

Bob Slaughter  
President



National Petrochemical & Refiners Association

1899 L Street, NW  
Suite 1000  
Washington, DC  
20036.3896

202.457.0480 voice  
202.457.0486 fax  
bslaughter@nptra.org

August 27, 2004

Honorable Michael Leavitt  
Administrator  
U.S. Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

**Re: Marketplace Certainty and Stability**

Dear Administrator Leavitt:

I am writing on behalf of NPRA, the National Petrochemical & Refiners Association, to ask you to expedite your decision regarding potential waivers of the federal RFG requirement in Atlanta and Baton Rouge. A rapid and fair response will surely help to quell any additional and unwarranted marketplace fears.

As you know, mandatory federal RFG is a consequence of a bump up to the severe ozone nonattainment classification. Federal RFG is mandatory for the ozone nonattainment area exactly one year from the effective date of its reclassification to Severe. *40 CFR 80.70(m)*: “Effective one year after an area has been reclassified as a Severe ozone nonattainment area under section 181(b) of the Clean Air Act, such Severe area shall also be a covered area under the reformulated gasoline program.” Also see *Clean Air Act § 211(k)(10)(D)*.

The Clean Air Act guarantees a year of lead time in this “bump up” situation. *Clean Air Act § 211(k)(10)(D)* has been perceived as providing regulatory certainty necessary to make investment decisions without risk of stranded investment and potential market instability. The current situation affecting both Atlanta and Baton Rouge has increased uncertainty regarding fuel requirements and the prospect of unnecessary investment in Atlanta and stranded investments in Baton Rouge. While investments in Baton Rouge have already taken place, suppliers in Atlanta are at a point where engineering contracts are going out for bid, hardware is being ordered, and construction is about to begin. For this reason, it would be very useful to eliminate that uncertainty and resolve the issues in question at an early date.



Page 2  
8/27/04

NPRA supports the orderly development and use of cleaner-burning fuels to address health and environmental concerns and to provide adequate gasoline supplies to the public. Continuing America's environmental progress through increased supply of cleaner fuels is a crucial aspect of U.S. policy. But stability and certainty in regulatory implementation are needed to assure supply is available and to encourage and recognize the investment of the regulated industry in fuel regulations. The petroleum industry needs to know exactly what fuels to provide and which investments will be required to do so.

Within reason, and given adequate notice and opportunity for input, these industries will do their best to supply the fuels that areas desire and which reflect the supply and regulatory characteristics of that area. The usual case is that the fuel refining, transportation, and marketing industries manage to keep consumers supplied with the fuels they require with no untoward consequences. NPRA's members are committed to maintaining this strong tradition of service to the public, and would appreciate your help in this instance.

As you know, NPRA is a trade association with more than 450 members, including the owners or operators of virtually all U.S. refining capacity, as well as petrochemical manufacturers who operate similar manufacturing processes. NPRA's refining members include large integrated refiners, large independent refiners, and regional independents as well as small refiners.

Sincerely yours,

A handwritten signature in black ink that reads "Bob Slaughter". The signature is written in a cursive, flowing style.

Bob Slaughter  
President

cc: EPA Assistant Administrator Jeffrey Holmstead