



*Fuels and
Excise Tax*



“Ryan’s innovative solutions to complex fuels and excise tax issues, including their diligent pursuit of the APU exemption and early identification of the foreign trade zone credits, have provided a tremendous benefit to Continental Airlines and the industry as a whole. I appreciate the Ryan commitment to outstanding client support and the results that they have produced for Continental Airlines.”

David V. Bowman, Director, Operating Taxes
Continental Airlines

The Industry's Most Innovative, Diligent, and Experienced Fuels and Excise Tax Professionals

Our Fuels and Excise Tax professionals develop and implement industry-leading tax planning strategies for companies with significant fuel consumption. We guide our clients through the details of becoming strategic fuel consumers by participating in their planning cycles to identify solutions that minimize and avoid fuel tax liabilities. And because the tax reductions we identify are from operating taxes as opposed to income taxes, we discover "above-the-line" savings that minimize our client's overall operating expense.

Ryan professionals lead the industry in helping to shape tax law developments on behalf of our clients. Our Fuels and Excise Tax team championed a diligent, eight-year effort to secure acceptance of the non-propulsion Auxiliary Power Unit (APU) tax exemption, a ruling that has had a tremendously beneficial impact on the entire airline industry. By leading the industry in innovation and staying ahead of our competition through research and knowledge of complex fuels and excise tax issues such as foreign trade zone exemptions, our team has successfully secured tremendous tax savings for our growing portfolio of clients.

Our Fuels and Excise Tax practice has experience in almost every major industry, including:

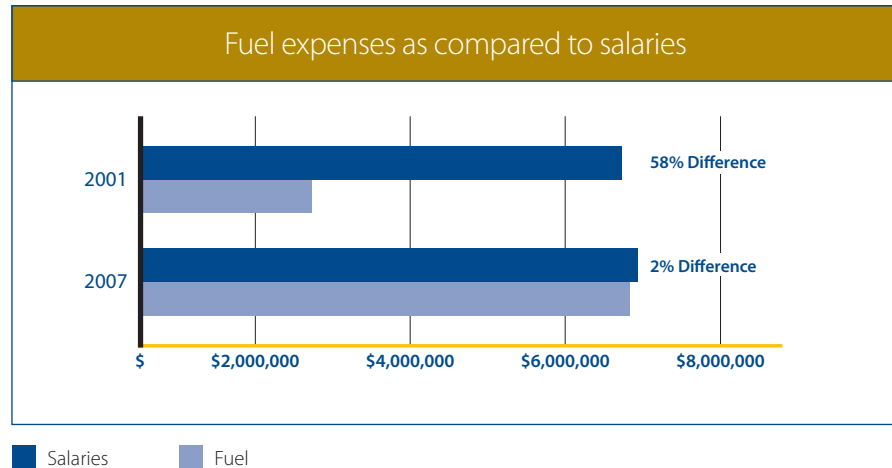
- Airlines
- Cement and aggregate
- Construction
- Landscaping
- Manufacturing
- Municipalities
- Oil and gas distribution
- Railroads
- Resorts
- Retail distribution
- Trucking
- Utilities
- Waste management

Innovative Solutions to the Challenges of Rising Fuel Costs

The current economic environment for fuel-intensive businesses demands innovative solutions that offset the detrimental impact to the bottom line and protect shareholder value. Ryan understands these dynamic challenges and provides a comprehensive approach to addressing the complexities of state and federal fuels and excise taxes, ensuring that our clients don't overlook any available exemptions. Because costs can be hidden when equipment or fuel is shared or co-sourced with other departments, our experienced professionals sift through, drill down, and peel back every possible exemption for as long and as far as it takes to maximize our client's savings.

Our methodology has been developed and refined through more than 16 years of technical tax expertise, broad compliance experience, unparalleled quality assurance, and proven project management capabilities. We help clients administer their operating taxes, maintain state, local, and federal tax compliance, and prepare their returns in multiple jurisdictions. We meticulously manage fuels and excise tax reporting and compliance needs, always looking beyond the surface until we've reached the hard to find, innovative savings opportunities at the very core.

This chart illustrates the overall increase in fuel costs relative to salaries for four major transportation clients. In just six years, fuel costs have grown to represent a significant component of overall operating expenses. In 2001, expenses related to salaries and payroll exceeded fuel costs by nearly 60%. In 2007, fuel expenses nearly equaled those for salaries.

