



Gina Grey
Managing Coordinator

November 15, 1995

Board Members
California Air Resources Board
c/o Board Secretary
P.O. Box 2815
Sacramento, CA 95812

Subject: **95-12-2 Proposed Amendments to the California Regulation Requiring Deposit Control Additives in Motor Vehicle Gasoline**

Dear CARB Board Members:

The Western States Petroleum Association (WSPA) appreciates the opportunity to provide comments on the California Air Resources Board's (CARB) proposed amendments to the gasoline deposit control additive regulation. We concur with CARB's proposal to revise the regulations as outlined on CARB's November 1 conference call and included in the September 29 staff report, however WSPA offers the following recommendations on the three areas outlined below:

Certification Test Fuel Requirements

CARB staff has proposed that additional definition of "certification fuel" be required, i.e., beyond the properties listed in section 2257(c)(2)(D). WSPA opposes regulatory language that could be subject to wide interpretation. In particular, defining certification test fuel to be "representative of typical commercial gasoline" [2257(c)(2)(E)] is too ambiguous, and may be inconsistent with the definition of individual fuel parameters set forth under Section (c)(2)(D). On page 8 paragraph 4 of the staff report, typical commercial gasoline is referenced "as being similar to CaRFG averaging limits". This contradicts what we feel is CARB's intent in the regulation. In addition, overspecification of the certification fuel requirements can lead to considerable divergence in certification ranges, and can in turn, impact system fungibility, reduce exchange flexibility, and adversely impact the rollout of Phase 2 RFG. WSPA therefore recommends that certification test fuel be capable of transportation system fungibility, be prepared from normal refining blendstocks, and meet all CARB Phase 2 RFG requirements.

WSPA believes both staff's and industry's concerns can be adequately addressed by:

- 1) eliminating all language that requires the certification test fuel to be "representative

- of typical commercial gasoline" [2257(c)(2)(E)].
- 2) adding regulatory language that clearly specifies the information required to be provided to CARB (i.e., in addition to that specified in Section (c)(2)(D)).

Any lingering concerns regarding the method of preparation of the certification fuel are adequately addressed by requiring that the fuel be prepared from refinery blendstocks. As a result, we feel that Section 2257 (c)(2)(E) should be amended to read:

"A statement that the certification test fuel will be produced from typical refinery blendstocks."

Recordkeeping Requirements

WSPA opposes any changes to CARB's current recordkeeping requirements. At present each producer, importer, and distributor are required to compile records for each grade of gasoline on a monthly basis. This procedure is appropriate and consistent with EPA requirements. We do not feel daily additive recordkeeping is justified, or appropriate, for the following reasons:

- **Potential conflict with CARB Phase 2 RFG rollout:** Our resources at this time are primarily dedicated to various aspects of CARB Phase 2 RFG rollout. We are concerned that, to ensure compliance with all the various enforcement issues accompanying the imposition of new or revised recordkeeping requirements, resources would be diverted away from this primary objective. Developing new procedures, assessing current staffing needs, conducting training, etc. are time-consuming and resource-intensive tasks. We urge CARB to allow us to continue working on the RFG effort without any unnecessary diversions.
- **Inconsistency of EPA/CARB regulations:** We support the overall goal of achieving consistency between CARB and EPA additive regulations. To this end, we recommend that CARB delay changes to its additive regulation, at least until EPA issues its final rule next year. Based on our current information, it is unlikely that the final EPA proposal will include a daily recordkeeping requirement.
- **No environmental benefit:** There are no demonstrable environmental benefits associated with switching from monthly reconciliation to daily recordkeeping.
- **Costly facility upgrades:** Some terminals have not installed the state-of-the-art additization equipment required for daily additization reconciliation. This is especially true at smaller, low-volume facilities. The requirement of daily recordkeeping would necessitate costly facilities upgrades, without adequate cost-effectiveness justification.

Board Members
November 15, 1995
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WSPA would also recommend changes to existing regulation, section (d)(2), to limit CARB's designation of a violation if records are not available due to circumstances beyond the refiner's control such as fire, earthquake, theft, vandalism, etc. We propose the following language be added to the end of the existing section (d)(2):

"except when the records are not available because of circumstances beyond the reasonable control of the person required to keep such records."

