

NORA COLLECTION SYSTEM UPDATE



Reminder: Dyed Kerosene Assessed as of October 1.

The collection system for the NORA assessment is working very well. To date, the collections have met budget expectations, and every wholesaler of heating oil has made the necessary efforts to ensure the appropriate amounts are being paid.

Similarly, NORA's streamlined system for processing refunds has been most successful. In many cases, refunds are paid within forty eight hours of arrival at the processing center.

NORA is in the process of carefully reviewing all refunds and payments to ensure that no errors are encountered. NORA and/or its accounting firm is likely to contact many retailers and wholesalers to ensure that the system continues to work effectively.

Everyone participating in the system is reminded of an important change that occurs on October 1, 2001. On that date, kerosene that is dyed red will be subject to the NORA assessment and all rules regarding collections and refunds will apply to that product.

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LATE NOTICE: The Board of Directors of the Michigan Petroleum Association has voted to schedule a referendum for that state's inclusion in NORA.

Your NORA Funds At Work!

NORA Selects Agency for Oilheat Advertising Campaign / page 1

Education & Training Action / page 3

Technician Certification Resource Catalog (now on NORA website)
Training Videos
Introduction to Oilheat CD (CD enclosed)

Research & Development / page 4

Education & Training Needs Analysis

Survey Form on page 5

Collection Update

Kerosene Joins Assessed Products / page 1

NORAcalendar

September 19, 2001
Pacific Oil Conference

September 26, 2001
Pennsylvania Petroleum Marketers and Convenience Store Association

October 2, 2001
NORA Board of Directors Meeting, Washington, D.C.

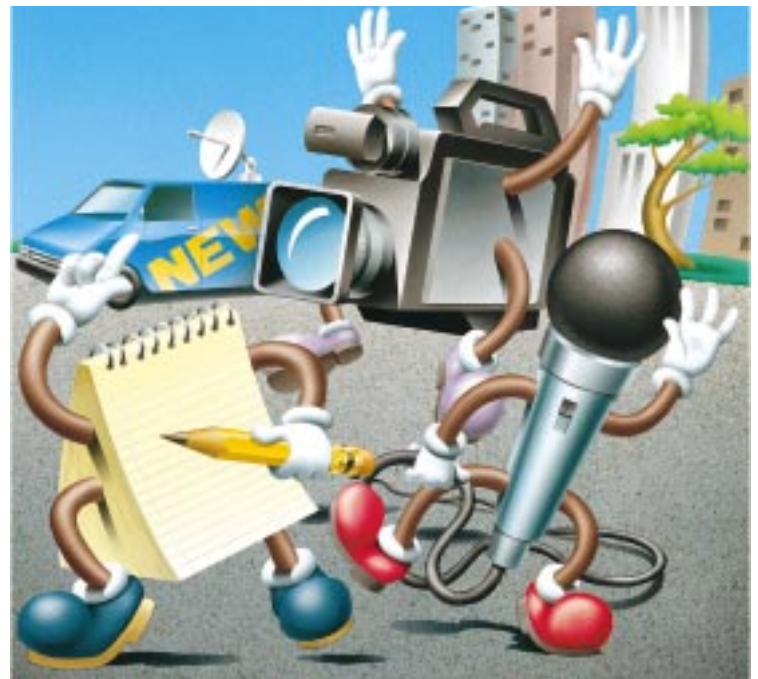
November 5-6, 2001
Oilheat Vision Workshop, College Park, MD

If you have events that you would like included, please e-mail to prichardson@nora-oilheat.org

NORA Selects Fallon New York as Advertising Agency of Record

Major Oilheat Advertising Campaign Anticipated For Early In '02

Strategies For Creating Brand Awareness



The National Oilheat Research Alliance has hired Fallon New York to be its advertising agency of record. Fallon will develop high quality consumer educational materials which will be suitable for use on television, as well as print materials that retailers will be able to use.

