



State of Oregon
Department of
Environmental
Quality

Agenda Item B – Definition of Importer

Meeting #2
August 5, 2014
9:00 am – 4:00 pm

DEQ HQ Office
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Portland, OR 97204

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Update

This discussion paper summarizes the initial findings of DEQ’s research into how changing the definition of importer might affect the population of regulated parties. Please see Agenda Item G from advisory committee meeting #1 or the meeting summary for additional details on the topic.

Initial DEQ Outreach

In early 2013, DEQ reached out to approximately 300 fuel providers and transporters that provide transportation fuel to Oregon. They were asked a series of questions related to their ownership of transportation fuels at various points in the distribution chain (as it crosses the border, in a stationary tank or at a terminal). This work served as the starting point for identification of importers subject to the Clean Fuels Program. It also serves as the basis for some of the assumptions discussed later in this paper.

“Importer” Definitions

Current Oregon Definition:

“Importer” means the person who imports a blendstock or a finished fuel from outside Oregon into Oregon:

- (a) With respect to any imported liquid fuel, it means the person who owns the fuel in the stationary storage tank into which the fuel was first transferred after it was imported into Oregon; or
- (b) With respect to any biogas, it means the person who owns the imported biogas upon receipt at a pipeline used to deliver the biogas in Oregon.

Current California Definition:

“Importer” means the person who owns the liquid transportation fuel or blendstock, in the transportation equipment that held or carried the product, at the point the equipment entered California.

Change to Existing Registered Importers

At our last meeting we discussed the option to revise the definition of “importer” to align it with the definition used by California. DEQ received strong feedback, both through our initial outreach to fuel importers and from the committee at the last meeting that California’s definition would be preferable because it would move the regulatory burden higher up on the fuel distribution chain. The expectation is that doing so will increase the level of compliance because fuel distributors, as opposed to common carriers and gas stations, are already subject to fuels reporting regulation from other agencies such as ODOT, and are therefore better equipped to comply with regulatory requirements in general.

There are currently 61 fuel importers that are registered with the Clean Fuels Program, based on DEQ’s current definition of importer. Using the modified definition, DEQ estimates that up to a dozen businesses that are currently registered would no longer be subject to the clean fuels regulation. The exact number of businesses affected needs to be confirmed through additional outreach.

Potential New Importers

DEQ also estimates that there will be additional businesses that would be subject to the program under the modified definition of importer. DEQ has partnered with the Oregon Department of Transportation fuel tax group for this evaluation. ODOT licenses motor vehicle fuel dealers - any person who imports, exports, produces, refines, manufactures, blends, or compounds motor vehicle fuel and/or aircraft fuels in Oregon. Motor vehicle fuel includes gasoline while user fuel includes diesel. At this time, DEQ will assume that the larger fuel dealers provide both gasoline and diesel and are captured by the list of licensed motor vehicle fuel dealers to be used as a proxy to estimate the potential number of businesses who might become importers under the modified definition.

As of June 30, 2014, ODOT reports that there are 134 motor vehicle fuel dealers licensed in Oregon. Fifty one (51) are already registered with the Clean Fuels Program, leaving 83 that are not. Data from DEQ’s initial fuel importer outreach suggests that up to 55 additional businesses might be affected by the change in definition.

Next Steps

DEQ will follow up with individual businesses described above to confirm their regulatory status under the modified definition.

Comments

All oral comments will be captured in the advisory committee meeting summary. To ensure that your written comments will be considered by DEQ, please e-mail them to:

OregonCleanFuels@deq.state.or.us.

Oregon Clean Fuels Program Phase 2 Rulemaking Advisory Committee