



NJ Gasoline, C-Store, Automotive Association
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March 4, 2024

To: The Honorable Members of the New Jersey Congressional Delegation
From: Eric Blomgren, Chief Administrator & Director of Government Affairs
New Jersey Gasoline, Convenience Store, Automotive, Association

Re: Oppose Elimination of the Northeast Gasoline Supply Reserve

On behalf of the independent small businesses in the motor fuel retail industry across this state, I am reaching out to ask for whatever help you can provide to prevent the elimination of the Northeast Gasoline Supply Reserve, as called for in the proposed federal spending plan released on Sunday.

Eliminating this Reserve will jeopardize our state's energy and economic security in order to generate what amounts to a few drops in the bucket of a vast spending plan.

The main argument for this elimination seems to be that the Reserve has so far not been used in the decade since it was created. I would emphasize "so far". Thankfully, we have not had a repeat of the devastation of Superstorm Sandy and the gas lines that followed. Gas lines that lasted not just for a day or two but for over two weeks. Gas lines worsened because the supply disruption increased panic buying and made it harder for deliveries to catch up.

The small businesses who own so many of the state's gas stations remember what it was like when they couldn't get fuel delivered regularly for nearly a month after Sandy hit. There were station owners who went as long as ten days with their power on and no fuel deliveries. Other station owners were getting a delivery, selling out in three or four hours, and closing shop again for days.

Contrary to what some believe, the cause of that gas shortage was not a lack of electricity—it was a lack of supply following significant flooding of the state's motor fuel infrastructure. That's why this reserve was created, so that if (or when) it happens again, there is a secure supply that can be accessed to mitigate the problem. Even the knowledge that there is such a supply in the region can help prevent the panic buying that fuels shortages. Residents had to live with 'even-odd' gas rationing for the first time since the gas crises of the 1970s.

The gas crisis ground the economy in northern New Jersey to a halt as our several million residents were unable to get to the store, get back to work, or even power their homes with their emergency generators. In the decade since, even more households have purchased generators to keep their homes running in the event of a power loss, which means there will be even more demand for fuel

the next time a storm hits. Imagine the cost of that versus the revenue that will be brought in by selling off this reserve.

Everyone saw during the covid pandemic the immense problems that can come from 'supply chain disruption'. We live in a complex economy maintained by delicate links, and this reserve provides some needed redundancy and security.

I am not aware of any projections for the future that call for *lower* sea levels and *weaker* hurricanes. When Sandy made landfall, it had weakened considerably and was not even classified as a hurricane. Imagine the turmoil we will be in if we are hit by an actual Category 2 or 3 hurricane. Our fundamental vulnerabilities are the same. Our terminals and fuel infrastructure are still close to the coast.

State leaders know this Reserve is important, that's why the New Jersey General Assembly supported a resolution opposing an effort by the Trump Administration to abolish it. The resolution passed by a bipartisan vote of 75-0 in June 2018 (AR-76).

I ask that our Congressional delegation to fight this attempt to Make New Jersey Vulnerable Again.

Thank you.

