principles, BHR Group and Cambridge University are developing improved reactor technologies, whilst companies such as Creative Gene Technology are working on plant oil yield enhancements.

THE NEED FOR PARTNERSHIPS

If alternative fuels are to really take off they must be developed in step with engine technology, and with fuel supply infrastructure. Biodiesel and bioethanol blends have an advantage over some of the more exotic fuels such as 'DME' or hydrogen, the latter requiring new investments on an unprecedented scale. Low biodiesel blends offer perhaps the simplest solution, although even here establishing engine operating and warranty conditions requires a major effort by automotive companies.

Developments that reduce the impact on current engine technology would be desirable, such as the Ethanol Diesel Device from Australia's Alternative Engine Technologies that is claimed to achieve a 40% ethanol substitution into diesel without engine modification. Another early stage development, the brainchild of UK start-up company Combustion Dynamics, takes a completely novel approach to the problem. Its Phase Controlled Combustion Process offers the potential to burn any biomass or conventional fuel with zero NO_x emissions. Whilst this would require significant investments in engine technology it could allow much greater flexibility in fuel sources with lower processing costs, increased efficiencies and very low 'well to wheel' emissions.

A GREEN SOURCE OF BIOFUELS

Biomass from microalgae could provide an attractive route to biodiesel production, with several benefits. It could offer many times higher biomass yield based on land use than even fast

growing energy crops. Wastewater and power plant flue gases could provide nutrient sources, and be cleaned up in the process. Furthermore, many algal species produce valuable fine chemicals that can be extracted prior to biofuel production. Few organisations appear to be exploring the potential of algae. However the Netherlands research organisation ECN and US GreenFuel Technologies are commercialising processes based on their respective contained photobioreactor systems.

GreenFuel claims an order of magnitude greater efficiency at CO₂ reduction than forest sequestration, with NO_x and CO₂ being removed for a fraction of the cost of chemical sequestration. The downside with algal biofuel production is that it only appears to be viable in equatorial zones and requires sophisticated technology, however if the benefits can be realised, algal biofuels could start to play a significant role in some regions.

Grasses could offer an important future feedstock, particularly for small scale biorefineries (see figure 1). Swiss company BPS has developed a process that converts high quality grass into ethanol or biogas, plus fibres and protein concentrate. The fibres are used to produce a natural insulation or a filler material for plastic composites. When market demand for the byproducts is more developed, such solutions could be quite readily adopted by farmers across many parts of Europe.

HARVESTING THE POTENTIAL

Bio-ethanol is normally produced from expensive sugar or starch materials. In order to broaden ethanol's use as a fuel, lower cost materials need to be explored such as abundant crop and forestry residues, industrial and household wastes. These materials are difficult to use as they contain pentose sugars that are not easily fermented. The production of cellulosic ethanol is currently not competitive without subsidy. However this could change as the US Department of Energy has launched a \$17 million development programme with a production cost target of US\$1.10 per gallon by 2010. At this cost level, DOE anticipates up to a 10 billion gallon market in the USA alone. BC1 Corp aims to have a cost-competitive product even sooner, planning to bring on line a 30 million gallon plant by the end of 2006 that will produce cellulosic ethanol for about US\$1.30 per gallon, using a genetically engineered *E-coli* bacterium

with conversion efficiency up to 95%.

Acid hydrolysis and fermentation is currently the most developed and economical conversion process, but enzymic hydrolysis could provide the long-term most beneficial route, the challenge being to make such processes economically viable. From a feedstock viewpoint, wheat straw is perhaps most developed - Canada's Iogen Corporation built the world's first demonstration plant in 2004, and in Europe, Elsam is operating a pilot facility using TMO Biotec's ethanol-specific micro-organisms. The temperature tolerance of these micro-organisms offers' process simplification and energy savings, and the process can even be developed for municipal sold waste.

An alternative to the hydrolysis and fermentation of lignocellulosic biomass is gasification followed by catalytic/biocatalytic synthesis. These processes offer high yields, as all of the carbon feedstock can be converted to ethanol.

Companies such as Abengoa Bioenergy, Power Energy Fuels and BRI Energy are developing such techniques, claiming to produce ethanol at a yield of some 75 gallons per dry ton of biomass. Some question this approach though, suggesting that once syngas has been produced it is better to use it for biodiesel rather than ethanol.

