

**OFFICIAL TRANSCRIPT PROCEEDING**

**FEDERAL TRADE COMMISSION**

**MATTER NO. DO9305**

**TITLE UNION OIL COMPANY OF CALIFORNIA**

**PLACE FEDERAL TRADE COMMISSION  
601 NEW JERSEY AVENUE, NW  
WASHINGTON, DC**

**DATE OCTOBER 15, 2003**

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**TESTIMONY OF WILLIAM PEDERSEN**

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1     rather -- I would rather look at the report.

2             Q     Sure.

3             A     On page 22 of the report, it states  
4     that, in November 1994, California submitted a  
5     SIP.

6             Q     And when did you say that -- maybe you  
7     didn't say. Maybe I didn't ask you. When did the  
8     legislation that you referred to take effect, that  
9     said that EPA could not promulgate the FIP? And  
10    if I've misstated that, please correct me.

11            A     Again, on page 41 of my report, footnote  
12    106 states that the law in question was enacted on  
13    April 10th, 1995.

14            Q     And California had submitted its SIP in  
15    November of 1994, I believe you testified?

16            A     That is correct.

17            Q     In using your methodology, what factors  
18    led you to conclude that California could have  
19    withdrawn its SIP without any other consequences?

20                   MS. MARRON: Are you done? I missed the  
21    first part could you read it back?

22                             (The reporter read the record as  
23    requested.)

24                   MS. MARRON: Objection as to form.

25                   THE WITNESS: I do not believe that I

1 reached any such conclusion.

2 BY MR. CONN:

3 Q What conclusion do you believe you  
4 reached?

5 A The conclusion I believe I reached is  
6 that California was under -- let me be sure I say  
7 this right. The prospect of a FIP was completely  
8 unacceptable to California. The prospect -- and  
9 the only way it could be staved off was by  
10 submitting an -- a SIP that EPA would find  
11 acceptable.

12 The only way to submit a SIP that EPA  
13 would find acceptable was to adopt a variety of  
14 measures, including, among the foremost,  
15 reformulated gasoline regulations that would  
16 provide greater emissions reductions than the  
17 federal RFG regulations.

18 Therefore, in order to avoid an  
19 unacceptable degree of federal intervention into  
20 California affairs, it was necessary to adopt RFG  
21 regulations with a high degree of environmental  
22 benefit.

23 Q Okay. Now, referring you to page 30 of  
24 the report, do you see the Table 3, Contributions  
25 of Phase 2, RFG, to VOC reductions for 1996 in