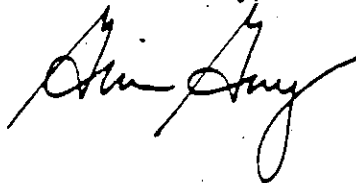
Liability Protection Provision

Similar to the protection provided in federal additive rule (Section 80.156(c)), WSPA believes liability protection provisions for refiners that have contractual obligations need to be addressed within CARB's regulation. We would like to suggest the following language:

"Where a refiner is found to be in violation of any of the prohibitions of this section as a result of violation occurring at a facility, including, but not limited to, a truck or individual storage tank, the refiner shall be deemed not in violation if it can demonstrate, in addition to showing that the violation was not caused by the refinery or its employee or agent, that the violation was caused by the action of any gasoline refiner, importer, reseller, distributor, oxygenate blender, detergent manufacturer, distributor, blender, or retailer in violation of a contractual undertaking imposed by the refiner designed to prevent such action, and despite the reasonable efforts of the refiner to implement an oversight program to ensure compliance with such contractual obligations."

Once again, WSPA appreciates the opportunity to share our concerns on this proposal with the Board. If you have any questions regarding our comments, please contact Steve Smith with Unocal (213) 977-6848.

Sincerely,



cc: P. Venturini
D. Simeroth
G. Yee
J. Aguila
L. Lee



Chevron

October 9, 1995

Chevron U.S.A. Products Company
Product Engineering
575 Market Street
San Francisco, CA 94105

James A. Kranzthor
Senior Product Engineer
Phone (415) 894-4202

Mr. Gary M. Yee
Manager, Industrial Section
Criteria Pollutants Branch, Stationary Source Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

95-12-2
10/16/95

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JDD MHS
JB Legal
SSD

Chevron Comments on Proposed Additive Regulation Changes

Dear Mr. Yee,

Thank you for giving Chevron the opportunity to comment on the proposed changes to the California ARB gasoline deposit-control additive regulations. Chevron plans to attend the public hearing that will be held on November 16, 1995, in Sacramento.

I apologize that I was not able to participate on the conference call held on October 3. However, I have reviewed the California ARB proposed amendments to the California gasoline deposit control rule. Thank you for including the proposed amendment to allow for the manual correction of additive concentration. It will be helpful to be able to bottle additize gasoline in California at the service station prior to sale in response to a temporary terminal additization problem.

Chevron agrees in principal with the oil industry's desire to keep California deposit control record-keeping consistent with federal deposit control record-keeping. However, there are much higher priority issues for Chevron in connection with California Phase 2 gasoline, and we are focusing our attention on the smooth introduction of this product.

I appreciate your willingness to propose record-keeping requirements for every *business* day rather than *every* day. My only suggestion to your proposed regulatory record-keeping wording is in section (d) Recordkeeping (4). The first sentence now reads, "Any person required by subsection (d)(1) to maintain and

Mr. Gary M. Yee

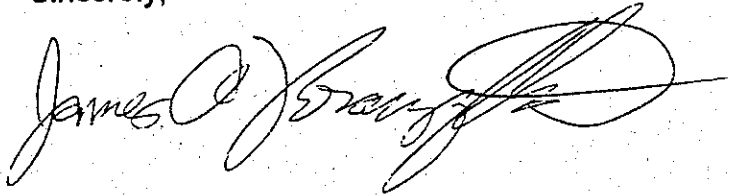
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compile records must make those records available for inspection and copying immediately upon request by the executive officer or his/her designee." I believe this sentence could be misinterpreted to mean a California ARB visit could happen on the weekend (when a terminal may be un-manned). I suggest that the sentence be revised to read, "Any person required by subsection (d)(1) to maintain and compile records must make those records available for inspection and copying immediately upon request by the executive officer or his/her designee on any business day."

Thank you very much for taking the time to consider our suggestion.

Sincerely,

A handwritten signature in cursive script, appearing to read "James O. Brandy". The signature is written in dark ink and is positioned below the word "Sincerely,".

