

MEETING
HOUSE SPECIAL COMMITTEE ON ENERGY
February 21, 1974

Present at the meeting were: Chairman Bob Hartig, Speaker of the House Tom Fink, Representatives Mildred Banfield, Joe McGill, Terry Gardiner, Dick McVeigh and Lavell Wilson; Standard Oil representatives: John Sanders, George Kent and Don Gunnes; Tesoro: Dick Downey; and Atlantic Richfield: Mark Singletary.

The meeting was called to order at 7:15 p.m. by Chairman Hartig. Mr. Hartig said he'd asked industry to come to Juneau and present information on the fuel allocation program and recent regulations as of January 16, 1974, and to give us some idea of the practices going on in District V of the West Coast that relates to Alaska and about the refinery operations in Alaska.

Mr. Hartig introduced John Sanders, the first speaker.

SANDERS: Alaska Division Manager for Standard Oil of California. He was asked by Chairman Hartig to provide the Committee information on three things: 1) Explanation of the petroleum redistribution system that is presently in existence in Alaska - George Kent will assist on that. 2) An overview of the federal allocation program - Don Gunnes; and 3) How Alaska's needs and problems relate to the lower 48, specifically District V or the West Coast - Don Gunnes.

KENT: Marketing manager in Alaska. He gave an overview of the location, types of petroleum used and the general distribution system for the oil that's used here. He told of unusual problems that customers as well as suppliers face in getting them to the user. (He pointed out major redistribution points on the map throughout the State for finished petroleum products.)

These are some of the highlights of his presentation:

There are heavy residual fuels that are used on the Alaska Ferry System, pulp mills in Sitka and Ketchikan. Alaska takes the full complement of lubricants, heating fuels for our homes, etc. and asphalt for paving the roads and runways. All of these in one form or another are touched by the allocation problem. There are six large oil companies that market in the State. Two gas companies market in the State from Kenai, Anchorage area. In addition, you have the U.S. Government in the business at Barrow.

Distribution areas and the difficulties that the in-user sees:

Seward Peninsula: (Kenai Peninsula, going up through Anchorage, Fairbanks, Delta, Copper Center and Valdez) is the largest area for use of petroleum products. That system takes about two-thirds of the petroleum requirements of the State. It is served by good road systems, customer can expect to obtain fuel easily. It is a year around operation.

Southeastern: There's not much of a road system. Customer has to receive products by water (tankers and some barges). There are two or three distribution centers into all the redistribution points. That's a year around operation. They need to have large storage areas to hold fuel.

South Coast & Aleutian Chain: This is dependent upon water transportation, supplied by barge, tankers coming from lower 48 to Kodiak. Cordova and going out to the Chain are all supplied by small tankers which serves all these areas about every 30 - 60 days depending on season and demand. Customer has to carry up to six months storage in some places. Some places further out the Chain are served only once a year by the BIA ship, the NORTH STAR. People have to put in large storage capacities.

North of the Aleutian Chain: This area vastly different. Petroleum is essential to their better life. As it is ice-locked for nine months of the year, tankers can only supply during July, August and September. They are supplied by large tankers that come from the lower 48. Dutch Harbor, St. Michael, Nome and Kotzebue are the key supply centers. The BIA ship NORTH STAR supplies service to the villages in the remote areas, where even local transportation companies can't go. They have to keep at least a year's supply storage when they go into the winter season. This system is very fragile, if anything goes wrong, it goes wrong in a massive way. The small quantity delivered doesn't support the economics of transportation that they have in other places. They have a big plant at St. Mary's that takes bulk fuel and jet fuel. In emergency, the fuel is flown in from Anchorage and subsequent loads from Bethel. Distribution of main terminal to the village is by barge. Villages are always running out of products, they get their products in 50-gallon drums, which is expensive and wasteful. They have now put a half a million gallon bulk storage out there.

Barrow: The only products they require are gasoline for fishing boats and snow machines (very few cars there) and aviation gasoline. This is brought in the last part of August or September by barge when the ice is gone. Another system is the Military's cool barge: Massive sea-lift effort where product comes from lower 48, moved by very large barges to supply the Military's DEW-line system and other government installations. This is done during two months of the year.

North Slope area: Petroleum use is very limited, product can generally be flown from Fairbanks into the villages. This makes product so very costly. They are now putting in large storage tanks. Arco-Exxon has put in a plant for their producing operations and they will be able to make products available for the pipeline.