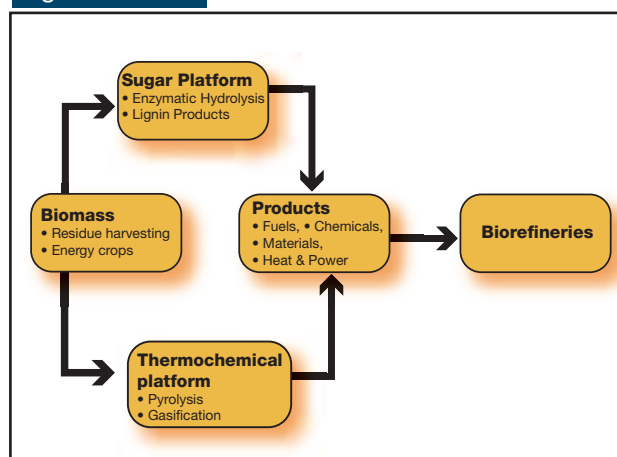
The potential use of municipal solid waste as an ethanol feedstock has been explored for many years - several US companies have unsuccessfully attempted to implement projects. There are now indications that some of these projects might move forward as the 2005 Federal Energy Bill has mandated the use of 250 million gallons of cellulosic ethanol per year by 2013 and

Table 1: Biofuels and supporting processes

BIOFUEL	PROCESS
FT diesel	Gasification, water-gas shift (WGS), synthesis, hydrocracking
HTU-diesel	Hydrothermal upgrading, catalytic HDO (hydro-deoxygenation), refining
Pyrolysis diesel	Pyrolysis, HDO, refining
Biomethanol	Gasification, wgs, synthesis
Bio-DME	Gasification, wgs, synthesis
Ethanol from syngas	Gasification, synthesis
Cellulosic ethanol	Hydrolysis, fermentation
Biogas	Anaerobic fermentation, upgrading
Bio-hydrogen	Gasification, wgs, CO ₂ removal, supercritical gasification, dark fermentation + photofermentation

Source: ECN 'Advanced Biofuels for Transportation'

Figure 1



provides for loan guarantees, grants up to \$400 million, and tax credits on new production.

Biofuels can offer performance as well as environmental benefits, with application in motorsport, as well as for performance road vehicles. A case in point is the recent introduction of Saab's 9-5 Biopower flex-fuel road vehicle, running on 85% bioethanol blend (E85). An 80% reduction in carbon dioxide emissions is impressive enough, but the vehicle also has up to almost 20% more power and torque when compared with the petrol model. The introduction of flex-fuel vehicles could be a major boost for bioethanol demand as it gives consumers greater

Continued on page 20

Report reveals growing refinery crisis

Much has been written, and spoken, about growing bottlenecks in the worldwide oil refining network. A short (9 pages) report, compiled in summer 2005, by the US consulting firm, ICF, puts the whole issue brilliantly into perspective and, as such, I'd recommend it as essential reading for anyone involved in the downstream oil sector. While it focuses quite strongly from a US standpoint, the report takes a global perspective.

The key findings are:

1. Over the period to 2010 the world's ability to meet forecast demands for oil will be driven first and foremost by refinery capacity issues rather than crude oil availability.
2. The worldwide margin of spare refining capacity fell from 13% in 1990 to just under 3% by 2004, with new capacity not being an attractive investment proposition and largely

By Rod Prowse,
FPS Media Spokesman

being restricted to (a) capacity 'creep' and (b) mandatory to meet more stringent fuel specifications - especially in Europe and the US, and focused mainly on de-sulphurisation facilities.

3. To keep pace with the IEA's demand projection for 2010 (+ 8 million BD) requires another 30-40 worldscale refineries to be built between now and 2010. This rises to 50-70 worldscale facilities if the 9% average surplus refining capacity experienced over 1990-2000 were to be restored. Current plans only provide for a handful of such new facilities/expansions to existing facilities! Given the long lead times, to be operational by 2010, any such additions should now be in the engineering phase.

4. Tighter product specifications will place a premium on availability (and price) of sweet (vs. sour) crudes, with further investment implications in refineries, to enhance sour crude handling capabilities.
5. Demand increases against a backdrop of a lag in refinery capacity additions will create additional strains on downstream distribution systems/facilities/channels- already apparent in certain areas.

The inevitable upshot from the above is continuance of robust refining margins, high price volatility and little or no respite from high product price levels. Sobering stuff!!



from previous page

Growing interest in biofuels

choice, as Brazil has demonstrated. Flex-fuel vehicles were first introduced into Brazil in 2002, but by December 2005 they had taken a market share of 73% of new car sales. It is hardly surprising, then, that Shell Global Solutions, investors in Iogen, envisage a US\$10 billion biofuels market by 2012.

THE CASE FOR DME

Dimethyl ether (DME) is a clean-burning fuel, gaseous at room temperature, which can be synthesised from a variety of feedstocks including biomass. It has low CO₂ and NO_x emissions, and almost no particulate matter is produced. As DME offers the high cetane value required for use in diesel engines, and good well-to-wheel efficiency, many automotive and engine companies see it as a potentially competitive alternative fuel. The primary development challenge for the engine is to the fuel-injection system, whilst fuel supply infrastructure modifications would also be required. Several Japanese research groups have been working on its commercialisation since the 1980's. JFE is one of the pioneers - its direct synthesis technology can produce DME from a wide range of resources including putrescible and plastic wastes. Tests of mid- and large-size trucks using DME are underway in Japan whilst in Sweden

Volvo recently unveiled its first truck equipped with a DME engine. Swedish company Chemrec's high temperature gasification process can produce DME (plus other motor fuels) from wood pulp black liquor. Operating at temperatures above the melting point of the inorganics, this process is a major advancement to technology first developed in the 1960s and could be of interest to countries with large pulp and paper industries.