95-12-2
11/16/95

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CARB ADDITIVE PROPOSAL

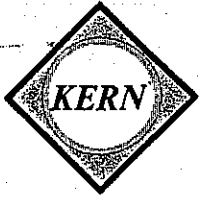
ARCO RECOMMENDATIONS:

1. Reconsider using the EPA monthly averaging additive program. With ARB requiring both keep-clean and clean-up additive requirements any short-term upset will be more than likely be quickly cleaned-up by the normal additive characteristics of the fuel. We would also limit the maximum additive rate to 10% of the certified additive level to address some of your other concerns.
2. If the ARB does not adopt the EPA monthly averaging program, and goes with a daily average we suggest the following:
 - a. Limit additive injection rates to only 10% over the certified additive concentration, and
 - b. Limit the daily average to the certified Keep-Clean concentration determined by the appropriate ARB testing methodology.
 - c. Add special provisions for tank blending of additives:
 - Daily average enforced on a pipeline shipment basis.
 - d. Although, the monthly compliance would not be provided an enforcement tolerance, clarify that penalties for not complying with the monthly average would be limited to only those days that averaged 95% below the certified additive concentration for those.
 - e. Add liability protection provisions for refiners that have contractual obligations similar to those provided in federal additive rule (Section 80.156(c)). Suggest language similar to the following:

"Where a refiner, is found to be in violation of any of the prohibitions of this section as a result of violation occurring at a facility, including, but not limited to, a truck or individual storage tank, the refiner shall be deemed not in violation if it can demonstrate, in addition to showing that the violation was not caused by the refinery or its employee or agent; that the violation was caused by the action of any gasoline refiner, importer, reseller, distributor, oxygenate

blender, detergent manufacturer, distributor, blender, or retailer or
wholesale purchase-consumer supplied by any of these persons, in
violation of a contractual undertaking imposed by the refiner designed
to prevent such action, and despite the implementation of an oversight
program, including, but not limited to, periodic review of product
transfer documents by the refiner to ensure compliance with such
contractual obligations.

q/ehs/das/arbaddl



Kern Oil & Refining Co.

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95-12-2
11/16/95

October 19, 1995

Board Secretary
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Proposed Amendments to the California Regulation Requiring
Deposit Control Additives in Motor Vehicle Gasoline

Dear Secretary:

Kern Oil & Refining Co. (Kern) herewith submits comments on the proposed amendments to the California regulation requiring deposit control additives in motor vehicle gasoline. Kern's comments are limited to a discussion of the proposed amendments to the recordkeeping requirements and certain statements in the September 29, 1995, Staff Report that relate to the current recordkeeping requirements.

CURRENT RECORDKEEPING REQUIREMENTS

Before discussing the proposed amendments to the recordkeeping requirements, Kern would like to state for the record that it has always understood subsection (d)(1) of the regulation to mean exactly what it says. This subsection states:

Each producer, importer, and distributor who has been issued a certification pursuant to subsection (c) shall maintain records for each facility at which he or she adds an additive to California gasoline in order to comply with subsection (a)(1). For each such facility, commencing January 1, 1992, the producer, importer or distributor shall compile records showing on a monthly basis for each grade of gasoline:

- [i] the volume of California gasoline supplied from the facility by the producer, importer or distributor,
- [ii] the volume of California gasoline to which the producer, importer or distributor added the additive to comply with subsection (a)(1), and
- [iii] the name and volume of each additive (or additive package) added to the gasoline fuel.

The Staff Report and other recent statements by CARB staff take the position that the regulation as stated above currently requires maintenance of daily records, and that persons who believe "compile records showing on a monthly basis" means precisely what it says have "misinterpreted the regulatory provisions that require daily recordkeeping..." See Page 10 of the Staff Report. We strongly disagree. The reference in the regulation: "records showing on a monthly basis" cannot reasonably be interpreted to require anything but monthly records. The word "daily" does not appear anywhere in the text quoted above, which is the only subsection of the regulation that deals with recordkeeping. The current regulation unambiguously requires recordkeeping only on a monthly basis. Any statements by CARB staff to the contrary are clearly erroneous.

