

Regulatory Announcement

Removal of Reformulated Gasoline Oxygen Content Requirement

To provide U.S. oil refiners with greater flexibility in producing clean-burning gasoline, the U.S. Environmental Protection Agency (EPA) is removing the two percent oxygen content requirement for reformulated gasoline (RFG) nationwide.

Overview

As directed by the Energy Policy Act of 2005, EPA is amending its regulations to remove the oxygen content mandate for RFG as well as all provisions that were included in the regulations to ensure compliance with the mandate. The Energy Policy Act required EPA to take this action by May 5, 2006.

EPA issued two Direct Final Rules (DFRs) because the Energy Policy Act (EPAct) provided for different compliance dates for the removal of the RFG oxygen requirement in California and the rest of the country. EPA also issued parallel Notices of Proposed Rulemaking (NPRMs), in case provisions of the DFRs would need to be withdrawn due to the receipt of adverse comments.

The direct final rule that addressed the RFG oxygen requirement and related compliance requirements for California gasoline did not draw adverse comment. Therefore, the rule went into effect on April 24, 2006.

The other direct final rule, which was intended to remove the oxygen requirement for RFG in all other parts of the country, did draw adverse comment. Thus, the affected provisions were withdrawn, and instead EPA is now issuing a final rule that addresses the adverse comments and finalizes the NPRM, thereby implementing the removal of the RFG oxygen mandate for the rest of the country. The final rule will become effective immediately upon publication, or May 5, 2006, whichever is later.

Effect on industry

Since refiners will now have the flexibility to produce RFG with or without an oxygen component, refiners will be allowed to produce RFG in the most cost-effective manner possible. Also, RFG will continue to provide the very significant emissions reductions associated with its use in the most severely polluted areas of the United States.

Finally, many states have banned the oxygenate MTBE (methyl tertiary-butyl ether) because of problems associated with water contamination, so many refiners would prefer to transition away from the use of MTBE. This final rule allows one more avenue to refiners in the production of RFG without the use of MTBE.

Health and Environmental Effects

The emissions benefits of the RFG program are not expected to be affected as a result of this final rule.

Background

Section 211(k) of the 1990 Amendments to the Clean Air Act (CAA) required RFG to contain oxygen in an amount that equals or exceeds 2.0 weight percent. Accordingly, EPA's current regulations require RFG refiners, importers and oxygenate blenders to meet a 2.0 or greater weight percent oxygen content standard.

Last year, President Bush signed into law the Energy Policy Act, which amended Section 211(k) of the CAA to remove the RFG oxygen requirement. To be consistent with the current CAA Section 211(k), this rule modifies the RFG regulations to remove the oxygen standard in Section 80.41. It also modifies several other sections of the RFG regulations which contain provisions designed to implement and ensure compliance with the oxygen standard.

RFG has been required to be used since 1995 in metropolitan areas with the most severe air pollution and in other non-attainment areas that requested the cleaner burning gasoline. Today, about 30 percent of the gas used in the United States is RFG.

Public Participation Opportunities

EPA originally issued this rule as a Direct Final Rule and a matching Notice of Proposed Rulemaking. However, negative comments were received primarily from manufacturers of MTBE, thus requiring the withdrawal of the DFR. This final rule addresses those comments and finalizes the NPRM, thereby implementing the removal of the RFG oxygen content requirement.

For More Information

You can access this rule and related documents on EPA's Office of Transportation and Air Quality (OTAQ) EPA web site at:

www.epa.gov/otaq/regs_rfg.htm

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