

Regulatory Announcement

EPA Finalizes Alternative Low-Sulfur Diesel Fuel Transition Program for Alaska

The U.S. Environmental Protection Agency (EPA) is modifying the diesel fuel regulations to apply an effective date of June 1, 2010, for the 15 ppm sulfur requirements for highway, nonroad, locomotive and marine diesel fuel produced or imported for, distributed to, or used in the rural areas of Alaska. This final rule allows implementation of the nationwide programs for highway and nonroad diesel fuels in Alaska to be consistent with an alternative transition program requested by the State.

Standards/Regulations

This rule will finalize the following:

- Rural areas (those areas not served by the Federal Aid Highway System) of Alaska will begin transitioning all highway, nonroad, locomotive, and marine diesel fuel to 15 ppm sulfur content diesel fuel beginning June 1, 2010.
- 15 ppm sulfur content diesel fuel must be in retail facilities in the rural areas by December 1, 2010.
- All diesel fuel in Alaska remains exempt from the dyeing requirements in the highway and nonroad final rules.
- Fuel distributors in urban Alaska will be given the same transition schedule as distributors in the rest of the country for highway diesel fuel.

Benefits of EPA's Technical Amendments

- Until 2010, rural areas of Alaska will be able to use uncontrolled sulfur content diesel for all uses; and thus will not face the unnecessary burden of trying to carry multiple grades of fuel.
- All areas of Alaska, including both urban and rural, will begin transitioning both highway and NRLM diesel fuel to 15 ppm sulfur content diesel fuel at the same time: June 1, 2010.
- Rural Alaska will begin transitioning locomotive and marine diesel fuel to 15 ppm sulfur content fuel beginning June 1, 2010, which is two years earlier than the nonroad diesel final rulemaking requires.

Background

In January 2001 and in June 2004, EPA finalized the Highway Diesel and Nonroad Diesel Rules, respectively, which will implement more stringent standards for new diesel engines and fuels. The rules mandate the use of lower sulfur fuels in diesel engines 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.

Because Alaska has unique geographical, meteorological, air quality, and economic characteristics, EPA granted temporary exemptions for the urban areas of the State (those served by the Federal Aid Highway System) from both the 500 ppm highway diesel fuel sulfur and the non-highway dye standards, and a permanent exemption for the remaining State-defined rural areas, beginning in 1993. During the development of the Highway Diesel and Nonroad Diesel rules, EPA worked with the State of Alaska and regulated entities throughout the state to ensure that the unique characteristics of Alaska were taken into account. In general, the State of Alaska requested that the urban areas of Alaska adhere to the federal fuel sulfur standards and implementation schedule. However, the State requested alternative implementation schedules for the rural areas (those not served by the Federal Aid Highway System) of Alaska.

During the development of the Nonroad Diesel rule, the State requested: 1) that June 1, 2010, be the deadline for conversion to highway diesel fuel in rural Alaska; 2) that June 1, 2010, be the deadline for conversion of all nonroad, locomotive, and marine (NRLM) diesel fuel to 15 ppm sulfur content in rural Alaska; and 3) that the 15 ppm standard applicable

to locomotive and marine diesel fuel produced in, imported into, and distributed or used within rural Alaska be moved up to June 1, 2010 (from the June 2012 nationwide date in the final Nonroad Diesel rule.

Rural Alaska is unique in that its fuel storage and distribution systems are not capable of handling more than one grade of fuel, and there will not be many vehicles (if any) in rural areas that will require the use of 15 ppm sulfur diesel fuel. There was concern that, under the final Nonroad Diesel rule, rural Alaska would have essentially been forced to either carry two grades of fuel or begin using 15 ppm sulfur content diesel fuel for all uses well before it is required.

In October 2005, EPA published a notice of proposed rulemaking, which proposed provisions to meet the State's three requests for rural Alaska. With its current rulemaking, EPA is finalizing those provisions. As such, the rural areas of Alaska will be allowed to transition all highway, non-road, locomotive, and marine diesel fuel to 15 ppm starting June 1, 2010. This will ensure that the rural areas of Alaska will have ultra-low sulfur diesel fuel (ULSD), and it will streamline the transition process by allowing all of the fuel to transition to ULSD at the same time.

In addition, the State commented that the current language of the highway diesel fuel regulations as applied to the urban areas of Alaska did not meet the intent of the final highway diesel rule. The current wording essentially requires that all parties downstream of the refinery in urban Alaska would have to transition to a 500 ppm standard by June 1 since they are currently exempted from the 500 ppm standard and are at a higher sulfur level. This intent was that fuel distributors in urban Alaska would have the same transition schedule as distributors in the rest of the country. In its comments, the State requested that we apply the nationwide distributor transition dates for highway diesel fuel to distributors in urban Alaska. To be consistent with the intent of the highway diesel final rule, this rule will also finalize such provisions.

Public Participation Opportunities

We do not anticipate adverse comments on this rule nor do we currently plan to hold a hearing, as these provisions are minor. In addition, we worked with parties in the State of Alaska during the development of the rule. The provisions in this rule will not adversely affect regulated entities or the environment; they will merely assist parties throughout the fuel refining and distribution system in Alaska in complying with the highway and nonroad diesel regulations.

For More Information

You can access this Final Rule and related documents on EPA's Office of Transportation and Air Quality Web site at:

www.epa.gov/otaq/regs/fuels/diesel/diesel.htm

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

- **Highway Diesel Rule**
Web site: www.epa.gov/otaq/diesel.htm
Preamble: www.epa.gov/otaq/regs/hd2007/frm/frdslpre.pdf
Regulations: www.epa.gov/otaq/regs/hd2007/frm/frdslreg.pdf
- **Nonroad Diesel Rule**
Web site: www.epa.gov/nonroad-diesel/2004fr.htm
Preamble and Regulations: www.epa.gov/otaq/url-fr/fr29jn04.pdf
- **July 2005 Technical Amendment to the Highway and Nonroad Diesel Rules (published July 15, 2005)**
Web site: www.epa.gov/otaq/regs/fuels/diesel/diesel.htm#amend
Preamble & Regulations:
<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-13781.pdf>
- **November 2005 Technical Amendment to the Highway and Nonroad Diesel Rules (published November 22, 2005)**
Web site: www.epa.gov/otaq/regs/fuels/diesel/diesel.htm#dfr-current
Preamble & Regulations:
<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-22807.pdf>
- **May 2006 Technical Amendment to the Highway and Nonroad Diesel Rules (signed April 20, 2006; published May 1, 2006)**
Web site: www.epa.gov/otaq/regs/fuels/diesel/diesel.htm#nonroad
Preamble & Regulations:
http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?dbname=2006_register&page=25716&position=all
- **Additional compliance help on diesel regulations**
www.epa.gov/cleandiesel/comphelp.htm