In the last paragraph on Page 10 of the Staff Report, the staff conveniently omits a critical word from its quotation of the regulation in an attempt to make the regulatory language fit its interpretation. The Staff Report states, "Refiner comments state that the current regulation allows additive facilities to 'compile records...on a monthly basis...' and does not require daily records." Of course, the actual wording of the regulation is, "compile records showing on a monthly basis..." (emphasis added). If the regulation had omitted the word "showing" as the quotation in the Staff Report does, then CARB staff might have had a defensible argument that the frequency of data recording required by the regulation is not specified, and that they can "interpret" the regulation to fill in the frequency that is not specified. Here, however, the regulation states in plain English, "compile records showing on a monthly basis" which can only mean that the required frequency of data recording is monthly. "Showing on a monthly basis" can have no other meaning.

The response to Comment 7) on Page A2 of the Staff Report attempts to rewrite the regulation to require "monthly compilations" of records, which CARB staff interprets to mean daily records which must be compiled on a monthly basis. The staff here is interpreting what they would like the regulation to say, rather than what it does say. The regulation does not require "monthly compilations" but rather that "the producer, importer or distributor shall compile records showing on a monthly basis..."

It is axiomatic in judicial review of regulatory requirements that when a regulation is clear and unambiguous in its language, no deference is due in favor of an agency "interpretation" that is not supported by the language of the regulation. Therefore, all references in the Staff Report to the current regulation requiring daily recordkeeping are incorrect and should be disregarded by the Board.

PROPOSED RECORDKEEPING REQUIREMENTS

CARB staff has proposed a modification of the recordkeeping requirements that would require daily records of additive use. In support of its proposal the Staff Report at Pages 9 and 10 reiterates its original reasons for requiring deposit control additives and for requiring recordkeeping, with which Kern has no disagreement. The only reasons stated in the Staff Report for changing from the current recordkeeping language are that CARB staff claims most California facilities are capable of generating daily records and that CARB staff interprets the current regulation as requiring daily recordkeeping. Nowhere in the Staff Report is there even an attempt to justify the more onerous recordkeeping requirements of the staff's proposal on the basis of a claimed environmental benefit. As far as Kern has been able to determine, the objective of the regulation of keeping automobile engines clean and free of potentially polluting combustion deposits is currently being met.

The proposed recordkeeping changes would multiply the industry's recordkeeping burden by approximately a factor of 30. CARB should not increase industry's recordkeeping burden by 30 times without a clear showing that the change is necessary to achieve the environmental goals of the regulation. The staff has the burden of making the case that a change in the recordkeeping requirement is necessary, and the Staff Report does not meet this burden.

Prior to the effective date of the current regulation, facilities installed or upgraded their additive systems to comply with the regulation. These systems are adequate to inject additives at the proper dosage and to demonstrate compliance on a monthly basis. If CARB changes to a daily recordkeeping requirement and injection systems are not upgraded further, it is inevitable that the records will show apparent violations where none actually occurred. Kern has three separate injection systems at its facility for additives required by different customers. Although the injection dosage is not changed from day to day, the volumes metered in a single day are so low that a slight timing difference between additive meter reading and the gasoline meter reading can result in a calculated dosage that is significantly higher or lower than the actual dosage rate being injected. These differences offset from day to day, resulting in monthly meter readings that demonstrate compliance with the additive requirements. To avoid the inevitable timing differences in meter readings and to allow for truly accurate daily recordkeeping, Kern would require three separate very expensive computerized additive tracking systems. With the lack of

data in the Staff Report regarding any environmental benefit from going to a daily monitoring requirement, Kern does not consider the change to be cost-effective.

The additional cost of computerized additive injection tracking might not seem significant to a major refiner with gasoline production of millions of gallons per day. For Kern, whose gasoline production is less than 200,000 gallons per day, however, the cost of triplicate computerized systems for the sole purpose of generating daily data for CARB to audit is very significant on a per-gallon basis. As CARB is well aware, the last several years have not been kind to California small refiners. As far as we know, Kern is the only small refiner that plans to make California Phase II reformulated gasoline. We believe that our presence in the Central California market is particularly significant in stabilizing the price and supply of gasoline as well as diesel fuel and other refined products. If Kern is to maintain a presence in this market, it cannot be placed in a position of having to absorb additional costs that on a per-gallon basis are far greater than those of its competition.