The distribution system is very complex, fraught with a lot of problems to the people. Many people have been on an allocation system all along. When they do run out, the only way of getting it is flying it out or hauling it a drum at a time which is often done from the distribution points.

GUNNES: Alaska marketing manager, who is currently doubling with the responsibility for administration of the Alaska allocation program. Mr. Gunnes gave a brief overview of federal regulations in terms of their impact upon the supplier and the customer. A distributor is a consigned agent of the company that operates the various bulk plants. He is not allocated to buy Standard Oil but Standard Oil allocates through him to his customers, so he is an agent of the company.

The intent of the program is to: 1) Reduce levels of petroleum consumption back to levels in 1972. 2) Prohibit the cut-off of independent marketers by their suppliers. This is arrived at by providing that the large purchasers shall return to their suppliers of 1972. The program is designed to provide fuel allocation levels to customers in very specific percentages as compared to their 1972 purchases. The service provides maintenance of public service, agricultural production (fishing and timber), provides for economically sound and competitive petroleum industry with minimal disruption to normal market mechanisms, that being the supplier-customer relationship. They intend to comply fully with the Anti-Trust Law. They must have full compliance from their distributors or they risk IRS penalties and losing their contract with Standard Oil.

The terms of impact of program on supplier are: 1) Supplier will have to turn back to their 1972 suppliers all wholesale-purchaser accounts. Competitors will have to turn back to them all wholesale-purchaser accounts they are presently serving but Standard Oil served in 1972. This is required by law. 2) Standard Oil must supply their customers according to the law. The law provides for base periods and priority. Two percentages are involved: One is established by federal government - 110 per cent of base volume is a term that comes out of the regulations. This applies to freight handling customer. Percentages established by supplier depend upon his available supply of product and number of customers and can vary from month to month. They are subject to Federal Energy audit and Standard Oil audit. FEO requires them to keep certain records: base period volume, adjusted base period volume, allocation requirements, allocation level, customer share of allocable supply times the supplier's allocation and actual volume of supply. 3) Assistance to customers in helping them live within their base-period volume. They have a publication called "Energy Facts" for customers to conserve fuel. Sooner or later Alaska will feel the energy pinch, the sooner they develop a conservation frame of mind, the sooner they will be in a better position to help customers. 4) Assistance to customers in getting adjustments in their base period volumes. The form for making adjustment is FEO 17. The three criteria for making adjustments are a) unusual growth, b) are customers qualified in terms of 100 per cent energy requirements and c) new customers. Customer has to supply complete justification for request. The only category of trade or in-use that cannot under the law receive a reduction is agriculture.

Another aspect of the program is State set-aside. The purpose is to provide emergency relief and accounts with temporary hardships.

The key word is "temporary". Any other is to be handled through FEO 17. He mentioned that the State set-aside is an area where the State could help out, but haven't so far. This is an area where they could make some definite headway in the program.

He showed slides of the allocation percentages as they apply to Standard Oil as a supplier and they have a responsibility to implement this law of providing allocation with the customers. A few of the percentages are:

Agriculture (fishing, farming, timber) - 100 per cent requirements.
Energy services, telecommunications, transportation - 100 per cent.
Aviation fuels are harder to administer:

General aviation - 95 per cent - they are expected to administer their own allocation program according to the rules.

Public Aviation, excluding military - 85 per cent.

Personal flying - 75 per cent of the base period which might be further reduced by allocation.

He explained how the FEO 17 forms were filled out. He showed a copy of a log to keep track of what they were allocating. He said that fishing poses a special problem to the allocation but he has found the fishing industry very cooperative.

Another subject: How Alaska fits into West Coast, District V, petroleum standpoint. Alaska is under the same Federal Energy Office allocation program as is the rest of the United States. SOCAL has applied the same allocation fractions to Alaska. Approximately 12 per cent of the West Coast sales are to Alaska. Standard Oil sells in Alaska approximately 25,000 barrels of oil a day. The highest figure they have heard that the Pipeline will take is 12,000 barrels of fuel a day. One thing that is of concern is the effect of the FEO assignments because they can affect the amount a customer can receive. In their opinion, the allocation system isn't perfect but it is responsive to Alaska's needs and the lower 48.

