



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 5 2008

THE ADMINISTRATOR

The Honorable Bobby Jindal
Governor
State of Louisiana
P.O. Box 94004
Baton Rouge, Louisiana 70804

The Honorable Michael F. Easley
Governor
State of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699

The Honorable Sonny Perdue
Governor
State of Georgia
203 State Capitol
Atlanta, Georgia 30334

~~The Honorable Bob Riley —~~
Governor
State of Alabama
State Capitol
600 Dexter Avenue
Montgomery, Alabama 36130

Re: September 2008 Fuel Waiver Concerning Alabama, Georgia, Louisiana and North Carolina

Dear Governors:

On August 29, 2008, to alleviate gasoline shortages created by the extensive mandatory and voluntary evacuations preceding the landfall of Hurricane Gustav, I waived federal regulations requiring low volatility gasoline in Louisiana. Since that time, the shutdowns of several Gulf area petroleum refineries and widespread power outages in the Louisiana area caused by Hurricane Gustav have resulted in the curtailment in the production and delivery of low volatility gasoline to the fuel pipelines originating in the Gulf area that serve each of your states. On September 4th and 5th, I received requests made by you, or on your behalf, for a waiver under the Clean Air Act (CAA) to address a fuel supply emergency caused by Hurricane Gustav. In response to those requests, EPA has determined, and the United States Department of Energy (DOE) concurs, that it is necessary to take action to minimize or prevent disruption of an adequate supply of gasoline in those portions of Alabama, Georgia, Louisiana and North Carolina in which low volatility gasoline is required. By this letter, I am granting a waiver of those low volatility requirements, as described below.

As you know, regulations promulgated under the Clean Air Act require gasoline sold in portions of Louisiana and North Carolina to have maximum Reid Vapor Pressure (RVP) of 7.8 pounds per square inch (psi) during the "high ozone" season, through September 15, 2008. *See* 40 C.F.R. § 80.27. In addition, gasoline sold in the Atlanta, Georgia and Birmingham, Alabama areas are required to have a maximum RVP of 7.0 psi through September 15, 2008, and gasoline sold in the Atlanta area is also required to meet additional sulfur averaging requirements, under

the State Implementation Plan (SIP) for those States. See 66 Fed. Reg. 47142 (Alabama) and 67 Fed. Reg. 8200 (Georgia).

EPA, in consultation with DOE, has been evaluating the impact of fuel supplies to the southeastern states as the result of disruptions to the fuel pipelines serving these areas caused by the power outages and refinery disruptions in the Gulf area. This has resulted in the slowdown of deliveries to the Colonial Pipeline, and has additionally caused the partial shutdown of the Plantation Pipeline. As a result, there has been a curtailment in the delivery of gasoline supplies meeting low volatility requirements to Alabama, Georgia, Louisiana and North Carolina through these pipelines. Based on this evaluation, EPA has determined, and DOE concurs, that it is necessary to take the following action to minimize or prevent disruption of the supply of gasoline to these areas.

I have determined that an “extreme and unusual fuel supply circumstance” exists that will prevent the distribution of an adequate supply of gasoline to consumers in Alabama, Georgia, Louisiana and North Carolina. CAA § 211(c)(4)(C)(ii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(I). This extreme and unusual fuel circumstance is the result of Hurricane Gustav, a natural disaster that could not reasonably have been foreseen or prevented, and is not attributable to a lack of prudent planning on the part of suppliers of the fuel to these areas. CAA § 211(c)(4)(C)(ii)(II), 42 U.S.C. § 7545(c)(4)(C)(ii)(II). Furthermore, I have determined that it is in the public interest to grant this waiver and that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances. CAA § 211(c)(4)(C)(ii)(III) and (iii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(III) and (iii)(I).

Therefore, to minimize or prevent problems with the supply of gasoline, I am today issuing this waiver of the 7.8 psi RVP requirement and, where applicable, the 7.0 psi RVP and sulfur averaging requirements, in the areas of Alabama, Georgia, Louisiana and North Carolina identified below. This waiver is effective immediately¹ and will continue through the remainder of the summertime “high ozone” period through September 15, 2008. Under this temporary waiver, regulated parties may sell or distribute gasoline with an RVP of 9.0 psi in these areas. Regulated parties should continue to sell or distribute gasoline meeting the 7.8 psi RVP (or where applicable, 7.0 psi RVP) where such supplies are available. In addition, I am also waiving the requirement of 40 C.F.R. § 80.27(d) that a gasoline must have between 9% and 10% ethanol by volume in order to qualify for the “special provisions for alcohol blends” that increase the RVP standard by 1 psi. Under this waiver, gasoline with less than 9% ethanol by volume will qualify for the “special provisions for alcohol blends” requirement.

Waiver of the 7.8 psi RVP Requirement

Louisiana. This waiver is effective in the following sixteen parishes in which the 7.8 psi

¹ On August 29, 2008, I waived the requirement for low volatility gasoline in Louisiana through 11:59 p.m. on September 8, 2008. Under today’s waiver, the August 29, 2008 waiver of the low volatility requirement in Louisiana is extended through September 15, 2008.

RVP requirement applies: Ascension, Beauregard, Calcasieu, E. Baton Rouge, Iberville, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Point Coupee, St. Bernard, St. Charles, St. James, St. Mary, and W. Baton Rouge.

North Carolina. This waiver is effective in the following North Carolina counties in which the 7.8 psi RVP requirement applies: Davidson, Durham, Forsyth, Gaston, Guilford, Mecklenburgh and Wake, and in those parts of Davie and Granville counties where the 7.8 psi RVP requirement applies. Additional information regarding the boundaries of these areas can be found at <http://daq.state.nc.us/rules/appendices/app24.pdf>.

Waiver of the SIP 7.0 psi RVP and Sulfur Averaging Requirements

Alabama. This waiver is effective in the following Birmingham-area counties in which the 7.0 psi RVP requirement applies: Jefferson and Shelby.

Georgia. This waiver is effective in the following 45 Atlanta-area counties in which the 7.0 psi RVP and sulfur averaging requirements apply: Banks, Barrow, Bartow, Butts, Carroll, Chattooga, Cherokee, Clarke, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Floyd, Forsyth, Fulton, Gordon, Gwinnett, Hall, Haralson, Heard, Henry, Jackson, Jasper, Jones, Lamar, Lumpkin, Madison, Meriwether, Monroe, Morgan, Newton, Oconee, Paulding, Pickens, Pike, Polk, Putnam, Rockdale, Spalding, Troup, Upson and Walton. This waiver does not change the requirement that gasoline sold or distributed in the Atlanta area must meet the federal low-sulfur requirements. See 40 C.F.R. Part 80, Subpart H. Regulated parties (including pipelines, terminals, distributors, retailers and wholesale purchaser consumers) that receive fuel under this waiver may continue to dispense or sell this fuel until their supplies are exhausted.

In addition, I am waiving the federal requirement for 7.8 psi RVP gasoline in those counties in Alabama and Georgia in which the requirement applies, through September 15, 2008.

EPA will continue to work with DOE and affected states to monitor the impact of Hurricane Gustav on the fuel supply situation in the Gulf region. If you have questions you may call me, or your staff may call Adam M. Kushner at (202) 564-2260.

Sincerely,



Stephen L. Johnson

cc: The Honorable Samuel W. Bodman
Secretary of Energy