



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 80

[EPA-HQ-OAR-2016-0683; FRL-9971-92-OAR]

RIN 2060-AT61

Approval of Louisiana's Request to Relax the Federal Reid Vapor Pressure (RVP)

Gasoline Volatility Standard for Several Parishes

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is taking final action to approve an April 10, 2017 request from the Louisiana Department of Environmental Quality (LDEQ) to relax the Federal Reid Vapor Pressure (RVP) standard applicable to gasoline introduced into commerce from June 1 to September 15 of each year for the following parishes: Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary. Specifically, EPA is approving amendments to the regulations to allow the gasoline RVP standard for these 11 parishes to rise from 7.8 pounds per square inch (psi) to 9.0 psi. EPA has determined that this change to the Federal gasoline RVP volatility regulation is consistent with the applicable provisions of the Clean Air Act (CAA). LDEQ has also requested that EPA relax gasoline volatility requirements for the 5-parish Baton Rouge area, and EPA will address that request in a separate rulemaking in the future.

DATES: This final rule is effective on **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2016-0683. All documents in the docket are listed on the <https://www.regulations.gov/> website. Although listed in the index, some information may not be publicly available, e.g., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available electronically through <https://www.regulations.gov/>.

FOR FURTHER INFORMATION CONTACT: Dave Sosnowski, Office of Transportation and Air Quality, Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, Michigan 48105; telephone number: (734) 214-4823; fax number: (734) 214-4052; email address: sosnowski.dave@epa.gov. You may also contact Rudolph Kapichak at the same address; telephone number: (734) 214-4574; fax number: (734) 214-4052; email address: kapichak.rudolph@epa.gov.

SUPPLEMENTARY INFORMATION:

The contents of this preamble are listed in the following outline:

- I. General Information
 - II. Action Being Taken
 - III. History of the Gasoline Volatility Requirement
 - IV. EPA's Policy Regarding Relaxation of Gasoline Volatility Standards in Ozone Nonattainment Areas That Are Redesignated as Attainment Areas
 - V. Louisiana's Request to Relax the Federal Gasoline RVP Requirement for Several Parishes
 - VI. Response to Comments
 - VII. Final Action
 - VIII. Statutory and Executive Order Reviews
 - IX. Legal Authority and Statutory Provisions
- I. General Information**

A. Does this action apply to me?

Entities potentially affected by this rule are fuel producers and distributors who do business in Louisiana.

Examples of Potentially Regulated Entities	NAICS ¹ Codes
Petroleum refineries	324110
Gasoline Marketers and Distributors	424710
	424720
Gasoline Retail Stations	447110
	484220
Gasoline Transporters	484230

The above table is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be affected by this action. The table lists the types of entities of which EPA is aware that could be affected by this rule. Other types of entities not listed on the table could also be affected. To determine whether your organization may be affected by this rule, you should carefully examine the regulations in 40 CFR 80.27. If you have questions regarding the applicability of this action to a particular entity, call the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this preamble.

B. What is EPA's authority for taking this action?

The statutory authority for this action is granted to EPA by sections 211(h) and 301(a) of the CAA, as amended; 42 U.S.C. 7545(h) and 7601(a).

II. Action Being Taken

¹ North American Industry Classification System.

This final rule approves a request from the state of Louisiana to change the federal RVP standard for the parishes of Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary from 7.8 psi to 9.0 psi by amending EPA's regulations at 40 CFR 80.27(a)(2). EPA is not addressing in this final rule LDEQ's request that EPA also relax the federal RVP standard for the 5-parish Baton Rouge area. EPA will address that request in a separate rulemaking in the future.

The preamble for this rulemaking is organized as follows: Section III, provides the history of the federal gasoline volatility regulation; Section IV, describes the policy regarding relaxation of volatility standards in ozone nonattainment areas that are redesignated as attainment areas; Section V, provides information specific to Louisiana's request for the 11 parishes addressed by this action; Section VI, provides a response to the comments EPA received; and Section VII, presents the final action in response to Louisiana's request.

