

Gas stations pinched, too

JUL 09 2008

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THE SAGINAW NEWS

Motorists aren't the only ones struggling to cope with record gasoline prices.

The economic epidemic has left the retail gasoline business in the shakiest condition he's seen in 40 years, said Ed Weglarz, executive vice president of Farmington Hills-based Associated Food and Petroleum Dealers.

"As customers, you can't believe you're paying \$4 per gallon, but the retailers are in the very same boat," he said. "They are severely impacted by the gas prices."

Retail gas licenses dropped

to 4,928 in 2006 from 5,076 the year before — a 2.9 percent decrease, the Michigan Department of Agriculture said.

Several Saginaw County gas stations, including the BP station at 8815 Main in Birch Run, have shut their doors in recent months. Others, including the Marathon at 4570 Dixie Highway in Bridgeport, are closed temporarily.

"It's dire out there," Weglarz said. "Just in my travels, I've seen more and more gas stations boarded up — and I'm not even looking for them."

The number of retail gas-

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POSTED: 8:25 A.M. TODAY

oline outlets in the United States dropped by almost 2 percent in 2007 from 2006, reported the trade publication NPN Magazine. Preliminary numbers indicate another drop this year, to 161,368 outlets.

The price of gas, which has exceeded \$4 per gallon, and credit card fees ultimately are to blame for most closings, Weglarz said.

"Retailers are making the same amount of money — five cents per gallon — than they were making when gas was a buck and a half," he

said. "You can't survive that way. That's not enough to support your expenses."

"The credit card fees themselves eat you up because they're a percentage of every gas sale."

'Terrible'

Vaughn Dietzel, owner of Myers Oil Co. in Tittabawassee Township, had one word to describe the state of the retail gasoline business — terrible.

"It's the credit card fees that are killing everybody," Dietzel said.

It costs his business up

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Tanked out

Here are the number of licensed gasoline retail outlets in Michigan by year:



DAN JACALONE / THE SAGINAW NEWS

to 10 cents per gallon when consumers use a credit card at the pump. Myers Oil, which operates Myers Mobil Mart, 215 S. Main in Free-land, could pay \$200,000 in credit card expenses in the next year, Dietzel said.

Also adding to the cost is the sales tax the state enforced on gasoline Nov. 1.

Dietzel said sales taxes cost customers 23 cents per gallon at Michigan gas stations.

"Michigan is typically above the national average now (in gas prices)," he said.

Operators at other stations, such as Fast Pax Food Store, 8795 Main in Birch Run, said they haven't felt the effects of rising gas prices so far.

"Actually, we're pretty busy this year," said manager Heather Polzin. "People are getting less gallons during the week than they had to get, but it's not too bad."

After effects

Unfortunately, fees and taxes are only the tip of the iceberg, Weglarz said.

Gasoline retailers also are suffering from lower sales of items such as cigarettes,

food and beverages because customers have less money to spend.

Delivery companies, whether they sell T-shirts or hardware, are paying more for gas and therefore charging customers more for their goods.

"Retailers are getting clobbered from all different directions, even stores that don't sell gasoline," Weglarz

said. "We're asking our members to cut costs at all possibilities, because if you sell gasoline at a loss, you're going out of business."

Furthermore, each abandoned station has an underground storage tank, Weglarz said, that eventually will leak unless it is cleaned up.

"There's no money to do cleanup because the retailer's probably gone bankrupt, and the state keeps redirecting the money from the underground storage tank fund to the general fund," he said.

"That's a dirty little secret that most people aren't aware of." ♦

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July 9, 2008

Saginaw News

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