

United States Senate
WASHINGTON, DC 20510

March 4, 2008

COMMITTEES:
ARMED SERVICES
COMMERCE, SCIENCE AND
TRANSPORTATION
HOMELAND SECURITY
AND GOVERNMENT AFFAIRS
INDIAN AFFAIRS
SPECIAL COMMITTEE ON AGING
PERMANENT SUBCOMMITTEE
ON INVESTIGATIONS

The Honorable Daniel K. Inouye
Chairman
Commerce, Science and
Transportation Committee.
254 Russell Senate Office Building
United States Senate

The Honorable Ted Stevens
Ranking Member
Commerce, Science and
Transportation Committee
254 Russell Senate Office Building
United States Senate

Dear Chairman Inouye and Senator Stevens:

The Future Accountability in Retail Fuel (FAIR Fuel) Act of 2007, S.1997, attempts to correct an injustice currently borne by retail fuel consumers. Recent studies indicate that consumers are paying more for conventional gasoline and diesel fuel than they should because during the summer months and in warmer climates fuel is traded at a higher volume than standard. We urge your committee to review and report favorably this important bill which will help to alleviate this unfair burden on consumers.

The principal behind the FAIR Fuel Act is what is known as "Hot Fuel". The physics behind hot fuel are fairly simple. Retailers currently measure and distribute the fuel we purchase at the fuel pump as if it is stored at 60 degrees Fahrenheit. However, if the temperature increases, as it often does during the summer months or in warm climates, the fuel expands so that consumers are getting less energy (BTU content) per gallon of fuel. As a result, each year consumers are estimated to pay \$2.57 billion more than they should.

This problem can be easily solved by installing temperature sensing equipment that will regulate the distribution of fuel based on its temperature at the time of purchase. A similar policy was implemented in Canada fifteen years ago because retailers were concerned with revenue loss due to the cold temperatures of the fuel they were selling (cold fuel contains more BTUs than if the fuel was sold at 60 degrees Fahrenheit).

In order to alleviate the burden on consumers and actually give them what they are paying for, the FAIR Fuel Act would require the installation of automatic temperature compensating equipment in all retail gasoline and diesel fuel pumps. As well as establish a grant program to help small and mid-sized retailers comply with the new requirements. I respectfully request that the Committee consider this bill at the next availability for such legislation, and report it favorably to the full Senate.

Sincerely,



Claire McCaskill
United States Senator