



Connecticut Bureau of Air Management, Carmine DiBattista
Maine Bureau of Air Quality Control, James Brooks
Massachusetts Division of Air Quality Control, Nancy Seidman
New Hampshire Air Resources Division, Kenneth Colburn
New Jersey Office of Air Quality Management, John Elston
New York Division of Air Resources, Robert Warland
Rhode Island Office of Air Resources, Stephen Majkut
Vermont Air Pollution Control Division, Richard Valerianni
Jason S. Grumet, Executive Director
129 Poelland St., Boston MA 02114
Phone (617) 387-8540 Fax: (617) 742-9182



Iowa Gov. Thomas Vilsack, Chair • Nebraska Gov. Mike Johanns, Vice Chair
Kansas Gov. Bill Graves, Past Chair

Arizona Gov. Jane Dee Hull	Michigan Gov. John Engler	Ohio Gov. Bob Taft
Arkansas Gov. Mike Huckabee	Minnesota Gov. Jesse Ventura	Oklahoma Gov. Frank Keating
Colorado Gov. Bill Owens	Missouri Gov. Mel Carnahan	Puerto Rico Gov. Pedro Roselló
Hawaii Gov. Ben Cayetano	Montana Gov. Marc Racicot	South Dakota Gov. Bill Janklow
Illinois Gov. George Ryan	New Mexico Gov. Gary Johnson	Texas Gov. George Bush
Indiana Gov. Frank O'Bannon	North Carolina Gov. James Hunt Jr.	Wisconsin Gov. Tommy G. Thompson
Kentucky Gov. Paul Patton	North Dakota Gov. Ed Schafer	Wyoming Gov. Jim Geringer

• International alliances with Brazil, Canada, Mexico and Sweden •

P.O. Box 95085, Lincoln, NE 68509-5085, Phone (402) 471-2867, Fax (402) 471-3064

July 19, 2000

Honorable Robert C. Smith
Senate Environment and Public Works Committee
Room SD 410
Dirksen Building
Washington, D.C. 20510

Dear Chairman Smith:

As organizations representing 32 states, we are committed to maintaining the air quality benefits of the reformulated gasoline program (RFG) while protecting the citizens of our states from further drinking water contamination caused by the continued use of MTBE in gasoline and from unwarranted hikes in gasoline prices. We are pleased to learn of the progress the Senate Environment and Public Works Committee is making to craft legislation that will build the national consensus necessary to resolve this problem this year.

Forging consensus on such a complex issue is a worthy challenge. While our states are not in agreement on the efficacy of the oxygenate standard, we all agree that the consequence of inaction on MTBE this year is unacceptable. Thus, in a spirit of cooperation we have come together in support of the following principles for legislative action:

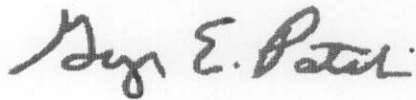
- MTBE must be phased out nationally as expeditiously as possible, but no longer than 4 years; states should be provided financial assistance in dealing with MTBE clean-up; and, EPA will work to insure that consumers are provided information about the characteristics and health affects of gasoline constituents and additives;
- In order to provide states and refiners with increased flexibility in meeting RFG standards, the oxygen content requirement may be waived at the request of a governor. Recognizing the attendant public policy goals of the Clean Air Act's oxygen requirement (e.g., national security, rural economic stimulus, competition, global

warming), Congress must adopt a competitive Clean Alternative Fuels Program that will allow steady expansion of domestically-produced renewable fuels such as ethanol, including provisions which would promote new biomass production; and,

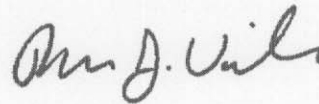
- The air quality and public health benefits of RFG and the oxygenate standard should be preserved, including a cap to prevent any increase in the use of aromatics in RFG. Toward this end, EPA must be required to perform comprehensive testing of gasoline components and renewable fuels to ensure that the full environmental attributes of all fuel constituents are understood and credited.

Mr. Chairman, we all agree that MTBE must be removed from gasoline as expeditiously as possible. We believe these legislative principles provide a framework that will allow refiners to move quickly away from MTBE, while preserving the air quality, energy security and economic goals of the 1990 Clean Air Act Amendments. By adding flexibility to the oxygen requirement in the RFG program, while phasing out MTBE, we will ensure that public health is protected while at the same time supporting efforts to lower gasoline prices nationally. We commit to working with you over the next several months to assure prompt passage of legislation consistent with these principles.

Sincerely,



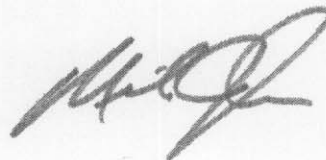
Governor George E. Pataki
State of New York for
NESCAUM



Governor Thomas Vilsack
State of Iowa and Chair
Governors' Ethanol Coalition



Governor Jeanne Shaheen
State of New Hampshire for
NESCAUM



Governor Mike Johanns
State of Nebraska and Vice Chair
Governors' Ethanol Coalition