

Regulatory Announcement

Proposed Rule to Extend California Enforcement Exemptions for Reformulated Gasoline to California Phase 3 Gasoline

The U.S. Environmental Protection Agency (EPA) is proposing to exempt refiners, importers, and blenders of gasoline subject to the State of California's Phase 3 reformulated gasoline (CaRFG3) regulations from certain enforcement provisions in the Federal reformulated gasoline (RFG) regulations. We are proposing this action because we believe that gasoline complying with the CaRFG3 regulations will provide emissions benefits equivalent to Federal Phase II RFG and because California's compliance and enforcement program will in practice be significantly rigorous to assure that the standards are met. The enforcement exemptions, when finalized, will ensure that California refiners, importers and blenders do not have to comply with duplicative Federal and state regulations and will thereby reduce costs to regulated industry without any negative environmental impact.

Background

Section 211(k) of the Federal Clean Air Act (the Act) directs EPA to establish requirements for RFG to be used in specified ozone nonattainment areas, as well as "anti-dumping" requirements for conventional gasoline used in the rest of the country. The areas covered by the Federal RFG program in California are San Joaquin Valley, Los Angeles, San Diego, and Sacramento. Since the federal RFG regulations were promulgated, California refiners and importers have been continuously exempted from certain enforcement-related requirements such as

recordkeeping and reporting, and certain sampling and testing requirements. The reason we granted enforcement exemptions to California is because we determined that California RFG (called "California Phase 2 gasoline") would have comparable standards to federal RFG and because California has sufficiently stringent enforcement to ensure program benefits are met. The enforcement exemptions are limited and reasonable provisions that permit parties subject to the California RFG regulations to avoid costly adherence to duplicative federal and state enforcement provisions.

California recently promulgated its new California Phase 3 (CaRFG3) regulations, which take the place of the current California Phase 2 regulations. We have evaluated those regulations and have concluded that the criteria for enforcement exemptions mentioned above apply for the new regulations as well. For that reason, we are issuing a proposed rule to extend the federal enforcement exemptions to these new California regulations. Since the CaRFG3 regulations became effective on December 31, 2003, affected regulated parties are covered by a grant of enforcement discretion that bridges the time until EPA issues a final rule.

How will the regulations affect industry?

Refiners, importers and blenders of California gasoline who are subject to the CaRFG3 regulations are affected by this rule. This rule is expected to reduce regulatory burdens associated with duplicative provisions in the Federal RFG and CaRFG3 regulations and should, therefore, result in a cost savings to industry.

What are the health and environmental benefits?

This proposed rule is not expected to have any adverse impact because we believe that the CaRFG3 standards are equivalent to the Federal RFG standards and because California has a rigorous enforcement program.

Where can I find more information?

You can access documents related to Federal RFG and the California enforcement exemptions at:

www.epa.gov/otaq/rfg_regs.htm#enforcement

For more information on this rule, please contact Anne Pastorkovich at:

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