

January 3, 2011

Ms. Margo Oge
Office of Transportation and Air Quality (6401A)
Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, DC 20460

RE: Comments of the Renewable Fuels Association; Regulation to Mitigate the Misfueling of Vehicles and Engines With Gasoline Containing Greater Than Ten Volume Percent Ethanol and Modifications to the Reformulated and Conventional Gasoline Programs; Proposed Rule 75 Fed. Reg. 213; Docket ID No. EPA-HQ-OAR-2010-0448

Dear Ms. Oge,

The Renewable Fuels Association (“RFA”) appreciates the opportunity to comment on the Environmental Protection Agency’s (“EPA”) Proposed Rule: Regulation to Mitigate the Misfueling of Vehicles and Engines With Gasoline Containing Greater Than Ten Volume Percent Ethanol and Modifications to the Reformulated and Conventional Gasoline Programs; Proposed Rule 75 Fed. Reg. 213 (November 4, 2010). RFA is the national trade association for the domestic ethanol industry. Our membership includes ethanol producers and suppliers, gasoline marketers, agricultural organizations and state agencies dedicated to the continued expansion and promotion of fuel ethanol.

Ethanol has become an essential component of the U.S. motor fuel market. Today, ethanol is blended in more than 90 percent of the nation’s gasoline, and is sold from coast to coast and border to border. The 13 billion gallons of ethanol produced and sold in the U.S. in 2010 contributed significantly to America’s economic, environmental, and energy security. As implementation of the Renewable Fuels Standard (RFS) continues, ethanol will play a critical role in displacing traditional fossil fuels with an increasingly larger share of the motor fuel pool, and with decreasingly lower greenhouse gas impact as newer technologies and feedstocks are introduced. But if the RFS is ever to be fully implemented, refiners and gasoline marketers will need to be able to blend greater volumes of ethanol into gasoline. The 36 billion gallon RFS requirement cannot be met without higher ethanol blends. That is why EPA’s approval of E15, if only for a limited number of vehicles, is so important.

1. EPA Should Approve E15 for ALL Automobiles and Light-Duty Trucks.

RFA believes strongly that EPA missed a significant opportunity by only issuing a partial approval of E15 on October 13, 2010. The fact is none of the data EPA has evaluated to date has suggested any significant materials compatibility, driveability, or emissions

issues associated with the use of E15. Indeed, the Department of Energy's completed testing programs has affirmed the efficacy of E15 in automotive engines. And the further engineering assessment completed for RFA by Ricardo, Inc., "Technical Assessment of the Feasibility of Introducing E15 Blended Fuel to U.S. Vehicle Fleet, 1994 to 2000 Model years", demonstrated that E15 is equally safe in older vehicles as well. Limiting E15 use to 2007 and newer vehicles only creates confusion for retailers and consumers alike. RFA firmly believes that E15 is safe and effective in all light duty vehicles and strongly encourages EPA to move swiftly to amend the approval to reflect the evidence.

2. EPA's Proposed Label is Misleading and Inappropriate.

RFA agrees with EPA that measures should be taken to promote the successful introduction of E15 into commerce, and an informative label will be a key component of that effort. However, EPA's proposed label for E15 will do little, if anything, to promote the successful introduction of this new fuel to the marketplace. The proposed label's shortcomings include leading, unscientific statements, confusing technical information and unwarranted warnings. The label as written will seriously impair long-term progress towards achieving the country's stated goals for renewable fuels. It will unnecessarily promote skepticism and concern over any future approval for E15 and create the misperception that E15 is an inferior fuel. In the case of ULSD/ LSD labeling, there were specific vehicles that required ULSD to avoid damage to emission control systems. The potential for such damage was demonstrated through rigorous tests and voluminous technical documentation. In the case of E15, such information is lacking, and in the absence of such data, it is simply inappropriate for EPA to require labels that infer there is an issue that has not been conclusively demonstrated. Specifically, the language in EPA's proposed label stating, "This fuel might damage other vehicles or engines" has simply NOT been proven and must be eliminated.

3. Any E15 Label Must Be Clear, Informative and Factual.

RFA supports a label that is factual and gains consumers attention while providing necessary purchasing information for fueling decisions. RFA suggests the following label for EPA consideration:



This label contains the four elements EPA has stated are required for a label: 1) an information component; 2) a legal approval component; 3) a technical warning; and 4) a legal warning. The information component is presented in a clear and concise header. The legal approval is embodied in the phrase “Approved for use.” And technical and legal warnings are included in the final element by noting “federal law prohibits” the use of this fuel “in all other vehicles and engines.” Any other language, such as the proposed “may cause damage to other engines” is unnecessarily alarmist and unsupported by the data EPA has before it. EPA’s label MUST be supported by the record.

RFA does not support the inclusion of an alert, such as “Warning,” “Danger,” or “Caution.” Each of these conveys an urgency and alarm that are generally reserved for alerting consumers to personal health and safety risks. Such risks are not supported by the record in this case. RFA would accept an alert using the word, “Attention” as this would more appropriately underscore the importance of the information provided by the label consumers need to avoid misfueling.

