

Propane Education & Research Council
June 15-16, 2006
San Antonio, TX

MINUTES

Proceedings for June 15, 2006

Chairman John Gawronski called the meeting to order. Mr. Gawronski welcomed Council members in attendance: Mark Alexander, Doug Auxier, Rosie Dzanski, Ken Green, George Koloroutis, David Lugar, Bill McAdam, R.C. Mills, William Platz, Charles Revere, Glenn Saunders, Ray Scholes, Michael Schwartje, Jay Weinheimer, Steve Williams, and David Wunch.

Approval of Minutes

Mr. Gawronski directed the councilors' attention to the April 2006 minutes. A motion to adopt the amended minutes was made, seconded, and approved.

Chairman's Report

Mr. Gawronski announced the PERC executive committee met after the April meeting via conference call and also met the previous day to discuss the National Propane Gas Association (NPGA) partnership. NPGA President and CEO Rick Roldan said the partnership agreement would provide the degree of clarity everyone expects. PERC President and CEO Roy Willis said he was working with Gas Processors Association Executive Director Mark Sutton on a memorandum of understanding so the two organizations could work closer. Mr. Willis said he anticipated sharing the partnership documentation with the Council at its July meeting.

Mr. Gawronski asked councilors to submit nominations for officers by the end of the day. All officers, with the exception of Vice Chairman, Marketers, Glenn Saunders was eligible for re-election, and Mr. Saunders could be nominated to serve in another officer position.

Information Technology Oversight Task Force. Doug Auxier, chairman of the Information Technology Oversight Task Force, directed the Council's attention to the executive summary document in the supplemental materials.

Mr. Auxier introduced Kay Yong and Armen Badour, CSS Inc. (Fairfax, VA), who presented findings from an assessment of PERC's information technology (IT) programs. Ms. Yong said the Council has had good success with its IT programs, but the programs need fine-tuning. She said the next steps the Council should take include bringing together an IT team that includes an IT director, program manager, technologist, and support staff; strengthening, consolidating, and rehabilitating previous IT investments; forming an advisory committee to oversee future investments; and improving certain aspects of the IT program.

Ms. Yong discussed the websites the council oversees, including usepropane.com, propanesafety.com, propanecatalog.com, and propanecouncil.org. She made the following recommendations: connect all PERC-related websites; redevelop propanecouncil.org into a main portal to link to separate mission area websites, provide

general industry information and information about the council; make propanecouncil.org a Microsoft-based site.

Ms. Yong made the following recommendations to the Council:

- Secure license and support for Propane Web Services for the next five years.
- Do not renew license and support for the Virtual Team Room.
- Secure license and support for FLIP and MCAT for the next five years, integrate these systems with all websites and web based tools, and customize the interface for increased productivity and satisfaction of the council's staff.
- Secure license and support for the Grants Management System (GMS) for the next five years, further customize the interface for increased productivity and satisfaction of staff, and integrate GMS with the accounting systems in order to provide an updated and more accurate picture of industry information.
- Readapt the Find a Propane Retailer (FPR) tool in Microsoft-based technologies to assure security and reliability, integrate FPR with FLIP, and further customize FPR to offer more customized marketer information for better selection results.
- Readapt the Propane Marketer Resource Center (MaRC) in Microsoft-based technologies to assure security and reliability, customize it to make it more useable to marketers, and integrate it with FLIP.

Following the presentation, the Council discussed the recommendations and priorities identified in the report. It was moved, seconded, and approved create the staff position of, and to authorize Mr. Willis to hire, a chief information officer. Mr. Willis said it would take a minimum of 60 days to hire the CIO, and between three to six months to develop an information technology roadmap. Mr. Schwartje requested a status report on the roadmap at the October meeting.

It was moved, seconded, and approved to authorize the creation an Information Technology Advisory Committee, with the new CIO to serve as the staff liaison to the committee.

