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OFFICE OF THE VICE PRESIDENT

WASHINGTON

June 7, 1993

The Honorable Charles E. Grassley
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

Chuck

Thank you for contacting me regarding your thoughts about the use of ethanol and its role in the Clean Air Act's Reformulated Fuels Program. It was good to hear from you.

As you know, I share President Clinton's commitment to the preservation of our environment in a way that leads to strong and sustainable economic growth. I appreciate learning of your views about the relationship between volatile organic chemical emissions and ozone formation. All reliable scientific data should be considered in order to come to an informed decision in compliance with the Clean Air Act on this very important matter.

I understand your concerns about the impact of this policy on corn growers. I look forward to working with you on this matter.

Again, thank you for keeping me apprised of your thoughts and concerns.

Sincerely,

Al

Al Gore

AGJ/avl

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TTY: (202) 224-4479
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DES MOINES, IA 50309-2140
(515) 284-4890
- ☐ 206 FEDERAL BUILDING
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CEDAR RAPIDS, IA 52401-1227
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United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

May 18, 1993

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(319) 232-6657
- ☐ 116 FEDERAL BUILDING
131 E. 4TH STREET
DAVENPORT, IA 52801-1513
(319) 322-4331

The Honorable Albert Gore, Jr.
The Vice-President of the United States
Washington, D.C. 20500

Dear Mr. Vice-President:

I am pleased that you will be meeting with a number of Democrat Senators to discuss the role of ethanol in the Clean Air Act's Reformulated Fuels Program.

I commend you for your support for ethanol as a Senator. As you can see from the attached copy of our July 31, 1991 letter to EPA's Administrator, William Reilly, you joined 26 other Senators warning EPA that its "reg-neg" proceedings were moving contrary to Congressional intent and were undermining the role of ethanol in the reformulated fuels program.

Unfortunately, EPA and its "reg-neg" participants chose to ignore our letter, and subsequently, have taken the apparent position that only the participants, and not Congress, have the authority to determine Congressional intent.

Don't you agree that the purpose of the Reformulated Fuels Program was to reduce ozone, not volatile organic chemicals? The best science must be used by EPA, and this means science that accounts for ozone forming potential (i.e., atmospheric photochemistry) in the promulgation of these rules. This is a far more accurate indicator of actual ozone forming potential than the mass base accounting system currently proposed by EPA.

A great deal is at stake for rural America. By one estimate, the Clean Air Act could create 35,000 jobs in Iowa alone. But if the anti-ethanol forces of the oil industry and a few misguided environmental interests prevail, American corn farmers could lose as much as \$1.9 billion in cash income by 1997, while government deficiency payments for corn could increase by \$3.3 billion.

In view of the BTU tax, the barge tax, the farm program cuts, and the EPA ethanol problems, I cannot recall a time when rural Americans and farmers were hit with so much potentially devastating government policy at once. Your assistance is in turning this around is crucial. Let me know if I can be of assistance.

Sincerely,



Charles E. Grassley
United States Senator

Committee Assignments:

FINANCE
AGRICULTURE, NUTRITION AND FORESTRY

JUDICIARY
OFFICE OF TECHNOLOGY ASSESSMENT

BUDGET
SPECIAL COMMITTEE ON AGING

United States Senate

July 31, 1991

William K. Reilly
Administrator
U.S. Environmental Protection Agency
401 M St., NW
Washington, DC 20460

Dear Administrator Reilly:

As proponents of the Reformulated Gasoline and Oxygenated Fuels provisions of the Clean Air bill, we are writing to comment on several issues raised in the Notice of Proposed Rulemaking (NPRM). We are concerned that the proposed rules would undermine the effectiveness of these clean fuel programs as intended by the Congress.

Use of the Simple Model: First, it has come to our attention that, based on discussions in the Regulatory Negotiation, EPA is considering promulgating a "simple" model that could be used to certify reformulated gasolines until more data is collected and a "complex" model can be developed. The "simple" model relies exclusively on RVP control and oxygen content to achieve the required 15 percent reductions in VOC's and toxics. Such a model would effectively obviate the need for significant emissions testing on each reformulated gasoline.

