

BOBBY JINDAL
GOVERNOR



HAROLD LEGGETT, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
ENVIRONMENTAL ASSESSMENT

August 29, 2008

Mr. Granta A. Nakayama
Assistant Administrator
Office of Enforcement and Compliance Assurance
US Environmental Protection Agency
1200 Pennsylvania Avenue, Northwest
Washington, DC 10460

RE: Request for Fuel Waiver Concerning Gasoline for Louisiana

Dear Mr. Nakayama:

As you already know, a tropical cyclone, "Gustav", is near the Gulf of Mexico and is projected to make landfall at/near the Louisiana coast as a category 3 hurricane. Voluntary and mandatory evacuations are beginning today in South Louisiana parishes. Certain areas, including critical evacuation routes, will experience a shortage of the 7.8 RVP gasoline. Because of difficulties associated with matching the correct RVP fuel with the correct parish, providing an adequate supply of gasoline to support evacuation, rescue, and recovery efforts will present extreme and unusual challenges as suppliers will struggle to provide an adequate quantity of fuel to those areas needing it most. As we have seen previously, in events such as Hurricane Katrina, successful evacuation is a matter of life and death.

On behalf of Governor Bobby Jindal and in consultation with United States Environmental Protection Agency Region 6 (EPA), the State of Louisiana respectfully requests temporary emergency relief from certain federal fuel requirements:

- 1) Waiver of RVP requirements: Louisiana has fuel requirements that differ from parish to parish creating a geographic complexity that presents unique fuel supply challenges during an event where evacuation is required.
 - Gasoline in certain areas of Louisiana, as designated in 40 CFR 80.27 and in the federally approved air quality State Implementation Plan, is required to have a Reid Vapor Pressure (RVP) of 7.8 pounds per square inch (psi) during the ozone season.
 - Other parishes (mostly northern parishes of the State) can have 9.0 psi RVP. It is expected that certain areas will experience a shortage of the 7.8 psi RVP gasoline.
 - In the evacuation for Gustav, certain areas including critical evacuation routes will experience a shortage of 7.8 RVP gasoline. Because of difficulties associated with matching the correct RVP fuel with the correct parish, Louisiana is requesting a temporary emergency waiver of the 7.8 psi RVP requirements effective immediately that will allow use of 9.0 psi fuel.

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Fuel demand in certain portions of the metro New Orleans area is already up 250 percent based upon information we are receiving from some fuel marketers. In the month immediately following Katrina, statewide gasoline sales increased by 16% over August 2005. Voluntary and mandatory evacuations are beginning today in South Louisiana parishes. This will have an impact on the employee base for the refineries supplying fuel to the region. The resulting production decreases or facility shutdowns will impact the availability of fuel in much of the area expected to be impacted by the hurricanes. Again, a waiver of the 7.8 psi RVP requirements will allow use of 9.0 psi fuel, if necessary, to help ensure that an adequate fuel supply is in place.

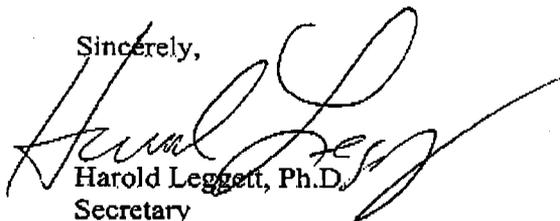
During the evacuations in the pre-landfall of Katrina in 2005, panic began to set in within the 7.8 psi RVP fuel service area when an adequate supply of the proper fuel was not available. Based on our experience with Katrina, it is likely that most 9.0 psi RVP fuel that would be sold in the lower RVP area will be needed as part of the evacuation/rescue efforts and very little will be used to fuel vehicles that will remain in the area for normal use. Ultimately, we would expect to see minimal or no observable impact on local ozone levels as a result of using the higher RVP fuel in one of these designated areas. Again, approval of this request will allow 9.0 psi fuel to be sold for the duration of the waiver.

2) Waiver for Ethanol Blending Requirements

- Now that industry is blending ethanol into gasoline in many areas of Louisiana to comply with the 2007 Energy Independence and Security Act, we seek flexibility in ethanol blending related provisions. Louisiana is requesting temporary extension of the 1.0 psi RVP allowance to gasolines containing 1-10% ethanol (currently limited to 9%-10% only).

We trust that you will respond favorably to our request to maintain an adequate supply of fuel during the evacuation and aftermath of the storm. Thank you for your consideration and attention in this matter. If you have any questions, please call me at 225 219-3950 or your staff may contact Michael Vince at 225 219-3482.

Sincerely,



Harold Leggett, Ph.D.
Secretary

c: Governor Bobby Jindal
Mayor Richard E. Greene, US EPA Region 6
Guy Donaldson, US EPA Region 6