GOVERNOR GRAY DAVIS

December 15, 1999

The Honorable Carol M. Browner
Administrator
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Administrator Browner:

I am writing to reiterate my April 12, 1999 request that the U.S. Environmental Protection Agency take prompt action to waive federal requirements that all gasoline sold in the Sacramento region and most of Southern California contain a minimum oxygen content pursuant to the provisions of the 1990 amendments to the Clean Air Act.

As you know, in March, I signed an Executive Order to remove the fuel additive MTBE from California's gasoline supply because MTBE poses an unacceptable risk to California's water resources. The Air Resources Board recently acted to adopt regulations to end MTBE use in California while preserving the significant air quality benefits we enjoy from our cleaner burning gasoline. California refiners must discontinue the use of MTBE no later than December 31, 2002 and continue to meet stringent emission limits.

I have challenged all California gasoline suppliers to get MTBE out of gasoline as soon as possible for the sake of our precious water resources. Two major refiners have pledged to remove MTBE well before the final phase-out date, but they must have a waiver from the federal oxygen requirement now.

With the flexibility provided by a waiver, California refiners will have a choice of producing reformulated gasoline using ethanol or fuel without any oxygen at all. Refiners will be able to use the most economical mixture of gasoline blends and enable Californians to save hundreds of millions of dollars in fuel costs without sacrificing air quality. Refiners must decide now how to comply with the MTBE phase-out and will begin to make investments in refinery modifications soon. They need to know whether they have the option to produce non-oxygenated gasoline.

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It has been a number of months since I wrote to you initially to request you use the clear authority granted to you under the Clean Air Act to waive the oxygen requirement in California. The Air Resources Board has supplied additional data to U.S. EPA to support this request. In July, U.S. EPA's Blue Ribbon Panel on Oxygenates found that the federal oxygen requirement was not needed in California to maintain the benefits of California's cleaner burning gasoline program.

I am asking you to make action on our waiver request a high priority. Further delay by U.S. EPA is simply not justified. Timely approval of the request is important to California economically and environmentally. It would be appropriate to finalize approval of our waiver request in the first quarter of calendar year 2000.

Thank you for your consideration of this request. As always, California is ready to work with U.S. EPA to protect public health and the environment.

Sincerely,

Gray Davis

GRAY DAVIS

cc: Winston H. Hickox, Secretary, California Environmental Protection Agency
George Frampton, Chair, Council on Environmental Quality