Press Release

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GOVERNOR DAVIS SUES U.S. EPA OVER GASOLINE ADDITIVE 8/13/2001

SACRAMENTO

Governor Gray Davis today announced that California is suing the U.S. Environmental Protection Agency (EPA) to force the agency to drop a fuel additive requirement that will increase gasoline costs and air pollution.

"EPA made a decision that failed to follow sound science," Governor Davis said. "The EPA simply ignored the voluminous information we sent them showing that ethanol does nothing to clean the air and actually increases air pollution. We regret having to take this action, but we are left with no choice. California residents should not have to pay more for gasoline and suffer from increased air pollution."

The suit, filed in San Francisco's Ninth Circuit Court by the California Environmental Protection Agency's Air Resources Board (ARB), asks that the U. S. EPA drop its requirement that oxygenates be added to 70 percent of California gasoline.

ARB maintains that the U.S. EPA ignored extensive information that ethanol, the only oxygenate that will be available in sufficient quantity to California refiners in 2003, will drive up the cost of gasoline while increasing smog-forming nitrogen oxide (NOx) and cancer-causing particulate matter (PM) pollution.

Scientific studies have shown that gasoline formulated to California standards, which are stricter than U.S. EPA standards, burns cleaner without oxygenates such as ethanol. The studies also show that oxygenates in gasoline increase NOx emissions and the formation of ozone and PM. The federal oxygenate requirement is, however, seen as a boon to mid-western agri-business interests, which produce ethanol from corn.

California would need at least 660 million gallons of ethanol each year under the federal oxygenate mandate. Disruption in ethanol supplies would bring sharp gasoline price spikes to California consumers.

The waiver request came after Governor Davis signed an executive order banning the oxygenate MTBE by December 31, 2002. MTBE in gasoline can cause water pollution. On June 12, the U.S. EPA announced the rejection of California's waiver request.

If the EPA's action is allowed to stand, California would be hindered in its attempts to meet the ozone and PM clean air standards that the EPA has set.