

SIGMA WEEKLY REPORT

October 16, 2006

SIGMA AT RFS HEARING

SIGMA Counsel Greg Scott provided initial comments on behalf of SIGMA and NACS at a public hearing on the proposed rule for implementation of the [renewable fuel standard](#) on October 13 in Chicago, Illinois. He appeared before the U.S. Environmental Protection Agency (EPA) to deliver the perspective of the marketing community with regards to the proposed regulations implementing the Renewable Fuels Standard (RFS) established by the Energy Policy Act of 2005. In his statement, Scott expressed the industry's concern that the proposal may not protect the market from anti-competitive behavior that could have negative consequences for consumers in the long term. Other witnesses included representatives from the American Coalition for Ethanol, Renewable Fuels Association, National Biodiesel Board, API, and NPRA. SIGMA's entire testimony can be viewed on SIGMA's website, www.sigma.org. SIGMA will be drafting final comments on the rule to submit to EPA by the deadline of November 12, 2006. Contact SIGMA Counsel Greg Scott at gscott@kelleydrye.com with any questions.

EMERGENCY SHUT OFF DEVICES

The Petroleum Equipment Institute (PEI) recently sent an article to its members regarding Emergency Shut-Off Devices. In it, PEI explains that "fire codes in the United States require properly installed Emergency Shut-Off (ESO) devices at gasoline dispensing facilities to provide a positive means to disconnect power to all dispensing devices and submersible turbine pumps (STPs) serving the dispensers. A major petroleum retailer has discovered that in some instances, engaging the ESO will not positively terminate power to the STPs. Based on discussion with other major retailers across the nation, the oil company believes that this problem may be common throughout the industry." Thanks to PEI, this important article, in its entirety, can be found on SIGMA's website, www.sigma.org.

ULSD ROLLOUT FEARS EASE

The Environmental Protection Agency announced on Tuesday that the amount of the clean-burning ultra-low sulfur diesel (ULSD) fuel at US retail outlets exceeds 90 percent of diesel fuel supply, easing earlier fears that refiners would not be able to provide adequate supplies. According to BNA, EPA Administrator Stephen Johnson called the virtual elimination of sulfur from diesel fuel "the single greatest achievement in clean fuel since lead was removed from gasoline over 25 years ago."

ANNUAL AWARDS LUNCHEON

The 2006 elections were supposed to be nothing more than a forgettable halftime show as the two parties prepared for an epic showdown for control in 2008. But something happened on the way to oblivion that made 2006 a significant election cycle. The fallout from '06 won't just be a tablesetter for '08, but instead will lead to potentially big changes in the direction of both parties and the country. Come hear political analyst Chuck Todd give his entertaining take on the elections at SIGMA's [Annual Awards Luncheon](#) on Sunday, November 12 at the Fairmont Hotel in Chicago. [Register](#) for the Annual Meeting before October 19, and save \$50!

L.A. GIVES PLAN TO ATTAIN OZONE, PM STANDARDS

The draft Air Quality Management Plan for the Los Angeles area (South Coast Air Quality Management District, "SCAQMD"), released on October 10, outlines proposed measures to bring the area into attainment with the federal 8-hour standard for ozone and the annual standard for fine particulates (PM 2.5). In the draft plan, there are a number of provisions aimed at the further reduction of VOC emissions from all gas stations in the area. The control methods in the plan include: (1) improvements to the in-station diagnostic (ISD) system to provide early alerts of vapor recovery degradation and allow preventative repairs; (2) redefining the function of the reset button of the ISD to allow dispensing of gasoline only after all the defective components of the vapor recovery system are repaired; and (3) installation of a "shutdown" mechanism in the fuel line to stop fueling if the fueling flow rate drops below the system certification standards which may cause vapor recovery failure. The draft plan estimates that complete implementation of the EVR program will achieve a 98 percent control efficiency of VOC emissions from gasoline dispensing facilities. The plan must be approved by the SCAQMD Governing Board and the California Air Resources Board.

ANNUAL MEETING HOTELS

At this time, the Fairmont Hotel is sold out. Further, due to a city-wide meeting in Chicago, many of the surrounding hotels are sold out as well. If your plans have changed and you do not need your room anymore, PLEASE call Mary Alice Kutyn at soon as possible at 703-709-7000. If you are attending the Annual Meeting and are still looking for accommodations, please call Mary Alice as well. We will try our best to help you!