Assessment Task Force. Bill McAdam, chairman of the Assessment Task Force, reported the task force received a report from Energy and Environmental Analysis, Inc., and Apex, which included three conclusions:

1. PERC collects about 91 percent of total assessments or a theoretical undercollection of roughly \$4 million per year. Mr. McAdam said every extra percent collected equaled about \$440,000 a year.
2. The processes and procedures in place to track and collect assessment revenues have not been significantly updated since the original assessment procedures were put into place.
3. Additional efforts to increase collections appear likely to have a very high return on investment.

Based on these conclusions, Mr. McAdam said the task force would like to implement several steps to improve collection, including increasing educational efforts by PERC; be more proactive in pursuing non-remitters; enhancing APEX's data analysis capabilities, including investing in database upgrades and improvements in electronic data filing capabilities for remitters and terminal operators; and increasing the amount of effort expended by APEX on data analysis to identify and track companies that should be remitting assessments and the level of effort spent on collections follow-up.

Mr. McAdam said EEA and APEX believe increasing assessment collections from 91 percent to 93 percent over a two-year period is an achievable goal, and after the two year period, collections should continue to increase at slightly slower rate. By 2010, collections should be increased to 94 percent, with an ultimate long term target of exceeding 95 percent. While EEA and APEX believe that these goals are reasonable and achievable, the task force recommended that no more than 2/3 of the potential increase associated with these targets should be used for planning and assessment purposes.

The total effort is expected to cost slightly less than \$400,000 over five years, with an expected increase in PERC revenues of more than \$2.5 million over the same period. Based on these revenue and cost projections, incremental revenues should exceed incremental costs by a ratio of about six to one. Mr. McAdam said the task force would return in July with another report.

Audit Committee. The audit committee report was delayed until after lunch.

Vice-Chairman's Report – Marketers

Vice Chairman Glenn Saunders did not have a report.

Vice-Chairman's Report – Producers

Vice Chairman David Wunch did not have a report.

Mr. Gawronski asked if GPA had a report, and Mr. Sutton said he would report to his board the next week about discussions about a partnership with PERC. NPGA did not have a report.

Treasurer's Report

Treasurer Michael Schwartz reported on the 2006 assessment collection versus budget, 2006 budget, and a comparison of income to budget. Mr. Schwartz said assessments for January and February are 11 percent below budget, and a \$4.4 million surplus is forecasted for the year based on estimates at the end of May. Mr. Schwartz reported on PERC's investments, which show approximately \$32 million and earnings' rates exceeding various benchmarks used to oversee the portfolio performance. A motion was made, seconded, and approved to accept the financial statements.

Grants Management

Chief Financial Officer and Vice President of Administration Jim Harris announced 19 dockets were proposed to be closed out, with the money returning to the general treasury.

Docket: 11185 Grant (Consumer Education) - \$880,000
Grantee: Propane Education & Research Council
Project: 2004 Industry and Multi-Audience Communications
Action: This action de-obligates the remaining balance of \$50,264 and returns these funds to the general treasury.

Docket: 11189 Grant (Consumer Education) - \$346,165
Grantee: Propane Education & Research Council
Project: 2004 Homebuilder Campaign
Action: This action de-obligates the remaining balance of \$5,464 and

returns these funds to the general treasury.

Docket: **11207 Grant (Consumer Education) - \$146,099**
Grantee: Propane Education & Research Council
Project: Grants Management System – Enhancement and Database Integration
Action: This action de-obligates the remaining balance of \$1,016 and returns these funds to the general treasury.

Docket: **11578 Grant (Consumer Education) - \$50,000**
Grantee: Propane Education & Research Council
Project: 2005 Trade Advertising Production
Action: This action de-obligates the remaining balance of \$45,226 and returns these funds to the general treasury.

Docket: **11301 Grant (Industry Programs) - \$79,500**
Grantee: Propane Education & Research Council
Project: 2004 Market Metrics Initiative
Action: This action de-obligates the remaining balance of \$313 and returns these funds to the general treasury.

Docket: **11644 Grant (Industry Programs) - \$287,000**
Grantee: Propane Education & Research Council
Project: 2005 Industry Tradeshows and NPGA Meetings Strategy
Action: This action de-obligates the remaining balance of \$70,911 and returns these funds to the general treasury.

