

RFG/Anti-Dumping Questions and Answers February 21, 1995

Fuels and Energy Division Office of Mobile Sources U.S. Environmental Protection Agency

RFG/ANTI-DUMPING QUESTIONS AND ANSWERS, FEBRUARY 21, 1995

The following are responses to most of the questions received by the Environmental Protection Agency (EPA) through February 6, 1995, concerning the manner in which the EPA intends to implement and assure compliance with the reformulated gasoline and anti-dumping regulations at 40 CFR Part 80. This document was prepared by EPA's Office of Air and Radiation, Office of Mobile Sources, and Office of Enforcement and Compliance Assurance, Office of Regulatory Enforcement, Air Enforcement Division.

Regulated parties may use this document to aid in achieving compliance with the reformulated gasoline (RFG) and anti-dumping regulations. However, this document does not in any way alter the requirements of these regulations. While the answers provided in this document represent the Agency's interpretation and general plans for implementation of the regulations at this time, some of the responses may change as additional information becomes available or as the Agency further considers certain issues.

This guidance document does not establish or change legal rights or obligations. It does not establish binding rules or requirements and is not fully determinative of the issues addressed. Agency decisions in any particular case will be made applying the law and regulations on the basis of specific facts and actual action.

While we have attempted to include answers to all questions received by February 6, 1995, the necessity for policy decisions and/or resource constraints may have prevented the inclusion of certain questions. Questions not answered in this document will be answered in a subsequent document. Questions that merely require a justification of the regulations, or that have previously been answered or discussed either in a previous Question and Answer document or the Preamble to the regulations have been omitted.

Topics Covered

Product Transfer Documentation Transition Issues

PRODUCT TRANSFER DOCUMENTATION

1. **Question:** Are distributors who deliver conventional gasoline to retailers and wholesale purchaser-consumers in non-RFG areas required to fulfill the PTD requirements, including the statement in § 80.106(a)(1)(vii)? Do retailers and wholesale purchaser-consumers in non-RFG areas have to retain records?

Answer: The PTD requirements of § 80.106 apply to all distributors of conventional gasoline. However, because the PTD requirements are of little value concerning the delivery of conventional gasoline to a retailer or wholesale purchaser-consumer (or smaller purchaser with a tank of less than 500 gallons) in a non-RFG area, EPA will not require compliance with the PTD requirements in this limited situation. The PTD requirements of § 80.106, however, must be met for all other transfers of conventional gasoline. Note that the PTD requirements of § 80.77 for RFG and RBOB apply to <u>all</u> transfers of RFG and RBOB (other than when the gasoline is sold or dispensed by a retail outlet or wholesale purchaser-consumer facility for use in motor vehicles), including transfers in which RFG or RBOB is delivered to a customer's storage tank, regardless of the size of the tank.

The anti-dumping regulations do not impose recordkeeping requirements for conventional gasoline on parties downstream of the refiner or importer. See § 80.104. All parties in the distribution network must maintain records for RFG and RBOB in accordance with § 80.74, however.

[NOTE: The following is a revision of Question 2 of the Product Transfer Documentation section of the January 9, 1995 Question and Answer Document.]

2. **Question:** In the case of an integrated company, which is registered as a refiner (we have a company number and four specific numbers for our four refineries that are registered), must our registration number appear on all product transfer documents where some part of our company is a transferor or transferee or only when the specific facilities that are registered are involved in the transaction. Our understanding is that when, for example, we transfer product from one of our marketing terminals (which is not registered as a refiner, importer or oxygenate blender) to a retail gasoline station (also not registered as a refiner, importer or oxygenate blender) that we would not be required to show our EPA registration number on the transfer document; we would only be required to show it when one of our four registered refinery locations was involved in the transfer. Is this correct?

