

# SIGMA WEEKLY REPORT

October 30, 2006

## MINIMUM WAGE ISSUES IN NOVEMBER

November is a key month for the minimum wage issue, at both a state and federal level. In November, voters in Arizona, Colorado, Missouri, Montana, Nevada and Ohio will consider ballot initiatives that would raise the minimum wage. If all six states' voters approve the initiative, 29 states and nearly 70 percent of American workers will have a minimum wage higher than the federal minimum wage, set at \$5.15 an hour. Furthermore, if Democrats win control of the Senate in November's mid-term elections, Sen. Edward Kennedy (D-MA) announced he will ensure that the Senate acts on a minimum wage hike within 24 hours of gaveling in the 110<sup>th</sup> Congress. A majority of lawmakers in both the House and Senate support the wage hike, although most are Democrats joined by a handful of moderate Republicans.

## BODMAN WANTS ETHANOL SUBSIDIES REVIEWED

Energy Secretary Samuel Bodman announced on Wednesday that the ethanol industry is perhaps too well subsidized and it is time to rethink the current regime of renewable fuels tax breaks and incentives. Bodman currently considers those options to include: (1) indexing subsidies to fluctuating motor fuel and crude oil prices; and (2) expanding the existing benefits beyond primarily ethanol to a broader spectrum of biofuels. Bodman said the administration's two main goals for renewable fuels include to make "cellulosic" ethanol a practical and cost effective alternative to gasoline by 2012 and to displace 30 percent of the nation's current consumption of gasoline with biofuels by 2030.

## SIGMA/NPN/OPIS EXECUTIVE LEADERSHIP CONFERENCE

SIGMA along with National Petroleum News (NPN) and Oil Price Information Services (OPIS) will hold the 2007 [Executive Leadership Conference](#) on February 11-14 in Aspen/Snowmass, Co., at the Silvertree Hotel and Wildwood Lodge. One exciting and thought-provoking speaker will be Philip K. Verleger, Jr., who will share his views on what the U.S. oil markets might look like in the coming decade. Verleger is an expert on the economic structure of energy markets and the determination of energy prices. Plus, there will be a CEO Outlook 2007 panel that you won't want to miss. And, don't forget the wintertime activities! For more information and registration opportunities, visit SIGMA's web site at [www.sigma.org](http://www.sigma.org) or call (703) 709-7000.

## EXPLORING HOUSE RULES

Control of the House of Representatives is up for grabs in November and a "majority party rules" approach will trigger negotiations for power immediately after one party realizes it's garnered or retained at least the 218 of the 435 voting seats. Most of the negotiations concern the party ratio on committees, current committee retention and committee budgets. All House rules for the 109<sup>th</sup> Congress expire when the House adjourns and must be adopted again on the first day of the 110<sup>th</sup> Congress. The party in charge is free to make any changes to those rules at that time, as long as they can win enough votes on the House floor. If the Democrats return to power after a 12-year stint, for example, they could remove the House rules limiting chairmen to only six years at the helm of a committee or adopt the Democrats lobbying and ethics reform plan, entitled "Honest Leadership and Open Government Act."

## LABEL YOUR DIESEL PUMPS

Reminder: EPA now requires decals on fuel dispensers to show whether 15 ppm ultra-low-sulfur diesel or 500 ppm low-sulfur diesel is being sold. Marketers risk fines of up to \$32,500 per violation if they do not label pumps correctly. [Pump labels](#) can be downloaded at [www.opisnet.com](http://www.opisnet.com).

## DST EXPANSION

This will be the last year that daylight savings time (DST) will expire on the last Sunday in October. As a result of the Energy Policy Act of 2005, DST will begin the second Sunday of March and end on the first Sunday in November, starting in 2007. The six week expansion will help retailers lower their energy bills and increase store traffic during the evening hours. States and U.S. territories that opt out of DST include Arizona, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam and the Northern Marianas.

## OZONE AIR QUALITY STANDARD

The Clean Air Scientific Advisory Committee (CASAC) Ozone Review Panel wrote a letter to EPA Administrator Stephen Johnson on Thursday concerning the federal air quality standard for ozone, which the panel claims "needs to be substantially reduced to protect human health." The panel recommended that EPA set the ozone standard between 0.060 ppm and 0.070 ppm and rejected earlier recommendations to consider no change in the standard, saying that reductions in lung function have been observed at exposure to 0.08 ppm, which is the current EPA standard. EPA has until February 2008 to decide whether or not to revise the standard.