The U.S. EPA recently adopted a deposit control additive regulation that requires monthly additive reconciliation and recordkeeping, as does the current CARB regulation. Although the EPA had originally proposed a weekly reconciliation requirement, it adopted the monthly requirement, stating: "EPA believes the monthly time frame provides reasonable assurance that individual loads will be additized properly." 59 FR 54678 (Nov 1, 1995) at 54694. Kern agrees with the EPA's assessment. Monitoring and recordkeeping on a monthly basis is adequate to insure that all gasoline contains the proper amount of additive.

To insure that facilities do not make large adjustments to the additive dosage within an additive reconciliation period that might mask underadditization, the EPA requires a new reconciliation period to begin whenever the additive dosage rate is increased by more than 10 percent over the original dosage set for the month. Regarding this provision, the preamble to the EPA regulation states: "EPA feels that the prohibition against altering the detergent concentration in the compliance period above 10 percent of the set concentration rate will further assure that significant per-batch under-additization will not occur." *ibid.* Kern agrees with the EPA that requiring a compliance monitoring period more frequent than monthly is not necessary to provide reasonable assurance that all gasoline is properly additized.

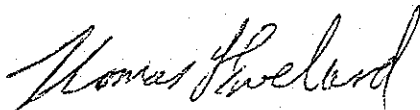
Board Secretary
October 19, 1995
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SUMMARY

Kern does not believe that any modification of the CARB deposit control additive recordkeeping requirements is necessary. Kern is aware of no incidents in which the current recordkeeping requirements have been ineffective in disclosing non-trivial underadditization. Kern is also not aware of any data establishing that short-term variation in additive rate has any environmental consequences. If CARB is concerned that persons responsible for additization might under-additize for part of a month and make up for it by over-additizing during the balance of the month, CARB could adopt the EPA's requirement that a new reconciliation period be started whenever the rate is increased by more than 10 percent.

Any questions regarding these comments may be addressed to the undersigned.

Sincerely,



Thomas L. Eveland
Vice President, Government Affairs

:dr

cc: Dean C. Simeroth, CARB
Craig A. Moyer, Esq.



PRODUCTS COMPANY

November 15, 1995

Board Members
California Air Resources Board
c/o Board Secretary
P.O. Box 2815
Sacramento, California 95812

DENNIS W. LAMB
General Manager
Fuels Planning & Technology

Comments on 95-12-2; Proposed Amendments to the California Regulation Requiring Gasoline Deposit Control Additives in Motor Vehicle Gasoline

Dear CARB Board Members:

76 Products Company, an operating group of Union Oil Company of California (d.b.a. Unocal), is pleased to submit the following comments on the California Air Resources Board's (CARB's) proposed amendments to the gasoline deposit control additive regulation -- section 2257, title 13, California Code of Regulations. We have actively participated in the various meetings and conference calls with staff on this issue over the past five months. We appreciate this opportunity to provide additional input.

We applaud staff's stated goal with these amendments of "fine-tuning" the existing regulation to provide additional clarity and flexibility and to provide consistency with anticipated future federal deposit control additive regulations. The majority of staff's proposed changes are consistent with these goals and, as a result, we support many of the proposed amendments. However, there are two areas where we either request changes to or oppose the proposed amendments. We describe each issue below.

SUPPORTED AMENDMENTS

We support the amendment to section 2257 (c)(1)(A) that requires the use of updated ASTM procedures for Port Fuel Injector (PFI) keep-clean testing (ASTM D 5598) and intake valve keep-clean testing (ASTM D 5500). These update the regulation to reflect the latest generally accepted vehicle test procedures and achieve consistency with the anticipated federal requirements.

We strongly support the amendment to section 2257 (c)(2)(B) that requires that certification applications include the minimum concentration of additive in the gasoline formulation in terms of gallons of additive per thousand gallons of gasoline. This volume-to-volume certification is an improvement over the previous weight-to-volume certification. Companies will no longer need to make a volume-to-weight calculation to confirm that they are additizing at the required levels.