Fallon is considered to be one of the most creative firms in the country and has an outstanding reputation for strategic planning. The agency has led campaigns for Holiday Inn, EDS, Conesco, and MTV. In hiring Fallon, John Huber praised Fallon for its understanding of the strong relationships that dealers have with their customers, but also that the overall public perception of Oilheat is not accurate. A contemporary effort designed to bring the American consumer more in touch with the advantages of Oilheat, aimed at boosting market share, is the primary objective.

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As the peak heating season approaches, NORA has been up and running for nearly four months. In keeping with the intended goals to improve the industry and improve value for consumers, several initiatives will soon be acted upon.

Many of the programs that NORA will offer will come from partnerships; i.e., partners that have expertise in training and education, research, and in consumer education. As many in the industry know, there are many good programs in the industry and a wealth of experience. However, the lack of full funding and the inability to develop a coherent outreach effort has left

many good ideas not fully implemented and incapable of full outreach in the past. As you will read below, NORA has already moved forward on two fronts to address some of those issues.

You will find an "Introduction To Oilheat" CD enclosed with this newsletter. The CD is enclosed for your company's use. We also hope that you make the CD available to technical and other schools (i.e., career days at virtually any grade level) or at other facilities (i.e., Rotary, realtor, civic presentations) in your area. Any opportunity to show the CD as a starting ground for potential employees is welcomed. The CD can also serve to acquaint your new employees to Oilheating until such time as we develop a more extensive video. (The National Association of Oil Heating Service Managers (NAOHSM) developed this CD in response to a pressing need to communicate about Oilheat to vocational students. NORA's assistance is being provided to ensure distribution throughout all segments of the industry.)

Additionally, NORA is now completing a study of all known educational materials that are available to you within the Oilheat industry. This will allow you to organize training for your company and region, avoid duplication of training efforts, and ensure that you are aware of available content and services. This catalog will be posted at www.nora-oilheat.org and updated regularly.

As you can see from the above, NORA is putting collected monies to work in earnest in the education and training segments of the industry. Your continued input is invaluable in this regard. To that end, please complete and return the training needs survey within these pages.

With NORA funding and your participation we will be able to utilize the strengths we know exist, and also share and develop new training resources. Internal education and training go hand-in-hand with the image that the consuming public will see when NORA's Oilheat advertising campaign is released early next year.

Robert Greenes, Chairman / John Huber, President

P.S. We recently posted on our website the entire set of grant applications received by NORA as of August 30, '01. We encourage you to visit the website; it contains a wealth of information pertaining to NORA's objectives and how NORA works on behalf of Oilheat.

www.nora-oilheat.org

Dyed Kerosene Is Assessed As Of October 1.

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Additionally, as the winter collection system ended, it was realized that in some cases heating oil is imported from non-NORA states or Canada. Generally, product that is sold in the United States is subject to destination state rules, and therefore suppliers generally assess the product. However, in some cases marketers may buy and store product in Michigan and then transfer it into a NORA state such as Ohio. In such cases, retailers should use form 782B for reporting and remitting the fee.

Similarly, retailers who buy product in Canada and then import it into the United States should use form 782B to remit the fees on the product that is used for heating purposes.

All forms and instructional materials are on the NORA website and can be downloaded by accessing www.nora-oilheat.org. The forms are in PDF format which can be opened in Adobe Acrobat. If you do not already have a version of Acrobat Reader installed on your computer, the website instructs you on how to obtain a free download while online.



NORA Education and Training (E&T) Committee Report

The NORA E&T Committee is moving projects forward in many areas, several having reached fruition as this newsletter went to press.

Technician Certification

NORA has assumed the administration of the Technician Certification Program from PMAA and has outsourced the day-to-day operation of the Certification Program to New England Fuel Institute's training center.

NORA and the Oilheat Manufacturer's Association (OMA) are rewriting *The Oilheat Technicians Manual* (the Silver Book), to be available in 2002 for the next round of training, so that all new entrants are trained in new equipment and technologies.

