



Petroleum Transportation & Storage Association

REGULATORY ALERT
June 9, 2006
KEROSENE DISPENSER LABELS

ISSUE: The U.S. EPA today issued a clarifying interpretation of the ULSD regulations that effect kerosene dispensers. According to the EPA, kerosene meets the definition of diesel fuel since it is a distillate that is suitable for use in diesel engines and is considered No. 1 diesel fuel. Since it is diesel fuel, the applicable sulfur standards and pump label requirements apply.

Retail kerosene pumps must be labeled with the appropriate ULSD label indicating sulfur content by June 1, 2006.

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

1. For clear 15-ppm taxed kerosene:

**ULTRA-LOW SULFUR KEROSENE
(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.

2. For clear 15-ppm untaxed kerosene at blocked pumps:

**ULTRA-LOW SULFUR KEROSENE
(15-ppm Sulfur Maximum)**

Undyed, Untaxed
Not for use in highway diesel vehicles or engines.

3. For clear 500-ppm taxed kerosene:

**LOW SULFUR KEROSENE
(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.

4. For clear 500-ppm untaxed kerosene sold from a blocked pump:

**LOW SULFUR KEROSENE
(500-ppm Sulfur Maximum)**

Undyed, Untaxed
Not for use in highway diesel vehicles and engines
May damage 2007 or later model year diesel engines.

5. For greater than 500-ppm non-highway kerosene:

**NON-HIGHWAY KEROSENE
(May Exceed 500-ppm Sulfur)
WARNING**

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

REMEMBER! The IRS labels “DYED KEROSENE, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE” and UNDYED UNTAXED KEROSENE, NONTAXABLE USE ONLY” *are still required!*

IMPORTANT! Because the original interpretation of the ULSD rules requiring kerosene dispenser labels is only a week old, and the clarifying interpretation just came out today, there are no known suppliers of kerosene dispenser labels. Retailers and wholesale purchaser consumers may make their own temporary labels while they await availability from vendors. EPA regulations require the labels to be conspicuous and legible, printed in block letters of no less than 24-point bold type in a color contrasting with the background. Also, the EPA is permitting the use of the corresponding diesel fuel labels (which are available from many vendors) for use on kerosene dispensers in place of the language provided above.

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