



# THE Griffin Report

of Food Marketing

All That's News in the Food Industry

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### NOTHING PERSONAL



BY KEVIN GRIFFIN PUBLISHER

### We All Lost A Champion In Bill Grize

The food world has lost a champion in the passing of **Bill Grize**. He touched so many as the leader of Stop & Shop and Ahold USA and those who met him at many food-related events and functions.

Almost five years ago in April, at a standing-room event at Lombardo's in Randolph, Mass., more than 900 people, including Stop & Shop, Giant, Bruno, and Tops staffers as well as labor and retail leaders, suppliers of Ahold and friends of Bill Grize, came to honor him as he retired from Ahold USA and Stop & Shop.

Lombardo's was a sea of food-trade representatives who came to celebrate 38 years that Mr. Grize worked for Stop & Shop and Ahold USA.

Those who spoke, as well as a video, emphasized Mr. Grize's strength as a leader of all kinds of people, his attention to detail, his ability to solve problems and not to fear them, and his general kindness and generosity. Before coming to a store, he made it his business to know everyone's name in that store. **Danny Wegman**, head of Wegmans of Rochester, N.Y., said in the video that Mr. Grize always put people ahead of himself.

**Don Sussman** of Stop & Shop also said that "only when you were up did he [Mr. Grize] beat you up. When you were down, he was there to help you."

Mr. Grize had a passion for the business and was always in the pursuit of excellence.

**Bob Tobin**, another revered leader at Stop & Shop and Ahold, said Mr. Grize always stood out as someone who was very passionate, very articulate, and who set high standards, a man of high integrity, and whose motto was that the team is more important than the individuals.

As an industry leader, Mr. Grize was a longtime supporter of the Massachusetts and Connecticut Food Associations, the Food Marketing Institute, the Joint Labor Management Committee in Washington, D.C., the Coca-Cola Retailing Research Council, the Private Industry Council of Boston and INROADS of Central New England. This is a national organization that matches high achieving college students of color with business internship opportunities.

A strong supporter of Stop & Shop's community partnership programs, Mr. Grize was a trustee of the Dana Farber Cancer Institute. He was also a member of the Jimmy Fund's Partnership Advisory Board at the Dana Farber Cancer Hospital in Boston and one of the fund's most vocal advocates.

Mr. Grize, in his closing remarks at the Lombardo's event, talked of the lessons learned from Mr. Tobin, and that Stop & Shop and Giant were blessed with great people. He credited Sidney Rabb, Avram Goldberg, Lew Schaeneman, and Mr. Tobin as his mentors and praised them for their leadership skills.

At this event, a scholarship in Mr. Grize's name was established by Stop & Shop, and he was given a gift of a Steuben Crystal hand-carved heart with the inscription, "For Bill Grize, whose heart is big enough for the entire company."

As we were going to press, we learned that in lieu of flowers, memorial donations may be made to "The Journey of Hope Campaign," which is for the New Dana Farber, Brigham and Women's, South Shore Hospital Cancer Center, 55 So, Weymouth, Mass. 02190.

Condolences can be made to Mrs. William G. Grize II (Lynn), P.O. Box, 882, E. Dennis, Mass. 02461-0882.

Bill was a longtime great friend to the Griffin family, and a true believer in our efforts here at The Griffin Report. May God welcome him into The Kingdom of Heaven and bless his soul- He will be truly missed.

# Food Industry Mourns The Loss Of Bill Grize

**William J. (Bill) Grize II**, former president and chief executive officer of the Stop & Shop Supermarket Co. and Ahold USA, Inc., passed away Jan. 5 after a brief illness.

According to Stop & Shop officials, Mr. Grize, who retired from Ahold in 2005, leaves behind a legacy of amazing dedication, firm commitment and gritty determination.

Mr. Grize had recently been diagnosed with Creutzfeldt-Jakob Disease, a rare degenerative fatal brain disorder whose cause is unknown and for which there is no known cure. Unfortunately, the disease progressed very rapidly and led to his untimely death at 63 years old.

