Diesel Fuel’s Quality Problem

Fleet Card Programs: An Evolving Success Story

Western Hemisphere Oil Ebbs and Flows

EPA’s ULSD Corrosion Concerns
EPA STUDY: 83% of Diesel UST Systems Have Moderate to Severe Corrosion.

75% of Those Operators Don’t Know It.

We can help.

Our team performed the fieldwork for that EPA study. These images were captured by our TankCam® Video Tank Inspection Service – the very service the EPA recommends as a way to assess your tanks.

Our TankCam video assessment does not require your tank to be empty of fuel and is performed remotely – no one enters the tank.

TankCam provides you a quick and easy assessment – of whether your tanks are part of the 83%.

Call us today at 1-800-964-1250 or learn more at: Tanknology.com/DieselCorrosion

Tanknology
Environmental Compliance for Petroleum Systems

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A note from
Gary Bevers, Group Publisher

Welcome to the inaugural print issue of Commercial Fuel Buyer magazine, a sister publication to Fuel Marketer News. Since fuel spend is typically the second largest operational cost for a commercial industrial transportation management company, we felt the market was long overdue for a publication specifically focused on your industry’s needs. Whether backyard tank or mobile fueling, over the road fleet fueling at truck stops, card locks and retail outlets that accept fleet cards, we will cover it all—helping you to better manage your fuel spend and control operational costs in a volatile fuel market.

If it burns, combusts or powers a motor, we intend to cover the news that is relevant to the downstream motor fuels marketplace. And that includes alternative energy sources such as biofuels, compressed natural gas (CNG), hydrogen and, yes, even electricity if it is “pumped” into a vehicle or motorized piece of equipment. If you study history, then you already know that the first automobile was powered by an electric motor, with biodiesel as a viable fuel quickly following. Ford’s Model T was originally designed to run on ethanol until prohibition put an end to his dream to circumvent Major Oil’s monopoly on petroleum refining and gasoline production. So, in the world of automobiles, trucks, motorized equipment and fuel, there is very little new under the sun.

Previously, I had the privilege of serving as the Publisher of National Petroleum News, which was founded over a century ago. It started its news coverage of the petroleum industry when kerosene was the dominate money-making refined product, and gasoline was pretty much a discard from the product stream as it had no commercial value. In some ways, the petroleum industry has come a long way, and in others, it has hardly changed at all. We still deliver a tremendous amount of fuel into small tanks by tank wagons, though they are no longer pulled by horses. We still measure 42 gallons of crude to the barrel, not 55 like the standard barrel measurement. We finally stopped hedging off heating oil for transportation fuels. And though retail gasoline and diesel are now delivered through convenience stores and truck stops, not gas stations, they are still dominated by independent dealers and jobber-owned outlets.

At Commercial Fuel Buyer, we pride ourselves on extensively covering all the news you need to run your fleet fueling operations and the buying and handling of all types of fuels. We strive to serve the motor fuels market through providing timely, relevant industry news, in-depth feature articles, thought leader analysis and educational events. Through our data and analytics division, we will also be delivering daily retail and wholesale motor fuels pricing.

In this issue, we will cover everything from diesel fuel quality to fleet card programs to ultra-low-sulfur diesel (ULSD) corrosion, as well as articles on fuel truck drivers and the growth of diesel exhaust fluid (DEF) in the market. And, of course, extensive coverage of all the market fundamentals that affect the price of fuel on the street will be covered.

Go to our online magazine website today at www.commercialfuelbuyer.com and register for our e-newsletter to stay informed as new content gets posted. Registration is free, and the process is short and easy.

We promise to work hard to make sure you have every reason to make us your go-to motor fuels news and pricing data source for your daily purchasing decisions.
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## INDUSTRY NEWS

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When the EPA revealed the results of its study in July on the increasing presence of substantial corrosion in diesel fuel tanks, it proved that the problem is much larger than anyone anticipated.

**The facts are staggering:**
- 83% of the diesel tank systems exhibited moderate-to-severe corrosion.
- 75% of the owner/operators of those diesel tanks had no idea it was happening.
- The corrosion is developing in both steel and fiberglass tank systems.

Even more staggering is the severity of the corrosion.

I have been an engineer in the petroleum industry for my entire career, first with Exxon and for the last 23 years, with Tanknology. I have never in my life seen corrosion of this magnitude in a fueling system.

During our fieldwork for this study last year, as well as subsequent studies performed for our clients, we have observed and documented what I consider to be unique, rapidly accelerated corrosion on the metal components of USTs storing diesel. Virtually all on-road diesel for sale today is ultra-low sulfur diesel, or ULSD, which has been in use since 2006.