III. History of the Gasoline Volatility Requirement

On August 19, 1987 (52 FR 31274), EPA determined that gasoline nationwide was becoming increasingly volatile, causing an increase in evaporative emissions from gasoline-powered vehicles and equipment. Evaporative emissions from gasoline, referred to as volatile organic compounds (VOCs), are precursors to the formation of tropospheric ozone and contribute to the nation's ground-level ozone problem. Exposure to ground-level ozone can reduce lung function, thereby aggravating asthma and other respiratory conditions, increase susceptibility to respiratory infection, and may contribute to premature death in people with heart and lung disease.

The most common measure of fuel volatility that is useful in evaluating gasoline evaporative emissions is RVP. Under CAA section 211(c), EPA promulgated regulations on

March 22, 1989 (54 FR 11868) that set maximum limits for the RVP of gasoline sold during the regulatory control periods that were established on a state-by-state basis in the final rule. The regulatory control periods addressed the portion of the year when peak ozone concentrations were expected. These regulations constituted Phase I of a two-phase nationwide program, which was designed to reduce the volatility of gasoline during the high ozone season. On June 11, 1990 (55 FR 23658), EPA promulgated more stringent volatility controls as Phase II of the volatility control program. These requirements established maximum gasoline RVP standards of 9.0 psi or 7.8 psi (depending on the state, the month, and the area's initial ozone attainment designation with respect to the 1-hour ozone NAAQS).

The 1990 CAA Amendments established a new section 211(h) to address fuel volatility. CAA section 211(h) requires EPA to promulgate regulations making it unlawful to sell, offer for sale, dispense, supply, offer for supply, transport, or introduce into commerce gasoline with an RVP level in excess of 9.0 psi during the high ozone season. CAA section 211(h) also prohibits EPA from establishing a volatility standard more stringent than 9.0 psi in an attainment area, except that EPA may impose a lower (more stringent) standard in any former ozone nonattainment area redesignated to attainment.

On December 12, 1991 (56 FR 64704), EPA modified the Phase II volatility regulations to be consistent with CAA section 211(h). The modified regulations prohibited the sale of gasoline with an RVP above 9.0 psi in all areas designated attainment for ozone, effective January 13, 1992. For areas designated as nonattainment, the regulations retained the original Phase II standards published on June 11, 1990 (55 FR 23658), which included the 7.8 psi ozone season limitation for certain areas. As stated in the preamble to the Phase II volatility controls and reiterated in the proposed change to the volatility standards published in 1991, EPA will rely

on states to initiate changes to their respective volatility programs. EPA's policy for approving such changes is described below in Section IV. of this preamble.

The state of Louisiana initiated the change being finalized in this action by requesting that EPA relax the 7.8 psi RVP standard to 9.0 psi for the parishes of Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary. See Section V. of this preamble for information specific to Louisiana's request.

IV. EPA's Policy Regarding Relaxation of Gasoline Volatility Standards in Ozone Nonattainment Areas That Are Redesignated as Attainment Areas

As stated in the preamble for EPA's amended Phase II volatility standards (See 56 FR 64706, December 12, 1991), any change in the gasoline volatility standard for a nonattainment area that was subsequently redesignated as an attainment area must be accomplished through a separate rulemaking that revises the applicable standard for that area. Thus, for former 1-hour ozone nonattainment areas where EPA mandated a Phase II summertime volatility standard of 7.8 psi RVP in the December 12, 1991 rulemaking, the federal 7.8 psi gasoline RVP requirement remains in effect, even after such an area is redesignated to attainment, until a separate rulemaking is completed that relaxes the federal RVP standard in that area from 7.8 psi to 9.0 psi.

As explained in the December 12, 1991 rulemaking, EPA believes that relaxation of an applicable gasoline RVP standard is best accomplished in conjunction with the redesignation process. In order for an ozone nonattainment area to be redesignated as an attainment area, CAA section 107(d)(3) requires the state to make a showing, pursuant to CAA section 175A, that the area is capable of maintaining attainment for the ozone NAAQS for ten years. Depending on the area's circumstances, this maintenance plan will either demonstrate that the area is capable of

maintaining attainment for ten years without the more stringent volatility standard or that the more stringent volatility standard may be necessary for the area to maintain its attainment with the ozone NAAQS. Therefore, in the context of a request for redesignation, EPA will not relax the gasoline volatility standard unless the state requests a relaxation and the maintenance plan demonstrates to the satisfaction of EPA that the area will maintain attainment for ten years without the need for the more stringent volatility standard.