Answer: Sections 80.77(j) and 80.106(a)(1)(vi) require, in the case of transferors or transferees who are refiners, importers or oxygenate blenders, that the EPA assigned registration numbers of those persons be included on the PTDs. EPA has received various comments from industry indicating that parties have encountered difficulties in complying with this requirement, particularly in certain situations downstream of the refiner/importer/blender. EPA also now believes this requirement has only limited value as a means of identifying and tracking the

gasoline. As a result, EPA will not require compliance with the requirement that EPA assigned registration numbers be included on PTDs. EPA will address deleting §§ 80.77(j) and 80.106(a)(1)(vi) in a subsequent rulemaking.

TRANSITION ISSUES

1. **Question:** At our terminal a transition of storage tanks is necessary in the spring to convert from RBOB for ethanol blending (which is used during the non-VOC control season) to RFG containing MTBE (which is used during the VOC control season). Similarly, in the fall, a transition is necessary to convert from RFG to RBOB. It will be difficult for us to accomplish these transitions using the storage tank "change of service" protocol EPA has described in the RFG Question and Answer document, however. We only have a single storage tank for each grade of RFG/RBOB, and these tanks are in constant demand from the truck loading rack they supply. As a result, we will be unable to match the gasoline usage/delivery schedules with sufficient precision that old product in the storage tanks will be at the low point when new product arrives, without risking running out of product for the loading rack. Is there any other option available for us to accomplish the change of service from RFG to RBOB, and from RBOB to RFG?

Answer: Section 80.78(a) requires the segregation of RBOB and RFG or conventional gasoline, and RBOBs that have different oxygen requirements must be segregated from each other. Nevertheless, EPA has described a protocol for changing the service of a gasoline storage tank that in certain situations would allow some mixing of products that normally must remain segregated (see, the November 21, 1994 Question and Answer Document).

However, EPA recognizes certain terminals that have limited tankage which is in heavy demand may have difficulty meeting each of the requirements of this protocol during a transition from RBOB to RFG in the spring prior to the VOC control season, and from RFG to RBOB in the fall prior to the non-VOC control season. Consequently, a terminal may transition from RBOB to RFG, and vice versa, as follows:

<u>First</u>, the terminal must be unable to meet the requirements of the "change of service" protocol described in the November 21, 1994 RFG Question and Answer document.

<u>Second</u>, the terminal must be changing the tank service for the purpose of transitioning from RBOB to RFG in the spring prior to the VOC control season and from RFG to RBOB in the fall immediately subsequent to the beginning of the non-VOC control season.

<u>Third</u>, the party must draw down the gasoline volume in the tank to the lowest point which still allows customers assigned to the tank to continue to load product during the transition.

<u>Fourth</u>, the party must fill the tank as full as possible with the new product, taking into account the volume of product that is reasonably available. The party must collect a representative sample from the filled tank and hand blend with this sample the oxygenate type and amount which will be added to the new product at the loading rack under steps 5 or 6, below. Analysis of this sample must show the gasoline meets each downstream standard that applies to the new gasoline type. Gasoline may not be dispensed from the storage tank until this step is complete.

<u>Fifth</u>, in transitioning from RBOB to RFG, if the test results indicate that the oxygen level of the RFG is less than 1.5 wt%, the party must blend sufficient oxygenate into the RFG at the loading rack to bring its oxygen content to 1.5 wt%. The party must repeat steps 4 and 5 for each subsequent receipt of RFG until the RFG in the terminal tank contains 1.5 wt% oxygen. This transition from RBOB to RFG must be complete prior to the date the VOC-control standards apply to the terminal (normally May 1).

Sixth, in transitioning from RFG to RBOB, if the test results indicate that the oxygen content of the RBOB is less than the level specified for the RBOB the party must blend sufficient oxygenate at the loading rack to bring the RBOB to its specified level. The party must repeat steps 4 and 6 for each subsequent receipt of RBOB until the RBOB in the terminal tank contains no RFG. This transition from RFG to RBOB may not begin until the date the VOC-control standards no longer apply to the terminal (normally September 16).

<u>Seventh</u>, the party must retain documents that demonstrate these steps in the tank service change process.