Docket: **11645 Grant (Industry Programs) - \$70,000**
Grantee: Propane Education & Research Council
Project: 2005 Outreach to the States Strategy
Action: This action de-obligates the remaining balance of \$8,329 and returns these funds to the general treasury.

Docket: **11647 Grant (Industry Programs) - \$116,195**
Grantee: Propane Education & Research Council
Project: 2004 NGL Survey
Action: This action de-obligates the remaining balance of \$1,713 and returns these funds to the general treasury.

Docket: **11648 Grant (Industry Programs) - \$36,710**
Grantee: Propane Education & Research Council
Project: Information Technology: Ongoing Maintenance 2005
Action: This action de-obligates the remaining balance of \$153 and returns these funds to the general treasury.

Docket: **11381 Grant (Industry Programs) - \$5,000**
Grantee: Propane Education & Research Council
Project: Install Additional E-Mail Server/Draft Business Plan for propane.net
Action: This action de-obligates the remaining balance of \$143 and returns these funds to the general treasury.

Docket: 11648 Grant (Research and Development) - \$9,890
Grantee: Propane Education & Research Council
Project: Information Technology: Ongoing Maintenance 2005
Action: This action de-obligates the remaining balance of \$690 and returns these funds to the general treasury.

Docket: 10565 Grant (Research and Development) - \$51,821
Grantee: Green Mountain Coffee, Inc.
Project: Heat Reclaim Project
Action: This action de-obligates the remaining balance of \$6,821 and returns these funds to the general treasury.

Docket: 11121 Grant (Safety and Training) - \$380,290
Grantee: Propane Education & Research Council
Project: 2004 CETP Management Contract Activities
Action: This action de-obligates the remaining balance of \$412 and returns these funds to the general treasury.

Docket: 11648 Grant (Safety and Training) - \$9,350
Grantee: Propane Education & Research Council
Project: Information Technology: Ongoing Maintenance 2005
Action: This action de-obligates the remaining balance of \$808 and returns these funds to the general treasury.

Docket: 11665 Grant (Safety and Training) - \$9,700
Grantee: Propane Education & Research Council
Project: Engine Fuel Coordinating Committee Oversight and Operating Support
Action: This action de-obligates the remaining balance of \$5,997 and returns these funds to the general treasury.

Docket: 10799 Grant (Safety and Training) - \$200,000
Grantee: Propane Education & Research Council
Project: Re-Modularization of the Certified Employee Training Program
Action: This action de-obligates the remaining balance of \$4,882 and returns these funds to the general treasury.

Docket: 11029 Grant (Safety and Training) - \$5,000
Grantee: Propane Education & Research Council
Project: Initiation of the Resource Catalog
Action: This action de-obligates the remaining balance of \$2,746 and returns these funds to the general treasury.

Docket: 11546 Grant (Agriculture) - \$197,535
Grantee: AFRED
Project: Study of Remote Refueling in Agriculture
Action: This action de-obligates the remaining balance of \$11,021 and returns these funds to the general treasury.

Docket: 11665 Grant (Agriculture) - \$29,100

Grantee: Propane Education & Research Council
Project: Engine Fuel Coordinating Committee Oversight and Operating Support
Action: This action de-obligates the remaining balance of \$4,917 and returns these funds to the general treasury.

Approval of the Grants Management Reconciliation Report was moved, seconded, and approved.

President's Report

Mr. Willis introduced the Council to new Director of Industry Programs Martha Evans. Mr. Willis discussed the NPGA partnership and told the Council that a fairly detailed budget and written document would be provided at the July meeting. Mr. Willis also told the Council that PERC and NPGA would be working together to develop an outreach program for the cabinet heater issue, and a funding request would be developed for that effort.

Mr. Willis reported that the chairman had appointed Roger Gruwell, AmeriGas Propane (Cedar Rapids, IA) to serve as a member of the Agriculture Advisory Committee; and Scott Vreeman, Siouxland Propane Co. (Ireton, IA), and Ted Reilly, American Welding & Tank (Mechanicsburg, PA), to serve as members of the Consumer Education Advisory Committee.