IT'S A GAS

As part of its move to achieve oil independence by 2020, Sweden has also pioneered the use of biogas, estimating that it could replace 15-20% of all its transportation fuel requirements. Sweden has around 4000 biogas-fuelled vehicles currently and efforts are under way to reduce the cost and energy demand of methane upgrading, for instance developing enzymes that enhance methane content in biogas production. Several leading companies are also looking at biogas to power fuel cells, although applications in automotive applications look distant. Microbial fuel cells, in which electrical current is produced from microbial metabolism, are even farther from becoming viable, however the promise of natural and renewable catalysts compared with

conventional fuel cells that require expensive and scarce precious metals, and the ability to convert complex organic matter present in organic waste products, make this an area of increasing research interest. Hydrogen generation is also possible from various biomass sources via a number of routes such as gasification and water gas shift but high energy losses in the production, compression and utilisation of hydrogen, coupled with the massive technology and infrastructure requirements, point to other biofuels being more advantageous.

There is clearly a wide range of options for alternative fuel development, most of which will compete for raw materials. Life cycle analyses are difficult to carry out as they are entirely situation-specific, depending upon choice of process and inputs. The need for sophisticated systems analysis techniques to better inform decision making is self-evident. What is clear is that the future fuel mix is likely to be very diverse, and the need for organisations in all parts of the supply chain to work together has never been

Nicki Smoker is International Technology Promoter with the UK Department of Trade and Industry's Global Watch Service, an organisation facilitating international technology transfer.

Daunting projections for diesel supply and demand

As you're probably aware, there has been quite a lot of discussion in the past few years about the current shape and size of European oil products' balances and how these are projected to change in the future, the region as a whole having a surplus of motor spirit and fuel oil (principally low sulphur material) and being in deficit in middle distillates.

The consulting firm, Woodmac, has studied this situation in more detail in an exercise called 'The Long and Short of it', where it takes products' demand projections and provides for known refinery investment plans up to 2010, beyond which no allowance is made for investments that may take place in the timeframe to 2015.

There's nothing particularly groundbreaking about the above projections; for some time it has been known that, by 2010, Europe as a whole faced a middle distillates' deficit of around 30 million tonnes and a comparably large surplus of motor spirit. The size of the

projected diesel deficit can be seen in the context of total UK demand for this product of 20 million tonnes per year!

The implications for international product flows are quite daunting and it remains to be seen how much of the diesel deficit can be sourced from Russia and, to a lesser extent, the Persian Gulf, and how much of the motor spirit surplus can be placed in the US and Asia.

The challenge for the refining sector to address the projected diesel shortage is considerable, as there is a clear need for more hydrocracking capacity- which is by far the most costly refinery upgrading unit. Some have suggested that part of the solution could be provided by gas-to-liquids technology, which yields a high quality, virtually zero sulphur diesel.

**– Rod Prowse
FPS Media Spokesman**

In summary, the overall products' balances are projected to look as follows:-

EUROPEAN OIL PRODUCT BALANCES (Million tonnes)				
	Actual	Actual	Projected	Projected
Projected	2003	2005	2010	2015
Gasoil	20	-15.5	-7	5
Diesel	2	-7	-32	-55
Kerosene	-8	0	5	-7
Total distillates	-26	-22	-34	-57
Motor Spirit	30	35	45	55

Ethanol bandwagon gathers speed

The U.S. is following the lead of Brazil and is building hundreds of ethanol plants with the goal of substituting this home grown product for gasoline. While the first plants were built with gas-fired boilers, new plants are likely to use coal-fired steam generators.

Some are already operating and others are in construction. The impact of the coal-firing will add billions of dollars in equipment revenues, predicts the McIlvaine Company in its World Market for Your Products.

McIlvaine predicts that most ethanol plants in the future will rely on coal. However, there are several attractive alternatives to building dedicated small coal generators. One route being demonstrated at the Coal Creek Power Plant by Blue Flint Ethanol and Great Rivers Energy is to co-locate the ethanol plant with an existing coal-fired steam generator. The waste steam will supply the ethanol plant. This greatly reduces

the capital cost and increases the theoretical efficiency of the coal plant.

McIlvaine projects a double-digit growth rate in ethanol production for the present level worldwide of 13 billion gallons/year. The U.S. will overtake Brazil this year with production of 4.7 billion gallons vs. 4.0 billion for Brazil. China will be the next largest producer with 1.3 billion gallons. India will be next with 0.7 billion gallons.