**Faith Weiner**, Stop & Shop senior director of public affairs, said Mr. Grize's passing is a great loss to the Ahold USA retail family and the supermarket industry. His career spanned nearly four decades, and his innovative ideas and strong work ethic made him an inspiration to associates across the company.

"Our deepest sympathies are with Bill's beloved wife of 43 years, **Emelyn**, children, grandchildren and his entire extended family including the thousands of associates and colleagues whose lives he touched," said Ms. Weiner.

Mr. Grize grew up in Waterbury, Conn., and graduated from Croft High School, where he met his wife, Emelyn. He then earned a B.S. in economics from Southern Connecticut State College.

Mr. Grize entered the food industry



as a teenager, working for five years at a Connecticut beef company doing case-work and performing cutting duties. Then, in 1967, he began his storied career at Stop & Shop as a part-time

clerk in the local Waterbury store. Over the years, Mr. Grize quickly rose in the ranks of Stop & Shop's Connecticut Division. In 1990, he became senior vice president and general sales manager of

the Stop & Shop Supermarket Company, and then in 1993 he was promoted to executive vice president of retailing.

In 1994, Mr. Grize was named Stop & Shop's chief operating officer. In 1996, he added president of Stop & Shop to that title. At the close of 1997, at the age of 51, Mr. Grize was named president and chief executive officer of Stop & Shop.

Under his leadership, Stop & Shop's sales grew 22 percent from \$5.5 billion in 1997 to \$6.7 billion in 1999, accompanied by substantial growth in the company's operating profits. In 2000, Mr. Grize was appointed president and chief executive officer of Ahold U.S.A., Inc. Subsequently, in 2001 Mr. Grize was appointed to the Royal Ahold Corporate Executive Board.

Ms. Weiner said that during his career, Mr. Grize was well known in the food industry as a person with extraordinary passion for people.

He believed that his company's management had both a civic and business obligation to provide diversity in the stores and corporate offices in order to serve the needs of the customer and the community.

In 2005, the Food Marketing Institute (FMI) awarded Mr. Grize the prestigious Sydney R. Rabb Award in appreciation of "his exceptional service to the community, consumers and the industry."

He served as a member of the Exec-

(Continues on page A4)

## GIANT/MARTIN's To Acquire Ukrop's Supermarkets



**Giant-Carlisle**, a division of Ahold USA, increased its presence in Virginia last month with the announcement that Royal Ahold would acquire 25 stores from Ukrop's Supermarkets.

Giant-Carlisle operates more than 150 stores in Pennsylvania, Virginia, Maryland and West Virginia under the names of GIANT and MARTIN'S. Giant-Carlisle employs more than 26,000 full- and part-time associates.

Ukrop's employs approximately 3,900 full- and part-time associates in 25 stores and a corporate support center. Giant-Carlisle will hire Ukrop's store associates. The purchase price is approximately \$140 million. The closing of the transaction is expected to take place in the first quarter of 2010.

Ukrop's is a family-owned business based in Richmond, Va. The

transaction includes 25 stores, inventory, equipment, lease agreements and one new store location. Stores are located in the Greater Richmond and Williamsburg, Va., areas.

**John Rishton**, chief executive officer of Ahold, said, "This acquisition is part of Ahold's profitable growth strategy. Ukrop's is a great company with a strong heritage in an attractive market. We believe that Giant-Carlisle and Ukrop's will be a strong combination."

"This acquisition is an exceptional fit for two companies that share common values including a commitment to our associates, customers and communities," said **Rick Herring**, division president of Giant-Carlisle. "It is our goal to build on the heritage of a great company and ensure the least amount of disruption to customers

as part of the sale process. Customers should expect to find the same friendly store teams, excellent customer service and quality foods that they have always found at their local Ukrop's."

The Giant-Carlisle Division operates 152 stores in the states of Pennsylvania, Virginia, Maryland and West Virginia under the names of GIANT and MARTIN'S, including nine stores in Virginia that operate as MARTIN'S. "We may be new to Richmond, but we've operated in Virginia since 1984," continued Mr. Herring. "We're excited about introducing ourselves to the community."

