



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

NOV 17 2016

Mr. David K. Paylor, Director
Virginia Department of Environmental Quality
P.O. Box 1105
Richmond, Virginia 23218

Dear Director Paylor:

David

Thank you for your July 27, 2016 letter to the U.S. Environmental Protection Agency (EPA) Administrator Gina McCarthy requesting that EPA offer Virginia marinas located in federal reformulated gasoline (RFG) program areas an option to sell ethanol-free conventional gasoline to watercraft where ethanol-free RFG is not currently commercially available.

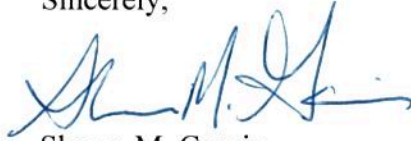
The Clean Air Act (CAA) specifically prohibits use of conventional gasoline in RFG covered areas, but for RFG opt-in areas, such as Richmond-Petersburg and Hampton Roads, the Commonwealth has the choice to continue participation in the RFG program or to opt them out of the program. If these areas are opted out, marinas located there would be free to use conventional gasoline. However, the use of RFG significantly reduces emissions of the ozone precursors of volatile organic compounds and nitrogen oxides. Reductions from the RFG program are an important part of the air quality plans for these areas. Opting out of the RFG program would require a request by the Governor, coupled with a formal assessment of the impact on Virginia's air quality plans for the relevant areas to ensure that air quality goals can continue to be met. This would likely entail Virginia making up any lost emission reductions in those areas. Opt-out is not an option for the Northern Virginia RFG area that is part of the greater Washington, DC area because the RFG program became mandatory for that area under the CAA when the area was bumped up from serious to severe nonattainment under the 1-hour ozone National Ambient Air Quality Standards.

Even if Virginia were to opt-out of RFG in Richmond and Hampton Roads, there would still be no way to guarantee the availability of ethanol-free conventional gasoline to marinas in these areas. As you note in your letter, the federal Renewable Fuel Standard (RFS) program provides incentives for increased use of renewable fuels such as ethanol in *all* gasoline, resulting in refiners and blenders making less ethanol-free gasoline available for purchase moving forward as renewable volume requirements increase. We expect this trend to continue with respect to both RFG and conventional gasoline. EPA does not have the authority under the CAA to require a refiner to offer or supply an ethanol-free blend to marinas, either in the form of RFG or as conventional gasoline. Furthermore, establishing conventional gasoline "carve-outs" for marinas from RFG requirements in areas subject to the RFG program would not ensure that these marinas would receive ethanol-free blends.



If you have any questions, please do not hesitate to contact me or have your staff contact Mr. Brian Hamilton, EPA's Virginia Liaison, at 215-814-5497.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn M. Garvin". The signature is fluid and cursive, with a prominent initial "S" and "G".

Shawn M. Garvin
Regional Administrator