"Apprentice Level" for technicians: This bronze level certification will give apprentices recognition and further incentive to train. To receive Bronze Certification an apprentice must have at least 80 hours of formal classroom training in a NORA approved program and pass the Silver Test. After 3 years of experience in the field and another 24 hours of NORA approved Continuing Education Credits they may apply for Silver Certification.

The number of hours for a seminar to count as a Continuing Education Course has been lowered from 6 hours to 2 hours. It is still required that a test be given at the end of the course, and the technician must pass the test in order to get credit. For a course to become an approved Continuing Education Course the person or firm offering the course must submit a course outline and a copy of the test to the NORA certification subcommittee for approval. The course must cover some aspect of servicing or installing Oilheat equipment and air conditioning equipment installed with a furnace or part of an oil powered hydro-air system and may include customer service skills. It must have strong universal content and cannot be sales oriented for a specific brand of equipment.



Oilheat Education & Training Materials Catalog

A catalog of Oilheat Education resources produced by NORA is now available. It includes a list of the items available from industry manufacturers, trade schools and associations, independent trainers and consultants, and related resources. Availability of training literature, CDs, videos, classroom seminars and the like are duly noted. The trade schools listed are for generic Oilheat education, whereas manufacturers items are related for the most part to the products at hand. A PDF version of the entire catalog (readable/printable via Adobe Acrobat Reader) is now available at the NORA website.

Training Videos

NORA is in the process of updating and improving several primary Oilheat video tapes. These videos will serve to improve company training/retraining as the winter season begins. Topics include:

- How to make a proper oil delivery
- Proper response in the case of an oil spill
- Basic and correct burner tune-ups
- Action response to a no heat call

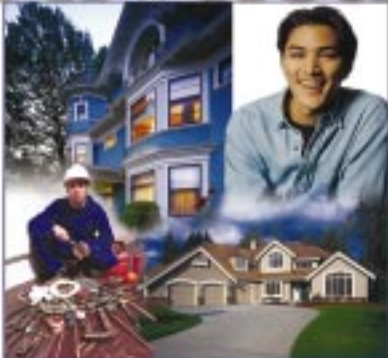
We are planning to produce a new video on the "Benefits of Oilheat" based upon OMA's booklet, to be used for employee recruiting and orientation, as well as educating people in the industry.

Technician Recruiting

Technician recruiting continues to be a major challenge for our Industry. This will be one of the ongoing projects for this committee. To get started, NORA is working with the National Association of Oil Heating Service Managers (NAOHSM) on their "Careers in Oilheat" project. The "Introduction to Oilheat" CD enclosed with this newsletter is part of this project.

An Introduction To

Oilheat



NORA Research and Development (R&D) Committee Report

To date, the NORA R&D Committee has held two open information sharing meetings with representatives of the US Dept. of Energy (DOE) and Brookhaven National Laboratory (BNL). As a result, separate initiatives for NORA research and development have been identified.

1. Work with the Department of Energy to implement a 5-year research plan. This process has started.

2. Decide how to invest NORA's National R&D Budget. In February of this year, the NORA Board voted to invest up to \$300,000 of this year's budget in a cooperative program with BNL on a Fuel Performance Study (as laid out in BNL's 5-year plan.) The project will begin this fall; preliminary results should be available next summer.

The Oilheat Industry's top two service priorities are improved reliability and reduced heating equipment service costs. NORA has found that as many as half of all residential emergency no heat service calls are fuel related. NORA has estimated that fuel performance problems cost the industry as much as \$110 million a year, \$10 a customer. Our first job is to better define the magnitude and nature of the fuel performance problems and locations. Because fuel problems vary in different parts of the country, study of the geographic diversity of the problem may give us important clues leading to solutions.

Given the extreme cost in terms of time, money, and consumer confidence the Committee proposes to initially focus on problems that manifest themselves as no heat calls caused by plugged nozzles, strainers, and filters. It appears that most of these are caused by a combination of thermal and storage instability, microbiological activity, bottom sediment, water, emulsions, and inorganics (dirt,

rust, and fibers) in the fuel. There appears to be a seasonal nature to this problem, requiring the study to be conducted over an entire heating season.