"We believe that the GIANT/MARTIN'S combination of global strength and local focus will provide an even greater shopping experience for our customers,

(Continues on page A4)

## Senator Pleads To Slow Penn Traffic Sale

On Jan. 5, U.S. **Senator Charles E. Schumer** of New York sent a letter to the heads of GE Capital and Penn Traffic asking them to slow the process and not accept a liquidation bid for Penn Traffic that would shutter many stores and lead to possible significant job loss.

Penn Traffic, which has filed for Chapter 11, is searching for buyers for its 79 stores in New York and surrounding states.

Reports to Senator Schumer's office indicate that that Penn Traffic was pushing for a decision to be made by Jan. 8—well ahead of the previously established court date for bids of Jan. 22.

According to Senator Schumer, a decision that prioritizes a liquidation bid would likely result in a large portion of the stores being liquidated. Senator Schumer urged the major players in the Penn Traffic negotiations to not accept any low-ball liquidation bids offered by this Friday, Jan. 8 and instead to prioritize bids that maximize the greatest

(Continues on page A7)

## Celebrating RIFDA's 100th Anniversary



(L-R) **Lou Furcolo** of Dave's Fresh Market, **George Pelletier** of Shaw's Supermarkets, **Steve Arthurs**, new RIFDA executive director, gathered at the Rhode Island Food Dealers 100th anniversary event and annual meeting held recently at the Hyatt Regency in Newport, R.I. See page A9 for more information.

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## INSIDE C-STORE

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## 7-Eleven Tests Mobile Marketing Page C7



## All That's News In The Convenience Store Industry

### Rutter's Farm Stores Opens Largest Environmentally Friendly Store To Date



(See page C3 for details.)

## C-STORE HAPPENINGS

### CHEVRON TO DEBRAND 1,100 STORES IN EASTERN U.S.

Chevron announced plans to debrand about 1,100 stations in Washington, D.C., and 12 states by the middle of 2010. Other major gas retailers such as BP PLC, Exxon Mobil Corp. and ConocoPhillips have announced plans to divest their retail assets over the past 18 months because of low profit margins. States impacted include Delaware, Indiana, Kentucky, North Carolina, New Jersey, Maryland, Ohio, Pennsylvania, South Carolina, Virginia, West Virginia, Washington, D.C., and parts of Tennessee. The stations account for about eight percent of U.S. sales volumes.

The company is focusing its efforts on the West Coast and will concentrate on markets where it has a bigger presence.

### GEO. GREEN OIL OF GA. RAISES \$21,690 FOR STOCKING FUND



Pictured here are Linda Bowdoin, Sandra Candiotti, and Donna Nichols in the official check presentation at Green Oil.

Geo. H. Green Oil, Inc. of Fairburn, Ga. has announced great success in its efforts to raise money for Greater Atlanta's Empty Stomach Fund, Welcome House of Newnan, Ga. & In His Great Name Ministry, Fairburn, Ga..

In a year when charities all over the country have fallen far short of previous totals, The Green Oil, Greenway Store Team surpassed last years total by more than seven percent. Three very dedicated company operated stores averaged \$537 a day for 28 days to achieve some \$15,000 of the \$21,690 raised.

The balance came from weekly "Silent Auctions" at the Green Oil, corporate Headquarters with items furnished by loyal Vendors, along with a helping hand from a few supportive dealer Stores and thousands of customers.

Owners Ed & Bill Wyatt told employees: "We are continually astounded by, your compassion and effort in raising great sums of money for area children in need. Through your dedication more than 1,080 children woke up with Christmas toys, clothing, educational material and renewed hope.

### C-STORE LATEST WORD...

- Cumberland Farms stores offered free coffee to its customers from 5 p.m. Dec. 31 to 5 a.m. on Jan. 1. The free coffee was available to all Cumberland Farms stores across the Northeast and Florida except for those with Dunkin' Donuts service.
- Blockbuster has announced a "Good Grades, Free Rental Program," in which children in K-12 who earn an A or B average on their report cards can receive a Blockbuster Favorites movie rental.
- Sheetz was listed at number 25 on the list of top 50 large companies on the state's Best Places To Work.
- Circle K is upping its promotion of franchising in Florida with extensive training and promotional tools.
- Lifeway Foods, makers of a probiotic dairy beverage called Kefir, will be expanding their distribution to include the 7-Eleven convenience store chain.