Unlike the mild orange-colored oxidation that would be typical for corrosion in this environment, we have seen large tubercles and nodules that can vary in color from yellow to orange to reddish brown and even black. The metal components in the vapor space of both steel and fiberglass tanks, including bungs, risers, caps, plugs, submersible turbine pump (STP) shafts, ball float assemblies and flapper valves have all exhibited this unusual form of aggressive corrosion.

It has not been uncommon to find a severely corroded ball float assembly or bungs completely covered in tubercles, some of which can be up to an inch long. On one occasion, the top of a riser pipe broke completely in half as a result of the corrosion.

We have pulled completely corroded STP shafts from tanks, and in some cases are not even able to remove them due to the excessive corrosion in the riser. Layers of corrosion and tubercles have built up so severely that the inside of the riser is no longer wide enough for the STP motor to be removed or serviced.
We have seen the same problem with automatic tank gauge (ATG) probes; corrosion build up in the riser pipe can make it impossible to remove the ATG floats. Consequently, the probes and STPs remain in the corrosive environment of the upper vapor space, either unable to be serviced, or in some cases, replaced with smaller diameter ATG floats once the original floats are knocked off and left to fall down into the tank.

As the study concluded, 83% of the tanks exhibited moderate to severe corrosion. This large percentage of such a diverse experimental group indicates that this issue is not limited by geographic conditions. It can, and is, happening everywhere.

This corrosion can, and in some cases did, compromise the functionality and structural integrity of the UST systems, leaving even the most responsible of UST owners unaware of the problem and potentially exposed to significant environmental impact.

Why is this happening?

Unfortunately, the EPA study was unable to pinpoint a direct cause. Multiple factors are likely acting as confounding variables, including bacteria and gasoline-ethanol blended fuels.

Ethanol was found in 90% of the fuel samples taken in the study. Obviously, ethanol is not intentionally blended with diesel, so this suggests that cross contamination is prevalent. As the EPA study concluded, it’s “likely the norm, not the exception.”

As close as EPA got to a cause was the consistent presence of water content and particulate matter in the fuel tested from these tanks. We know that water is no friend of diesel—it is the essential element for microbes to develop and grow in the water-diesel interface—and that results in corrosion.

The water and particulate content, EPA concluded, is “the closest to being statistically significant predictive factors for metal corrosion, but causation cannot be discerned.”

What you can do about it?

So the experts can’t determine why, exactly, this is happening and even the most diligent of owner/operators could have a severe corrosion problem they aren’t even aware of. What is there to do to protect yourself?

You can take steps to monitor, and even prevent, this corrosion while industry experts continue to look for answers.

Here are some steps we recommend:

- Perform regular visual inspection inside the ATG or other riser pipes accessible from grade, looking for any sign of potential corrosion.
- Remove and inspect the ball float or flapper valve overfill prevention equipment—perhaps incorporated as part of a periodic inspection such as PEI RP900.

The single biggest thing you can do is manage water. Do everything possible to keep water from entering the tank:

- Remove standing water, ice and/or snow around tank fill covers.
- Make sure all opening bungs, caps and cord grips are tight and replace caps or gaskets as needed.
- Keep fill and vapor recovery spill buckets clean. Pump out any water, clean out excess fuel and dirt. Don’t drain water into tanks!
- Change filters frequently, especially if slow-flow occurs, and look for signs of corrosion on the filter and housing.
- Pay close attention to leak detection equipment and call for immediate service if any leak alarms or conditions occur.
- Verify that tank vents have rain caps.
- Avoid prolonged periods of low tank volume to minimize tank water from condensation.
- Check tanks for water bottoms frequently, especially before and after deliveries.
- No detectable water is acceptable in your diesel tank. It should be removed as soon as possible. Removed water should be tested for microbes and, if detected, appropriate corrective action should be taken immediately.

When it comes to corrosion in a UST, if you can see it during a visual inspection, it’s most likely the tip of the iceberg. You almost surely have it elsewhere in your system. It’s important to know—and to address it as quickly as possible.

One of EPA’s recommendations is to perform an internal video inspection of your tank. Tanknology’s TankCam® remote visual tank inspection service, for example, can be used for this purpose, as it was for the EPA study. Such an inspection provides you with a clear picture of what’s happening inside your tank without having to empty it.

More recommendations can be found in the Preventive Maintenance Guide for Diesel Storage and Dispensing Systems, published by the Coordinating Research Council (CRC). We have posted this document, many more actual corrosion photos and more information about the issue of corrosion in diesel fueling systems on our website at Tanknology.com/DieselCorrosion.

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