

Alliance for a Safe Alternative Fuels Environment (AllSAFE)

Improvements Required to Ensure the Long-Term Success of Ethanol and Renewables

AllSAFE is made up of the national consumer, manufacturing, and gasoline retailers associations (listed below) that consume gasoline and ethanol-fuel blends. AllSAFE speaks on fuel-related legislation for over 250 million Americans that own and operate over 300 million products, including recreational boats and marine engines, chainsaws, lawnmowers, motor vehicles, motorcycles, all terrain vehicles (ATVs), snowmobiles, generators, and related vehicles and equipment. As the US Congress moves forward in mandating the increased production of renewable fuels, it should direct the responsible regulatory agencies (principally, EPA and DOE) to make sure these new fuels will operate successfully with the \$2 trillion dollars worth of existing and new products.

We appreciate and understand all the compelling reasons that support expanding the market for renewable fuels, including ethanol. In fact, AllSAFE supports increased ethanol use and wants to avoid potential consumer rejection of all ethanol blends (including E85) that could occur if mid-level ethanol blends (above 10% ethanol) ultimately damage consumers and their products – for example, as a result of increased heat and corrosion when mid-level ethanol fuels are used in engines, boats, equipment, and vehicles designed for *conventional* gasoline. The use of ethanol blends in these conventional vehicles is totally different from using these fuels in flexible fuel vehicles (FFVs), which are specifically designed to run on any level of ethanol up to E85.

To ensure the long-term success of ethanol and other renewable fuels, Congress should adopt the following improvements set forth in the enclosed amendment:

First, with \$1 million in appropriated funding, the Environmental Protection Agency (EPA) and the Department of Energy (DOE) should conduct a study (with input from the affected stakeholders) on the impacts of mid-level ethanol blends on: (1) consumers and their boats, vehicles, equipment, and other products; (2) manufacturers of these affected products; (3) the environment; and (4) gasoline retailers. This study should be submitted to Congress within 24 months. This study should become part of the administrative record in any fuel waiver

applications specifically seeking to introduce “general purpose”, new fuels with greater than 10% ethanol.

Second, we also urge Congress to modify Section 211(f)(4) of the Clean Air Act to improve the new fuel and fuel additive waiver review process, as a simple matter of good governance. Under Section 211(f)(4), EPA must currently determine that the new fuel or fuel additive will not cause or contribute to the failure of any emission control device, or the failure of engines, vehicles, or equipment to meet the applicable evaporative and exhaust EPA emissions standards. However, Section 211(f)(4) currently states that *if EPA does not act on a waiver application for a new fuels waiver within 180 days of its submission, the application is deemed granted, even in the absence of EPA action or consideration of the application’s merits.* AllSAFE recommends modifying this provision to require EPA to make a timely decision (subject to public notice and comment) after building a complete, technical record on the merits. Pursuant to our proposed amendment, EPA should be compelled to make new fuel waiver decisions a time-sensitive priority and to approve or deny these petitions within 270 days of receiving a complete waiver application.

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The AllSAFE members listed below look forward to working with the Congress, EPA, DOE and all the affected stakeholders to improve our understanding of all the impacts of ethanol fuels on consumers, manufacturers, gasoline retailers, and the environment -- *before* we undertake any rash action that would harm consumers and the long-term success of mid-level ethanol and other renewable fuels in the marketplace. Please call Greg Scott of Kelley Drye Collier Shannon, at 202-342-8646 with any questions.

Alliance of Automobile Manufacturers
American Motorcyclist Association
Association of Marina Industries
Association of International Automobile Manufacturers
Boat Owners Association of the United States
Engine Manufacturers Association
International Snowmobile Manufacturers Association

Motorcycle Industry Council
National Association of Convenience Stores
National Marine Manufacturers Association
Outdoor Power Equipment Institute
Personal Watercraft Industry Association
Professional Landcare Network
Specialty Vehicle Institute of America