U.S. EPA Blue Ribbon Panel July 1999

LYONDELL CHEMICAL COMPANY SUMMARY OF DISSENTING REPORT

While the Panel is to be commended on a number of good recommendations to improve the current underground storage tank regulations and reduce the improper use of gasoline, the Panel's recommendations to limit the use of MTBE are not justified.

Firstly, the Panel was charged to review public health effects posed by the use of oxygenates, particularly with respect to water contamination. The Panel did not identify any increased public health risk associated with MTBE use in gasoline.

Secondly, no quantifiable evidence was provided to show the environmental risk to drinking water from leaking underground storage tanks (LUST) will not be reduced to manageable levels once the 1998 LUST regulations are fully implemented and enforced. The water contamination data relied upon by the panel is largely misleading because it predates the implementation of the LUST regulations.

Thirdly, the recommendations fall short in preserving the air quality benefits achieved with oxygenate use in the existing RFG program. The air quality benefits achieved by the RFG program will be degraded because they fall outside the control of EPA's Complex Model used for RFG regulations and because the alternatives do not match all of MTBE's emission and gasoline quality improvements.

Lastly, the recommendations will impose an unnecessary additional cost of 1 to 3 billion dollars per year (3-7 c/gal. RFG) on consumers and society without quantifiable offsetting social benefits or avoided costs with respect to water quality in the future.

Unfortunately, there appears to be an emotional rush to judgement to limit the use of MTBE. For the forgoing reasons, Lyondell dissents from the Panel report regarding the following recommendations:

- The recommendation to reduce the use of MTBE substantially is unwarranted given that no increased public health risk associated with its use has been identified by the Panel.
- The recommendation to maintain air quality benefits of RFG is narrowly limited to the use of EPA's RFG Complex Model which does not reflect many of the vehicle emission benefits realized with oxygenates as identified in the supporting panel issue papers. Therefore, degradation of air quality will occur and the ability to meet the Nation's Clean Air Goals will suffer under these recommendations.