Industry/Public Comments

Mr. Gawronski invited public comments from the audience.

Daryl McClendon, Ferrellgas (Hinsdale, IL), shared information with the Council about a collection of propane industry memorabilia held by Charles Snelling, the son of Walter Snelling. Mr. McClendon said Mr. Snelling offered the collection to PERC and does not want any money for the collection, but Mr. Snelling does not want to pay to have the collection organized and cataloged. Mr. McClendon suggested the Council issue a request for proposals for a professional organization to catalog the collection. Mr. Green made a motion, which was seconded, to issue an RFP to assess what it would cost to do the work. The motion was amended to also assess what it would cost to store and secure the rights to the collection. The amended motion was seconded and approved.

Market Metrics Initiative

Mike Sloan, Energy and Environmental Analysis, Inc. (Arlington, VA), provided an update on the status of the industry's Market Metrics Initiative, including the status of the 2005 API Survey and the soon-to-be-released Propane Database and Forecasting Model (PDFM), version 4. Mr. Sloan said energy prices is the most important factor influencing the propane market. According to the forecast, residential demand will continue to decline through 2007, the number of customers will not increase as fast as before because of prices and competition from heat pumps and the wood market. Mr. Sloan said the next steps for the MMI include continuing existing efforts to improve and expand the PDFM analyses; enhance, extend, and promote the PDFM and make it more useful to the propane industry; extend the model through 2010 so it is useful for forecasting a three-and-a-half year period; develop a new county-by-county forecasting model for the residential sector; and complete the return on investment evaluation for the initial five-year PERC investment cycle (2001-2005).

PERC Senior Vice President Kate Caskin introduced **Docket 12035**. Ms. Caskin said the funds would come from the Industry Programs budget, and while approval of the docket would bring Industry Programs about \$286,000 over budget for 2006, there was confidence a balanced budget could be retained. Some of the councilors expressed concern about the county-by-county analysis, saying the information was less useful for the Council and more useful for individual companies trying to achieve a competitive edge. Upon a motion duly made and seconded, the funding request was approved (as follows), with Mr. Auxier, Mr. Saunders, and Mr. Williams voting in opposition.

Docket: 12035
Applicant: Energy and Environmental Analysis, Inc./Harris Interactive
Short Title: Market Metrics Initiative
Amount Requested: \$442,530
Action: Approved

Audit Committee

Ken Green, chairman of the Audit Committee, reported the committee met during lunch and discussed PERC's investment management and details on the 2006 rebate adjustment.

Mr. Green said states will be provided with instructions in the upcoming weeks on eligibility requirements and timelines for requesting an adjustment. The calculation performed by PERC staff estimates the one-time rebate adjustment will cost around \$600,000 from reserves. States will have until the end of the year to submit a letter of intent for requesting a rebate adjustment and will have until April 30, 2007, to submit a formal application for the rebate adjustment. PERC staff will review all requests and present to Council in June 2007 its recommendation for all requests.

Consumer Education Advisory Committee

Consumer Education Advisory Committee Chairman Daryl McClendon, Ferrellgas (Hinsdale, IL), presented a progress report on the consumer education campaign, including initial results from the mid-year assessment. Mr. McClendon said consumers' recall of news and information is down slightly from 32 percent in November to 28 percent in May. Advertising recall is up from 73 percent in November to 78 percent in May. The theme line recall is up from 14 percent in November to 17 percent in May, and favorability increased from 55 to 56. Consumer interest in obtaining information is measured using statistics from visits to usepropane.com. Mr. McClendon said a record number of visitors went to usepropane.com in March, April, and May, and a record number of searches were made of the Find a Propane Retailer tool in May.