While we understand and support the effort to develop a model to be used in the certification process, we are concerned that the "simple" model forfeits the opportunity to achieve "the greatest reduction in emissions of ozone forming volatile organic compounds and emissions of toxic air pollutants achievable through the reformulation of conventional gasoline" as required by the Act. In fact, reliance on a "simple" model may actually discourage refiners from pursuing more comprehensive and environmentally-sound gasoline reformulation strategies.

There is a great deal more that needs to be learned about the impact on emissions of various fuel components. On this there is no dispute. But there is much that is already known, and the "simple" model ignores the proven and potential benefits that could be achieved by reducing certain general components of gasoline such as sulfur, or specific VOC's such as xylene. Under the simple model, reformulated gasoline would essentially become EPA's Stage 3 volatility control. This is not what Congress had intended. A much more comprehensive and creative approach needs to be taken if the potential of reformulated gasoline is to be realized.

We would strongly encourage the EPA to consider expediting the development of the "complex" model incorporating fuel parameters in addition to volatility control. By moving expeditiously, EPA will provide both flexibility and certainty to the refining industry, while assuring that the environmental goals of the Clean Air Act are realized.

William K. Reilly
July 31, 1991
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Oxygen Credits Trading: We are concerned that the NPRM appears to provide the states with total discretion regarding the implementation of an oxygen credits trading program in CO nonattainment areas. Such discretion could undermine the integrity of the oxygen trading program and hinder the most cost-effective means of implementing the oxygenated fuels program.

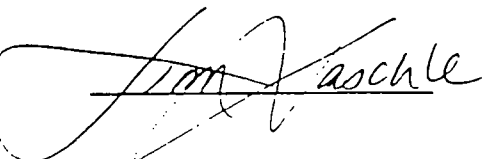
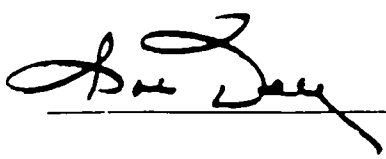
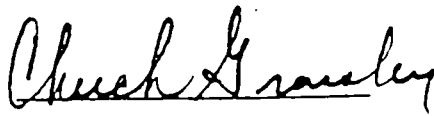
The legislative history on the oxygen credits trading program is clear: the credits trading program was in the original Senate bill (S.1630) and was maintained as part of the agreement that reduced the required oxygen content from 3.1 percent as passed in S. 1630 to 2.7 percent as adopted in H.R. 3030. The credits trading program is essential to encouraging the use of fuels with a higher oxygen content in the marketplace, thus assuring maximum environmental benefit and maximum flexibility for implementation. The oxygen credits trading program was not envisioned to be discretionary.

The final rule should more clearly reflect the intent of the Congress on this issue, and require that states demonstrate that a program without trading credits will provide greater environmental benefit before being allowed to opt-out of the credits trading program.

Waivers/Cost: There has been tremendous confusion regarding the role of cost as it relates to reformulated gasoline. Some have tried to assign a specific threshold cost to consumers, above which the program need not be implemented. Such an approach is not only arbitrary, but a definitive cost figure would be extremely difficult to determine given the competitive consequences of providing for public comment such proprietary information. Moreover, the assessment of cost required in the reformulated gasoline provision is intended to appraise the relative costs of ozone reduction strategies. Such a comparison must compare relative costs of stationary and mobile sources reductions. It is our understanding that reformulated gasoline provides the most cost-effective means of reducing ozone pollution. However, if another more cost-effective program to reduce ozone is developed, certainly that program should be utilized.

Thank you for your consideration of these comments.

Sincerely,

James H. ... Jim Jeffers Alan J. Dixon
Steve Symms Tom Hark Jim Egan
Herb ... Paul Wallsten John Glenn
Ed ... Mark ... Ron ...
Bill ... Fran ... Larry ...
Strom ... Joe ... Bob ...
Walter ... Timothy E. Wirth Gov. ...
Arnell ... George ... Albert ...