

E15'S POTENTIAL DANGERS

BY PHILLIP RUSSO

One of the most important regulatory issues that fleet managers are keeping an eye on is the movement towards E15. Just when fleets were getting used to E10, the Environmental



Protection Agency (EPA) began a push for an increase to 15 percent ethanol.

In 2010, EPA issued a partial waiver that allows for the use of E15 in vehicles manufactured during or after model year 2007. In 2011, EPA expanded authorized use of E15 to include model year 2001 and later vehicles.

In August, E15 moved one step closer to reality when the U.S. Court of Appeals for the D.C. Circuit dismissed a challenge to the EPA's partial Clean Air Act waivers for mid-level ethanol blends. In its dismissal, the court said the plaintiffs did not have a legal right to challenge the EPA decision and that trade groups presented speculative and indirect claims of harm from approval of E15. Plaintiffs in the case included the Alliance of Automobile Manufacturers and the Grocery Manufacturers Association.

Chief Judge David Sentelle wrote, for example, that engine manufacturers, "provided almost no support for their assertion that E15 'may' damage the engines they have sold, subjecting them to liability." Similarly, he wrote, the refiners said they would face additional expenses for handling E15 without showing there was no other way for them to meet U.S. targets for biofuel use. And food makers' desire for low corn prices has no footing in a statute about cars, he wrote.

Judge Brett Kavanaugh dissented and argued EPA was wrong in approving E15.

We here at NAFAs Fleet Management Association, an organization comprised of fleet managers from throughout North America, have been following this legislation closely, since many of our members are still dealing with problems from E10. The association currently sides with U.S. Congressman Jim Sensenbrenner, the vice chair of the House Committee on Science, Space and Technology, who has been advocating for more time to test the fuel to see whether or not a move to E15 will affect vehicles.

In an interview with NAFAs *FLEETSolutions* magazine, Sensenbrenner said, "The EPA relied on a single Department of Energy study that was never intended to be comprehensive

and ignored significant contrary evidence. Concerns abound that E15 will cause damage to car and truck engines and also will be devastating when accidentally used in a boat motor or small engine."

Many vehicles currently on the road, and in use by businesses, were simply not made to operate on gasoline higher than E10. In June 2011, Sensenbrenner sent letters to 14 U.S. automakers to investigate how E15 would affect vehicles. All 14 automakers expressed strong concerns that cars and trucks (including those made after 2001) would wear down quicker from E15. In addition, the automakers expressed concerns about premature engine failures and other damages that



would be an added expense for businesses. Even more added expenses would arise from voided warranties and lower fuel efficiency.

Businesses with trucks should be concerned about the potential impact for both light-duty engines as well as non-covered engines.

In a statement issued after the ruling on Aug. 17, Congressman Ralph Hall, the chairman of the House Committee, said, "The majority opinion appears to ignore the near-universal agreement among automakers and engine manufacturers that these waivers will result in damaged engines and voided warranties."

"NAFA's concern is another example of the potential fallout from using E15 before we know how it impacts vehicles," said Sensenbrenner. "If E15 is widely available in the marketplace, American drivers who use the fuel will be faced with premature engine damage and more trips to the auto repair shop. In the case of the fleet management industry, those costs will only be compounded—I imagine some companies would be faced with hundreds of thousands of dollars in additional maintenance costs, not to mention more trips to fuel up due to lower fuel efficiency. Of course, because the fuel also voids warranties, fleet managers would have no other recourse but to pay for those repairs completely out of pocket."

This issue now moves back to Congress, which could block EPA's approval of E15, but frankly that is not likely to happen with the few legislative days that remain in the 2012 session of Congress.

Russo is the executive director of NAFAs Fleet Management Association. For more information, visit www.nafa.org.