DOWNEY: Tesoro Alaska has only been in Alaska for about four years. The distribution system is all the way from Cordova, the Kenai Peninsula, Seward, Homer up through Anchorage, Fairbanks, as far north as Tok and the Interior. They are represented by about 15 jobbers, 65 service stations and they have three terminals besides the refinery: Anchorage, Fairbanks and Valdez. They have had a contract with Alyeska pipeline since 1969. They have seven tank farms along the proposed pipeline route. It will probably be late 1975 before the reformer is completed. Then Alaska will have the capability of making a completely finished gasoline here. Tesoro gasoline is blended in Alaska; they process their straight run here and can make a relatively high octane material. They import high octane blending stocks (80% is refined and 100% is blended here). They produce a large quantity of jet fuel. If they produce as much JP 4 as they could, then it almost wipes out the heating oil.

The Defense Fuel Supplier, through the FEO, has asked Tesoro for another 15-1/2 million gallons of JP4. They already had a contract for 27 million. Twenty per cent of their throughput now is going to the military section. Only about 60 per cent of the residual fuel is left that can be marketed in Alaska so the 20 per cent becomes 1/3 of their total output. He said the reason this occurred in the paper is because they know they would have to cut down on Alaska customers if they gave all this to the military.

It would be much easier to operate and satisfy everybody if they could get more crude. Allocations needs to be done and somebody has to direct these products. If, people in Alaska had a little more choice of directing them themselves as they did when they had the moratorium on the mandatory allocations from Nov. 20 to January, they'd be better able to adjust rapidly to inequities. When the FEO allocations come through, some of their allocation factors are going to be quite low for the heating oil section.

Crude oil - production in Alaska is about six million barrels a month, roughly 200,000 barrels a day. Most of it comes from the Cook Inlet area and there are five fields there. Production used to be seven million barrels a month. They say in two or three years, it will be down to about four million barrels a month, that would be about 1/3 of its present production. Tesoro processes the State royalty crude - 18,500 barrels a day at present. Just a few months ago, it was 19,000 barrels a day. This is continually a problem for Tesoro; they have to buy their additional crude. He foresees a further tightness of crude as they go along. He expressed the opinion that they should have had gasoline rationing some time ago and we will have it rather soon.

That was his bird's eye view of what Tesoro is doing, their capacity, distribution systems and what they hope to do in the future. They hope to expand the refinery even more and will continue to modernize it, to better serve Alaskans.

Chairman Hartig introduced Mark Singletary who spoke on the topping plant on the North Slope.

SINGLETARY: Regional Attorney, Legislative Counsel and Representative for Atlantic Richfield Co. He said they have filed application with Oil and Gas Conservation Commission to increase the throughput, movement of crude oil through their topping plant for purposes of manufacturing Arctic heating fuel. The topping plant is located at the Prudhoe Bay base camp. It was designed to supply their fuel needs in connection with the further exploration, development of the Prudhoe Bay field and to provide fuel incident to the construction of the trans-Alaska pipeline, moving from Prudhoe to Valdez. They moved approximately 5,000 barrels of crude oil per day through that facility. They are asking for 6,300 barrels a day.

They have never engaged in marketing in Alaska and it is jointly owned with Arco-Exxon. They feel they can supply all their fuel needs in the exploration and development of the Prudhoe Bay field and supply the fuel needs of Alyeska, in connection with the TAPS project at least south to the Brooks Range. They don't foresee the need for special treatment and they are self-sufficient.

Chairman Hartig asked the other members to sit around the table and opened the meeting to the question and answer period.

GARDINER: Regarding the timber industry for construction of roads, is that included under agriculture?

SANDERS: It covers everything from the tree, as far down as you go on the construction line.

GARDINER: What if the Forest Service changed the size of the area that they can log?

KENT: They have substantially increased allocations to a number of logging firms for that purpose.

GARDINER: For airplane carriers, would that be considered a new customer?

KENT: There was a specific on an air carrier in Ketchikan who had this particular problem and his fuel increase was approved.

GARDINER: You mentioned the need for the State to have a central office; the State would have to go through your central office before they could make any temporary allocations.

KENT: That is correct.

GARDINER: You said that there wasn't a State office, but if there was, it would make it easier.

SANDERS: Some situations have arisen where State set-aside should have been logically used and it was not. It's not a functioning body at this time to the best of my knowledge.

GARDINER: What isn't a functioning body?

