

April 29, 2019

Electronic Submission: www.regulations.gov

The Honorable Andrew Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

**Re: Docket No. EPA-HQ-OAR-2018-0775-000, RIN 2060-AU34
Modifications to Fuel Regulations to Provide Flexibility for E15;
Modification to RFS RIN Market Regulations; Proposed Rule**

Dear Administrator Wheeler:

The Specialty Equipment Market Association (SEMA) welcomes the opportunity to provide comments on the U.S. Environmental Protection Agency's (EPA) proposed regulatory changes that would allow gas stations around the country to sell E15 (gasoline that's 15% ethanol) during the summer months (June 1 through September 15). SEMA opposes this proposed rulemaking and potential expansion of E15 sales. Ethanol, especially in higher concentrations such as E15, can cause damage to vehicles manufactured prior to 2001 and certain specialty high-performance equipment installed on newer vehicles. If finalized, this rulemaking will leave millions of drivers susceptible to misfueling their vehicles with higher blends of ethanol that are illegal for use in pre-2001 vehicles.

SEMA represents the \$45 billion a year specialty automotive industry, which is comprised of about 7,500 mostly small businesses nationwide that manufacture, rebuild, distribute and retail parts and accessories for motor vehicles. The products produced by our member companies include performance, functional, restoration and styling-enhancement products for use on passenger cars, trucks and special interest collector and historic vehicles. Many of these vehicles may be negatively affected by a change in the ethanol content of gasoline.

While the EPA has historically prohibited the sale of E15 during the summer months due to concerns that higher blends of ethanol combined with warmer temperatures may lead to increased ground-level ozone formation and smog, it is unclear why this environmental issue is no longer a concern for the agency. SEMA questions the basis for the EPA's conclusion that E15, which does not have a statutory fuel volatility waiver, is "substantially similar" to E10 when it contains 50 percent more ethanol.

Specialty Equipment Market Association (SEMA)
1317 F Street, NW; Suite 500; Washington, DC 20004
Telephone: 202/783-6007; Fax: 202/783-6024



Large volumes of ethanol are required to be blended into gasoline under the Renewable Fuel Standard (RFS). The law's blending mandates appear to be driving the EPA's push to expand E15 sales. While the 2005 RFS law was intended to reduce U.S. dependence on foreign oil, it did not take into consideration the fact that ethanol can cause metal corrosion and dissolve certain plastics and rubbers, especially in older cars and certain high-performance equipment that are not constructed with ethanol-resistant materials.

The RFS was updated in 2007, increasing the amount of biofuels to be blended into gas each year through 2022, while providing the EPA with the ability to reduce the renewable volume obligation (RVO). The EPA has reduced volume levels for several years since the RFS was created. This reduction is a clear indication of the EPA's recognition that the marketplace has not been able to sustain increased levels of ethanol through sales of E10 (gasoline with 10 percent ethanol) and that there is a limited demand for E15. Year-round sales of E15 may increase the volume of ethanol being sold but will ultimately leave millions of drivers susceptible to damaging older vehicles and certain high-performance parts that are incompatible with higher blends of ethanol.

In previous comments submitted to the agency [July 10, 2009: Docket No. EPA-HQ-OAR-2009-0211], SEMA asked the EPA to deny sales of E15 pending definitive scientific studies about risks associated with a higher level of ethanol. SEMA outlined several reasons for concern that E15 was potentially incompatible with many vehicles, engines and equipment. In issuing its waiver for MY 2001 and newer vehicles, the EPA agreed with SEMA's concerns and made it illegal to fuel older vehicles with E15.

In its proposed misfueling rule, the EPA outlined the chemical and physical differences between ethanol and gasoline. It acknowledges that the air-to-fuel (A/F) ratio may not be correct with ethanol, potentially threatening the emissions control system. The EPA identified the fact that ethanol is soluble in gasoline, allowing water to be absorbed and carried through the fuel distribution system, which in an excessive amount can cause stalling or permanent engine damage. The EPA observed that the hydroxyl group of ethanol reacts with natural rubber products whereby certain elastomers may swell or soften and lose strength and some plastics and fiberglass may become brittle, crack and leak. The EPA noted that ethanol can contribute to the corrosion of metallic materials which can damage the engine and metallic fuel storage systems. Ethanol may also act as a solvent for various materials and, in the motor vehicle, dissolve and transport components built-up in the fuel storage, handling and delivery system which may cause fuel filter and injector plugging or other component problems—all of which could lead to poor operability and degraded emission performance.

According to the EPA's estimates in 2011, the national fleet included nearly 74 million MY 2000 and earlier cars and light trucks that could be exposed to misfueling. Additionally, over 100 million nonroad products (motorcycles, snowmobiles, boats, lawnmowers, chainsaws, etc.) could be misfueled. Tens of millions of these products are still in the marketplace. Given these significant numbers of products and the need to educate millions of Americans to avoid E15, it is inevitable that misfueling will occur. The reasons for misfuelling may range from a simple mistake to being uninformed, or filling up with a less expensive fuel if there is a price differential. As the EPA acknowledged, the consequences could include equipment failure and costly repairs.

Beyond that, misfueling may risk personal safety while threatening a manufacturer's reputation and warranty coverage. Vehicle and equipment manufacturers, gas station owners, and distributors may also be exposed to potential litigation from angry consumers.

EPA's decision to limit E15 sales to model year 2001 and newer vehicles acknowledged the risks that higher blends of ethanol pose to older vehicles. However, the agency only requires a gas pump warning label making it "illegal" for the consumer to fuel older vehicles with E15. The warning is insufficient to protect against accidental misfueling. Further, consumers are now challenged to understand marketing tactics such as selling "unleaded 88" to avoid referencing E15.

Instead of allowing year-round sales of E15, the EPA should revisit the E15 warning label to ensure that consumers understand that this blend of fuel is incompatible with older vehicles, motorcycles, ATVs, boats, small engines and many other machines. The current E15 label is about 3½ x 3 inches and does not include the words "warning", "owner's manual", or pictograms. In order to prevent misfueling, E15 labels must provide an adequate warning to consumers about the damage E15 can cause to certain vehicles and engine, including images and text on a label that's 5 x 7 inches or larger. A new label should include the words "WARNING" and "Check your owner's manual" and include pictograms depicting a classic vehicle, boat, motorcycle, ATV, lawnmower, chainsaw, and snowmobile.

SEMA also recommends that the EPA take this opportunity to establish a uniform national labeling standard for gasoline that contains 10% ethanol or less. The labels are currently subject to state law and some states do not require that consumers be informed that the gasoline being purchased contains ethanol. For example, it is estimated that fewer than 25 gas stations in California sell pure gas.

Finally, SEMA recommends that the EPA pursue continued reductions in the RFS volume requirements within the Agency's authority and support passage of legislation to address the RFS mandate.

Thank you for your consideration of these comments and feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Ingber', with a long horizontal flourish extending to the right.

Daniel Ingber
Managing Director, Government & Legal Affairs