PERC Programs Manager Nisha Starks introduced a change order to **Docket 11874**, which would fund changes to the Energy Savings Calculator on usepropane.com, maintain usepropane.com, and implement new tracking systems to provide better information about site visitors. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 11874
Applicant: Propane Education & Research Council
Short Title: 2006 Homeowner Advertising and Outreach Campaign
Original Amount: \$25,000
Approved:

Additional Amount Requested: \$95,418.50
Action: Approved

PERC Communication Manager Tracy Burlison introduced Kate Lammert, Avant Marketing Group (Kansas City, MO), who presented results of the Builder Market Research Study. Ms. Lammert said a quantitative and qualitative study identified builder attitudes concerning propane, determined builder perceptions of propane's ease of use, identified trends and differences, and identified regional differences. The research showed that the builder is critical to the selection of the energy source in residential housing. For commercial projects, the developer and mechanical engineer are jointly involved in decision making for an energy source. Based on the research, Ms. Lammert recommended providing actionable information with direct comparisons, including operating efficiency, long term costs, return on investment, long term availability, and installation costs. She said more emphasis should be placed on builders and mechanical engineers, since the builder is the key influencer of the homeowner and the mechanical engineer is the key influencer of the developers. Also, local propane marketers needed to reach out more to residential and commercial builders and reinforce key messages, such as cost efficiency, long term availability and comparison data that is localized.

Mr. McClendon said a funding request was being developed based on the information from the research. Mr. McClendon invited the Council to participate in CEAC's September 21-22 meeting in Dallas.

Safety & Training Advisory Committee

Vice President, Safety and Training Stuart Flatow introduced **Docket 11989** and directed the Council's attention to highlights from the Incident Data Collection Report and communication plan. Mr. Flatow said the proposed additional survey would take data from 1998, 1999, and 2000 and add data from 1997, 2001, 2002, and 2003. Following some councilors expressing concern about the availability of the report, Mr. Schwartz made a motion which was seconded to approve the docket but not publish the data until the Council could determine the material's value. Following further discussion about compiling comparative data for other energy sources, Mr. Schwartz withdrew the original motion and made a motion to table the docket, return to STAC, and see if comparable data from other industries, including electricity and natural gas, is available to expand the study for comparatives.

Mr. Flatow introduced **Docket 11990**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11990
Applicant: Propane Education & Research Council
Short Title: Cabinet Heater Task Force – Initial Funds
Amount Requested: \$7,500
Action: Approved

Mr. Flatow introduced **Docket 11991**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11991
Applicant: Propane Education & Research Council

Short Title: Composite Cylinder Task Force – Initial Funds
Amount Requested: \$7,500
Action: Approved

Mr. Flatow introduced a change order to **Docket 11326**, which would correct the Dispensing Propane Safety CDs and send replacement copies to those who previously purchased the program. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 11326
Applicant: Propane Education & Research Council
Short Title: Dispensing Propane Safely
Original Amount \$96,250
Approved:
Additional Amount \$13,390
Requested:
Action: Approved

Mr. Flatow and Michelle Bolos, NT Concepts (Vienna, VA), provided an update on the CETP E-Learning project. A wide beta test of 170 industry members was complete, and changes are being made. Book 1 will be delivered by October, and book 2 will be delivered by mid-October. Book 3 is projected to be delivered in mid-November. Ms. Bolos said the project was still under budget, but Mr. Flatow would be coming to the Council next month with a change order to manage the anticipated \$300,000-400,000 overage.

Agriculture Advisory Committee

Director of Agriculture Programs Mark Leitman provided an overview of work on an agriculture strategic plan. Mr. Leitman said the key challenges facing agriculture today include protecting agriculture commodities during production and processing, waste disposal, pollution control and environmental compliance, meeting energy needs, pesticide reduction and replacement, and addressing industry dynamics such as globalization and consolidation.

Mr. Leitman requested the release of a request for proposals to develop and test a propane-fueled heat alternative to the use of methyl bromide as a soil fumigant. Mr. Leitman said the goal is to design, construct, and test a machine that will transfer heat into the soil in an effort to control these harmful pests. A motion was made, seconded, and approved to release a request for proposals.

