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ROBERT E. NYCE, EXECUTIVE DIRECTOR
MARY S. WYATTE, CHIEF COUNSEL



PHONE: (717) 783-5417
FAX: (717) 783-2664
irrc@irrc.state.pa.us
<http://www.irrc.state.pa.us>

INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

February 25, 1999

Honorable James M. Seif, Chairman
Environmental Quality Board
Rachel Carson State Office Building
400 Market Street, 16th Floor
Harrisburg, PA 17105

Re: IRRC Regulation #7-341 (#1981)
Environmental Quality Board
Gasoline Volatility Requirements

Dear Chairman Seif:

Enclosed are our Comments on your proposed regulation #7-341. They are also available on our website at <http://www.irrc.state.pa.us>.

The Comments list our objections and suggestions for your consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you want to meet with us to discuss these Comments, please contact John Nanorta at 787-8491.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Nyce". The signature is fluid and cursive.

Robert E. Nyce
Executive Director

REN:kcg
Enclosure

cc: Sharon Freeman
Barbara Sexton
Office of General Counsel
Office of Attorney General
Pete Tartline

COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION

ON

ENVIRONMENTAL QUALITY BOARD REGULATION NO. 7 - 341

GASOLINE VOLATILITY REQUIREMENTS

FEBRUARY 25, 1999

We have reviewed this proposed regulation from the Environmental Quality Board (EQB) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a (h) and (i)) specify the criteria the Commission must employ in determining whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to economic impact and reasonableness of the regulation. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

Section 126.302. Recordkeeping and reporting - Reasonableness and Economic Impact

The existing Subsection (c) requires each person in the gasoline distribution network to maintain compliance records for at least two years from the date of sale or transfer of the compliant fuel. The EQB proposes to amend that provision to also require the same records be kept on site at each point in the distribution network. Commentators have recommended that this amendment be modified to allow records to be kept at other, more central locations (e.g., at a supplier or a district office). Such records could be furnished within a reasonable time following a request for them.

We agree that the Department of Environmental Protection (DEP) may need immediate access to certain site records during the ozone season to confirm whether the gasoline in use, storage or transmission complies with applicable low Reid vapor pressure standards. On the other hand, the two-year duration of the proposed new requirement could impose additional and unnecessary recordkeeping costs on the regulated industry.

We recommend the regulation be further amended to require records be kept on site only for the duration of the current ozone season (i.e., either from May 1 to September 15, or from June 1 to September 15). The regulation should also be amended to require that the records be retained after the ozone season at a designated central location for the remainder of the two-year retention period.

Such further amendments will make Subsection (c) more reasonable and reduce its economic impact on the regulated community. If there is a need for records to be kept on site on a year round basis, the EQB should explain the reason in its response as part of the final-form rulemaking.

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FAX NO. 717 783 2884

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INDEPENDENT REGULATORY REVIEW COMMISSION

To: Shirley Hartman
or Cindy Lauderbach
or Denise Henke

Agency: Department of Environmental Protection
Phone 7-2614
Fax: 705-4980

From: Kristine M. Shomper
Deputy Director for Administration

Company: Independent Regulatory Review
Commission

Phone: (717) 783-5419 or (717) 783-5417
Fax: (717) 783-2664

Date: February 25, 1999

of Pages: 3

Comments: We are submitting the Independent Regulatory Review Commission's comments on the Environmental Quality Board's regulation #7-341. Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by: Shirley Hartman Date: 3/25/99