# New Year In Fla. Means Out With The Old Tanks



BY GAVIN SMITH

The new year may not be a happy one for many Florida petroleum businesses thanks to sweeping new regulations put in place by the Florida Department of Environmental Protection.

The new laws required all businesses with single-walled USTs and ASTs (under-

ground storage tanks and above ground storage tanks) to upgrade to new double-walled tanks by Dec. 31, 2009. Those that have yet to heed the warnings may be in big trouble with the State of Florida, or may even find themselves out of business.

According to the Florida DEP, there are only a small percentage of locations that

have yet to comply. However, for that percentage, the deadline was daunting.

According to the Florida Department of Environmental Protection, there are over 26,500 underground fuel storage tanks and over 700 above ground fuel storage tanks that have yet to be replaced in Florida. Keeping in mind that most

A failed steel-clad underground storage tank is unearthed in Florida.

operators have multiple tanks, a better assessment is made of the overall progress of the operators themselves.

"Facilities with Underground Storage Tanks (USTs) that require upgrade is 1,345, or 15 percent, of the 8,785 UST facilities," said Marguerite Jordan, pub-

(Continues on page C3)

## 7-Eleven Purchases New England Pantry



Here is one of the newer New England Pantry stores in Northboro. All of the N.E. Pantry stores were sold in December to 7-Eleven.

New England Pantry, White Hen's franchisor in the New England area, was sold in mid December to 7-Eleven, significantly expanding 7-Eleven's presence in the greater Boston and New England area.

On Dec. 16, 7-Eleven, Inc. announced the acquisition of New England Pantry, a company that operates 58 convenience stores under the White Hen Pantry brand, from affiliates of Sanders Morris Harris Group Inc., a Houston-based wealth management firm. Financial terms of the transaction were not disclosed.

The acquisition significantly expands 7-Eleven's presence in the greater Boston area, bringing the number of outlets 7-Eleven operates and franchises to more than 170.

"This acquisition significantly strengthens our convenience offering in greater Boston," said Bob Cozens, vice president for 7-Eleven's Northeast Division. "White Hen Pantry has a 40-year history of providing good customer service and high-quality products to consumers in the Boston area and we want

to continue that tradition."

Andy Brothers, who has served as the New England White Hen Pantry stores chief executive officer, will join 7-Eleven's management team and will support the transition. He said, "The acquisition of New England Pantry by 7-Eleven will provide our customers, franchisees and employees with additional opportunities by joining the leading convenience retailer's store network. Franchisees will be able to capitalize on 7-Eleven's brand strength, extended line-up of proprietary and private label products, and proven business system." Mr. Brothers and the New England Pantry management team will continue to work out of their Norwood, Mass., office.

The company anticipates that stores operating under the White Hen Pantry brand will begin converting to stores to the 7-Eleven brand in 2010.

Margaret Chabris, 7-Eleven spokesperson, said 7-Eleven has asked the franchisees, store and office employees to stay on during the transition. She said it was too soon to say what merchandise will change or stay.

"The fact that these stores are in an

area where we have close to 120 stores was important to us - we can now have better efficiencies in advertising and distribution, for example," said Ms. Chabris.

White Hen was a chain of nearly 260 mostly franchised owned convenience stores located in the greater Chicago and New England areas. In 2001, owner Clark Retail Enterprises sold its 55 White Hen Pantry stores in Massachusetts and New Hampshire to New England Pantry. The deal allowed New England Pantry to be the exclusive franchisor in the New England area. In 2006, White Hen Pantry was purchased by 7-Eleven and the



(Continues on page C5)

## Training Is A Passion For Award-Winning Hess Express Manager Kathy Carter

BY LIBBYE MORRIS

A day in the life of a convenience store manager is hectic, customer-focused and full of cleaning that never seems to get done, but the most rewarding task of all is training employees to become managers.

This statement comes from Kathy Carter, who was named the 2009 Store Manager of the Year by the South Carolina Association of Convenience Stores (SCACS).