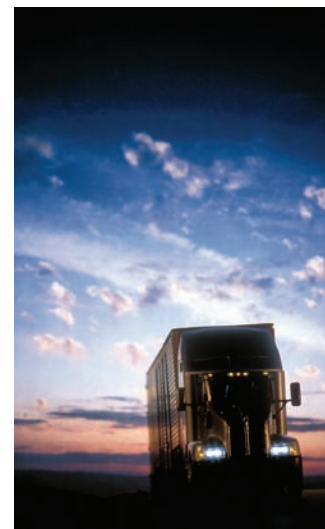


Comprehensive Fuels and Excise Tax Expertise

Our comprehensive approach begins with a full review of our client's fuel spend by type of equipment. We identify any additional opportunities to secure refunds and complete the necessary paperwork to file the identified claims. We provide reasonable and supportable estimates for fuel consumption where exact amounts cannot be determined. Finally, we identify a strategic fuel model designed to improve the effectiveness of our client's business plan moving forward. And we stay critically involved to provide direction and support as our clients evolve and explore new phases of their business, remaining focused on one central goal—ensuring they pay only their fair share—no more, no less.

Ryan has extensive experience in a wide array of fuels and excise tax exemptions, including:

- Dual-usage of fuel
- Exported fuel exemption
- Foreign fuel exemption
- Idling fuel tax recovery
- Manufacturing exemptions
- Non-transportation equipment
- Off-road fuel usage
- Power-take-off (PTO) systems
- Sales tax on exempt fuel



Now, more than ever, fuel intensive businesses need critical tax strategies to maximize all deductions to reduce operating costs and remain competitive in today's market place.

Ryan offers innovative and effective fuels and excise tax reduction strategies.

Overpayment Reviews

Ryan overpayment reviews identify and substantiate all available state, local, and federal fuels and excise tax exemptions and credits. We help determine how available exemptions apply to different types of equipment, address the impact of pending statutes of limitations, and outline ways to enhance the inherent limitations of many internal systems to track fuel consumption.

Compliance Services

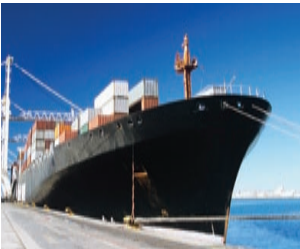


Ryan provides a valuable range of compliance solutions. We perform detailed breakdowns of our client's current approach to tax compliance and reporting, and develop an enhanced set of streamlined processes to improve efficiency and effectiveness. We implement standardized and simplified practices, taking advantage of current technology to automate and document those processes to ensure greater tax compliance accuracy.



Audit Support

Ryan's audit support services encompass a wide range of requirements, including audit risk assessments, documentation, and voluntary disclosures. Our skilled professionals help mitigate audit risk by ensuring that our client's tax controversy processes are current and objective, as well as making certain that the documentation and pre-audit planning processes required to defend an audit are in place. We analyze our client's approach to tax compliance and reporting looking for lapses that would trigger audit exposure, while remaining focused on identifying and minimizing audit risks early in the process. We manage the day-to-day information flow between the client and the taxing authority to ensure timely, complete, and accurate responses and assist with accelerated dispute resolution processes to reduce the costs and other burdens associated with audit defense activities.



**Whether by land, sea, or air,
logistics providers rely on their
ability to execute efficiently.
Many rely on Ryan to help get
the most out of every mile.**

Procurement Process Review

Often through the purchase of dyed or bonded fuel, a client can eliminate the necessity of filing fuels and excise tax refunds. Our procurement process reviews identify operations that qualify for these preferential procurement arrangements. We begin by examining our client's fuel spend by type of equipment. We identify any additional opportunities to secure refunds and complete the necessary paperwork to file the identified claims. We provide reasonable and supportable estimates for fuel consumption where exact amounts cannot be determined. Finally, we develop a strategic fuel model to improve the profitability and effectiveness of future business planning.



Because the tax savings are from operating taxes, not income taxes, they provide permanent, "above-the-line" savings to operations.

Why Ryan

Fuels and excise taxes are generally unnoticed because they are hidden in the price of fuel, causing many companies to overpay taxes each year. That's why we do more than simply review tax records. We scour them. We look beyond the savings opportunities that lie on the surface until we've reached the very core. We help our clients manage operating taxes; maintain state, local, and federal tax compliance; and prepare returns in multiple jurisdictions. Our dedicated tax professionals leverage years of proven experience in securing fuels and excise tax refunds that help our clients recover taxes they shouldn't have paid in the past and keep more of what's theirs in the future.

ABOUT RYAN

Ryan is the leading tax services firm in North America, with the largest transaction tax practice in the United States and Canada. Headquartered in Dallas, Texas, the Firm provides a comprehensive range of state, local, federal, and international tax advisory and consulting services on a multi-jurisdictional basis, including audit defense, tax recovery, credits and incentives, tax process improvement and automation, tax appeals, and strategic planning. With a multi-disciplinary team of more than 725 professionals and associates, Ryan serves many of the world's most prominent Fortune 1000 companies.



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