

# EPA's Fuels Regulatory Streamlining Rule

**T**he Environmental Protection Agency (EPA) is issuing an update to EPA's existing gasoline, diesel, and other fuels programs in 40 CFR part 80 to improve overall compliance assurance and reduce compliance costs for industry and EPA while maintaining environmental performance.

## Summary

EPA is streamlining its existing gasoline, diesel, and other fuel quality regulations by removing expired provisions, eliminating redundant compliance provisions (e.g., duplicative registration requirements that are required by every EPA fuels program), removing unnecessary and out-of-date requirements, and replacing them with a single set of provisions and definitions that better reflects today's fuels marketplace. This action does not change the stringency of the existing fuel quality standards.

## Outline of Fuel Program Changes

This action focuses primarily on streamlining and consolidating EPA's existing gasoline and diesel fuel programs. To accomplish this, EPA is removing expired provisions and consolidating the remaining provisions from multiple fuel quality programs into a single set of requirements. This action covers all fuel quality programs and related provisions currently in 40 CFR part 80 ("part 80") except for the Renewable Fuel Standard (RFS) program. This streamlining effort combines these separate, now fully-implemented fuel quality programs, all of which affect the same regulated parties, into a single, national fuel quality program.

While this action changes many aspects of EPA's fuel quality programs, there are a number of areas of the existing regulations that remain unchanged. This action does not change the stringency of the existing fuel quality standards nor does it create any new fuel quality standard. This action also does not modify any substantive provisions of the RFS program. Finally, this action does not remove any statutory requirement for fuels specified by the Clean Air Act.

The new 40 CFR part 1090 (“part 1090”) is designed to reduce compliance burdens for both industry and EPA, maintain fuel quality, and potentially lower fuel costs for consumers. There are three key elements that EPA has employed in part 1090 to accomplish these goals:

- A simplification of the reformulated gasoline (RFG) summer volatile organic compound (VOC) standards.
- A consolidation of the regulatory requirements across the part 80 fuel quality programs.
- Improving oversight through the leveraging of third parties to ensure in-use fuel quality.

The nature of this action is generally administrative or technical in nature and includes amendments for parties that produce and distribute fuels, fuel additives, or regulated blendstocks. These amendments include the elimination of hundreds of pages of obsolete or redundant regulations.

## **Potential Health and Environmental Impacts**

EPA is not changing the stringency of its existing fuel quality standards. As such, EPA does not expect this action to have any adverse environmental impacts.

## **Potential Costs Savings**

EPA does not expect that regulated parties will need to make significant changes to how fuels are made, distributed, or sold, which are the factors EPA typically considers when determining the costs associated with imposing or changing fuel quality standards. However, this action will result in cost savings to both regulated parties and EPA by simplifying how compliance with EPA’s fuel quality standards is achieved and by allowing greater flexibility in the manufacture and distribution of fuels. These savings largely arise from the reduction of the administrative costs on both regulated parties and EPA in complying with and implementing the existing fuel quality standards. EPA estimates the administrative cost savings to industry to be \$40.4 million per year. Other savings associated with improving the fungibility of fuel and providing greater flexibility for fuel production and distribution could potentially be even more significant but could not be quantified.

## **Public Participation**

EPA developed the streamlined part 1090 regulations through close collaboration and communication with all affected stakeholders, including a public workshop and the public distribution of four pre-proposal “discussion drafts” of the regulations to allow for detailed input and review of the development of part 1090. These outreach efforts included participation from both industry and state/local regulatory agencies. This process has also allowed the industry to prepare for the conversion of their internal compliance systems and activities to align with the new regulations upon implementation of the program on January 1, 2021. EPA is now turning to the implementation phase of the rulemaking and intends to continue to meet with affected stakeholders to ensure a smooth and effective rollout.

## **For More Information**

The Final Rulemaking and other documents related to our Fuels Regulatory Streamlining Rule may be accessed electronically on the EPA's website at:

[www.epa.gov/diesel-fuel-standards/fuels-regulatory-streamlining](http://www.epa.gov/diesel-fuel-standards/fuels-regulatory-streamlining)

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