"There's nothing better than to know that you took someone from a senior sales associate to an assistant manager, and then they get promoted to manager," Ms. Carter said. "I know that when I promote that person, they're going to do a very good job for the company, and they'll also get a financial reward. That's satisfying to me."

It can take six months to a year to promote a quality employee to the next level. "It's quite an investment of time, but it's worth it because later, the company definite-

(Continues on page C3)



Kathy Carter of Hess Express receives the association's Store Manager of the Year Award from David Jordan, who is the SCACS President and the vice president of marketing and chairman of the Board at RL Jordan Oil Company.

## Quick-Piks

### NACS Launches Biggest Consumer Petition Drive

More than 8,000 convenience retail stores have signed up as part of the biggest consumer petition drive in American history, according to the National Assn. of Convenience Stores. The goal of the petition drive is for retailers and their customers to tell Congress, "It's time to reform unfair credit/debit card swipe fees." This fall, 7-Eleven franchisees delivered nearly 1.7 million customer signatures to Congress — the largest number of signatures collected for a public policy issue in history — urging congressional leaders to "stop unfair credit card fees."

Beginning Dec. 15, NACS began to coordinate a campaign to generate millions more signatures from convenience customers, encouraging Congress to reform unfair credit and debit card interchange, or "swipe," fees

Both 7-Eleven CEO **Joe DePinto** and Alimentation Couche-Tard CEO Alain Bouchard, who led his company's credit card interchange petition drive that collected 400,000-plus customer signatures at its Circle K stores, urged retailers to launch their own petition drive in their stores in a video introduced at the NACS Show in Las Vegas in late October. All of the materials retailers need to participate in the latest petition campaign are available free of charge at [www.nacsonline.com/fightswipefees](http://www.nacsonline.com/fightswipefees).

### Diedrich Coffee To Merge With Green Mountain Coffee Roasters

On Dec. 8, Diedrich Coffee, Inc. decided to enter into a merger agreement with Green Mountain Coffee Roasters, Inc. and terminated discussions with Peet's Coffee & Tea. As of Dec. 2, Diedrich Coffee called Green Mountain's offer a "superior proposal and gave Peet's until 5:00 p.m. Pacific time on Monday, December 7, to update and amend its offer. Diedrich Coffee markets three brands of specialty coffees, Diedrich Coffee, Coffee People and Gloria Jean's Coffees, through office coffee service distributors, restaurants and specialty retailers, and via the company's web stores. Diedrich Coffee is one of only four roasters under license to produce K-Cups for Keurig Incorporated's single-cup brewing system.

### PepsiCo Opens New Haven Research Lab To Develop Healthier Products

PepsiCo. recently announced it will open a long-term research laboratory in New Haven with a focus on the development of healthier food and beverage products. The company also will fund a graduate fellowship in the M.D.-Ph.D. Program at Yale School of Medicine to support research related to nutritional science.

The opening of the new lab in Science Park, adjacent to Yale's campus, is part of a major shift by PepsiCo to fundamentally improve the nutritional profile of its vast portfolio of foods and beverages. Within the past two years, the company has added clinical scientists and experts in nutrition, food safety, epidemiology and health policy to its staff.

"Ultimately, we're trying to make it easier for consumers to lead healthier lifestyles," said **Dr. Mehmood Khan**, PepsiCo's chief scientific officer and an endocrinologist. "We're confident that the work we'll be doing in New Haven, in collaboration with some of the world's best scientists, will lead to advancements in nutrition and health for people across the globe."

The group based in New Haven will focus on long-term research aimed at developing healthier foods and beverages that can improve people's overall diets. The lab will be PepsiCo's ninth global regional research center. Four centers are located in the United States with others in the United Kingdom, Mexico, China and India along with satellite centers in Thailand, Brazil and Australia.

PepsiCo has already begun its shift to a healthier portfolio of foods and beverages. For example, in the United Kingdom and Europe, PepsiCo has introduced Baked Lay's and Baked Walkers with 70% less total fat than regular crisps.