The objectives for the program are:

- Clear up the widely held misconceptions about the causes of fuel problems.
- Ascertain the leading causes of fuel degradation.
- Do a comprehensive assessment of the condition of heating oil and storage tanks at end use locations and measure the effects on performance caused by changes in fuel characteristics brought on by the use of fuel additives.
- Identification and measurement of precursors to fuel performance problems.
- Analysis of fuel quality changes through the supply chain and during the heating season.
- Analysis of major factors, including additive programs, storage and maintenance programs, regional and company practices that statistically impact end use quality. Investigate alternative fuel storage systems.
- Develop methods that will improve fuel quality and stability, and create specific tools and programs for improving fuel performance. This aims to lead to developing a consistent set of industry-wide practices that would reduce fuel related service calls.
- Work with the NORA Education and Training Committee to educate the industry about the findings and prescriptions for improving fuel performance.



How heating oil is stored, transported, and consumed will be focal points of fuel quality studies to be conducted under a NORA budget allocation.

NORA Education and Training Committee Needs Analysis Heating Oil Retailers Survey

To better serve the Oilheat Industry, the NORA Education and Training Committee needs your help. Please fill out this survey and return it to us. Your individual response will be held in strictest confidence; your company and your name, though appreciated, are optional. We do need to know what states you do business in.

We will use this information to compile a report on the education and staffing needs for Oilheating. The report will be widely disseminated and available to anyone who requests a copy. The information will help us prioritize how to best invest the NORA funds earmarked for education. Thank you for taking the time to fill out the survey.

When complete please send the survey via mail or fax to the address shown. If you have questions or comments, contact Bob Hedden at 802-325-3509; e-mail bhedden@sover.net.

List the states you do business in:

(Company, name, phone, e-mail are optional, but very helpful to NORA)

Your company _____

Your name _____

Phone _____

E-mail _____

1. Does your company offer oil burner service and installations?
Yes ___ No ___

If No: Would you be interested in NORA creating a program to teach you how to create a service department?
Yes ___ No ___

If Yes: Do you use primarily employees or subcontractors for service? Emp ___ Subs ___

2. If you subcontract your service, are you having difficulty finding and holding good subs? *
Yes ___ No ___

* If you use employees to do service, are you having difficulty finding qualified technicians?
Yes ___ No ___

We prefer to hire apprentices and train them ___ (check if Yes)*

* Are you having difficulty finding people you can train to become technicians?
Yes ___ No ___

We do not hire apprentices, we look for experienced techs ___*

*Do you participate in the PMAA technician certification program?
Yes ___ No ___

If No, now that NORA is responsible for the program would you consider participating in the national NORA technician certification program?
Yes ___ No ___

3. Are your oil delivery people employees or subcontractors?
Emp. ___ Subs. ___

Are you having difficulty finding qualified drivers with CDL's?
Yes ___ No ___

4. Are you having difficulty finding customer service and sales reps?
Yes ___ No ___

5. How many openings do you currently have for:
Techs ___ Drivers ___
CSR & Sales ___

6. How many technicians do you employ? ___
How many subcontractor technicians do you use? ___

7. How many drivers do you employ? ___
How many subcontracted drivers do you use? ___

8. How many customer service representatives (CSRs) and sales people do you employ? ___

9. How many technicians (employees and subs) are in the following age brackets?
under 30 ___ 30-50 ___
50-60 ___ over 60 ___

10. How many drivers (employees and subs) are in the following age brackets?
under 30 ___ 30-50 ___
50-60 ___ over 60 ___

11. How many customer service representatives and sales people are in the following age brackets?
under 30 ___ 30-50 ___
50-60 ___ over 60 ___

12. Average years experience in heating oil industry?
Techs ___ Drivers ___
CSRs & Sales ___

13. How many people would you replace if qualified people applied for the job?
Technicians ___ Drivers ___
CSR & Sales ___