As explained in the proposal to this final rule, some former 1-hour ozone nonattainment areas that remain subject to the federal summertime RVP limit of 7.8 psi have been designated as attainment areas for both the 1997 and 2008 ozone NAAQS and based on the latest available air quality data are also attaining the more stringent 2015 ozone NAAQS. These states submitted, and EPA approved, CAA section 110(a)(1) maintenance plans for these areas, as required by the Phase 1 implementation rule for the 1997 ozone NAAQS (69 FR 23951, April 30, 2004).

As further explained at proposal, EPA has concluded that there is neither an implementation plan revision nor a CAA section 110(l) demonstration required in order for EPA to approve a state's request to relax the federal summertime gasoline RVP limit under the circumstances described above for such areas as these 11 parishes. Rather, in order for EPA to approve a request to relax the federal RVP limit for such areas, the Governor or his/her designee must request that the Administrator revise the federal gasoline RVP regulations to remove the subject areas from the list of required areas in 40 CFR 80.27(a)(2). The state may provide any relevant supporting information such as recent air quality data, designation status for ozone and information on previously approved ozone maintenance plans. The Administrator's decision on whether to grant a state's request to revise the federal gasoline RVP regulations in such cases

would be documented through notice-and-comment rulemaking. See the August 9, 2017 proposal for further background (82 FR 37184).

V. Louisiana’s Request to Relax the Federal Gasoline RVP Requirement for Several Parishes

On April 10, 2017, LDEQ requested that EPA relax the current federal gasoline RVP volatility standard of 7.8 psi to 9.0 psi for 16 Louisiana parishes, the 5 parishes of the Baton Rouge area, and 11 other parishes: Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary. These other 11 parishes attained the 1-hour ozone NAAQS and were redesignated to attainment with approved CAA section 175A maintenance plans. They were then designated as attainment for the 1997 ozone NAAQS. As such, the State was required by EPA’s Phase 1 rule, which implemented the 1997 ozone NAAQS, to submit CAA section 110(a)(1) maintenance plans for these parishes that addressed the 10-year period from 2004 to 2014. (*See* 69 FR 23951, April 30, 2004.)² The Phase 1 implementation rule for the 1997 ozone NAAQS did not require Louisiana to submit second 10-year CAA section 175A maintenance plans for the 1-hour ozone NAAQS for these parishes. In 2012, all 11 parishes were designated as attainment for the 2008 ozone NAAQS. Because they were designated as attainment for both the 1997 and 2008 ozone NAAQS, they were not required to submit a CAA section 110(a)(1) maintenance plan for the 2008 ozone NAAQS. Therefore, as explained earlier above, these parishes are no longer within the timeframe that was addressed by any approved maintenance plan for any ozone NAAQS. The

² For more information on Louisiana’s CAA section 110(a)(1) maintenance plans for the individual parishes under the 1997 ozone NAAQS, please refer to the following Federal Register notices approving the maintenance plans for the parishes listed parenthetically after the citation: 72 FR 62579, November 6, 2007 (Beauregard and St. Mary Parishes); 73 FR 15411, March 24, 2008 (Lafayette and Lafourche Parishes); 78 FR 57058 September 17, 2008 (Pointe Coupee Parish); 73 FR 53403 September 16, 2008 (New Orleans Parish); and 73 FR 59518 (Calcasieu and St. James Parishes).

11 parishes that are the subject of this action are all attaining the more stringent 2015 ozone NAAQS, and the State did not recommend that any of these 11 parishes be designated as nonattainment for the 2015 ozone NAAQS.³

EPA's August 9, 2017 proposal included several pieces of information that supports the State's request:

- The current ozone design values for the parishes in question, based upon 2013-2015 air quality data are well below the 2015 ozone NAAQS of 70 parts-per-billion (ppb). For more information on current design values for the 11 parishes refer to Table 1 in the August 9, 2017 proposal (82 FR 37186).
- Moreover, the projections for VOC emissions (i.e., the ozone precursor controlled through RVP limitations) from the previously approved CAA section 110(a)(1) maintenance plans for the 1997 ozone NAAQS for the areas covered by the State's request show relatively flat or downward VOC emissions trends through 2014. For more information on trends in VOC emissions in the 11 parishes refer to Table 2 in the August 9, 2017 notice of proposed rulemaking (82 FR 37187).
- There are also national rules that result in VOC and/or NO_x emission reductions that will contribute to the downward trend in ozone concentrations in the 11 parishes into the future. See EPA's August 9, 2017 proposal for further information (82 FR 37184).