The entire production of the EU this year will only be 1.3 billion gallons. However, new legislation will cause this market to grow substantially over the next five years.

There are more than 300 plants under construction and planning worldwide.

More details:

www.mcilvainecompany.com/worldindbrochure/worldindcharts/worldindbrochure.htm

Millers notch historic lubes victory

FPS member Millers Oils has been named Motorsport Company of the Year at the 2006 Historic Motorsport Awards.

The event took place as part of the Historic Motorsports Show dinner at The Chesford Grange Hotel, Kenilworth and was attended by the glitterati of the motorsport world, including 15 times World Motorcycle Champion, Giacomo Agostini and legendary racing driver, Sir Stirling Moss.

Commenting on winning the award, Nick Richardson, Marketing Manager at Millers Oils says: "It is an honour and a privilege. Millers Oils has been working closely with the motorsport industry for a considerable time, providing competitors with improved performance and reliability. Our range of competition lubricants has been developed to meet the most exacting demands of the motorsport competitor, so it is great to see that the industry is as proud of the range as we are!"

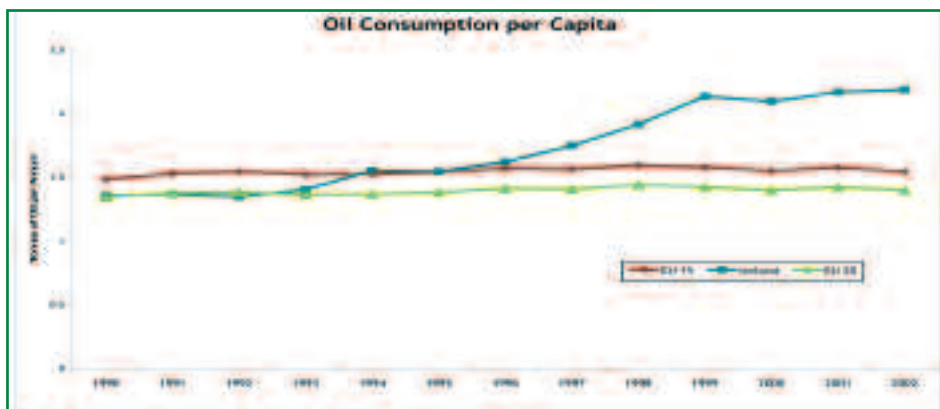
New Irish report prepares for life after peak in oil production

A new report from Forfás, Ireland's national policy advisory board for enterprise, trade, science, technology and innovation, examines how vulnerable the Irish economy would be if oil production peaked, despite ever-increasing demand. It also examines the policies required to prepare for such an event.

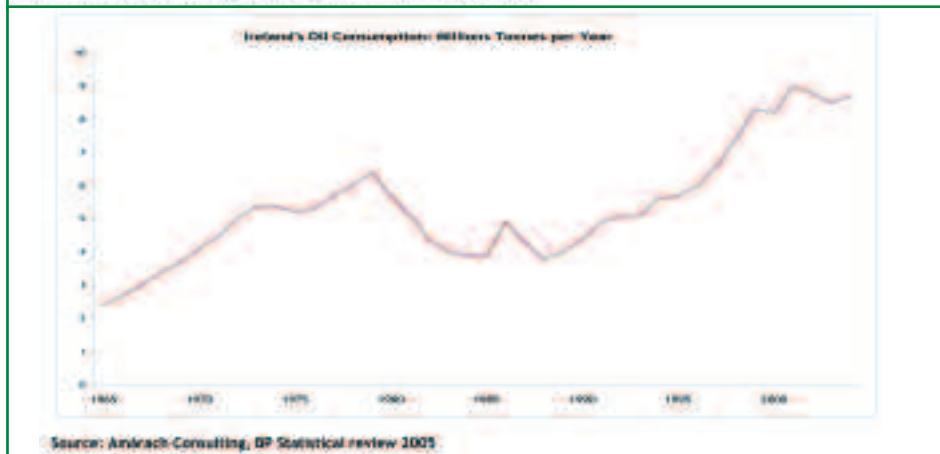
The flux within the global oil industry has led many countries to evaluate their overall dependence on oil. Threats to security of supply, increasing global demand, slowing rates of new oil discoveries and rising oil prices have become major concerns.

The concept of peak oil, a situation whereby world oil production reaches a point where it can no longer be increased, despite increasing demand, has become widely acknowledged. The Forfás report *A Baseline Assessment of Ireland's Oil Dependence: Key Policy Considerations*, says that the potential problems are not well known.

Martin Cronin, Chief Executive, Forfás commented, "The high probability that a supply of cheap oil will peak over the next 10 to 15 years poses a serious challenge for the global economy. As peaking is encountered, liquid fuel prices could increase dramatically and governments, businesses and economies could face significant economic and social change. Ireland is more dependent on imported oil for our transport and energy requirements than almost every other European country and it will take up to 10 years to significantly reduce this dependence. It is essential that we



Source: Amárach Consulting, EU Energy & Transport Figures 2004



Source: Amárach Consulting, DP Statistical review 2005

now begin to prepare for such a challenge."