GUNNES: The group that is to administer the State set-aside.

GARDINER: This is something the State has to set up.

GUNNES: I believe this is the Governor's office. The State gets a certain percentage of the products sold in Alaska. Three per cent of the gasoline is a kitty from which they can draw on to solve emergency, temporary needs of a person or a contractor or anybody with temporary hardship.

SANDERS: For example, if a customer were to apply on a form and it was something that we could not respond to, according to the rules, then the application would have to go through the Federal Energy Office in Seattle. The energy he needs between the time he asks for it and receives it is an area that should be met by the State set-aside. Bob Yaskell has been extremely cooperative but indicates that the program isn't functional yet.

GARDINER: Does each company have this three percent?

GUNNES: If the State uses it, then it's their choice to redirect it until some official action is taken.

GARDINER: Then that reduces your total allotment?

GUNNES: In the succeeding month it would. In allocation levels, the base is so large, the amount that would be assigned within the three or four per cent, in my opinion, wouldn't have a practical effect of reducing significantly the allocation fraction.

DOWNEY: They set aside the four per cent and every person that produces or imports fuel into the State has to do the same thing. It has to be used that month, if it isn't the next month you get another four per cent.

BANFIELD: I was very interested in that State set-aside. I wanted to ask Standard Oil, how many tankers do you have?

KENT: There is the Alaska Standard that goes all the way out to the Chain - Dutch. We have a dedicated barge that operates out of Ketchikan. Alaska Standard comes down here part of the time and the rest of the time it's up in the Kodiak area. That remains in Alaska year-around. There are tankers that are made available to Alaska to deliver products to Alaska. They have to be set aside, for example, during the summer time when they make the big Western Alaska sea lift. Those tankers are made available and we have a large fleet.

SANDERS: Standard Oil of California is one of the largest proprietor shipping companies in the United States and it's always available for back-up for Alaska as the need fits.

BANFIELD: Tesoro, I was very excited that you were going to come into Juneau and I'm wondering what your plans are now?

DOWNEY: With the allocation and all, it is impossible for us to take on any new customers.

SANDERS: You touched on a point, new customers, that wasn't spoken of too much. The regulations do provide for us to accept five per cent of our volume for new customers within our own prerogative and set categories that we can accept without going through any regulatory body.

WILSON: I was curious, what's the average length of time in processing FEO 17 forms?

GUNNES: It's been running pretty close to 30 days. We have a turn-around of 14 days when they're running on-stream, unless it has to go through FEO office - they say 20 days is good.

WILSON: I'm talking about a small, normal request.

GUNNES: 14 days is reasonable.

WILSON: What about the person who bought half-year from Standard and half-year from Union. Does he file two FEO's to get an increase?

GUNNES: Well, if he has a history of buying from two suppliers in '72 and '73, I think it's appropriate that he would continue the supplier-customer relationship. He would have to file two FEO 17s. If he bought from two suppliers in '72 and he made a decision in '73 to go one way or the other and it's apparent that he's gone to Union in '73 and comes to Standard Oil for an adjustment, I think we would consider this Union's customer and he should apply at least first to Union for adjustment. Without satisfaction, he has recourse through the State office and it could come eventually to us. If he bought exclusively from Standard Oil in '73, we would assume he was our customer. Unless he was a wholesale purchaser and then he must go back by law to the split '72.

MC GILL: There is a lot of concern among the fishermen. I traveled around a lot last fall and contacted a lot of them - all the way from subsistence fishermen to the million dollar crabbers. It varies a lot in the fishery, how much slack can you take up in that. In Goodnews Bay, for instance, they didn't have a buyer in there and didn't operate in '72. How flexible, is it? It should be more than four per cent. I thought it was all right, but now I'm beginning to wonder.

GUNNES: The key word is requirements - you get a 100 per cent of your requirements, no matter what their base period was in 1972, with only one stipulation that he certifies that you have an energy conservation program.

MC GILL: A lot of fishermen are writing me letters asking about this.

GUNNES: Our biggest problem is knowing what they want and when they want it so we can arrange our distribution flow so that it is there. If everybody goes to Dutch Harbor without some notice - no matter what our intent is - if it's not in the tank and we don't have time to get it there, somebody is going to have to wait awhile. There will be products at Goodnews Bay, the principal concern is that it's going to be substantial.

HARTIG: Where does the Alaska Standard tanker come from?