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PH (213) 977-5974
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A U n o c a l C o m p a n y

We support the clarifications to the definition for gasoline.

We also support the amendment to section 2257 (a)(3) that allows manual correction of improperly additized gasoline prior to use by motor vehicles. This measure provides additional flexibility to ensure that gasoline is properly additized in compliance with the regulation.

RECOMMENDED CHANGES TO AMENDMENTS

1. Recordkeeping Requirements

We propose that CARB make no changes to current recordkeeping requirements. The current requirement that each producer, importer and distributor shall compile records for each grade of gasoline on a monthly basis is appropriate and consistent with current EPA requirements. We do not feel that daily required additive recordkeeping is justified, or appropriate, for the following reasons:

- **Potential conflict with California Phase 2 RFG (CaRFG) rollout:** Our resources at this time are primarily dedicated to various aspects of CaRFG rollout. We are concerned that, to ensure compliance with all the various enforcement issues that accompany the imposition of new or revised recordkeeping requirements, we would need to divert resources from this primary objective. Developing new procedures, assessing current staffing needs, conducting training, etc. are tasks that can be time-consuming and resource-intensive. We urge CARB to allow us to continue working on the RFG effort without any unnecessary diversions.
- **Maintain consistency with EPA regulations:** We support the overall goal of achieving consistency between CARB and EPA additive regulations. To this end, we recommend that CARB delay changes to its additive recordkeeping regulation, at least until EPA issues its final rule next year. Based on our current information, it is unlikely that the final EPA proposal will include a daily recordkeeping requirement.
- **No environmental benefit:** There are no demonstrable environmental benefits associated with switching from monthly reconciliation to daily recordkeeping. Based on limited test data available to us at (or near) CaRFG cap levels, we do not believe that lower additization of CaRFG over short periods of time will result in any significant adverse environmental impacts. We have previously provided this information to staff.
- **Costly facility upgrades:** Some terminals have not installed the state-of-the-art additization equipment required for daily additization reconciliation. This is especially true at smaller low-volume facilities. The requirement of daily recordkeeping would necessitate costly facilities upgrades, without cost-effectiveness justification.

2. Certification Test Fuel Requirements

CARB staff is concerned that additional definition of "certification fuel" is required, i.e. beyond the properties listed individually in section 2257(c)(2)(D). We continue to oppose language that would require the certification test fuel to be "representative of typical commercial gasoline" [2257(c)(2)(E)]. We feel this language does not provide added value. Page 8, fourth paragraph of the Staff Report states "... the properties of typical production gasoline will be very similar to

the properties of gasoline meeting the CaRFG 'average' limits". This language could also be subject to wide interpretation because typical commercial gasoline can vary widely in certain properties. Furthermore, the proposed requirement for certification fuel to be representative of "typical commercial gasoline" may be inconsistent with the definition of individual fuel parameters put forth under Section (c)(2)(D). New certifications must be capable of transportation system fungibility and should be applicable to any gasoline meeting California CaRFG requirements. Overspecification of the certification fuel requirements in this fashion can lead to considerable divergence in certification ranges for individual refiners. This, in turn, can potentially impact overall system fungibility, reduce exchange flexibility and adversely impact the rollout of CaRFG.

We believe that staff's and our concerns can be adequately addressed by:

- 1) eliminating all language that requires the certification test fuel to be "representative of typical commercial gasoline" [22579c)(2)(E)], and
- 2) adding regulatory language that clearly specifies the additional information required to be provided to CARB, if any (i.e. in addition to that specified in Section (c)(2)(D)). For example, information on bromine number and existent gum properties of the fuel could be requested and provided.

Any lingering concerns regarding the method of preparation of the certification fuel are adequately addressed by requiring that the fuel be prepared from refinery blendstocks. As a result, we feel that Section 2257 (c)(2)(E) should be amended to read:

"A statement that the certification test fuel will be produced from typical refinery blend stocks."

Again, we strongly recommend that these clarifying changes be made to the certification requirements. This will help maximum system fungibility and exchange flexibility which will help ensure a smooth rollout of CaRFG.

