

Environmental Protection Agency

§ 80.617

with regard to such diesel fuel, exempt from the reporting requirements for the purposes of the designate and track provisions of § 80.601.

(h) Any refiner, importer, or distributor of California diesel fuel is, with regard to such diesel fuel, exempt from the recordkeeping requirements for entities in the MV or NRLM diesel fuel and diesel fuel additive production, importation, and distribution systems of §§ 80.592 and 80.602 except those relating to sampling and testing, under §§ 80.581, 80.584, 80.585, and 80.586.

(i) Any refiner or importer of California diesel fuel is, with regard to such diesel fuel, exempt from the annual reporting requirements for NRLM diesel under § 80.604.

[71 FR 25725, May 1, 2006]

§ 80.617 How may California diesel fuel be distributed or sold outside of the State of California?

California diesel may be distributed or sold outside of the State of California provided the provisions of either paragraph (a) or (b) of this section are satisfied:

(a) *Distribution of taxed or dyed California diesel fuel.* California diesel fuel that is distributed from a truck loading terminal after such diesel has been taxed or dyed may be distributed or sold outside of the State of California, provided that it is accompanied by a Product Transfer Document that states: "California diesel fuel. Maximum 15 ppm sulfur."; or

(b) *Distribution of untaxed and undyed diesel California diesel fuel.* California diesel may be distributed or sold outside of the State of California without having been dyed or taxed provided that the requirements of either paragraph (b)(1) or (b)(2) of this section are satisfied. (Note that the requirements of IRS code 26 CFR part 48 along with other applicable requirements outside of this 40 CFR part 80 subpart I must also be satisfied.)

(1)(i) Prior to shipment outside the State of California, the California diesel fuel meets all requirements of § 80.616 and meets all of the requirements of 40 CFR part 80, subpart I that are not exempted under this section;

(ii) The California diesel fuel is shipped out of the state via pipeline;

(iii) The pipeline shipping the California diesel out of state maintains the California diesel fuel designation while the product is in the pipeline's custody;

(iv) The pipeline provides a product transfer document that clearly indicates that the product is designated as California diesel fuel;

(v) Upon delivery into the terminal, the terminal receiving the California diesel fuel redesignates it as motor vehicle diesel meeting the 15 ppm sulfur standard; and

(vi) The terminal includes the volumes of California diesel fuel redesignated as motor vehicle diesel fuel in the total volume of motor vehicle diesel designated meeting the 15 ppm sulfur standard received by the terminal, per the volume balance and anti-downgrading equations for motor vehicle diesel fuel found in § 80.599(b) and (e).

(2)(i) The California diesel fuel is delivered via pipeline to a terminal outside the State of California that has a tank dedicated to the receipt of California diesel fuel and which intends to distribute the diesel fuel from the dedicated tank back into the State of California;

(ii) The terminal must maintain the designation of the diesel fuel as "California diesel fuel" and not redesignate it to another product;

(iii) The product transfer documents for California diesel fuel distributed by a terminal outside of the state of California must indicate "California diesel fuel. Maximum 15 ppm sulfur."; and,

(iv) Any volume of California diesel fuel distributed by a terminal outside the state of California must be taxed or dyed and must be excluded from the terminal's volume balance equations under § 80.599.

[71 FR 25726, May 1, 2006]