KENT: Basically it operates out of Valdez.

HARTIG: Where do you get your fuel?

KENT: It comes from Valdez fuel, comes from the lower 48...

HARTIG: You have tankers come up here and refuel it?

KENT: We refuel in the Valdez plant where we have a very large terminal. It will sometime takes supplies from Ketchikan but for the most part Valdez is supply point.

HARTIG: You mentioned earlier that in the West Coast (Bristol Bay area) that most of that was serviced by drums, etc. Do you have any large storage tanks or are those communities...?

KENT: Yes, it is all bulk. Everything moves from very large tankers into small tankers onto shore. There are millions of gallons of storage. The transportation system beyond the bulk plant to the individual customer, the barges have to be certified for gasoline. Small villages had to have bulk storage. Someone has to get in there and finance this storage. This was done by Simica and Standard Oil over the last few years to provide bulk storage.

HARTIG: Some of those shortages occur as a result of bad financing, I guess?

KENT: That is principally the case. In no case has the shortage resulted from a lack of product.

HARTIG: Would it be possible to get a small copy of the distribution map. Now if a fisherman were to move from one place to another and receives fuel from one particular distributor, can he product swap if he wants to stop someplace else to get his product. Can he do that? If he fishes in one place and then goes on to another place?

GUNNES: The intent of the program is to maintain normal supplier-customer relationship. In the case of fishermen fishing in an area where there is only one supplier, he would have no problem in getting the fuel. If he has been identified as a competitive customer, we think he should continue to deal with that supplier if the supplier is available.

HARTIG: The fellow that gets 95 per cent of the allocation would have a problem. If he is going to wander from one place to another, he wants to be sure he gets fuel when he gets there.

GUNNES: Regulations provide for transfer of base volumes.

HARTIG: What happens in the case of a fellow that has one contract in negotiation, who absorbs that difference in price if he has to go to another distributor. You're not going to absorb the loss, who is going to take it?

GUNNES: The customer. The federal regulations make all supply contracts null and void basically. Wholesale purchasers, by virtue of the federal regulations have a contract with their '72 supplier. Everybody has a contract with their current supplier. There are also provisions in the regulations for transferring fuel between suppliers.

HARTIG: This program must be a terrible expense, do you have to handle this or does the federal government?

KENT: We can raise our prices only to the extent they reflect raw material price increases. We are attempting to balance it. We have pulled in salesmen off the street - they now had to become expert paper shufflers.

HARTIG: If there were a shortage and Alaska's needs increased due to the exploration, etc., who is going to suffer that? Who is going to absorb that, are we going to pick it up from District V then? Would they cut back on California or some other state?

KENT: I think we have a current parallel to that - it was recently in the papers. The Gulf states have been running critically short of fuels. The FEO offices have redirected products from other areas of the United States into that area, either on the basis of exchanges or there are several mechanisms. They would go to the area or to the supplier that had the highest allocation fraction and he would be given the assignment.

HARTIG: Dick, you talked about this DFSC allocation again and we're talking about this recent problem when the Governor sent the wire back and all. Was this a result of redistribution of fuel for the military or did all of a sudden the military need more fuel?

DOWNEY: Part of it goes back to 1972 also. They are using part of '72 as a basis. Standard sells them and what we sell them, it more than supplies the amount of jet fuel that is needed for the bases in Alaska. They filled up on tanker fuel and took it somewhere else.

HARTIG: That is what I was going to ask you, it appears to me that if you go back to the '72 basis, we're talking about the Viet Nam War, that the military might be trying to (I don't want to say shaft) Alaska by getting the fuel and causing you to cut back on some of the home fuel oils and then they turn around and ship it down south. Is that what appears is being done?

DOWNEY: It definitely leaves Alaska as far as that goes. The military is annoyed because such things get in the paper.

HARTIG: If the heating oil is lowered, isn't this actually placing an economic advantage on the natural gas industry, forcing these people in heating oils to go to natural gas?

DOWNEY: That depends upon what's available. There is only so much gas available in Anchorage. I think Alaska should be on gas. Gas is being shipped up to Fairbanks regardless of what it does to our heating oil customers. You don't have the distribution for the gas.