If you have any questions or would like any additional information, please contact me at (213)-977-5974 or Steve Smith at (213)-977-6848.

Sincerely,

P. D. Smith for D. W. Lamb

D. W. Lamb
General Manager,
Fuels Planning and Technology

SDS

cc: Mr. Dean Simeroth - CARB
Mr. Peter Venturini - CARB

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**WSPA ORAL COMMENTS
CARB PUBLIC MEETING AGENDA #95-12-2
NOVEMBER 16, 1995**

**PUBLIC HEARING TO CONSIDER
PROPOSED AMENDMENTS TO THE
CALIFORNIA REGULATION REQUIRING
DEPOSIT CONTROL ADDITIVES IN MOTOR VEHICLE GASOLINE**

Good morning Mr. Chair and Members of Board. My name is Steven Smith. I am the Senior Fuels Planning Engineer for 76 Products Company, an operating group of Unocal. My remarks today will be on behalf of WSPA.

We applaud staff's stated goal with these amendments of "fine-tuning" the existing regulation to provide additional clarity and flexibility and to provide consistency with anticipated future federal deposit control additive regulations. The majority of staff's proposed changes are in line with these goals and, as a result, we support many of the proposed amendments. I'll briefly summarize first those issues that we support.

First, we support the amendment that requires the use of updated ASTM procedures for Port Fuel Injector (PFI) keep-clean testing (ASTM D 5598) and intake valve keep-clean testing (ASTM D 5500). These update the regulation to reflect the latest generally accepted vehicle test procedures and achieve consistency with the anticipated federal requirements.

(Section 2257(c)(1)(A) - Certification Requirements)

Second, we strongly support the amendment that requires that certification applications include the minimum concentration of additive in the gasoline formulation in terms of gallons of additive per thousand gallons of gasoline. This volume-to-volume certification is an improvement over the previous weight-to-volume certification. Companies will no longer need to make a volume-to-weight calculation to confirm that they are additizing at the required levels.

(Section 2257(c)(2)(B) - Certification Requirements)

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Third, we support the clarifications to the definition for gasoline.
(Section 2257(b)(7) - Definitions)

Fourth, we support the revision that allows manual correction of improperly additized gasoline prior to use by motor vehicles. This measure provides additional flexibility to ensure that gasoline is properly additized in compliance with the regulation.

(Section 2257(a)(3) - Regulatory Standard)

There are three areas where we either request changes to or oppose the amendments as developed by staff.

First, WSPA proposes that no changes be made to CARB's current monthly recordkeeping requirements. The current requirement that each producer, importer and distributor compile records for each grade of gasoline on a monthly basis is appropriate and consistent with current EPA requirements. We do not feel daily required additive recordkeeping is justified, or appropriate, for the following reasons:

(Section 2257(d) - Recordkeeping)

- Our resources at this time are primarily dedicated to various aspects of CARB 2 RFG rollout. We are concerned that, to ensure compliance with all the various enforcement issues accompanying the imposition of newer revised recordkeeping requirements, resources would be diverted away from this primary objective. Developing new procedures, assessing current staffing needs, conducting training, etc., are tasks that can be time-consuming and resource-intensive. We urge CARB to allow us to continue working on the RFG effort without any unnecessary diversions.
- We support the overall goal to achieve consistency between CARB and EPA additive regulations. To this end, we recommend that CARB delay changes to its additive regulation, at least until EPA issues its final rule next year. Based on our current information, it is unlikely that the final EPA proposal will include a daily recordkeeping requirement.

- There are no demonstrable environmental benefits associated with switching from monthly reconciliation to daily recordkeeping.
- Some terminals have not installed the state-of-the-art additization equipment required for daily additization reconciliation. This is especially true at smaller low-volume facilities. The requirement of daily recordkeeping would necessitate costly facilities upgrades, without cost-effectiveness justification.

Second, we propose that CARB add a liability protection provision to the state regulation that is similar to that in the federal regulations. We have offered specific language in our written comments. In general, this provision would protect a company from additive liability in certain circumstances if they can demonstrate that they had an adequate contractual undertaking and proper oversight with a downstream party for proper additization.

