



August 22, 2017

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Dr. Fine,

Thank you for the opportunity to submit this letter as a part of the public record for Working Group meetings regarding Rule 1410, the Air Quality Management District's proposed rule to ban the use of modified hydrofluoric acid.

After viewing the July 6th California Energy Commission presentation made by Gordon Schremp, Senior Fuel Analyst for the California Energy Commission, I have concerns about the impacts of this proposed ban for California's consumers, our regional economy, and to global air emissions.

According to Schremp, a ban could decrease Southern California's local supply of gasoline for a period of at least two years. These incremental impacts to gasoline costs for consumers and businesses could mean billions of dollars in additional, higher costs. California's working families and local businesses cannot afford these dramatically higher costs, especially on top of price increases resulting from existing and pending mandates, taxes, and fees.

I am also concerned that potentially reducing refinery output will force us to import our fuels from outside the state – which dramatically increases global air emissions. An analysis by Stillwater and Associates from the July 6th California Energy Commission Meeting found that, because of California's geographic and infrastructural isolation, a ban would necessitate offshore refiners to "produce the products and ship them half way around the world to the California market. As a result, average spot prices could rise 25 cpg [cents per gallon] more, and ultimately the California consumer would pay the price."

While we are all concerned about safety, we should acknowledge the lead the Governor has taken with these issues which have already resulted in increased safety regulations for all refineries that are the strongest in the nation.

I strongly encourage Board Members and staff to analyze what these impacts mean for our economy.

Sincerely,

A handwritten signature in black ink that reads "Randy Gordon". The signature is written in a cursive, flowing style.

Randy Gordon
President/CEO