

August 6, 2003

The Honorable Marianne Lamont Horinko  
Acting Administrator  
U.S. Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

Dear Administrator Horinko:

In view of the recent decision (01-71356) by the U.S. Ninth Circuit Court of Appeals on oxygenate, I am writing to reiterate my April 12, 1999, request that the U.S. Environmental Protection Agency (U.S. EPA) act expeditiously in granting California a waiver of the Federal Minimum Oxygen Requirement in gasoline.

Numerous studies by government agencies, automotive companies, fuels industry experts and the U.S. EPA's own Blue Ribbon Panel have shown that a minimum oxygen content is not essential to making reformulated gasoline that meets all emission reduction requirements. California regulations accomplish the needed motor vehicle emission reductions without requiring a minimum level of oxygen. During my administration, the California Air Resources Board has moved from cleaner burning Phase 2 to the exceptionally clean Phase 3 Reformulated Gasoline that will be the state standard starting next year. With cleaner vehicles and gasoline, the average new car emits only 2% as many pollutants as a similar car 20 years ago.

Application of the Federal Minimum Oxygen Requirement serves absolutely no purpose in California relative to its intended air emission reduction rationale. California needs the ability to make gasoline with or without oxygenate as conditions warrant. Our refiners need the flexibility to ensure cleaner air, ground, and surface water, while providing affordable and available gasoline for California's consumers. The continued oxygenate mandate in California subjects the state's motorists to unnecessary risks of supply and price volatility.

Thank you for understanding the urgency of this request. Prompt action by U.S. EPA to approve our waiver request is important to California economically and environmentally.

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As always, California is ready to work with U.S. EPA to ensure the protection of public health and the environment.

Sincerely,

GRAY DAVIS

cc: Winston H. Hickox, Secretary, California Environmental Protection Agency