

REGULATORY ALERT May 30, 2006 KEROSENE DISPENSER LABELS

ISSUE: The U.S. EPA today issued an interpretation of the ULSD regulations that effect kerosene dispensers. According to the EPA, retail kerosene pumps must be labeled with the appropriate ULSD label indicating sulfur content by June 1, 2006. The ULSD regulations do not *specifically require* kerosene dispenser labels, but the EPA is interpreting that such labels are necessary to avoid misfueling. The EPA is concerned that model year 2007 diesel vehicles may misfuel with kerosene having a sulfur content greater than 15-ppm if dispensers are not appropriately labeled. Without the label, retailers may be held liable for diesel engine and emission system damage caused by misfueling and could be fined by the EPA as well.

COMPLIANCE: To avoid liability for damages and EPA enforcement, retailers should affix the following labels to kerosene dispensers as appropriate:

• 500-ppm Low Sulfur Highway Diesel Fuel Dispensers

LOW SULFUR HIGHWAY DIESEL FUEL (500-ppm Sulfur Maximum) WARNING Federal law prohibits use in model year 2007 and later highway vehicles and engines. Its use may damage these vehicles and engines.

• 15-ppm Ultra Low Sulfur Diesel Fuel Dispensers -

ULTRA-LOW SULFUR HIGHWAY DIESEL FUEL (15-ppm Sulfur Maximum) Required for use in all model year 2007 and later highway diesel vehicles and engines. Recommended for use in all diesel vehicles and engines.

• Greater than 500-ppm Non-Highway Diesel Fuel Dispensers -

NON-HIGHWAY DIESEL FUEL (May Exceed 500-ppm Sulfur) WARNING

Federal law prohibits use in highway vehicles or engines. Its use may damage these vehicles and engines.

*****PTSA has filed with the EPA a request for an alternate label that substitutes the word "diesel" for "kerosene" on these labels.

Got Questions? Contact Mark S. Morgan, Esq. at mmorganptsa@cox.net or (202) 364-6767