

SIGMA WEEKLY REPORT

April 21, 2008

BUSH SETS EMISSIONS CAP GOAL

On April 16, President Bush announced a new "national goal" to halt the growth of overall U.S. greenhouse gas emissions by 2025 and push the power sector to begin reducing its emissions several years earlier. With recent improvements in energy technologies and recent mandates in energy legislation for more fuel-efficient vehicles and energy-efficient appliances and other products, this goal is feasible according to the White House. It was the first time the president has offered a timetable that calls for capping and then slowly reversing total U.S. greenhouse gas emissions. Though pressure from Congress is intensifying, Bush acknowledged that he will continue to resist calls for the United States to make deep emissions cuts and more quickly than anything envisioned in his plan. The leading Lieberman-Warner bill in Congress right now would mandate a nearly 70 percent cut in current emissions by 2050 and a 20 percent cut by 2020. It is headed to the Senate floor in June.

EPA TO CONSIDER PM 'SPECIATION' IN NAAQS RULEMAKING

EPA's final plan for how it will conduct a review of the particulate matter (PM) national ambient air quality standard (NAAQS) will include first-time consideration of the risks of individual PM components -- a practice known as "speciation" -- in a shift from previous indications that the agency would limit its risk review to particle size. The agricultural industry has long urged EPA to regulate PM based on components as well as mass because they say PM from farms is not harmful to human health and should be exempted from regulation. The industry is suing EPA over the lack of such an exemption in its final 2006 PM NAAQS rule. In addition to supply concerns, petroleum refiners are opposed to PM speciation in the upcoming review because they say science is not advanced enough to move away from size-based regulation. EPA released its final integrated PM NAAQS review last month, which it is scheduled to complete in 2011. The final plan also includes the controversial announcement that the agency will proceed with an advance notice of proposed rulemaking (ANPR) as part of the PM review process. Several studies working to "speciate" PM

components according to their source and relative toxicity are under way. One of the largest is the Health Effects Institute's (HEI) National Particle Component Toxicity study. The results are set to be finalized by July 2009 and will include a summary for policymakers. The HEI study will assess the comparative toxicity of key components of PM from cars, power plants, farms and wood burning.

SIGMA 2008 SPRING CONVENTION HOTEL SOLD OUT

The Westin Hilton Head is sold out. If you would like to put your name on a waiting list, please submit a housing request form to the hotel (843) 681-7704. Also, please send a copy of the request to Mary Alice Kutyn at SIGMA (703)709-7007 so that she can monitor the waiting list. If you are unable to make it to Hilton Head, please DO NOT cancel your hotel reservation. Contact Mary Alice either by phone at (703) 375-0482 or e-mail makutyn@sigma.org and she will cancel your reservation for you.

There are alternate hotels in the area which are relatively close to the Westin.

The Hampton Inn (1.5 miles away) 843-681-7900

The Main Street Inn (3 miles away) 843-681-3001

The Marriott Beach and Golf Resort (4 miles away) 843-686-8400

The Hilton Ocean Front Resort (4.5 miles away) 843-842-8000

The Crowne Plaza Resort (6 miles away) 843-842-2400

MAKE YOUR VOICE HEARD!

Don't forget to register for this year's [SIGMA Summer Legislative Meeting](http://www.sigma.org) to be held at the Park Hyatt Washington Hotel in Washington, D.C. on July 15-16, 2008. Join your fellow marketers and make your voice heard! SIGMA members will focus on a variety of pressing legislative issues that are pertinent to marketers' businesses. Some key issues that will be discussed: (1) Temperature Correction at Retail; (2) FDA Regulation of Tobacco; (3) Credit Card Interchange Fees. Our goal is to make 250 Hill visits. Please make sure help meet that goal. For more information and to register, please visit www.sigma.org.

EDUCATION IN HILTON HEAD

Take a break from the beach and join us for some valuable education at the [Spring Convention!](#) First class educational programs, led by high-level subject matter experts and peers, will be geared toward information that matters to motor fuels marketers. In addition to a jam-packed General Session with speakers Tom Bliley, Stan Sheetz, and Tom Kloza, here is what we have on the education schedule:

Sunday, May 18

TRACK 1

2:15p.m. – 3:00p.m.

Retailing Your Green for Profit

3:15p.m. – 4:15p.m.

Allocations and Outages: Navigating the Rough and Muddy Waters

4:15p.m. – 5:00p.m.

Profiting from Electronic Media at the Pump

TRACK 2

2:00p.m. – 2:45p.m.

Transportation Logistics and Optimization Myths – True Costs and Money You Left on the Table

3:00p.m. – 4:00p.m.

Low CARB Standard in CA and Federal Effect

4:15p.m. – 5:00p.m.

Understanding RINS and Credit Exchanges

Monday, May 19

TRACK 1

1:30p.m. – 2:15p.m.

RevolutionCard: An Innovative Payment Alternative

2:30p.m. – 3:30p.m.

Hedging: Is it Right for Company

3:45p.m. – 4:30p.m.

GPS Vehicle Tracking: Reducing Operating Costs for Fuel Oil Dealers Nationwide

TRACK 2

1:30p.m. – 2:15p.m.

Biofuels Logistics

3:00p.m. – 4:00p.m.

Alt Fuels Session: Title TBD

4:15p.m. – 5:00p.m.

Increasing the Value of Business Through Real Estate

COURT REJECTS EPA BID TO DISMISS CALIFORNIA LAWSUIT

The U.S. Court of Appeals for the Ninth Circuit April 10 rejected a motion by the Environmental Protection Agency (EPA) to dismiss a lawsuit filed by California and 15 other states to overturn the Bush administration's decision to block implementation of the nation's first regulations to curb vehicle-related greenhouse gases. The Department of Justice acting on behalf of EPA sought to dismiss the lawsuit, saying it should be heard in the U.S. Court of Appeals for the District of Columbia Circuit. However, the Ninth Circuit rejected the motion. Because the court rejected the motion without prejudice, the Justice Department may raise the issue of the proper court of jurisdiction when it files briefs in the case. The lawsuit challenges EPA's denial of California's request for a Clean Air Act waiver for it and other states to impose greenhouse gas emissions limits for automobiles. The lawsuit alleges that EPA improperly denied the waiver. EPA said California did not show that it had faced "compelling and extraordinary" circumstances requiring it to set its own standards.

PAY AT THE PUMP STATISTICS

Do you have pay at the pump technology at your outlets? Have you kept any statistics on how that has affected in-store sales? We'd like to know! Please e-mail Susan Crosby at scrosby@sigma.org with any information you have. Thank you in advance!

SPRING MASTERS PROGRAM

SIGMA is teaming up with FCStone to present "[Effective Hedging Strategies](#)." Happening just prior to SIGMA's Spring Convention, this 2-day program will be held May 17-18 at the Westin Resort Hilton Head in Hilton Head Island, South Carolina. This course is designed to provide attendees with practical knowledge of all of the steps necessary to implement a successful hedging and risk management program. Attendees will learn how to manage price risk on pipeline barrels, protect retail margins, explore ways to buy and sell physical forward contracts, discover customizable business strategies, in-depth options coverage, and plan for future capital needs of hedging.

SIGMA SHARE GROUP IT

Join your peers on June 18-19 in New Orleans, LA, and address the strategic issues around IT, including planning, outsourcing, optimizing applications, network security and how to buy solutions effectively. Arrive a day early and work on a Habitat for Humanity house and assist in their efforts to rebuild New Orleans. Go to www.sigma.org and click on the [Share Group](#) link.