

July 11, 2016

U.S. Environmental Protection Agency
EPA Docket Center
EPA-HQ-OAR-2016-0004, Mail Code 28221T
1200 Pennsylvania Avenue, NW
Washington, DC 20460

RE: Renewable Fuel Standard Program: Standards for 2017 and Biomass-Based Diesel Volume for 2018 Under the Renewable Fuel Standard Program [Docket ID No.: EPA-HQ-OAR-2016-0004]

To Whom It May Concern:

The American Motorcyclist Association submits these comments with respect to the above-referenced notice published in the May XX *Federal Register*.

Founded in 1924, the AMA is the premier advocate of the motorcycling community, representing the interests of millions of on- and off-highway motorcyclists. Our mission is to promote the motorcycle lifestyle and protect the future of motorcycling.

We urge the U.S. Environmental Protection Agency to stop increasing, and, instead, to lower the proposed volumes when the final rule is issued this year. The current proposed volumes would greatly increase the risk of inadvertent misfueling for motorcyclists and all-terrain-vehicle owners by forcing the widespread availability of higher-ethanol fuel blends that are unsafe for these vehicles, such as E15.

The EPA's proposed Renewable Volume Obligations call for 18.8 billion gallons of biofuel for 2017, up from 18.11 billion gallons this year. The obligations for 2015 were 16.93 gallons.

Those increases would occur despite the EPA's acknowledgement that the market cannot absorb these higher ethanol production rates. In a regulatory announcement released Aug. 6, 2013, "EPA Finalizes Renewable Fuel Standards," the agency stated that it "does not currently foresee a scenario in which the market could consume enough ethanol sold in blends greater than E10."

And in announcing the RVO rule for ethanol in May 2015, the EPA acknowledged that "Due to constraints in the fuel market to accommodate increasing volumes of ethanol, along with limits on the availability of non-ethanol renewable fuels, the volume targets specified by Congress in the Clean Air Act for 2014, 2015 and 2016 cannot be achieved."

The EPA still recognizes the same constraints mentioned in the “2014, 2015 and 2016” rule in the current proposal. Yet, the agency continues to propose increases in the Renewable Volume Obligations.

In its 2017 proposed RVO rule, the EPA expresses confidence in its ability to force more ethanol into the marketplace. It states, “To date we have seen no compelling evidence that the nationwide average ethanol concentration in gasoline cannot exceed 10.0%.”

The practical effect of the EPA’s action is that ethanol production will exceed the “blend wall,” the point at which no more ethanol can be mixed into the nation’s fuel supply without resulting in forcing into the market blends higher than 10 percent. That means more E15 and less E10 on the market, and the virtual phase-out of E0, which is necessary for millions of older and vintage machines.

In fact, the proposed rule calls for the changes needed to significantly expand renewable fuel use include, among other items, an increase in E15 use in model year 2001 and later vehicles and an increase in use of E85 use in flex-fuel vehicles.

Moreover, the proposed rule calls for stakeholders to overcome market barriers to expand the use of renewable fuels to meet the 2017 standards by:

- Regulation
- Subsidies for blender pumps
- Price subsidies to lower the cost per gallon for higher ethanol fuel; and
- “[A]ctions not yet defined”

In other words, the EPA is proposing federal grants and price subsidies to increase the amount of the higher-than-E10 ethanol blended fuels into the marketplace.

The AMA strongly opposes this approach. Instead, the market should dictate demand and the consumer should be allowed to choose the proper fuel for each vehicle, in accord with vehicle manufacturers’ requirements.

In the proposed 2017 rule, the EPA views E0 as a constraint on its plans for ethanol. This position contradicts data from the federal Energy Information Administration that shows demand for E0 rose from 3.4 percent in 2012 to nearly 7 percent in 2014. Consumers want E0 for their motorcycles, ATVs, boats, lawn mowers and other equipment, because it does not pose the risk of engine and fuel system damage. The proposed rule does not mention these types of vehicles or small engines. It mentions only marine recreationists as users of E0. Yet, the renewable fuels requirements have marginalized E0 in favor of E10 or higher blends.

Most importantly, the proposed rule never mentions the likelihood of misfueling. At least in the 2015 rule, it was mentioned once. This is the same misfueling mitigation plan that initially mandated an ill-conceived 4-gallon minimum fuel purchase to address the concerns raised by the AMA. It was eventually revised in 2013 to the current plan following our complaints, yet it is still easily misunderstood, misapplied or ignored by state governments and retail operators.

With the misunderstood and unenforced misfueling plan and the proliferation of E15 in the marketplace, especially through blender pumps, motorcyclists and ATV riders face an increased risk of unknowingly fueling their vehicles with a blend higher than the federally approved E10.

The AMA remains concerned about the lack of consumer awareness surrounding the limitations of unsafe E15 and the damage it can cause to engines and infrastructure. We urge the EPA to initiate a consumer awareness campaign to ensure that consumers have adequate information on this issue. Currently, this daunting task is left to the AMA and other groups.

The urgent need for EPA action to address misfueling is supported by a recent study from the Outdoor Power Equipment Institute. The study indicates only 5 percent of consumers are aware that E15 is prohibited for use in certain engines and that 60 percent of consumers assume that any gas sold at a pump must be safe for all of their engines.

Indeed, the EPA has made it illegal for motorcyclists and ATV users to use E15 fuel and yet seems to have little interest in the misfueling issue or, at least, conducting a public consumer awareness campaign to safeguard the public. It seems the EPA's proposed rule does not consider the concerns of motorcyclists and ATV owners, despite the agency's knowing that none of the estimated 22 million motorcycles and ATVs in use in the United States is approved to use E15 or higher ethanol blends.

Thank you for the opportunity to provide comments on this important issue.

Sincerely,

Wayne Allard
Vice President, Government Relations