



Program Update

Baseline Requirements for Gasoline Produced by Foreign Refiners

Background

On August 27, 1997, EPA promulgated final regulations revising requirements for imported conventional gasoline. (*See* "Regulation of Fuels and Fuel Additives: Baseline Requirements for Gasoline Produced by Foreign Refiners," 62 Fed. Reg. 45533 (August 28, 1997)). These revisions allow foreign refiners of conventional gasoline (CG) to petition EPA for establishment of an individual baseline, reflecting the quality and quantity of gasoline produced and shipped to the United States in 1990. Foreign refiners must meet the same requirements related to the establishment and use of individual baselines as domestic refiners. However, foreign refiners are subject to additional requirements that address issues unique to refineries located outside the United States, namely those related to tracking the movement of gasoline from the refinery to the United States, monitoring compliance with the requirements applicable to foreign refiners, and imposing appropriate sanctions for violations. EPA also adopted specific provisions to ensure that the optional use of an individual baseline by foreign refiners would not lead to adverse environmental impacts. This involves monitoring the average quality of imported gasoline, and if a specified benchmark is exceeded, remedial action is taken. This ensures the environmental neutrality of these baseline provisions. This notice describes EPA's initial steps in implementing this monitoring and remedial provision.

EPA is required to monitor the emissions levels of imported CG over the prior three year period, and compare the average NOx (oxides of nitrogen) emissions levels of this gasoline to a benchmark value. The benchmark value for NOx is set at 1465 mg/mile, the volume weighted average of the individual baselines for domestic refiners of CG. If the average for imported CG exceeds this benchmark, the Administrator is required to calculate an adjusted NOx baseline. This adjusted, more stringent NOx baseline would then apply to importers of CG who otherwise would be subject to the statutory baseline for NOx. Further adjustments to the baseline would be made each year, as appropriate, depending on whether the average NOx emissions levels for imported CG exceeds or is below the benchmark. For a more detailed description of these NOx baseline provisions, please see 40 CFR § 80.94(p), and 62 Fed. Reg. 45533, 45541 - 45543 (August 28, 1997).

The initial averaging period, instead of three years, covers all CG imported during 1998 and 1999, as well as certain batches of CG imported during 1997, as described in § 80.94(p)(1)(iii)(A). For purposes of this initial averaging period, we have considered only CG imported after January 1, 1998, since no gasoline covered by this requirement was imported during 1997.

Analysis & Result

EPA has completed an analysis of the emissions data reported to us by importers and foreign refiners, for CG imported during this time period. The analysis indicates that the volume weighted average NOx emissions value for the imported CG is 1374.44 mg/mile. Since this value does not exceed the benchmark value of 1465 mg/mile, no adjustment to the baseline for importers of CG is appropriate under 40 CFR 80.94(p)(2). EPA plans to issue a *Federal Register* notice in the near future that will discuss this in more detail.

For More Information

Please feel free to contact Anne-Marie Pastorkovich at (202) 564-8987 or Marilyn Bennett at (202) 564-8989 for further information.