VI. Response to Comments

³ On September 29, 2015, Louisiana submitted a letter to EPA recommending designations for the 2015 ozone NAAQS. The State recommended that all of the 11 parishes addressed in this action be designated as unclassifiable/attainment. The letter is available at: <https://www.epa.gov/ozone-designations/ozone-designations-2015-standards-louisiana-state-recommendations>.

EPA received four comments on its August 9, 2017 (82 FR 37184) proposal to relax the gasoline RVP standard from 7.8 psi to 9.0 psi. EPA found that these comments were either supportive of the proposed change or fell outside the scope of this action as discussed further below.

Comment: An organization representing the Louisiana oil and gas industry provided comments in support of the proposed relaxation of summertime gasoline RVP from 7.8 to 9.0 psi.

Response: EPA acknowledges that the commenter supported the proposal.

Comment: EPA received two sets of comments that were not related to any of the issues addressed in the proposal, while a third expressed general disagreement with relaxing any environmental regulations for any reason without addressing the specific issue of the subject RVP relaxation.

Response: Regarding the generic objection to the relaxation of environmental regulations, EPA deemed this outside the scope of the proposal because it did not address EPA's conclusion that approving the proposed relaxation would not adversely impact air quality in the covered areas, nor would it interfere with those areas' ability to meet any other applicable NAAQS. As discussed above and in the proposal, EPA has concluded based on current air quality data and available VOC and NO_x emissions information that the RVP relaxation will not have any appreciable effect on air quality in the 11 parishes, and therefore, the requested relaxation is approvable.

VII. Final Action

EPA is taking final action to approve Louisiana's request for the Agency to relax the RVP applicable to gasoline introduced into commerce from June 1 to September 15 of each year for the parishes of Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary. Specifically, this action amends the applicable gasoline RVP standard from 7.8 psi to 9.0 psi provided at 40 CFR 80.27(a)(2) for the 11 named parishes. This approval is based on the redesignation of the named areas to attainment of the 1-hour ozone NAAQS and their designation as attainment for the 1997 and 2008 ozone NAAQS. Additionally, recent air quality data from monitors in the parishes demonstrates that they are attaining the 2015 ozone NAAQS of 70 ppb. Lastly, emission reductions from national rules aimed at reducing VOCs and NOx that were not previously claimed or accounted for in the State's projection of air quality trends for its maintenance plans will ensure continued attainment of the 2015 ozone NAAQS.

VIII. Statutory and Executive Order Reviews

A. *Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review*

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. *Executive Order 13771: Reducing Regulation and Controlling Regulatory Costs*

This action is considered an Executive Order 13771 deregulatory action. This final rule provides meaningful burden reduction because it relaxes the federal RVP standard for gasoline,

and as a result, fuel suppliers will no longer be required to provide 7.8 psi lower RVP gasoline in the 11 parishes during the summer months (June 1st through September 15th). Relaxing the volatility requirements will also be beneficial because this action can improve the fungibility of gasoline sold in the State of Louisiana by allowing the gasoline sold in the 11 named parishes to be identical to the fuel sold in most of the remainder of the State.

C. *Paperwork Reduction Act (PRA)*

This action does not impose an information collection burden under PRA, because it does not contain any information collection activities.

D. *Regulatory Flexibility Act (RFA)*

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. In making this determination, the impact of concern is any significant adverse economic impact on small entities. An agency may certify that a rule will not have a significant economic impact on a substantial number of small entities if the rule relieves regulatory burden, has no net burden or otherwise has a positive economic effect on the small entities subject to the rule. The small entities subject to the requirements of this action are refiners, importers or blenders of gasoline that choose to produce or import low RVP gasoline for sale in Louisiana and gasoline distributors and retail stations in Louisiana. This action relaxes the federal RVP standard for gasoline sold in 11 Louisiana parishes during the high ozone season. This rule does not impose any requirements or create impacts on small entities beyond those, if any, already required by or resulting from the CAA section 211(h) Volatility Control

program. We have therefore concluded that this action will have no net regulatory burden for all directly regulated small entities.

