

Why Companies and States Like Fueltrac.us

by Robert Martin

Interstate Transaction Reporting

Petroleum marketing is truly an interstate industry. Inevitably some transactions involve two or more States. When this happens both States must be notified. Seems simple right? Most final delivery of energy products start at either an IRS Registered Terminal or a bulk storage facility. The significant difference is that all fuel in an IRS Registered Terminal is stored **Tax Free**. This means that all State and Federal highway motor fuel taxes are assessed down stream from the Terminal Rack (the point that the tank trucks are loaded).

If the trucks are loaded from a Bulk Facility then all fuel being stored at the facility is Tax paid or will be paid upon delivery to the first customer.

Today we have large regional and national petroleum marketers, hundreds of thousands of transactions each month in each State and pressure to automate data handling processes for efficiency and audit purposes. There are a myriad of State reporting options and requirements. Keeping track of each transaction by all parties (wholesaler/consignor, carrier and States) can be confusing.

Fueltrac.us Model

Since 2006 Fueltrac.us has been providing an answer to the interstate fuel diversions and exports/imports. Using Fueltrac.us all fuel shipments that are either; (Diversions) fuel loaded at an IRS Terminal where some or all of the loaded fuel will be delivered to a State not named in the manifest/bill of lading as a destination State or (Import/Exports) fuel loaded at a bulk facility or Fuel manufacturing facility that is delivered to a State other than the location of the loading facility can be quickly and easily be registered. Fueltrac.us provides an internet solution to tracking these shipments by reporting the transactions so States can track these interstate deliveries and make appropriate excise tax adjustments. Any trading partner involved the above transactions (Carrier, Consignor/Wholesaler, Consignee) can log into Fueltrac at no cost and register the transaction. Its quick, easy and completed automatically. Fueltrac.us makes the required information available to the States involved. Marketers report any interstate transaction to the free Fueltrac.us 24/7 web site. Fueltrac.us sends out all required notifications in realtime. Unlimited subscribers to Fueltrac.us and Partner States can view transactions or download reports in their custom format. Quick, easy and no hassle.

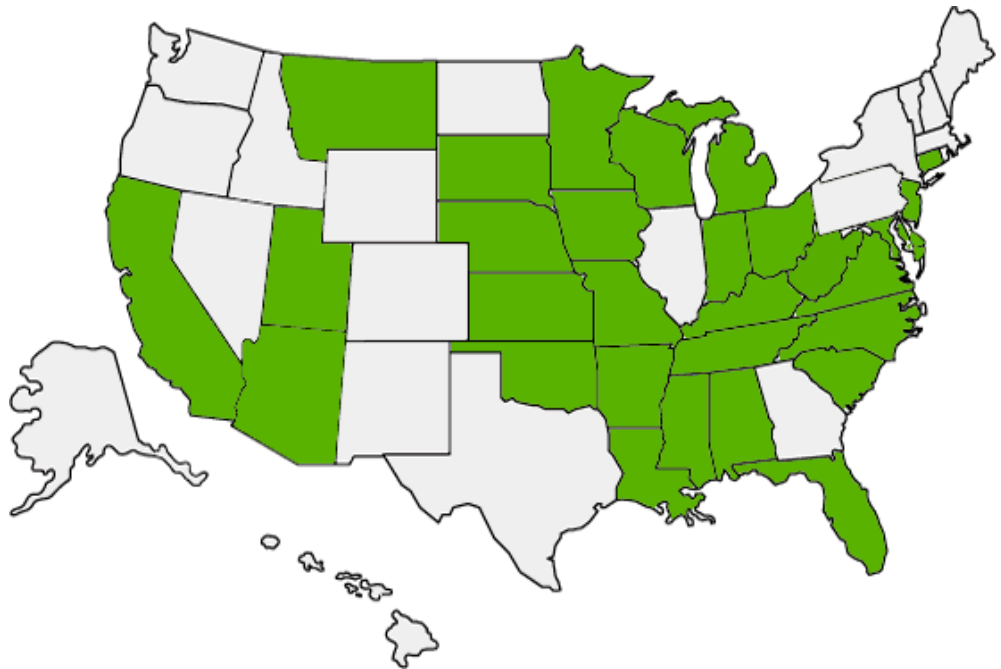
Why Companies Like Fueltrac.us

There are many reasons that 12,900 Fueltrac.us subscribers have made Fueltrac.us the largest diversion and import/export reporting system in the US. Here are few of the reasons.

- No cost for small companies and only \$1,695 per year for Unlimited Subscriptions.
- 24/7 Web Site operation and smart phone access mean timely reporting.
- Common carriers can report as a customer service.
- Unlimited subscribers can export monthly reports to States and trading partners.
- Companies can make sure that fragmented systems match Fueltrac.us records thereby eliminating errors.
- Accommodates drop shipments to multiple States. Quick and easy corrections for all subscribers.
- Multiple eMail address for unlimited subscribers. Type ahead and full tab support for quick errorless data entry.
- Full PDF file attached to all eMail notifications.
- Reliable, down time 27 hours in the first 5 years and 0 down time in the last two years.

Thirty subscribing States means true uniform reporting across the US.

1. California
2. Arizona
3. Utah
4. Montana
5. South Dakota
6. Nebraska
7. Kansas
8. Oklahoma
9. Minnesota
10. Iowa
11. Missouri
12. Arkansas
13. Louisiana
14. Michigan
15. Wisconsin
16. Indiana
17. Ohio
18. Kentucky
19. Tennessee
20. Mississippi
21. Alabama



- 22. Florida
- 23. South Carolina
- 24. North Carolina
- 25. Virginia
- 26. Maryland
- 27. New Jersey
- 28. Connecticut
- 29. Delaware
- 30. West Virginia

Why States Like Fueltrac.us

This figure shows States that subscribe to Fueltrac.us. The system is currently registering 650,000,000 gallons of cross State line transactions each year. Clearly, Fueltrac.us is the quickest, easiest and most widely used registration system in North America.

Here are few of the reasons.

1. Fueltrac.us diversion and import/ export registrations going back to 2006.
2. Only \$4,000 per year for Unlimited Subscriptions.
3. Features available to all State subscribers.
4. Daily Emailed summary reports.
5. State controlled XML transmission directly to your backend application.
6. Realtime company activity analysis.
7. Real time grid searches on several meaningful variables.

The neighborhood Effect

Perhaps the most important reason that is given by States is the Neighborhood Effect. It has been observed that States like Illinois and Georgia experience more voluntary reporting even though they do not appear to use Fueltrac.us for reporting diversions or import/exports. The reverse is also true. Connecticut has not seen the expected reporting apparently because it has no Fueltrac.us State subscriber as neighbors. Several States that have clearly mandated Fueltrac.us reporting have experienced monthly revenue increases in the range of \$50,000 to \$65,000.