In the United States, Tropicana Pure Premium Orange Juice has two servings of fruit in every 8-ounce serving and offers a juice variety with added calcium and Vitamin D. In India, PepsiCo is using rice bran oil instead of palmolein oil, which has reduced saturated fats by 40 percent.

### PepsiCo To Distribute Certain Dr. Pepper Snapple Group Brands

PepsiCo has reached an agreement with Dr Pepper Snapple (DPS) Group, Inc. (DPS) to manufacture and distribute certain DPS products following completion of PepsiCo's acquisition of its two anchor bottlers, The Pepsi Bottling Group, Inc. (PBG) and PepsiAmericas, Inc. (PAS).

Under the terms of the agreement, DPS will receive an upfront payment of \$900 million. In exchange, PepsiCo will be entitled to manufacture and distribute Dr Pepper and certain other DPS products in the territories where they are currently distributed by PBG and PAS.

Under the new agreement, PepsiCo will distribute: Dr Pepper, Crush and Schweppes brands in the United States; Dr Pepper, Crush, Schweppes, Vernors and Sussex brands in Canada; and Squirt and Canada Dry brands in Mexico.

The agreement was anticipated after PepsiCo and its bottlers earlier this year reached an agreement under which PepsiCo would acquire the two anchor bottlers.

PepsiCo also announced plans last week to open a long-term research laboratory in New Haven, Conn., with a focus on the development of healthier foods and beverage products.

### 7-Eleven Targets Manhattan For Major Store Growth

7-Eleven is expanding its presence in the New York metro area with a major focus on New York City, and Manhattan specifically. 7-Eleven is looking to open 100 stores in the next five years in Manhattan either by executing new leases or through its business conversion program (BCP).

Ideal sites for 7-Eleven are from 1,700 to 3,500 square feet in high foot-traffic locations that allow for 24-hour operation. Under a company franchise arrangement, owners are invited to convert their existing business to a 7-Eleven store and become a 7-Eleven franchisee incorporating the company's proprietary products, services, technology, and business processes. Under 7-Eleven's traditional franchise model, the company develops the store site and then franchises the business to a qualified candidate. Nearly 300 food and other products are sold under 7-Eleven's private-label brand of 7-Select.

### Quick Chek Donates More Than \$2,200 To N.Y. Volunteer Fire Dept.

Middletown, N.Y., Quick Chek representatives recently presented a donation of \$2,214 to members of the Middletown Volunteer Fire Department. The donation represents \$0.25 for every sub, sandwich and wrap sold during the Middletown Quick Chek's first 30 days in operation (Sept. 22 to Oct. 21) following the store's recent grand opening celebration. The new Quick Chek store, located at I-9 County Highway 108, (intersection of City Highway 108 and State Highway 17M), includes a coffee bar, sub shop, soup bar, bakery items made fresh every day, a no-fee ATM center and 20 fueling stations.

In other news, Quick Chek recently celebrated the grand

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lic information officer for the Florida Department of Environmental Protection. "Facilities with Aboveground Storage Tanks (ASTs) that require upgrade is 332, or less than 3 percent, of the 11,227 AST facilities."

While the benefits of the new double-walled systems are debatable, the new law is not. According to Ms. Jordan, retail facilities such as gas stations and convenience stores that did not meet the deadline at the end of the year face three available options.

First, if businesses have a contract in place to have the upgrade work performed, they will be granted a three-month extension beyond the deadline. Second, operators may remain in business after the deadline if non-compliant tanks are taken out of service or permanently closed. Third, if businesses need more time to have the upgrades done, they can work with the department to enter into a consent order designed to achieve compliance within a specified period.

This may be a relatively painless fix for larger gas station companies and conglomerates that have easier access to capital and contractors ready to do the work. The concern, however, is with smaller, independent operators. Many small petroleum businesses cannot get the work done in time, facing long waits for permits and the lack of available contractors that specialize in tank installation. For those struggling to find the money during the current economic climate, these costly new upgrades may simply drive many small operators out of business.

"The average cost (of the upgrade) is around \$250,000 per site," said **Jim Smith**, president and chief executive officer of the Florida Petroleum Marketers and Convenience Store Association. "The biggest difficulty for those still needing to upgrade is financing. Loans are non-existent. There is also the problem of permitting. In South Florida, it can take more than six months."

