

Koch to make cleaner gasoline

■ Company decision to refine gasoline that produces fewer pollutants hailed by local officials.

By Bob Cox

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The air in central Texas should be a little cleaner this summer thanks in part to Koch Industries Inc.

In a move that is being applauded by state and local officials and even environmental advocates, Wichita-based Koch has agreed to begin supplying gasoline to several Texas cities that is cleaner and less likely to evaporate and create air pollution.

Officials in Austin joined with Koch executives Thursday to announce the plan. Koch supplies 90 percent of the gasoline consumed in the Austin area.

And on Monday, Koch and other oil companies will announce plans to supply the cleaner fuels in the San Antonio and Waco markets.

Texas environmental officials, concerned over increasingly severe summer air-pollution problems in Austin and other cities of the region, have been considering a plan to require that all refiners supply the cleaner fuels. But regulations could not have been put into place before the summer of 2000, at the earliest.

"What we did was talk to Koch about accelerating and doing it voluntarily in 1999," said Paul Helliker, president of the Clean Air Force of Central Texas. The nonprofit organization consists of environmental, business and government leaders working on solutions to the region's pollution problems.

"They deserve some accolades," Helliker said of Koch. "I'm not sure they would have moved without (the threat) of regulation, but we're glad they've done it. This allows us to get ahead of the curve."

Austin, in particular, faces the threat of being declared in violation of federal air-pollution limits. That could result in the region being penalized by having federal highway funds cut off.

Helliker said there are gasoline marketers in the region who, before now, have not been willing to cooperate with Koch.

Koch refines crude oil at its Corpus Christi refinery and ships gasoline and diesel and jet fuel by pipeline to distribution points.

The gasoline is then sold to retail

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outlets, where it is sold under numerous brand names. In many cases, big oil companies swap gasoline with each other to reduce transportation costs from their own refineries.

Koch spokesman Mary Beth Jarvis said the company will spend about \$3 million at the Corpus Christi refinery to increase production of the cleaner gasoline. Shipments of the cleaner fuel should begin by May 1.

"It's going to cost them (Koch) some money they may not get back," Helliker said. Because of competition for gasoline sales, Koch probably will not be able to increase retail prices.

Koch supplies 90 percent of the gasoline sold in Austin, a high percentage of that sold in Waco, and about 15 percent of the San Antonio market.

One problem with gasoline is that it vaporizes easily. The hydrocarbon molecules that evaporate rise into the atmosphere and

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*Mary Beth Jarvis,
Koch spokesman*

combine with sunlight to create ozone.

Jarvis said Koch already produces some of the cleaner fuel for the Corpus Christi area, which also has pollution problems. All of the Texas cities suffer increased pollution during the hot summer months.

Koch officials believe the steps the company is taking are an example of how industry can work with local governments and environmental groups to solve tough environmental problems, Jarvis said.

"Doing the right thing is the value here," she said.

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