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September 13, 2006

Ms. Jo-Lynn Traub
Acting Regional Administrator, Region 5
U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, IL 60604

Re: Proposed Approval of Summer Lower RVP Gasoline for Detroit-Ann Arbor
71 FR 46879
Docket ID No. EPA-R05-OAR-2006-0547

Dear Acting Regional Administrator Traub:

NPRA, the National Petrochemical & Refiners Association, appreciates the opportunity to submit comments on EPA's proposed approval of summer maximum 7.0 psi RVP conventional gasoline for the Detroit-Ann Arbor ozone nonattainment area. NPRA is a national trade association with 450 members, including those who own or operate virtually all U.S. refining capacity, as well as most of the nation's petrochemical manufacturers with processes similar to those of refiners. Our members will be significantly affected by any changes in fuel specifications.

NPRA believes it is possible to enjoy reliable and affordable fuel supplies while maintaining and advancing the nation's environmental progress. However, this goal can only be achieved if the costs and benefits of new regulatory requirements are carefully weighed in the context of their impact on energy supplies.

NPRA supports the EPA preemption review process and the expansion of the scope of this analysis in section 1541 of last year's energy bill. Clean Air Act section 211(c)(4)(C) was amended by the Energy Policy Act of 2005 (Public Law 109-58) to make it the joint responsibility of EPA and DOE to review motor fuel control choices by states and to consider the regional supply implications of such requests. Before granting a waiver of federal preemption, the Administrator of EPA, after consultation with the Secretary of Energy and after notice and comment, should find that the fuel control choice will not cause fuel supply or distribution interruptions or have a significant adverse impact on fuel producibility in the affected area or contiguous areas. NPRA strongly supports this analysis of supply-side impacts.

The fuel supply analysis should be a duty for each and every new motor fuel in a SIP or a revision to a SIP. Before EPA can approve Michigan's request for a waiver from the Clean



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Air Act preemption of state motor fuel controls, the Agency should find, after public review and comment, that the proposed new motor fuel will not cause supply or distribution disruptions and will not have an adverse impact on fuel producibility in the affected area or in contiguous areas. The Secretary of Energy should be consulted and EPA's finding should be published in the Federal Register.

EPA is aware of this statutory provision, but believes that it does not need to make the finding (71 FR 46882). However, EPA should fulfill the fuel supply analysis and public comment duties. This analysis and public review are necessary because, currently, there are not any other summer maximum 7.0 psi RVP conventional gasoline areas within hundreds of miles of Detroit and Ann Arbor.

The Agency cites an API study completed in 2005 (71 FR 46883). However, this API study is not in the docket and, therefore, is not available for public comment. The API report includes the following on page 48:

In practice, if a refinery(s) now supplying the non-attainment area incur cost increases sufficiently high, the gasoline sourcing may shift to a different refinery having lower costs after producing the required additional volume of special gasoline. Hence, in assessing a possible shift from CG or 7.8 RVP gasoline to 7 RVP gasoline or RFG, the refining cost and sourcing implications should be determined on a case-by-case basis, with consideration of the specific refineries involved, both before and after imposition of a new requirement for special gasoline (as well as consideration of distribution system capabilities).

Although this API study may be useful, it recommends further analysis on a case-by-case basis and is not sufficient to meet the fuel supply analysis duty.

Sincerely yours,

A handwritten signature in black ink that reads "Tim Hogan". The signature is written in a cursive, slightly slanted style.

Tim Hogan

c: John Mooney (EPA Region 5)
Francisco Acevedo (EPA Region 5)
Anne Pastorkovich (EPA, OTAQ)
Kurt Gufstafson (EPA, OTAQ)
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