

INDEPENDENTS ENDANGERED SPECIES?

Local chain can't fight big oil

CHRISTOPHER COLE

Bradenton Herald Staff Writer

Posted on Tue, Feb. 26, 2002

From **BRADENTON HERALD**

MANATEE - A local gas station chain has gone out of business, saying big oil companies are drilling smaller market players dry with predatory pricing.

Fast Fetch is closing its four locations in Bradenton, Palmetto, Ellenton and Terra Ceia, all of them expected shut down by today. Two were boarded up Monday.

"Independent marketers like ourselves are being squeezed out by major refineries," said Al Leach, president of Leach Associates Inc., the Bradenton company that owns Fast Fetch. "What's going to happen is that most of the stations in Florida are liable to end up being owned by major oil companies that are refineries also."

For now, the four stations he owns, which employed about a dozen people, are closed. Leach Associates ran the chain and coined the brand name but is not the real estate owner. Leach said the remaining gasoline would be pumped out of the underground tanks and sold. State law will require the property owner to remove the tanks if the stations sit idle for too long.

Also, Leach said he was arranging for vendors to take back as many of the goods stocked inside the convenience stores as possible. He was also planning to give the food away to charity.

Leach said his company appreciates the loyalty of Fast Fetch's customer base, but he could not maintain the stores' profitability at current price levels. Raising per-gallon prices wasn't possible against the competition, he said.

"Unless senators and representatives take other action, the retail price on the street is going to be controlled by multinational petroleum refiners," Leach said.

According to the Florida Petroleum Marketers and Convenience Store Association, a Florida law prohibiting "dumping" gasoline - or selling at below cost to drive out competitors, then raising the price - has been enforced only by lawsuits, not the state.

"It is going on throughout the state and it is a continuing trend," said Jim Smith, the group's president. Smith contends that Florida is heading toward domination by big market players, such as in California, where gas is much more expensive.

This occurs at a time of more stringent state environmental rules for gas stations and rising liability insurance premiums, Smith said.

Last July, the Florida Department of Agriculture and Consumer Services took over as the dumping law's enforcement agency. A number of cases are under investigation, department spokesman Terence McElroy said.

But there are several exemptions to the law; gas stations can cut prices just after opening or to match competitors, for example. And proving below-market pricing is difficult.

"These are very, very tough cases to prove because of all the record-keeping and because of all the exemptions," McElroy said. "It's not that we're not enforcing this."

FAST FETCH - GAS STATIONS CLOSE

Four Fast Fetch gas stations and convenience stores have closed:

- 2925 First St. W., Bradenton
- 920 10th St. W., Palmetto
- 3602 U.S. 301, Ellenton
- 6351 U.S. 19, Terra Ceia

Christopher Cole, *business reporter*, can be reached at 745-7080, ext. 2450, and at cmcole@bradentonherald.com.