

Open Letter to Governor Schwarzenegger to Cut the Gordian Knot on EVR

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Bob van der Valk to Governor Arnold Schwarzenegger – Capitol Building – Sacramento, CA

Come April 1st anywhere from 1000 to 4500 gas stations could be forced to close down if they do not meet the new California Air Resources Board (CARB) mandate. It requires all service station owners in California to install new enhanced vapor recovery (EVR) nozzles and scrubbers to capture 98% of the vapor emissions instead of the current 95%.

A bi-partisan group of California legislators are now calling on the California Air Resources Board (CARB) and Governor Arnold Schwarzenegger to extend the deadline for compliance by one year to April 1, 2010.

The unfairness in the current CARB edict is the technology had not yet been refined to meet this newly required standard. The same people decided that by delaying implementation until April 1, 2009 the petroleum equipment industry would eventually solve the problem for them and it would result in a solution to meet the stricter requirement.

Major oil companies went ahead and started installing the newly required dispensing equipment at any of their new built stations as of 2005. They and other service station owners, with the financial ability to do so, retrofitted their pumps with EVR Phase II nozzles and vapor scrubbers expending about \$11,000 per dispenser.

Now push is coming to shove and about one-third of the station owners have not been able to comply by the April 1st deadline for one reason or the other. It is estimated by conservative standard that an estimated 1,000 service stations in California have not or will not be able to comply with Rule 461. This will result in some, including those with major oil company brands, to shut down permanently and not be re-opened.

California Assembly Member Anthony Portantino sent Governor Schwarzenegger a letter on February 23, 2009. In the letter he requested the Governor to issue an executive order directing the CARB to extend the deadline for EVR Phase II compliance deadline date to April 1, 2010. This letter was sent on behalf of the Assembly Member constituents including independent service station owners.

It resulted in Governor Arnold Schwarzenegger belatedly sending regulators and legislative leader's letters last Friday urging a six-to-12-months delay in Enhanced Vapor Recovery (EVR) Phase II enforcement.

He wrote: "I am not writing to argue against the value or soundness of the measure," to California Air Resources Board (CARB) Chairwoman Mary Nichols. "But I am writing to suggest that more time is needed before it can be successfully enforced without significant negative effects on our state's economy."

The CARB board, which is appointed by the governor, pledged in response to "work closely with the air districts throughout the state to extend the April 1 enhanced vapor recovery enforcement deadline while still striving to meet our collective air quality goals."

Richard Cochrane on his "Conservatively Speaking" blog said that anything short of CARB granting that delay will result in:

- **Closure of service stations serving the Inner City:** Stations, who cannot meet the deadline, will be forced to shut down - creating a major void in inner-city communities and resulting in dramatic price increases at a time when our hardworking families can least afford new costs.

- **Loss of revenue for the State and increased unemployment that is already shooting towards 12%:** Service station closures will further hurt our struggling economy and aggravate an already dismal budget situation by putting more individuals out of work and reducing critically needed tax revenue - resulting in less money for the State's general fund and ultimately lead to further decreases in badly needed community, health and educational programs.

- **Increased blighted areas and increased pollution:** Station closures will become community eyesores, set back our efforts to revitalize our inner city community's and most ironically, likely result in increased pollution as individuals drive more to find an open gas station - undermining the original intent of the regulation.

- **Hardship on minority owned small businesses:** Major oil companies have divested some of their service stations to minority, disabled veterans, women and other individuals over the last several years. Without an extension of the compliance deadline, these small business owners will be financially ruined and their dreams of a better life for their families vanquished.

Governor Schwarzenegger it is time for you to cut this bureaucratic created Gordian knot by issuing an executive order to CARB to delay implementation of the EVR Phase II program. A thorough study should be made about the way this issue has been handled by an intransigent board appointed you.

The solution to avoid this crisis is simple - extend the deadline by one year and give everyone a chance to catch their collective breaths.

Bob van der Valk