

P R E S S R E L E A S E

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**MTBE POSES LIMITED THREAT TO HEALTH AND THE ENVIRONMENT,
NEW STUDY CONFIRMS**

*New Risk Assessment; Updated California Water Statistics Vindicate
Cleaner Burning Gasoline Additive*

December 13, 2001—Brea, CA— The scheduled phase-out of methyl tertiary butyl ether or MTBE in California now appears both unnecessary and economically risky due to an important new European study. The study has effectively cleared the cleaner burning gasoline additive MTBE of allegations that it poses a significant risk to health or the environment. The phase-out becomes even more questionable when considering new statistics compiled by the State of California indicating MTBE detections in drinking water have largely been eradicated.

The Commission of European Communities, Europe's official scientific investigative body, released findings from a comprehensive study of MTBE health effects. The Commission concluded that MTBE poses very limited risks that can be essentially mitigated by existing control mechanisms such as sound fuel tank management and code enforcement. The Commission found "no compelling reasons to limit use [of MTBE] in motor fuel."

The European Commission's findings are significant because they validate the findings of World Health Organization's International Agency for Research on Cancer, the U.S. National Toxicology Panel, California's own Science Advisory Board for Proposition 65, and several other studies that all agree there is no compelling evidence that MTBE causes cancer in human beings. In fact, there is not a single peer-reviewed study that concludes that MTBE causes cancer in humans.

Updated, cumulative statistics from the California Department of Health Services indicate that the actual detections of MTBE in drinking water have been extremely small-- less than 1% of the water sources tested-- and the trends have declined to very low levels. This marked improvement is due to advances made in upgrading underground gasoline storage tanks and better tank program enforcement throughout the state.

Governor Davis' decree that MTBE be phased out of California gasoline by 2003 was based largely on two projections that have proven to be erroneous: that MTBE was a pervasive groundwater contaminant throughout the state, and that MTBE posed a health threat to Californians. The Governor now is considering whether to extend the deadline of an MTBE phase-out due to supply and transportation problems associated with importing ethanol (MTBE's primary alternative) to California.

Earlier this year, the California Energy Commission concluded that a switch from MTBE to ethanol in California gasoline would result in significant gasoline price spikes. Governor Davis has stated publicly that ethanol-related price spikes at the gas pump could be as high as fifty cents per gallon.

"The European Commission is yet another credible scientific body that has declared MTBE safe, given rigorous enforcement of the underground gasoline storage tank program. Better enforcement in California is now preventing gasoline leaks into groundwater. So why are we phasing out MTBE?" commented James White, principal of White Environmental Associates.

For copies of the European Commission study on MTBE, and a link to California Department of Health Services groundwater monitoring data, click on "Studies and Presentations" at <http://www.calgasoline.com>.

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