4. Gasoline Marketers Should Have the Flexibility to Determine the Color, Size and Shape of the E15 Label.

Fuel dispensing equipment today contains a myriad of product notifications, warnings and consumer information. There are state, federal and market driven obligations that may vary greatly between regions and markets. Ultimately, it is the gasoline marketer that will have the best insight into how to inform consumers about the availability of E15 and they will be highly motivated to avoid misfueling. Rather than proscribing a one-size fits all label, RFA believes it is prudent to allow gasoline marketers to determine the color scheme and appropriate size of the E15 label.

5. There Must Only Be One E15 Label.

The Federal Trade Commission (FTC) recently requested comment on an additional label for E15 under its authority. Such a label would be duplicative and unnecessary. Moreover, the proposed FTC label is highly inflammatory and is based on absolutely NO data relating to emissions, fuel system compatibility or performance. RFA strongly encourages EPA to coordinate its E15 fuel labeling effort with the FTC to assure that only one label is required. Dueling E15 labels will only add more confusion for consumers and further undermine the federal government’s objective of promoting renewable fuel consumption.

6. There Is NO Need to Label E10.

RFA strongly opposes new labels for fuels already available in the marketplace, such as E0, E10 or E85. Consumers are already inundated with information at the gasoline pump. Adding to the myriad of labels already required by state and federal regulation will do nothing to further inform consumers and is unjustified legally and technically. EPA should resist the temptation to go beyond its mandate to label E15.

7. EPA’s Proposed PTD Requirements Are Misplaced.

As a condition of the partial E15 waiver, EPA has proposed upstream regulatory requirements, specifically requiring statements on Product Transfer Documents (PTD)

and fuel dispenser labeling surveys. Upstream parties were identified as ethanol blenders, fuel manufacturers and fuel additive manufacturers (ethanol producers.) But ethanol producers will not produce the E15 blends. Ethanol producers will simply supply the denatured fuel grade ethanol blending component. The bulk sale of fuel grade ethanol by ethanol producers could be used in blends of 5%, 10%, or 85% ethanol with gasoline; the ultimate use of ethanol is unknown at the time of sale from the ethanol producer. Moreover, ethanol producers do not have regular interaction with bulk terminal's retail fuel blending or delivery to the retail stations; commercial transactions of ethanol producers are at a minimum one transaction once removed from retail fuel transactions. With the lack of interaction between ethanol producers and retail fuel purchasing, there is no opportunity for ethanol producers to "require" information on a PTD or other commercial document.

RFA does request further information on the intention to identify blendstocks suitable for blending with ethanol up to 15 volume % ethanol with wording on PTDs. We presume the wording "suitable for blending with ethanol at a concentration up to 15...% ethanol" is meant to cover "any ethanol" Blendstock for Oxygenated Blending (BOB), indicating the vapor pressure is low enough to accommodate 15% ethanol and is independent of any octane statements. None of the proposed PTD wording address octane specifically.

With ethanol producers' commercial transactions taking place independent of retail fuel blending and commercial sale, it is difficult to understand or comment on the elements of a fuel pump labeling survey. Further, ethanol producers have no input, authority to conduct a labeling survey, nor the regulatory background on retail labeling requirements. RFA requests that EPA amend the proposed rule to remove fuel additive manufacturers (ethanol producers) from these requirements.

8. Changes to the Complex Model Must Be Made to Accommodate E15.

RFA strongly supports modification of the Complex Model to accommodate higher levels of oxygen for predicting gasoline emissions. The Reformulated Gasoline (RFG) markets are a significant portion of the overall gasoline market in the U.S. and thus must be able to offer additional levels of ethanol blended gasoline. E15 fuel blends support the goals of the RFG program to improve the air quality. Additional levels of ethanol in RFG support the reduction of aromatics, olefins, sulfur, and benzene. RFA is concerned, however, that EPA's proposed changes do not fully recognize the toxic displacement and hydrocarbon reductions associated with the use of E15. EPA should amend its proposed Complex Model changes to reflect the full benefits of E15.

9. The 1-psi Volatility Tolerance Should Be Extended to E15.

According to the API report "Determination of Potential Property Ranges of Mid-Level Ethanol Blends" (April 2010), E15 fuel blends also support improvements to air quality with a reduction vapor pressure over E10 fuel blends. Vapor pressure typically rises with the addition of ethanol to gasoline; however, API's report suggests the maximum increase in vapor pressure occurs at 10 volume % ethanol. At higher ethanol concentrations such as 15 volume %, vapor pressure of the fuel blend actually decreases.

Thus, EPA should extend the existing volatility tolerance for E10 to fuels containing up to 5.8% oxygen by weight¹.

10. RFA Supports an Effective Consumer Information Outreach Program.

RFA agrees that outreach to consumers and stakeholders will be a critical component for a successful introduction of E15 into the marketplace. RFA stands ready to partner with EPA and other stakeholders in any campaign to promote the energy, environmental and performance benefits of increasing ethanol use in today's automotive engines. As previously noted, if the RFS is to be successfully and completely implemented, higher ethanol blends will be necessary. Consumers need to fully appreciate the benefits that will be derived from the use of these new fuels.

RFA appreciates the opportunity to comment on this important matter. Please feel free to contact me at (202) 289-3835 with any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "Bob Dinneen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bob Dinneen
President & CEO
Renewable Fuels Association

¹ Dinneen, B. Letter to Honorable Lisa Jackson, May 14, 2010.