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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-9

June 16, 1998

To: Board of Directors (Committee on Communications and Legislation--Action)
(Special Committee on Water Quality, Desalination
and Environmental Compliance--Action)

From: *for* General Manager

Edward J. Meier III

Submitted by: Mark D. Beuhler
Director of Water Quality

Mark Beuhler

Subject: Support for S. 1576 (Feinstein) and H.R. 630 (Bilbray)--Reformulated
Gasoline Requirements

RECOMMENDATION

It is recommended that your Board support S. 1576 (Feinstein) and H. R. 630 (Bilbray).

EXECUTIVE SUMMARY

The federal Clean Air Act Amendments of 1990 (P.L. 101-549) require areas that exceed the federal ambient air quality standard for carbon monoxide to use oxygenated gasoline during the winter in some areas, and year-round in areas with the most severe pollution. In 1991, the California Air Resources Board established its own specifications for reformulated gasoline. While no specific oxygenate is mandated under federal or state law, methyl tertiary butyl ether (MTBE) was chosen by refiners for use in virtually all California gasoline. MTBE use has caused considerable ground and surface water contamination from leaking underground storage tanks, petroleum pipelines and water craft engine discharges.

H.R. 630 (Bilbray - CA) and S. 1576 (Feinstein - CA) would amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gasoline in certain areas within the State. These bills provide that if a state's reformulated gasoline rules achieve equal or greater emissions reductions than federal regulation, then the state's rules should take precedence. By exempting California from the federal reformulated fuel requirement, this legislation will give gasoline manufacturers the flexibility to reduce or even eliminate the use of gasoline oxygenates, such as MTBE. Some petroleum refiners have maintained that they can make an oxygenate-free gasoline that meets Clean Air Act requirements. S. 1576 is the Senate version of the legislation introduced last year in the House of Representatives by Congressman Bilbray.

DETAILED REPORT

The federal reformulated gasoline program introduced cleaner-burning gasoline in January, 1995 primarily to help reduce ozone levels. MTBE is an oxygenate which has become a major component of gasoline used in California. Use of oxygenates are mandated by the USEPA and the California Air Resources Control Board to reduce air pollution emission. The use of MTBE in gasoline is reported to have improved air quality, but MTBE's unique properties make it a contamination threat to drinking water supplies. Because MTBE is highly soluble in water, it percolates through the ground into groundwater aquifers, and remains mobile and persistent.

H.R. 630/S. 1576 would provide California some regulatory flexibility in the production of cleaner-burning gasoline, without setting specific mandates on additives such as MTBE. This flexibility would allow California to specify either an oxygenate or oxygen content where federal reformulated gasoline is not required.

ANALYSIS

While the use of oxygenates such as MTBE may have been effective in improving overall air quality in California, Metropolitan maintains that there should be no environmental "trade-offs" between clean air and clean water. The occurrences of MTBE contamination and the consideration of a phase-out reinforce the need to fully consider impacts on water supply and the potential for cross-media pollution before gasoline additives and other chemicals are approved for use.

The Association of California Water Agencies (ACWA) Board of Directors supports comprehensive efforts to protect the state's drinking water from MTBE contamination. The following policy was adopted recently by ACWA to address the issues of source water protection and MTBE:

- Support legislation providing flexibility to California to meet air quality goals without the use of oxygenates such as MTBE which pose a threat to drinking water sources.

Your Board's recent revision of Metropolitan's legislative policy principles allows for increased source water protection through MTBE contamination prevention. This legislation would provide the State of California with the increased flexibility in providing for both clean air and clean water.

EGD:cs

Attachment

105TH CONGRESS
1ST SESSION

H. R. 630

To amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gas in certain areas within the State.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1997

Mr. BILBRAY (for himself, Mr. LEWIS of California, Mr. TORRES, Mr. CALVERT, Mr. HUNTER, Mr. FILNER, Mr. CUNNINGHAM, Mr. HERGER, Mr. ROHRABACHER, Mr. PACKARD, Mr. DOOLEY of California, and Mr. Cox of California) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gas in certain areas within the State.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CALIFORNIA REFORMULATED GAS RULES.**

4 Section 211 (c) (4) (B) of the Clean Air Act is amended
5 by adding the following at the end thereof. "Whenever any
6 such State that has received a waiver under section
7 209(b)(1) has promulgated reformulated gasoline rules for
8 any covered area of such State (as defined in subsection

1 (k)), such rules shall apply in such area in lieu of the re-
2 quirements of subsection (k) if such State rules will
3 achieve equivalent or greater emission reductions than
4 would result from the application of the requirements of
5 subsection (k) in the case of the aggregate mass of emis-
6 sions of toxic air pollutants and in the case of the aggre-
7 gate mass of emissions of ozone-forming compounds."

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105TH CONGRESS
2ND SESSION

S. 1576

To amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gasoline in certain areas within the State.

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1998

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gasoline in certain areas within the State.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CALIFORNIA REFORMULATED GASOLINE**

4 **RULES.**

5 Section 211 (c) (4) (B) of the Clean Air Act (42 U.S.C.
6 7545(c)(4)(B)) is amended by adding at the end the fol-
7 lowing: "If any such State that has received a waiver
8 under section 209(b)(1) promulgates reformulated gaso-
9 line rules for any covered area of the State (as defined

1 in subsection (k)(10)), the rules shall apply in the area
2 in lieu of the requirements of subsection (k) if the State
3 rules will achieve equivalent or greater emission reductions
4 than would result from the application of the requirements
5 of subsection (k) in the case of the aggregate mass of
6 emissions of toxic air pollutants and in the case of the
7 aggregate mass of emissions of ozone-forming com-
8 pounds. "

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