Finally, we propose changes to language regarding certifications. Staff has clarified in Section 2257(c)(2)(D) that the properties of the certification test fuel must be at least 80 percent of the maximum properties of the gasoline formulation to be certified for aromatics, olefin, sulfur, oxygen content, and T90 distillation temperature. Further, staff has added language to subparagraph (E) that companies provide a demonstration that the test fuel be produced from typical refinery blend stocks. We support these requirements. However, staff has added language requiring that companies provide a demonstration that the test fuel is "representative of typical commercial gasoline". We feel that this reference is too general and could be subject to wide interpretation by industry and staff because typical commercial gasoline can vary widely in certain properties. We request that staff delete this reference or add language clarifying their needs.

We view this certification issue as very important for the following reasons. New certifications must be capable of transportation system fungibility and should be applicable to any gasoline meeting California CaRFG requirements. Over-specification of the certification fuel requirements can lead to considerable divergence in certification ranges for individual

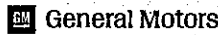
refiners. This, in turn, can potentially impact overall system fungibility, reduce exchange flexibility and adversely impact the rollout of Phase 2 RFG. We consider a smooth rollout of Phase 2 RFG our highest priority over the next year and feel strongly that excessively specific certifications could complicate this critical rollout. As a result, we recommend that staff delete this vague and unnecessary requirement or add language that clarifies the needs.

(Section 2257(c)(2)(E) - Certification Requirements)

Thank you, and I will be pleased to answer any questions.

SDS . . .
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American Automobile Manufacturers Association



ANDREW H. CARD, Jr.
President and Chief Executive Officer

November 14, 1995

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 11/15/95
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Ms. Pat Hutchens
Board Secretary
California Air Resources Board
2020 L Street
Sacramento, California 95814

Dear Ms. Hutchens:

**American Automobile Manufacturers Association Comments on
"Proposed Amendments to the California Regulation
Requiring Deposit Control Additives in Motor Vehicle Gasoline"**

The American Automobile Manufacturers Association (AAMA) is pleased to provide the following comments concerning proposed amendments to Title 13, California Code of Regulations, Section 2257, *Required Additives in Gasoline* (issued September 29, 1995).

AAMA supports the California Air Resources Board's (CARB's) efforts to improve and refine the regulations governing the use of deposit control additives in gasoline. In general, we agree with the approach CARB has taken to enhance and clarify the requirements while providing consistency with anticipated federal deposit control provisions for intake valve and port fuel injector deposits.

As noted in the CARB Staff Report, EPA's interim gasoline deposit control rule became effective January 1, 1995, and the Agency is now working toward a final deposit control rule which is expected to be issued in the first half of 1996.

AAMA member companies believe that control of fuel injector and intake valve deposits is critical to the proper operation of engine systems, particularly with regards to emissions control. We are also convinced that the control of combustion chamber deposits (CCDs) is equally important.

Earlier this year, EPA began to consider whether combustion chamber deposits merited control as well. AAMA has urged the Agency to include limits on the formation of CCDs in its forthcoming final rule. AAMA has also recommended that EPA adopt an interim limit on unwashed gums until the Agency can be provided with additional data on the effects of CCDs.

HEADQUARTERS

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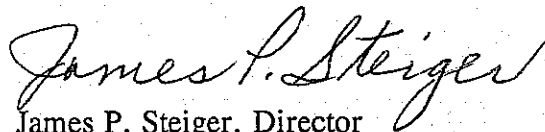
Ms. Pat Hutchens
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Page 2

Several research and test programs are currently being conducted by manufacturers and the Coordinating Research Council that will provide the additional data.

We would like to take this opportunity to urge CARB to act expeditiously to adopt regulations requiring effective control of combustion chamber deposits. By simultaneously controlling port fuel injector, intake valve, and combustion chamber deposits, we believe a great stride will have been taken to minimize the effects of engine deposits on emissions. This is particularly important for today's advanced engine designs because these engines have a very low tolerance for such deposits.

AAMA would be pleased to work with CARB on this issue.

Sincerely,



James P. Steiger, Director
Fuels & Lubricants