

# VOL 3 ISSUE 6 SourceLine



Source™ North America Corporation is celebrating its 35<sup>th</sup> year as the industry's central source for fueling-equipment solutions.

## Clean-Burning Diesel Poised To Be A Leading Consumer Fuel

Although demand for diesel in the heavy-duty market is projected to decrease in the next several years, the fuel is gaining traction as a gasoline alternative with consumers. In the United States, sales of diesel-powered cars has risen modestly in recent years, but are expected to grow significantly in the next five years. At the 2014 NACS Show, Allen Schaeffer, the Executive Director of the Diesel Technology Forum, estimated that diesel automotive sales could comprise 10% of all vehicle sales by 2020, with automakers offering 60 diesel models by 2017.

A recent [Fuels Institute report](#) cited that diesel sales of light-duty vehicles are expected to increase significantly, from a 4% market share in 2010 to a 10% share in 2020 and up to a 14% share in 2030. As such, diesel demand for domestic light-duty vehicles is expected to more than triple by 2030.

Diesel has transformed to deliver substantially reduced emissions, a sticking point for eco-conscious consumers. Although motorists have been hesitant to pay a higher price-per-gallon for diesel, they may soon gravitate toward diesel's high fuel economy, which is almost 30% more efficient than gasoline. And unlike other fuel alternatives, diesel delivers the automotive performance that consumers are accustomed to.

**DIESEL FUEL**

During the Environmental Protection Agency's (EPA) 2014 Vehicle Technology Showcase earlier this year, Schaeffer reported that more than 50% of fuel stations in the U.S. have diesel pumps, with more being added every week. From a fuel retailer's perspective, there are many advantages to a surge in the retail-diesel market. Unlike some alternative fuels such as compressed natural gas (CNG) or hydrogen, a proven infrastructure for distributing diesel already exists.

Additionally, more retailers are incorporating diesel into the main pump islands as strategic adjustments to underground tanks create new storage opportunities on the forecourt. Many retailers, for example, have reconfigured their underground fuel-storage tanks to meet stronger regulations or have included blender pumps to mix a mid-grade octane, which makes a third tank available to store a new fuel.

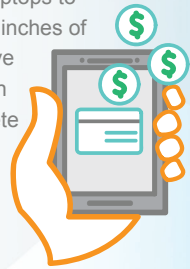
Fuel retailers who prepare now to pump more diesel, could position themselves to capitalize on this potential growth market. To learn more about diesel fuel applications, please contact your Source representative or call (800) 572-5578. To learn more about consumer trends in alternative-vehicle models, check out this [Alternative Fuels Data Center graph](#).

## Update on the World of Payment Technology

Fuel retailers need to stay up-to-date on the different payment options and related security measures, above and beyond EMV. In the previous [SourceLine](#) we addressed card-processing security terminology. Here we summarize several new payment strategies and security measures that are being introduced.

### Q: What is NFC?

A: Based on RFID technology, Near-Field Communication (NFC) allows phones, tablets and laptops to share data within four inches of each other. Users wave their phone close to an NFC device to complete a transaction. A chip within the mobile device stores the consumer's financial information.



### Q: What is the difference between Apple Pay and CurrentC?

A: Apple Pay, which launched in October, utilizes NFC technology to facilitate credit card transactions. CurrentC, which stores the consumer's financial information in the cloud and facilitates transactions through QR codes, avoids credit cards altogether by connecting directly to customers' bank accounts or store-specific cards. CurrentC is planned to launch in 2015.

### Q: What is Visa Transaction Advisor?

A: VTA uses real-time authorization-risk scores to identify transactions that could involve lost, stolen or counterfeit cards. The program uses existing pump software or hardware.

### Q: Has PayPal introduced any mobile payment programs?

A: Yes. MAPCO Express recently partnered with PayPal to launch the MY MAPCO app, which uses PayPal to facilitate transactions. Users receive five cents back on every gallon of fuel purchased when they use the app.