Ms. Jordan agrees with Smith's financial read.

"The primary reason that causes a delay that has been conveyed to the department is the inability to secure financing due to current financial markets," she said.

Upgrading the tanks may come with a hefty price tag for operators. But according to the Florida DEP, not upgrading the tanks may be more costly to Florida's environment and to its citizens. Officials insist that the new double-walled systems will catch leaks before they can contaminate surrounding soil and groundwater.

"The secondary containment requirement for all petroleum storage

## Florida Tanks Replaced...

systems improves the protection of our water resources and prevents future petroleum contamination cleanup sites," said Ms. Jordan.

Officials also argue that, according to environmental studies, the current single-wall systems pose public health and environmental risks due to an increased likelihood of leakage. They argue that there is a significant risk that leaks could affect the state's drinking water supplies. According to the DEP, groundwater provides more than 90 percent of the drinking water in the state of Florida.

Many in the petroleum industry disagree, including Mr. Smith. Some think there may be a more political than practical purpose for the new laws.

"I can tell you that as an industry we have seen a significant number of single wall fiberglass clad steel tanks that were in the same shape at removal as they were in their initial installation," said Mr. Smith. "Those tanks should have been allowed to go to a useful life situation but Florida law does not permit such an option."

In fact, the new law allows for punitive efforts by the state if operators do not conform.

"Fines or penalties will be assessed for each facility depending on that facility's specific situation," said Ms. Jordan. "A facility that does not complete the upgrade and ceases fueling operations on or before the deadline will likely not be fined. A facility that refuses upgrade and does not cease operations will face fines levied by the courts."

When asked about specific amounts for fines, the DEP remained non-specific. "The department may seek injunctive relief to require tank closure, as well as the assessment of penalties," said Ms. Jordan.

While legal concerns are an issue, the immediate business impact on operators may be more significant.

"As it stands right now if you have a contract in place for tank replacement you will be allowed to operate until installation," said Mr. Smith. "If you have no contract you will be required to immediately take your tanks out of service. That last scenario will no doubt cause a number of facilities to go out of business. My guess would be 10 percent of the state's retail facilities, or about 900 sites, will meet that fate."

But according to Mr. Smith, the consumer may also feel the changes.

"I have always believed that when you eliminate competition in any marketplace the consumer generally loses," said Mr. Smith. "Bottom line is we won't really know the full impact until April."

☛



Here is an example of a potentially hazardous above ground storage tank, one of many required to be replaced in Florida.



Pictured are new double-walled above ground storage tanks that comply with new AST/UST laws put in place January 1 by the Florida Dept. of Environmental Protection.



One of the new underground storage tanks going in all over Florida. Over 20,000 have been replaced in Florida as required by new AST/UST laws in effect.

## Hess Express, Kathy Carter...

(Continued from page C1)

ly benefits from it," she said.

"I hire very capable people, and I really believe people don't ever think they'll only be good enough to just run the register. I always spend a good bit of my time every week taking that person to the next level. It's just that gentle little push: 'You've got this down; let's step it up and teach you this now.' That's basically my job in a nutshell."

As with any management role, there is a down side to the personnel role, too.

"There sometimes comes a time when you have to cut an individual loose. We can bend so much, but we all still do have a job to do," Ms. Carter said. "Because I have been with the company so long and I am heavily vested in that stock, I am constantly aware that we have to answer to our customers and ultimately our stockholders. That's really the bottom line. When you look at what's going on in the economy nowadays, I want to know that when I go home at night, I did the best I could for our stockholders to make that profit, I did what was right for the customer and I did right by my people."

When Ms. Carter arrived on the scene, there was no training program to speak of. "We have a great training program now. The key to success is in hav-

ing quality people, people who know what they are doing," she said. "I've worked with and trained some really good managers over the years. One time we went to a kickoff meeting, and it came to my attention that I had developed and trained 60 to 70 percent of the managers in my area. I didn't realize it until somebody pointed it out to me."