The report also states that Ireland's ability to continue attracting high levels of foreign direct investment and to provide a supportive environment for Irish industry generally will depend on its capacity to deliver a secure and uninterrupted energy supply at a competitive cost.

Mr Cronin said: "A national strategy that encompasses areas of energy, transport, enterprise, spatial, environmental and

research policy is a requirement for Ireland in preparation for the challenge of peak oil. Countries such as Sweden have taken a proactive approach. Ireland also needs to take a long term view of the issues. The review of energy policy under way within the Department of Communications, Marine and Natural Resources provides a window of opportunity to prepare for the oil challenge. Breaking Ireland's dependence on oil will also bring opportunities for strengthened competitiveness, technological development and progress."

KEY CONCLUSIONS

Key findings of the Forfás report include:

- There is growing evidence to suggest that the era of a plentiful supply of conventional oil is approaching an end within 10-15 years.
- Ireland consumed nine million tonnes of oil in 2004, an amount that has doubled since 1990. In 2002, Ireland ranked third highest among the EU-25 countries in terms of oil consumed per capita.
- Electricity generation and transportation are the two main factors for Ireland's high oil dependence. Ireland relies considerably more on oil for electricity generation than most other EU countries and as of 2002 was the sixth most dependent country of the EU-25 countries. The amount of oil consumed for transportation in Ireland tripled between 1972 and 2002, leaving Ireland consuming at least 50 percent more per capita than the average of the EU-25 by the end of the period.
- Ireland is particularly vulnerable to an oil shock whether in the form of high prices or oil shortages. Ireland is among the most sensitive to rising oil prices and therefore among the most vulnerable to a peak oil scenario.
- The report calls for a national strategy and outlined policy options, including initiatives aimed at reducing the usage of oil in transportation, addressing security of supply issues and improving energy efficiency.



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The last time they had worked together was in liaising with the world's press during Buncefield. But two Total UK employees found themselves sharing 40-degree heat, tortuous terrain and 10 solid days of desert driving.

Fran Jowsey (28) and Oonagh Gilfillan (31) were selected to represent the UK in the world's only all-woman rally – the Rallye des Aïcha Gazelles. The event challenges teams of two to navigate their way across 2,500km of treacherous Moroccan terrain. Driving between 14 and 18 hours a day, they had to reach a series of checkpoints in the minimum number of kilometres, using only a map and compass and without GPS. As well as harnessing their navigational skills, the team also had to draw on their mechanical knowledge and physical strength to maintain their 4x4 Nissan Patrol.

Commercial Sales Manager Fran passed her test only two years ago, but chose to do all the driving during the rally. "I love driving, so to have the chance to tackle a 4x4 in the desert was awesome. I can't park to save my life, but clearly I had no worries on that score," says Fran.

The duo suffered being lost, broken tent poles, wind storms, lost cooking equipment, six hours of digging the car out of sand and a misunderstanding about the rules that knocked their 11 checkpoint achievement down to six.



Desert daredevils share Total experience



Even before the real challenge began, Fran and Oonagh endured a competitive application process, which included a gruelling training weekend at Chaumont in France, to prove they were the right

team for the job. Not only did the women have to demonstrate they had the stamina and physical strength to compete, TOTAL UK also employed a sports psychologist to ensure that they would be up to the challenge mentally.

"I was nervous because of the nature of the event – the physical demands of working in 40-degree heat and coping with sand storms. So many teams had to pull out last year because of totalling the car down a sand dune, or because of sheer exhaustion or sickness. And I was really worried about losing the car keys!"

The pair managed to achieve 46th place out of the 80 teams that competed.

'Check safety passports' plea to contractors

Gilbarco Veeder-Root, the UK's biggest supplier of equipment and services to petrol forecourts, has called on contractors to ensure that their employees hold up-to-date safety passports.

Terry Moody, Gilbarco's Health and Safety Adviser who also manages the training department, said that the industry believed many employees had not renewed their safety passports.

The passport scheme for the petrol retail industry was developed by the UK's



leading authority in health and safety passport schemes, Warwickshire-based Safety Pass Alliance (SPA) Ltd, in conjunction

with the Petrol Retail National Safety Group.

The first two-day courses were held in October 2000 and over 13,000 industry employees have been awarded their safety passports after successfully completing their training.

The passport enables contract workers and employees to prove their awareness of basic principles of health and safety in the petrol retail workplace.

Breakthrough on problem pipeline leaks

Aberdeen-based Brinker Technology, says it has developed a unique solution to sealing challenging pipeline leaks.

