

State of California
AIR RESOURCES BOARD

Final Statement of Reasons for Rulemaking
Including Summary of Comments and Agency Responses

**HEARING TO CONSIDER AMENDMENTS TO THE CALIFORNIA
REFORMULATED GASOLINE REGULATIONS REGARDING WINTER OXYGEN
REQUIREMENTS IN THE LAKE TAHOE AIR BASIN**

Public Hearing Date: June 24, 1999
Agenda Item No.: 99-5-1

I. GENERAL

This rulemaking was initiated by the publication on May 7, 1999 of a notice for an August 27, 1998 public hearing to consider amendments to the California reformulated gasoline regulations. A Staff Report: Initial Statement of Reasons for Proposed Rulemaking was also made available for public review and comment on May 7, 1999. The Staff Report, which is incorporated by reference herein, contained the text of the regulatory amendments as initially proposed by the staff, along with an extensive description of the rationale for the proposal.

The staff proposal consisted of two elements: The first element was an amendment to section 2262.5(a), title 13, California Code of Regulations (CCR), eliminating the wintertime oxygen requirement in the Lake Tahoe Air Basin prior to October 1, 1999. This would mean that the Tahoe area's gasoline will no longer be subject to the requirement during October 1, 1999 - January 31, 2000 — the last wintertime period during which the oxygenate requirement was to apply there. The second element was the adoption of a new section 2273, title 13, CCR. This regulation would, on a statewide basis, require the labeling of retail gasoline pumps dispensing gasoline containing methyl tertiary-butyl ether (MTBE), and require that persons delivering gasoline containing MTBE to retailers provide documentation indicating the presence of MTBE in the gasoline.

At the June 24, 1999 hearing, the Board adopted Resolution 99-22, in which it adopted the amendment to section 2262.5(a), title 13, CCR, eliminating the wintertime oxygen requirement in the Lake Tahoe Air Basin prior to October 1, 1999. The resolution also approved the new section 2273 establishing MTBE labeling requirements, with various modifications to the originally proposed text. In accordance with section 11346.8 of the Government Code, the Board in Resolution 99-22 directed the Executive Officer to make the text of the modified section 2273 available to the public for a supplemental written comment period of 15 days; he was then directed either to adopt the regulation with such additional modifications as may be appropriate in

light of the comments received, or to present the regulation to the Board for further consideration if warranted in light of the comments.

Since it is necessary for the amendments to section 2262.5(a) to become effective before the start of the next Lake Tahoe wintertime oxygenates period October 1, 1999, the ARB is submitting those amendments to the Office of Administrative Law for final action while the rulemaking process is being completed for the provisions on MTBE labeling.

Fiscal Impacts. The Board has determined that the amendments to section 2262.5(a), title 13, CCR, will not result in a mandate to any local agency or school district, the costs of which are reimbursable by the state pursuant to Part 7 (commencing with section 17500), Division 4, Title 2 of the Government Code.

Consideration of Alternatives. The Board has determined that no alternative considered by the agency would be more effective in carrying out the purpose for which the amendments to section 2262.5(a) were proposed or would be as effective and less burdensome to affected private persons than the action taken by the Board.

II. SUMMARY OF PUBLIC COMMENTS AND AGENCY RESPONSES

During the 45-day public comment period, the Board received written comments from the California Independent Oil Marketers Association (CIOMA), Thomas Robinson representing Robinson Oil Co., Inc., Kinder Morgan Energy Partners Inc., the Western States Petroleum Association (WSPA), the Oxygenated Fuels Association (OFA), James White, Robert Baer representing the South Tahoe Public Utilities District (STPUD), and Gordon Schremp representing the California Energy Commission (CEC). At the hearing, oral testimony was received from CIOMA, Mr. Robinson, WSPA, OFA, Mr. White, STPUD, and the CEC.

All comments pertaining to the Lake Tahoe amendments supported the staff proposal. There were no objections or recommendations specifically directed at the proposed amendments to section 2262.5(a) or to the procedures followed by the ARB in proposing or adopting those amendments.