Mr. Leitman requested the release of a request for proposals to develop and demonstrate model farm carts. Mr. Leitman said the project would develop working models based on draft standards under development, working with NPGA's T&S 1687 committee, with hopes of developing and testing approximately two sizes for functionality in the field. A motion was made, seconded, and approved to release a request for proposals.

Mr. Leitman introduced **Docket 12024**. Mr. Leitman said the funds would convert the existing materials to Spanish, pay for a legal review, and develop ancillary materials such as instructor PowerPoint presentations. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 12024
Applicant: Propane Education & Research Council
Short Title: End User Training Materials for the Safe Refueling of Mobile Propane-Fueled Agricultural Equipment– Phase Two
Amount Requested: \$31,050
Action: Approved

Mr. Leitman introduced **Docket 12026**. Mr. Leitman said the project is contingent on receiving matching funds from the U.S. Department of Agriculture Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 12026
Applicant: Propane Education & Research Council
Short Title: Poultry House Sanitation to Reduce Pathogen Transport to Groundwater
Amount Requested: \$27,500
Action: Approved

Mr. Leitman introduced **Docket 12027**. Mr. Leitman said propane would be used to provide supplemental heat with the digester, and the project was one of several types the committee wanted to explore because it used propane to convert waste into something good. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 12027
Applicant: Emmitte Associates
Short Title: Anaerobic Digestion Using Propane as a Fuel Supplement
Amount Requested: \$45,000
Action: Approved

Agriculture Advisory Committee member Steve Jaeger, Railroad Commission of Texas (Austin, TX), introduced **Docket 12028**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 12028
Applicant: The ADEPT Group, Inc.
Short Title: LP Gas Portable Incinerator Research Study
Amount Requested: \$15,900
Action: Approved

Mr. Jaeger introduced **Docket 12025**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 12025
Applicant: Propane Education & Research Council
Short Title: Cotton Defoliation Testing Logistical Support
Amount Requested: \$12,000
Action: Approved

Mr. Jaeger introduced a change order to **Docket 11416**. Mr. Jaeger said the increased cost is due to dramatic material cost increases, primarily steel prices over the past two years. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 11416
Applicant: Agriculture Industrial Manufacturing, Claude Brown
Short Title: Thermal Defoliation (Machine Construction)
Original Amount \$323,000
Approved:
Additional Amount \$62,000
Requested:
Action: Approved

Mr. Leitman introduced a change order to **Docket 11732**. He said the funds would be used to build a storage facility for the propane equipment donated to a California agriculture high school. Upon a motion duly made and seconded, the change order was approved (as follows).

Docket: 11732
Applicant: Propane Education & Research Council
Short Title: USDA Demonstration Project at a California High School
Original Amount \$40,000
Approved:
Additional Amount \$10,000
Requested:
Action: Approved

Mr. Gawronski asked for the Council's unanimous consent to recess for the evening. Hearing no objections, the meeting recessed at 4:45 p.m.

Proceedings for June 16, 2006

Chairman John Gawronski reconvened at 10:05 a.m. Mr. Willis announced the following councilors were nominated as officers:

- For chairman, John Gawronski.
- For vice chairman, marketers, Charles Revere.
- For vice chairman, producers, David Wunch.
- For treasurer, Michael Schwartje.
- For secretary, Ken Green.

The nominations were uncontested, therefore no election was needed.

Research and Development Advisory Committee

PERC Director of Research and Development Greg Kerr introduced **Docket 11992**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 11992
Applicant: Propane Education & Research Council
Short Title: Recommended Proper Use of Methanol in Controlling

Water Freezing in LP Gas
Amount Requested: \$109,000
Action: Approved

Mr. Kerr provided an update on **Docket 10974**, the combined heat and power unit at the Kauai Marriott. Mr. Kerr said the project was formally approved by Marriott, and the on-site power and heat recover equipment will use about 860,000 gallons of propane per year.

Mr. Kerr said the Council had received a letter of commitment from Yanmar (**Docket 11866**) to convert a combined heat and power system to United States standards and demonstrate the converted unit. Yanmar will support the project with engineering and service and will commercialize the unit in the United States if the project is successful.

