



Regulatory Announcement

American Samoa Exemption from the Conventional Gasoline Anti-dumping Requirements

The U.S. Environmental Protection Agency (EPA) is granting the Territory of American Samoa's petition for exemption from the anti-dumping requirements for conventional gasoline. EPA finds that without this exemption, the price of gasoline in the Territory could rise significantly. With this exemption, the price of gasoline could decrease by 10 cents or more per gallon.

Background

Section 325 of the Clean Air Act allows American Samoa to petition the EPA Administrator for exemption from certain regulations based on their unique geographical, meteorological, or economic factors which would cause such regulations to be infeasible or unreasonable.

In 1993, EPA promulgated regulations on the production and sale of reformulated gasoline and "conventional" gasoline (gasoline that is not required to be reformulated). Conventional gasoline produced by a refiner or importer must not be more polluting or cause more motor vehicle emissions than gasoline produced by that refiner or importer in 1990. In the production of reformulated gasoline (a gasoline that has been further processed and refined to reduce components that contribute most to pollution), a refiner cannot "dump" into its gasoline pool those polluting components removed from the refiner's reformulated gasoline.

This is called the “anti-dumping” gasoline program. These requirements apply to all gasoline produced, imported, and consumed in the United States and its territories.

Since 1995, the year the Agency’s anti-dumping regulations went into effect, American Samoa has been importing gasoline that complies with these regulations from a Hawaiian refiner. This company has since withdrawn from importing gasoline into American Samoa leaving American Samoa with two importers who are able to meet the islands’ gasoline supply needs at a reasonable price but only if they are able to import gasoline from Far Eastern refineries that do not produce gasoline conforming with EPA’s anti-dumping regulations. Currently, American Samoa has enforcement discretion that allows EPA to defer enforcement of its gasoline anti-dumping regulations for a one year period -- January 1, 2000, to January 1, 2001.

Since there are no other gasoline importers capable and willing to supply American Samoa with complying gasoline, EPA finds that the Territory is reliant on the two importers who are currently supplying the islands’ gasoline from their Far Eastern refineries.

EPA also finds that if the islands are required to import gasoline from the U.S. mainland, the price of gasoline could rise as much as 14 to 18 cents more per gallon—forcing the American Samoan citizen to pay as much as 38 cents more per gallon than is paid on the mainland. American Samoa is already paying 20 cents more per gallon than on the U. S. mainland.

Health and Environmental Impacts

The volume of gasoline imported into American Samoa is small and no degradation in the islands’ air quality is expected to ensue as a result of today’s action. American Samoa is in attainment with the air quality standards. However, if conditions warrant it and the air quality degrades in the islands, EPA will reopen the exemption for a reconsideration.

For Further Information

You can access the direct final and proposed rules electronically on the Office of Transportation and Air Quality Web site at:

<http://www.epa.gov/otaq/fuels.htm>

For further information on this rule, please contact Marilyn Winstead McCall at (202) 564-9029.