Its Platelet Technology™ utilises the fluid flow inside a pipeline to deliver specially designed, tagged Platelets® to the leak site.

When the Platelets® reach the leak, the flow in the pipe enables them to enter and seal the leak and cover the surrounding pipe wall. The seal also marks the leak for subsequent detection.

Where conventional leak sealing

Terry said: "There is a concern that many people haven't renewed their passports, but working practices, technology, legislation, and products are changing all the time. The safety passport courses are refreshed and updated to take account of these developments."

Employees in the industry had to be made aware of new products on the forecourts, new thresholds in recent Noise at Work regulations, and the new Working at Height regulations that have made significant differences in the way people work on canopies and signware.

"Every single one of our field staff at Gilbarco goes through the training. When an engineer joins the company he has four weeks training of which one week is on health and safety. Two days of that week is specifically devoted to the SPA scheme."

Gilbarco's views were reinforced by Chris Hunt, Director-General of the UK Petroleum Industry Association. He said: We have been instrumental in introducing the scheme into our industry, and the safety passport is required by all our members and other major retailers.

"It is important for contractors to keep their passports up to date as refresher training will highlight any recent changes to legislation in addition to the special hazards associated with working on a forecourt."

techniques require direct access to the leak site, Platelet Technology™ mimicks the human body's leak sealing mechanism to work with the pressure in the line and seal from the inside.

To work best, Platelets® need a flow in the line; this means that they can be injected as part of a routine pipeline operation causing minimal disturbance to production and, in some cases, removing the need to shut down.

Brinker won the Innovative Technology category at this year's Scottish Offshore Achievement Awards.

Protective mask cuts claustrophobia

Avon Protection's newest mask, the C50, sidesteps creates a wide vision, extremely flexible respirator which not only has high

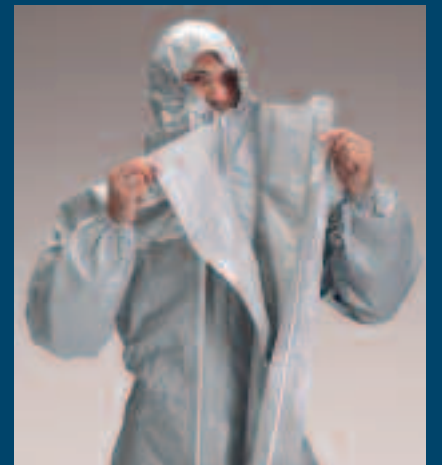
protection but is also extremely comfortable. The wide visor dramatically improves peripheral vision and identification of personnel - and reduces the feeling of claustrophobia. The unique blend of silicon and butyl rubber has created a highly flexible mask which ensures a much better seal for increased protection and also makes it more comfortable to wear. In addition to these significant features the C50 is also CE marked.



Contact: Sonya Sherwood, Avon Protection, phone: +44 (0)1225 896705, Email: protection@avon-rubber.com
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Bringing safer working to fuel forecourts

A tried and tested learning programme for forecourt staff gained further support and momentum this year. The FPS acquisition of the Forecourt Operator Training Programme has given the programme a new boost. FPS will work on the tried and tested programme with the Petrol Retailers' Association and Garage Watch to create a consistent standard of training across the wider industry.

FPS Chief Executive, Susan Hancock, said: "FPS is delighted to have acquired the Forecourt Operator Training Programme. It dovetails well with our existing training programmes for the petroleum distributor industry. FPS was particularly keen to see 'Our Business is Your Business' remain in trade association hands, to ensure that it is kept fully up to date with legislative requirements and that there is good liaison with both local authorities and the trade."

Comprehensive training for all forecourt staff

The learning programme, accredited by the Institution of Occupational Safety and Health (IOSH), covers all aspects of working safely on a forecourt and in compliance with all current legal requirements. Employees work their way through a series of easy-to-follow workbooks covering An Introduction to the Business, Health and Safety on the Petrol Forecourt, Safe Dispensing of Motor Fuel, Site Security and Personal Safety, as well as Food Safety if they work within the forecourt shop selling and/or preparing food products.

All the training is completed on-site, eliminating the need for employees to be away from the workplace.

Compliance with the Law

The programme has been vetted by senior petroleum inspectors, who have ensured that the training covers all aspects of petroleum legislation. The movement away from prescriptive licence

conditions has meant that retailers must demonstrate that the training they provide complies with the specific duty under DSEAR (Dangerous Substances and Explosive Atmospheres Regulations 2002).