E. *Unfunded Mandates Reform Act (UMRA)*

This final rule does not contain an unfunded mandate of \$100 million or more as described in UMRA, 2 U.S.C. 1531-1538, and does not significantly or uniquely affect small governments. The action implements mandates specifically and explicitly set forth in CAA section 211(h) without the exercise of any policy discretion by the EPA.

F. *Executive Order 13132: Federalism*

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. *Executive Order 13175: Consultation and Coordination with Indian Tribal Governments*

This action does not have tribal implications as specified in Executive Order 13175. This final rule will affect only those refiners, importers or blenders of gasoline that choose to produce or import low RVP gasoline for sale and gasoline distributors and retail stations in the 11 Louisiana parishes. Thus, Executive Order 13175 does not apply to this action.

H. *Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks*

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2-202 of the Executive Order. This action is not subject to Executive Order 13045 because it does not concern an environmental health risk or safety risk. EPA has no reason to believe that this action may disproportionately affect children based on available ozone air quality data and VOC and NOx emissions information. EPA has concluded that a relaxation of the gasoline RVP will not interfere with the attainment of the ozone NAAQS, or any other applicable CAA requirement in these 11 Louisiana parishes.

I. *Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution or Use*

This action is not subject to Executive Order 13211 because it is not a significant regulatory action under Executive Order 12866.

J. *National Technology Transfer and Advancement Act (NTTAA)*

This rulemaking does not involve technical standards.

K. *Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*

The EPA believes that this action does not have disproportionately high and adverse human health or environmental effects on minority populations, low-income populations and/or indigenous peoples, as specified in Executive Order 12898 (59 FR 7629, February 16, 1994)

because it does not affect the applicable ozone NAAQS which establish the level of protection provided to human health or the environment. This rule relaxes the applicable volatility standard of gasoline during the high ozone season (June 1 to September 15 of each year). EPA has concluded that the relaxation will not cause a measurable increase in ozone concentrations that would result in a violation of any ozone NAAQS including the 2008 ozone NAAQS or the more stringent 2015 ozone NAAQS. Therefore, disproportionately high and adverse human health or environmental effects on minority or low-income populations are not an anticipated result.

L. *Congressional Review Act (CRA)*

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller of the United States. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

M. *Petitions for Judicial Review*

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. See CAA section 307(b)(2).

IX. Legal Authority and Statutory Provisions

The statutory authority for this action is granted to EPA by sections 211(h) and 301(a) of the Clean Air Act, as amended; 42 U.S.C. 7545(h) and 7601(a).

List of Subjects in 40 CFR Part 80

Environmental protection, Administrative practice and procedure, Air pollution control, Fuel additives, Gasoline, Motor vehicle and motor vehicle engines, Motor vehicle pollution, Penalties, Reporting and recordkeeping requirements.

Dated: December 15, 2017.

E. Scott Pruitt,
Administrator.

For the reasons set out in the preamble, title 40, chapter I of the Code of Federal Regulations is amended as follows:

PART 80—REGULATION OF FUELS AND FUEL ADDITIVES

1. The authority citation for part 80 continues to read as follows:

AUTHORITY: 42 U.S.C. 7414, 7521, 7542, 7545, and 7601(a).

2. Section 80.27 is amended in the table in paragraph (a)(2)(ii) by revising the entries for “Louisiana” to read as follows:

§ 80.27 Controls and prohibitions on gasoline volatility.

(a) * * *

(2) * * *

(ii) * * *

APPLICABLE STANDARDS¹ 1992 AND SUBSEQUENT YEARS

State	May	June	July	August	September
**	*	*	*	*	* *
Louisiana:					
Grant Parish ⁴	9.0	9.0	9.0		9.0
11 Other Louisiana Parishes ¹¹	9.0	9.0	9.0		9.0
All other volatility nonattainment areas	9.0	7.8	7.8		7.8
**	*	*	*	*	* *

¹ Standards are expressed in pounds per square inch (psi).

⁴ The standard for Grant Parish from June 1 until September 15 in 1992 through 2007 was 7.8 psi.

* * * * *

¹¹ The standard for the Louisiana parishes of Beauregard, Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Pointe Coupee, St. Bernard, St. Charles, St. James, and St. Mary from June 1 until September 15 in 1992 through 2017 was 7.8 psi.

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