Ms. Carter is currently a general manager for Hess Express, as well as the certified training manager for her region in South Carolina. Hess Express has about 1,360 retail marketing facilities serving customers in 16 states from New Hampshire to Florida. In South Carolina, Hess operates 35 stores and employs more than 400 people. WilcoHess, a joint venture with Hess Corporation, operates about 25 locations in South Carolina.

She has been in the convenience store industry for 23 years, and she has been with Hess for 21 of them. She started out as an assistant manager and held that post for six months before being promoted to manager. That position led to challenges that showcased her management aptitude.

"Over the years, when a store wasn't performing, they would come to me and ask me to get it straight. And I would. I'd go in, clean it up, get the store person-

nel staffed and leave it in a good position before I went on to my next assignment," Ms. Carter recalls. "I did at least six stores before I settled down into my current store."

### Setting the Bar High

"Her standards are high," said Doug Rohe, senior marketing representative for Hess Express. "Sometimes vendors within her stores must go to the extra mile to achieve her standards but, at the end of the day, the customers are the winners. She recruits and trains the best of the best."

In 2009, Hess Express ranked Ms. Carter among the top eight managers in the entire Hess organization.

Her store is continually measured on a variety of metrics—profit levels that have been budgeted for the year, employee turnover and execution of promotions.

Ms. Carter was raised by a military family who taught her to have high standards and to do everything with character and integrity. "And I think that bleeds over into everything that I do in life," she said. "Everything you do in life, you've got to do it with passion. To me, that's what makes any person successful. Character and integrity—those are things that you come to the table with.

Everything else you can work on."

Working exclusively from her store in Charleston, Ms. Carter's typical week consists of making sure her store stays competitive in the gas pricing market and in convenience product sales. She makes sure that the store is fully stocked, orders supplies and product, and keeps up with Hess communications on a daily basis, "because it's a changing and evolving business."

As a manager, she says she has to be on top of her game every day, and that involves cleaning the store—"always cleaning"—as well as accounting for inventory and "constantly training my personnel." She also interacts with customers frequently, and many of them remember her from a decade or more ago.

Ms. Carter, who just turned 50, says she is finished moving around. Growing up in a military family, she moved a lot, and she is now happy to be settled. She moved to Charleston as a high school senior, eventually made a couple of trips to California and back to her home state of Florida, then came back to South Carolina. "I like stability," she said. "I want to stay where I am and train more people for the company. I love the Low Country, and I will never leave." ☛

## Rutter's Farm Stores Opens Largest Environmentally Friendly Store To Date

Rutter's Farm Stores recently opened its newest store at 14 W. Pennsylvania Ave., Stewartstown, York County, Pa. The 24-hour store — Rutter's biggest and most environmentally friendly store ever — created 40 jobs. The 5,750-square-foot store is the first Rutter's to make use of skylights that will reduce the need for artificial lighting. The 19 skylights complement a white roof, which will keep the building cooler while reducing energy demand.

In a couple of other Rutter's firsts, the store has energy-saving triple-glazed windows and all-LED exterior lights. Rutter's recently became the first convenience store chain to join 32 other retail organizations in the U.S. Department of

Energy's Retailer Energy Alliance, whose mission is to promote the energy-efficient design and operation of retail locations.

The store has 20 fueling positions (including four that offer diesel) in front and two dedicated diesel islands in back, as well as an all-glass, two-bay automatic car wash.

The 24-hour store features Rutter's latest foodservice offerings, including a recently introduced dinner menu and kids meal; custom stir fry and fajitas; and fresh-baked sub and ciabatta rolls. A premium-coffee island, touch-screen ordering, seating for 15, public restrooms and a surcharge-free M&T Bank ATM are among the other amenities.

The store includes open ceilings, floor and wall tiles, and restrooms with floating ceilings, music and other upscale accents.

In other company news, Rutter's has announced charitable donations totaling \$204,000 to 30 organizations.

These donations — in addition to previously announced contributions totaling \$56,500 to 11 food pantries — bring Rutter's total 2009 giving to \$260,000. Including 2009, Rutter's charitable giving has topped \$2 million over the past seven years. Almost all of the contributions benefit children's programs in the communities where the York-based Rutter's companies operate. ☛