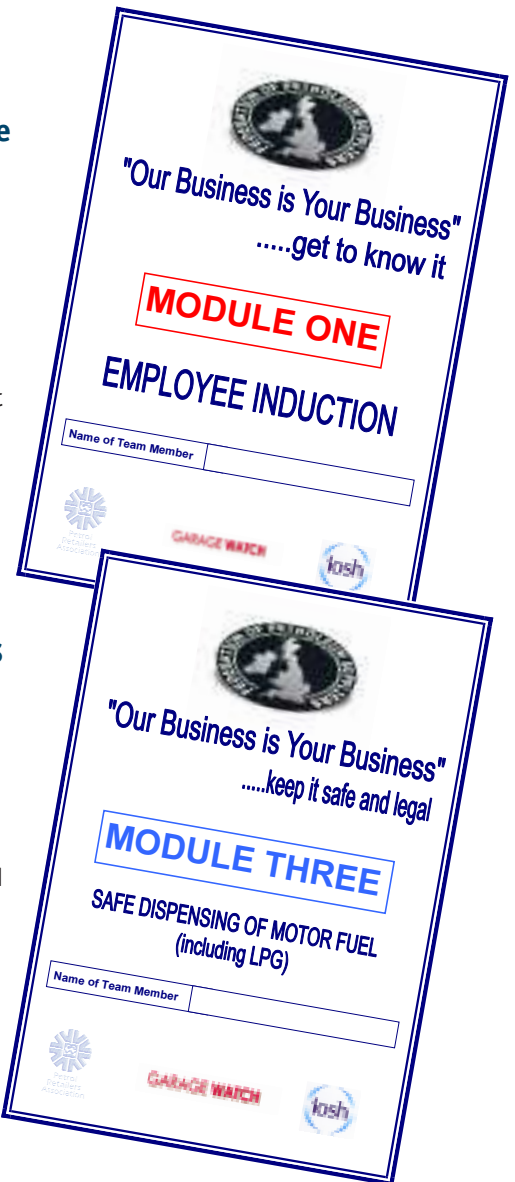
IOSH Certificates awarded to all successful candidates

FPS has partnered with IOSH - Europe's leading professional body for health and safety practitioners - to ensure that employees who complete the learning programme successfully have their achievement nationally recognised. IOSH will award an IOSH certificate - Safe Working on Petrol Stations - to endorse the standards attained by employees in helping to keep sites safe and legal for customers, visitors and those who work on them.

Benefits for all

Employers whose staff complete the training will be able to show enforcement authorities that they are complying with Health & Safety legislation and that their staff have achieved a nationally recognised standard. In addition, most businesses using the learning programme have found that staff turnover has reduced significantly, leading to continuity of operating standards and quality of customer service. Employees gain the assurance that they can work safely and meet legal requirements with confidence, they also receive a certificate to prove it!

Mark Bradshaw, Chief Executive of



Garage Watch, reminded forecourt operators: "Recent prosecutions for failing to train staff have resulted in fines of between £1,200 and £2,600, plus costs of up to £2,000 for some forecourts. Saving money by omitting to train staff doesn't necessarily add up to a saving in the long run. Forecourt operators are advised to check that all their staff have adequate training and the Forecourt Operator Training Programme is a simple, cost-effective means of doing this."

For more details of the programme, contact FPS on 01565 631313.



Countrywide Farmers' energy business marked its 50th anniversary by commissioning two new tankers, branded with commemorative livery. The tankers, supplied by Mann and equipped with satnav and reversing cameras, boost the Countrywide fleet to seven fuel and 10 LPG tankers. They run from Countrywide depots at Defford, Worcestershire and Finmere, Buckinghamshire.

Countrywide started life in Upton on Severn, in 1919, as Worcestershire Farmers. It evolved into Midland Shires Farmers, then joining forces with West Midlands Farmers in 1999. Today's company has a turnover of £142million and 850 employees. Made up of four businesses – energy, agriculture, retail and distribution – Countrywide Farmers has 11,000 farmer shareholders and 40,000 account holders.

Bayford celebrate paper accolade

Bayford & Co have been listed at 57 in the Sunday Times top 100 companies to work for (SME category). A group of Bayford employees, whose names were drawn out of a hat, attended the black-tie awards in London with their directors.

"We were all absolutely thrilled with this accolade, especially as this is the first time we had entered the competition," said Jonathan Turner, Bayford's Managing Director. The national competition, supported by the Department of Trade & Industry, is in its sixth year and promotes excellence in standards in the workplace. The awards are a benchmark measure of employee satisfaction, since the results are primarily based on feedback directly from the employees of the companies that enter.

Bayford has also acquired the Routemate fuel card business



from Petroplus Refining Teesside, in a multi-million pound deal. The acquisition strengthens Bayford's position as a leading provider of fuel cards.

SAFETY – 3

Fozmula's new bund monitor

With the implementation of the Government's new Oil Storage Regulations in England and Scotland, Fozmula has designed a new bund monitoring system, the BM series, comprising two parts:

- a) a float switch, with a pneumatic lifter mechanism, which is secured in the bund;
- b) 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.

Spills: viable and cheap alternatives to clay granules

Clay granules have long been regarded as the cheapest form of mopping up oil from leaking machines, but in terms of cost effectiveness, other forms of absorbents present viable alternatives, say Fosse Liquitrol.

