

# Regulatory Announcement

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## Direct Final Rule and Notice of Proposed Rulemaking for Amendments to the Nonroad and Highway Diesel Fuel Regulations

*The U.S. Environmental Protection Agency (EPA) is issuing a Direct Final Rule to correct, amend, and revise certain provisions of the Clean Highway and Nonroad Diesel Rules to assist regulated entities in the fuel distribution system with program implementation and compliance.*

### Background

In January 2001 and in June 2004, EPA finalized the Clean Diesel Trucks and Buses Rule and the Clean Nonroad Diesel Rule, respectively, with more stringent standards for new diesel engines and fuels. The rules require the use of lower sulfur fuels beginning in 2006 for highway diesel fuel, and 2007 for nonroad diesel fuel. These fuels will enable the use of aftertreatment technologies for new diesel engines, which can reduce harmful emissions by 90 percent or more. Aftertreatment technologies will start phasing into the diesel sector beginning in 2007 for highway and 2011 for nonroad. These programs will yield enormous long-term benefits for public health and the environment.

### Overview of Amendments

This rulemaking includes the following items:

- The correction of several typographical errors and other minor additions and/or deletions that will help to clarify portions of the regulations and facilitate compliance.

- Modification of the designate and track provisions text to include provisions for companies that perform more than one function in the fuel distribution system.
- Allow refiners and importers better access to early credits for highway diesel fuel by allowing them to claim credit for the entire volume of ultra-low sulfur diesel fuel (ULSD) *delivered* (rather than sold) into the distribution system prior to the June 1, 2006, start date.

### Benefits of EPA's Technical Amendments

- The correction of errors, and minor additions and deletions will help to clarify portions of the regulations to better facilitate compliance with the Clean Highway and Nonroad Diesel rules.
- The modification of the designate and track regulations will help to ensure that companies who perform multiple operations will have accurate fuel volume balances in compliance with the designate and track regulations.
- The current limitations imposed on the generation of early credits, coupled with the cost of early ULSD production, create an economic disincentive for refiners and importers to produce this fuel for use in testing the fuel distribution system. Allowing refiners and importers better access to early credits would provide additional economic incentive for early production of ULSD and, hence, supply the fuel necessary to test the ability of the distribution system to effectively deliver the fuel on specification.

### Costs

EPA anticipates that costs associated with these technical amendments will be negligible.

### For More Information

You can access additional documents on this Direct Final Rule on the Office of Transportation and Air Quality (OTAQ) Web site at:

[www.epa.gov/otaq/regs/fuels/diesel/diesel.htm](http://www.epa.gov/otaq/regs/fuels/diesel/diesel.htm)

Additional information on the Highway Diesel and Nonroad Diesel Rules is available at:

- Highway Diesel Rule: [www.epa.gov/otaq/diesel.htm](http://www.epa.gov/otaq/diesel.htm)
  - Preamble: [www.epa.gov/otaq/regs/hd2007/frm/frdslpre.pdf](http://www.epa.gov/otaq/regs/hd2007/frm/frdslpre.pdf)
  - Regulations: [www.epa.gov/otaq/regs/hd2007/frm/frdslreg.pdf](http://www.epa.gov/otaq/regs/hd2007/frm/frdslreg.pdf)
- Nonroad Diesel Rule: [www.epa.gov/nonroad-diesel/2004fr.htm](http://www.epa.gov/nonroad-diesel/2004fr.htm)
  - Preamble and Regulations: [www.epa.gov/otaq/url-fr/fr29jn04.pdf](http://www.epa.gov/otaq/url-fr/fr29jn04.pdf)

Additional information on EPA's National Clean Diesel Campaign, which covers voluntary programs, regulatory programs, and regional initiatives and partnerships, is available at:

[www.epa.gov/cleandiesel](http://www.epa.gov/cleandiesel)

You can also contact the OTAQ Library for document information at:

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