



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

OCT 31 2007

OFFICE OF
AIR AND RADIATION

Sally V. Allen
Vice President, Administration & Governmental Affairs
Gary-Williams Energy Corporation
370 17th Street, Suite 5300
Denver, CO 80202-5653

Dear Ms. Allen:

Thank you for your letter of October 1, 2007, to Administrator Johnson, in which you expressed your concerns regarding the Environmental Protection Agency's (EPA) upcoming Greenhouse Gas (GHG) rule and plans to publish a proposed rule without holding a Small Business Regulatory Enforcement Fairness Act (SBREFA) Panel. Administrator Johnson has asked that I respond to your request.

As you are aware, EPA is currently developing a proposed rule addressing emissions of greenhouse gases from motor vehicles under section 202 (a) of the Clean Air Act in response to the rulemaking petition filed by the International Center for Technology Assessment. The impetus for issuing the rule also comes from Executive Order 13432 (May 14, 2007), which uses as a starting point for consideration the President's so-called "Twenty in Ten" plan to reduce U.S. gasoline consumption by 20 percent over the next 10 years: the equivalent of 35 billion gallons of renewable and/or alternative fuels by 2017, and improving the efficiency of cars and light-trucks by four percent per year. We hope to propose the rule by the end of this year.

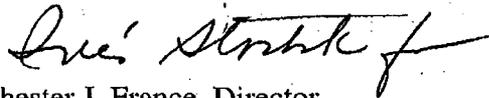
From currently available information, our analysis shows that no small refineries will experience a 3% or greater impact on their annual sales revenues as a result of the fuel provisions under consideration for proposal. Therefore, consistent with EPA's Regulatory Flexibility Act (RFA)/SBREFA guidelines, we plan to certify that this rule, if promulgated, will not have an effect of 3% or more ("significant impact") on the annual revenue of a small refiner. Certifying this rule is consistent with our findings for the recent Renewable Fuel Standard (RFS) rule. In that rulemaking, we certified that the rule would not have a significant impact on a substantial number of small entities after considering the economic impacts on small refiners.

We appreciate the concerns that small refiners have regarding the timing of the proposed rule, and the desire for a SBREFA Panel given those concerns. Regardless of our intent to certify that the proposal will not constitute a significant impact on a substantial number of small entities, we are considering regulatory flexibility provisions in the proposal which should lessen the impacts of the rule on small refiners. These provisions could include: additional lead-time for small refiners, an economic safety valve provision, renewable identification number (RIN)

deficit carry-forward, feasibility reviews/progress reports, and waivers. Further, we fully intend to continue working with the small refiners, and the Small Business Administration (SBA), as this program is developed to ensure that we are also developing workable provisions for small refiners to adequately assist them in complying with any GHG rule.

I can assure you that my staff will continue to assist in any way that they can; and further that they will share information with you as they are able. Again, thank you for your letter, and your patience and understanding throughout the development of this proposal process. If you have any questions, please contact Tia Sutton (734) 214-4018.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. France". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chester J. France, Director
Assessment and Standards Division