Maintenance socks are the most cost effective way of containing and absorbing spills of oils, fuels, cutting fluids and coolants, and dispensing pads are best suited for wiping down machines. Fosse Liquitrol say that recent independent tests confirm that contained absorbents or cellulose-based absorbent granules can minimise the risk of machinery damage often caused by traditional clay granule sorbents.

In partnership with sorbent manufacturer Fosse Liquitrol, independent lubricant expert David MacDonald of Roil-IT who carried out tests with Fosse Liquitrol,

said: "Deployment of clay granules around machines can quickly contaminate the lubricating oil transforming it quickly into a grinding paste. Over time, this can lead to the increased wear of critical machine components and systems. "

He said that material like Spilkleen Plus were cost-effective, highly efficient absorbents with all of the benefits of a loose absorbent without the negative effects associated with lubricant contamination.

The granules have been designed to create a spatial structure that allows for the entrapment of large volumes of liquid – the granules are up to three times more absorbent than clay granules. And if the granules contaminate lubricants, their softer structure will not harm mechanical workings.



REGIONAL

Roundup

SCOTLAND

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

David Todd, General Manager of Gleaner Oil and Gas in Elgin, has become the new FPS representative for Scotland.

David, who comes from an engineering background and joined Gleaner about 30 months ago, believes the FPS is a good way for his company to keep in touch with the rest of the industry – and a good way for him as a relative newcomer to learn more about oil distribution.

David, a native Glaswegian, has settled in Elgin with his wife Jill and young family. He said: "I look forward to continuing to build Gleaner's position in the market in both our growing retail operations and our traditional heating oil supply and service."

NORTHERN IRELAND

Regional Representative
David Meekin, Meekin Fuels
Tel: 02894 432417

At the Customs & Industry Forum in Belfast in March, cross-contamination was discussed yet again. Although Customs have produced guidelines for their officers and distributors to deal with an accidental contamination and contaminated product, concern was voiced regarding the lack of guidance for officers when contamination had been caused by a wet line system delivery. How should the officers treat the situation when the delivery had been made by a company adhering to the FPS Code of Practice, as opposed to one which has not?

Paul Gerrard, Assistant Head of Enforcement and Compliance Operations at HMRC, who was in the chair, gave

assurances that, where distributors had stuck to the Code of Practice and contamination was minor, they would not receive punitive action and the wording in HMRC guidelines would be amended to address these concerns. He indicated this should be ready for consideration before FPS Council meeting in April. We still await this document.

Healthy tanker sales

Although local tanker manufacturers struggle to keep pace with their UK competitors in terms of production, there seems to be a healthy demand from the local market for new vehicles. Local tank and equipment builders have indicated a strong market and responded accordingly. The increased demand in the rest of the UK has led to waiting lists of up to six months from tanker manufacturers. Local manufacturers have been quick to respond and capitalise. It is essential that companies planning fleet updates are aware of this situation.

Argent's ministerial visit



Argent Energy hosted a visit to its biodiesel plant by Alistair Darling, then the UK Transport Secretary and at the time of writing the new Secretary of State for Trade and Industry. The company now produces 50 per cent of the total UK biodiesel market which is an impressive development in the year since production started."

WEST MIDLANDS PETROLEUM DISTRIBUTORS ASSOCIATION CHAIRMAN'S REPORT

It's been a difficult year for all in the West Midlands, high prices prevailing throughout the last 12 months, extra duty on gas oil, manufacturing industry declining fast and our rural retail sites disappearing at a staggering 600 a year according to Garage Watch. That equates to significant reductions on the volume of gas oil and motor spirit, putting more pressure on us all to gain extra kerosene business, which is a lot lower risk and hopefully bigger margin. We need that to help cope with the ever-changing rules and regulations, and the higher operating costs caused by fuel prices and drivers' wage demands. The Majors have recently announced record profits, yet continue to pressure us into 30 day rollover payments and look to review credit limits. Then there was the announcement at the peak of our operations that we would be allocated on supplies due to interruptible tariffs from the gas companies. Surely enough is enough?

The RDCO scheme? We all have regular fuel thefts from our depots – does anyone care? We have all experienced bad debts in recent months – does anyone give a damn? Do we get the duty back on bad debts as the RDCO bod led us to believe to keep us sweet on compliance? NO. But get a postcode wrong on an RDCO report and you get a warning letter from them. It's hardly a criminal offence, especially if we're given wrong information by the customer in the first place, but nothing will be the customer's fault, nor will any action be taken against them by Customs.

The remainder of the Chairman's report appears on Page 8 under the heading 'Collective Thinking'.

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With a manufacturing pedigree stretching back over two decades, Harlequin has pioneered the development of environmentally preferred, rotationally moulded fuel storage solutions.

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To find out more, visit Harlequin Online at www.oil-tanks.co.uk



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