14. Are you having trouble finding potential new managers?
Yes ___ No ___

15. What level of technical training does your company provide your people?
Low ___ Average ___
High ___

**Please rate the following topics on a scale of 1 to 5:
1 being unimportant
5 being very important**

16. What education delivery technologies would you take advantage of?
On-site seminar by a professional instructor ___
Public seminars within a 2 hour drive ___
Videos ___
Interactive CD-ROMs ___
Video conference ___
Website ___
Web TV ___
Do-it-yourself seminars, NORA provides flip charts, teacher's instructions, handouts ___
Books, booklets, and pamphlets ___

17. Technical Training: Rate the importance of the following:
Electrical troubleshooting ___
Combustion efficiency improvements and testing ___
Heating system installation and service ___
Air conditioning service ___
Customer relations skills for technicians ___
Sales skills for technicians ___

18. Non-Technical Training: Rate the importance of the following:
CDL and defensive driving training for delivery people ___
Management and leadership skills ___
General accounting skills ___
Technical training for non-technical people ___
Customer relations ___
Credit and collections ___
Selling Oilheat and heating equipment ___

19. How important is it that all seminars are offered less than a 1 hour drive from your office? ___

PLEASE COMPLETE AND MAIL OR FAX SURVEY TO:

NORA Education Center, P.O. Box 405, Watertown, MA 02471-0405

Phone 1-866-924-1100, Fax: 1-866-924-1200

Fallon New York To Create Major Ad Campaign To Promote Oilheat

(from page 1)

NORA and Fallon intend to show the American consumer that having Oilheat in their home keeps them warm and comfortable, and that they should be pleased that Oilheat is at work in their home. NORA and the agency are now at work on the campaign, with extensive industry input about Oilheat's ties to the consumer, helping to ensure the success of the campaign, slated for early '02.

Before selecting Fallon, the NORA Consumer Education Committee reviewed materials from 24 firms, interviewed seven, and then chose four for a second round of interviews. Dealers met and visited each of the four finalists. The full selection committee interviewed each and received a comprehensive presentation from each on how they would approach the assignment.

The Consumer Education Committee also selected IPSOS-NPD of New York to conduct consumer research on behalf of the industry. Their research will identify the right approach for consumer education and will also provide critical information to retailers on their customers, which should lead to improvements in service for Oilheat consumers.

The Chairperson of NORA's consumer education committee is Jim Pierson, Pierson Oil, New Jersey.

Fallon New York is currently developing a media and consumer education plan for the Oilheat industry. Concepts and an overall view of creative production are expected to be developed by December 1, 2001. If you have a particular interest in this and would like to receive information on creative development, please e-mail jhuber@nora-oilheat.org.



Oilheat's message will reach out to a diverse population, aimed to influence families with home buying potential as well as existing homeowners.

NORA Confers With DOE About Direction Of No. 2 Fuel Use In USA

At a one-day meeting with the Oilheat industry, the Dept. of Energy (DOE) and representatives of NORA met to discuss the future of the industry and what research steps could be taken to ensure that Oilheat provides a substantial part of the nation's energy future. The industry represented by Oilheat dealers, association personnel and John Huber, President of NORA, discussed NORA's present research plan. DOE and representatives from Brookhaven National Laboratory voiced many of the issues that are holding back Oilheat.

Much of the conversation focused on the public's perception of Oilheat. There is a view that further research was necessary to improve the environmental attributes of using Oilheat. However, the participants believed that the advantages of Oilheat, its ease of storage and transportation, its high energy content and its flexibility provide some natural advantages.

The DOE noted that with the current energy situation in America, No. 2 oil could provide value in providing for heating, as well as being used for air conditioning, and even electricity generation. A research plan will develop from these discussions and NORA will begin work on it soon.

About NORA's Website

The NORA website is serving its purpose to educate marketers about the NORA program and what is going on in the Oilheat industry. However, as NORA becomes the focus of consumer education for the industry about the benefits of Oilheat, we will need to become much more customer friendly. NORA is now beginning a major redesign of the site and we encourage you to visit the site.

Your suggestions, and/or information that you believe should be on the NORA website, can be sent via e-mail to: jhuber@nora-oilheat.org



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