



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

AUG 28 2012

THE ADMINISTRATOR

The Honorable Bobby Jindal  
Governor  
State of Louisiana  
P.O. Box 4301  
Baton Rouge, Louisiana 70821-4301

Re: August 2012 Fuel Waiver Concerning Louisiana

Dear Governor Jindal:

This is in response to the August 27, 2012 request for a waiver under the Clean Air Act (CAA) made on your behalf by the Secretary of the Louisiana Department of Environmental Quality, Peggy Hatch, to address a fuel supply emergency caused by the impending landfall of Hurricane Isaac. The letter requests that the U.S. Environmental Protection Agency (EPA) waive the federal regulations requiring low volatility gasoline for certain Louisiana parishes, as a result of the disruption in the supply of fuel caused by Hurricane Isaac. As you know, regulations promulgated under the CAA require gasoline sold in certain parishes to have a maximum Reid Vapor Pressure (RVP) of 7.8 pounds per square inch (psi) during the "high ozone" season, through September 15, 2012. *See* 40 C.F.R. § 80.27. The 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 Louisiana's gasoline supply in the following fourteen Louisiana parishes: Ascension, E. Baton Rouge, Iberville, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Point Coupee, St. Bernard, St. Charles, St. James, St. Mary, and W. Baton Rouge (the "designated parishes"). By this letter, I am granting a waiver to Louisiana, as described below.

The EPA, in consultation with the DOE, has evaluated the gasoline supply problems in the designated parishes as a result of evacuations due to Hurricane Isaac, which is currently projected to be a Category 1 hurricane at the time it makes landfall on the Gulf Coast. On August 26, 2012, voluntary and mandatory evacuations were issued for South Louisiana parishes. The EPA and the DOE have found that several refineries in Louisiana are planning to, or are in the process of, shutting down in anticipation of Hurricane Isaac. The supply of 7.8 psi RVP in the designated parishes is already constrained and the evacuation-related activities currently underway in Louisiana have further caused a rapid and unexpected increase in demand for gasoline. The EPA and the DOE evaluations indicate that given the refinery shutdowns and the rate of consumption called for by the evacuation there is not a sufficient supply of 7.8 psi RVP gasoline available for distribution to the designated parishes to ensure retail outlets in these areas can maintain an adequate supply of compliant gasoline to facilitate a safe and orderly evacuation. Based on this evaluation, and due to the unique circumstances regarding hurricane

evacuation procedures, preparation and response in Louisiana, the EPA has determined, and the DOE concurs, that it is necessary to take the following action to minimize or prevent disruption of gasoline supply.

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 the designated parishes. 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 Isaac, 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 this area. CAA § 211(c)(4)(C)(ii)(II), 42 U.S.C. § 545(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 for the designated parishes in Louisiana that are subject to this standard. This waiver is effective immediately and will continue through 11:59 p.m. on September 6, 2012. Under this temporary waiver, regulated parties should distribute and sell gasoline meeting the 7.8 psi RVP standard in the designated parishes where such supplies are available; however, in the event that emergency conditions preclude the sale or distribution of gasoline meeting this standard, gasoline with an RVP of 9.0 psi may be distributed and sold.

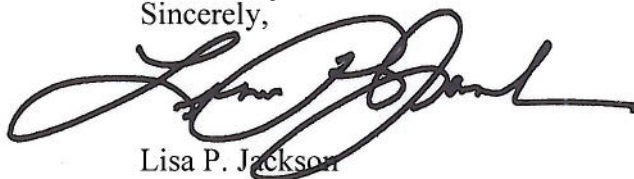
After September 6, 2012, regulated parties may not introduce gasoline that does not meet the 7.8 psi RVP requirement of 40 C.F.R. § 80.27 into terminal storage tanks from which gasoline is dispensed into trucks for distribution to retail outlets in the designated parishes. However, the gasoline dispensed from such terminal tanks for distribution and sale in the designated parishes is not required to meet the 7.8 psi RVP requirement of 40 C.F.R. § 80.27 for the remainder of the “high ozone” period, through September 15. Retailers and wholesale purchaser-consumers may continue selling or dispensing gasoline not meeting the applicable RVP standard until their supplies are depleted.

We at the EPA recognize the benefits of the federal 7.8 RVP requirement in the designated parishes; therefore, to the extent practicable and consistent with supplying market demands for gasoline (e.g., where tankage is available), regulated parties should take steps to segregate and supply gasoline that

meets the lower RVP requirement. The EPA will continue to work with the DOE and affected states to monitor the impact of Hurricane Isaac on the fuel supply situation in the Gulf region. Should conditions warrant, this waiver may be modified, terminated or extended, as appropriate.

If you have questions you may call me, or your staff may call Jacqueline R. Werner at (202) 564-1036.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa P. Jackson", with a long horizontal flourish extending to the right.

Lisa P. Jackson

cc: The Honorable Steven Chu  
Secretary of Energy