Mr. Kerr updated the Council on **Docket 11728**, saying the alternative tank materials study showed that there was a slight incremental cost for underground composite tanks, but those tanks were also half the weight of steel. Mr. Kerr said RDAC is developing a follow-up project with more detailed engineering.

Mr. Kerr invited the Council to participate in the committee's next meeting, which is scheduled for August 30-31 in Asheville, NC, and will include a strategic planning session.

Dan Kelly, Railroad Commission of Texas (Austin, TX), updated the Council on Texas' research and development priorities, including its forklift retrofit program. Mr. Kelly said an important element to ensuring success in research and development programs was to get marketers involved throughout the planning and execution of the programs. Mr. Kelly said through the forklift retrofit program, 2.6 million gallons of propane load was gained or retained and 563 tons of NOx was reduced.

Engine Fuel Advisory Committee

Managing Director, Engine Fuel Programs Brian Feehan updated the Council on a number of projects, including a developing partnership with Mississippi State University to work on engine fuel programs and continuing efforts with partnerships in the forklift market with the Industrial Truck Association and Material Handling Equipment Distributors Association.

Mr. Feehan also summarized recent activities with propane commercial mowing manufacturers, including Dixie Chopper and Enviroguard, which displayed the mowers at conferences and events.

Mr. Feehan said there was a new opportunity to form a partnership with ground service equipment manufacturer Tug Tech, Corp. that could expand propane into the valuable airport market.

In the standby generator market, Mr. Feehan said the propane industry was working with Briggs & Stratton. He discussed a new generator that runs off two 20-pound cylinders.

Mr. Feehan said the propane-powered Roush F-150 is expected to be in the market by the third quarter of 2007. More than 200 people completed a survey at propanetruck.us,

and now fleets are being surveyed on specific features for the truck. The propane-powered Blue Bird school bus will be released in February 2007.

Industry Programs

Director of Industry Programs Martha Evans said there was one new concept rebate for Council consideration. Upon a motion duly made and seconded, the rebate request was approved (as follows).

Docket:	12012 (Industry Programs)
Applicant:	AZ/NW/Rocky Mt/NM PGAs/Interwest PERC
Short Title:	2006 Rodeo de Santa Fe Sponsorship Training
Amount Requested:	\$30,000
Action:	Approved

Ms. Evans provided a calendar for the 2005 API Survey. She said June 19 is the first deadline, and API will send a list of nonrespondents to the states in early July and again in August.

Ms. Evans announced 49 rebates from 20 states that replicate previously approved rebates were approved by staff. Mr. Revere questioned some states receiving funds for administrative items, including filing tax forms, which Mr. Willis explained was to compensate state associations for being required to set up separate foundations to receive rebate funds. Mr. Revere also questioned Docket 12020, asking why a state would attend a convention outside its geographic area. Mr. Willis said the portion of the Council's Policies, Rules, and Procedures which details rebate guidelines will be provided to the councilors for future reference. Mr. Gawronski also requested information recorded in the Council's minutes from previous Rebate Task Force decisions to clarify the rebate guidelines.

Old Business

Mr. Lugar reminded the Council that it authorized Mr. Flatow at its last meeting to create a communications plan for the Incident Data Collection Report to allow the information to be released. Mr. Gawronski called on Bill Van Hoy, Texas Propane Gas Association (Austin, TX), who explained how he had used statistics from the report in his work.

New Business

Mr. Roldan announced the U.S. Department of Transportation issued an exemption that allows the propane industry to adopt alternative protocols with tanks that contain more than 5 percent product.

Mr. Willis announced the Council's budget committee would meet in the next few weeks to draft the 2007 budget. Mr. Willis said the advisory committees were planning for different scenarios depending on the projected assessment revenues. Mr. Willis said at its July meeting, the Council will vote to release a budget for public comment, and in October, the Council will vote to approve or disapprove that budget.

Mr. Willis also reminded the Council that it traditionally plans its next year's meeting schedule at the July meeting.

Following the announcement of the next meeting, scheduled for July 20 in Washington, DC, the Council adjourned at 11 a.m.