## Fuels Summit Assesses the Future of Fueling

### Fuels Institute

The Fuels Institute Annual Meeting and Fuels Summit, held Nov. 17-19 in Newport Beach, CA, looked at future fuel-market opportunities. Highlights of the summit included discussions with industry experts about:

- Consumer preferences and how they will shape future fuels and vehicles
- The effects of environmental policies on the development of the fuels and vehicles industries
- Vehicle fuel systems and how they will adapt to carbon-reduction goals

To learn more about the Fuels Summit, visit the Fuels Institute's website at [www.fuelsinstitute.org](http://www.fuelsinstitute.org).

Happy  
THANKSGIVING  
From Source

Save the Date:  
**NACS 2015-2016**

**PEI AT THE  
 NACS SHOW**

**2015**

Oct. 11-14  
 Las Vegas Convention Center  
 Las Vegas, NV

**2016**

Oct. 18-21  
 Georgia World Congress Center  
 Atlanta, GA

Visit the [NACS Show page](#) for details.

## Gilbarco Partners with VeriFone

Gilbarco Veeder-Root and VeriFone recently announced a partnership to offer the next generation of fuel-dispenser payment platforms and to create the largest at-pump digital-media network. VeriFone will develop and supply the technology. Gilbarco will be the software and solutions integration lead, and sales and service provider. Visit the webpage at [www.sourcena.com/gvr-solutions/](http://www.sourcena.com/gvr-solutions/) to learn more about Gilbarco Veeder-Root.



## Featured Products Diesel Fuel Equipment and Accessories

Source offers a full line of products for diesel-fueling needs including aboveground and underground storage tanks, pumps, decals, hoses, nozzles and DEF equipment. To learn more, visit [www.sourcena.com](http://www.sourcena.com).

## Looking Back at 2014 PEI, Looking Forward to 2015

Source North America was proud to participate in the 2014 PEI Convention at the National Association of Convenience Stores (NACS) Show, which was held Oct. 8-11 in Las Vegas, NV.

By all accounts, it was an extremely successful event. NACS reports that this year's convention drew 23,624 attendees — the second-highest attendance in the history of the event. Source employees connected with many longtime associates and networked with new customers.

“Source team members are constantly looking at ways to serve our customers. Being able to visit with them and hear about the challenges they are facing in today's retail-fuel environment, helps Source to identify market needs and use our industry expertise to deliver effective solutions,” said Joe O'Brien, Vice President of Marketing for Source. “We look forward to seeing everybody at next year's PEI.”

TOP: Source Director of Purchasing David Goins, left, and Vice President of Marketing Joe O'Brien, center, at PEI.

BOTTOM: The Source booth welcomed many guests at this year's trade show.



## Cold-Weather Fueling: Cautionary Tales about Ethanol, Fuel Additives and Corrosion Inhibitors

It's widely accepted that fuels containing high concentrations of alcohol can cause engine components to corrode. But with the introduction of fuel additives and reformulated fuels, many consumers and retailers are more confused than ever about using the products, wondering if ethanol-based fuels and engine additives will harm engine parts.

It is important for fuel retailers to understand the chemistry of the fuels they are selling — and the fuels' reaction to widely available fuel additives — in order to deliver optimum service to customers. Although exact amounts of ethanol in fuels varies by region, the general guidelines for ethanol percentages by volume in the United States indicate that E10 contains up to 10% ethyl alcohol, E15 contains up to 15% ethyl alcohol and E85 contains a range of 51% to 85% ethyl alcohol.

Further muddying the already ambiguous waters is the fact that many fuel-system treatments available to consumers — including additives, oxygenators and cleansers — contain alcohol, which could elevate the percentage of alcohol running through a motorist's fuel system. As winter approaches, consumers may look to purchase fuel-treatment products to protect their engines. However, they may not realize that ethanol itself acts as a gas-line antifreeze. In most cases, auto manufacturers caution against using over-the-counter additives.

In order to maintain fuel standards during distribution, many fuel producers add corrosion inhibitors prior to shipment. These inhibitors help to ensure the pH of a solution of ethanol in water measures between the safe range of 6.5 to 9.0 for 16 weeks or longer.

More information about ethanol is available on the Renewable Fuels Association's [“Ethanol Facts: Engine Performance” webpage](#). The page includes a manual for service technicians that explains fuel-quality issues and includes an informative chapter on Gasoline Formulations and Ethanol.