SANDERS: There is immediate concern being expressed by heating fuel dealers that presently oil heat is 100 per cent higher than gas heat is and this has been brought on by crude cost increases. Use has been restricted under FEO regulations, whereas those on gas have not. Gas lines are being extended to more homes. This would come out of the volume of gas that would go to interruptible customers. I think it is a very logical thing for the gas companies to do.

HARTIG: I certainly think they should take advantage of it.

FINK: I'm sure the price of natural gas will rise substantially. To what extent is the allocation of crude?

KENT: I know that our company has had crude redirected from its historic source and has been in relationship to the capacity of the refinery in relationship to the amount of crude that the company has access to. This has been a very complex mechanism and I have not been involved in it.

DOWNEY: Now what they did was take all the capacity throughout the United States, then they took all the domestic crude and asked all of them to report the amount of crude they expected to import or buy or have available. Then they figured all the crude available and for each refinery, they figured his capacity ratio. They figured it overall for the United States and it came out to be about 76. If a supplier-refiner has a supply capacity greater than 76, he had to sell the additional amount of crude to get him down to that level and any refiners under that level had a right to buy from anybody else. They aren't sure that that ratio is exactly correct. Some of them might have felt they weren't going to be able to afford as much Arabian crude as before so they underestimated the supply. Probably the ratio should be higher (85% or 90%). That is the way it is being allocated.

FINK: Where you sit, you indicated you could use another 5,000 gallons? Could they sell it to you out of Cook Inlet if they wanted to?

DOWNEY: They probably have it committed to a number of other places.

FINK: Suppose they don't. Could they sell it to you if they wanted to?

DOWNEY: That would depend on what their ratio was. I don't know whether Standard is a buyer or a seller right now.

SANDERS: We have been historic buyers. But all of a sudden, we've had to sell some. In relationship to what we produce in Alaska, that is essentially going into that refinery here.

FINK: You indicated you could use some more crude, I'm trying to find out if this is theory or..

DOWNEY: It is theory in a way, it doesn't mean that the crude here is available. Our company is below that ratio and has a right to buy crude and we try to get more up here but getting is another thing.

FINK: Can you pay a price higher than what they get?

DOWNEY: It is possible that you could buy crude at a higher price and ship it in but then you might not be able to sell it.

FINK: Could you pay a Cook Inlet producer more money than what they would sell it for down the West Coast?

DOWNEY: No, you can't, that price is set according to the base price of crude and you can only pay the larger amount for new crude.

FINK: If you could buy enough crude to completely utilize your refinery, if it were available, could you legally do it to get the product up here.

DOWNEY: If it were available, you could buy it for the price (which would have to be a legally set price) if you could find any old crude.

FINK: You indicated that you are buying oil from other than the State.

DOWNEY: Well, yes. A lot of it is in order to get it, Cook Inlet crude is a premium crude. They usually demand some other kind in the lower 48 to replace that barrel to barrel.. It's an exchange.

FINK: Do you anticipate that you are going to get any more crude?

DOWNEY: Right now the crude oil department knows more about it than I do. They've been unable to assure us more than an average of 28,000 barrels a day this first quarter.

WILSON: Regarding fuel conservation practice, allocation forms that you fill out, part of the requirement is that you have to certify that you are practicing fuel conservation. We have a problem here, particularly in rural Alaska where most of the people have been practicing fuel conservation for years because prices are so high. I don't see any more ways to practice it.

SANDERS: The regulations are not explicit in what defines an energy conservation program. If you tell us that you are doing your best to practice a fuel conservation program, then we will go on that.

SINGLETERY: Wouldn't you say, John, that you have to cut down to arbitrary level, if you've been practicing fuel conservation all along.

SANDERS: There are in some areas, space heating... It should be reduced x amount. It hasn't been a problem.

MC VEIGH: If you certify that you are using fuel conservation measures, there is a presumption that you have to change to cut down but if you are already flying at 40 per cent power and overloaded, you can't do more than that.

BANFIELD: What happens to all those drums that you hauled out to the villages?

KENT: There is now a bulk tank at the village store and the drums go back and forth to our distribution plants. Now the drums that are there in the villages remain there and the customer takes the drum unto himself - he'll haul the drum on whatever conveyance he has and load it at the village store from their bulk tank, so it remains in service.

BANFIELD: So you don't leave them laying around the countryside. I just wondered if you supplied new drums all the time?

KENT: No.

There being no testimony or questions, Chairman Hartig adjourned the meeting at 9:30 p.m.