



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

John Eichberger, Vice President, Government Relations
National Association of Convenience Stores
1600 Duke Street
Alexandria, VA 22314

Charles T. Drevna, President
National Petrochemical & Refiners Association
1667 K Street, NW, Suite 700
Washington, D.C. 20006

Bob Greco, Downstream and Industry Operations
American Petroleum Institute
1220 L Street, NW
Washington, DC 20005-4070

Carl Boyett, President
Society of Independent Gasoline Marketers of America
3930 Pender Drive, Suite 340
Fairfax, VA 22030

Dan Gilligan, President
Petroleum Marketers Association of America
1901 North Fort Myer Drive, Suite 500
Arlington, VA 22209-1604

Bob Dinneen, President and CEO
Renewable Fuels Association
425 Third Street SW, Suite 1150
Washington, D.C. 20024

Re: Gasoline Ethanol Blends

Dear Messrs. Eichberger, Drevna, Greco, Boyett, Gilligan, and Dinneen:

The United States Environmental Protection Agency (EPA) has recently received a number of inquiries asking whether it is currently legal for retail gasoline stations to sell gasoline blended with more than 10% ethanol for use in motor vehicles and nonroad engines. EPA has granted conditional waivers to allow the use of gasoline containing between 10% and 15% ethanol (E15) in model year 2001 and newer light-duty motor

vehicles. The conditions associated with EPA's waivers, however, have not yet been satisfied. Thus, the Clean Air Act (Act) currently prohibits the sale of gasoline containing more than 10% ethanol for use in gasoline-only vehicles and engines.¹ Selling E15 gasoline for use in certain gasoline-only vehicles and engines will only become legal when the waivers' conditions, including the elements discussed below, are met.

The conditions in the E15 waivers are designed to mitigate the potential for misfueling of E15 in vehicles, engines, and equipment for which E15 is not approved. These conditions include labeling requirements for pumps dispensing E15, product transfer document requirements, and participation in a compliance survey at fuel retail dispensing facilities to ensure proper labeling of dispensers. EPA has also published proposed regulations to promote the successful implementation of the E15 partial waivers. The proposed regulations parallel the misfueling conditions on the E15 partial waivers.

In addition, Section 211(a) of the Act, 42 U.S.C. § 7545(a), prohibits any fuel manufacturer from selling designated fuel, such as motor vehicle gasoline, unless it is registered with EPA. However, since the conditions associated with the E15 waiver have not yet been met, it remains illegal to blend more than 10% ethanol into gasoline sold for use in gasoline-only vehicles and engines. The Act does not, however, prohibit retail gasoline stations from selling gasoline blended with up to 85% ethanol for use in flexible-fueled vehicles or engines,² and it does not prohibit the sale of gasoline containing up to 10% ethanol for use in gasoline-only vehicles and engines.

Sections 211 and 205 of the Act, 42 U.S.C. §§ 7545 and 7524, authorize EPA to assess significant civil penalties for improper fuel blending. To avoid violations of the Act, EPA suggests that retail gasoline stations that sell gasoline blended with more than 10% ethanol for use in flexible-fueled vehicles or engines take appropriate steps to prevent gasoline-only vehicles and engines from being misfueled with fuel containing more than 10% ethanol.

For example, the likelihood of violations can be reduced for a retailer selling fuel containing greater than 10% ethanol if the retailer affixes warning labels to all pumps dispensing this product informing the public that the product may only be used in flexible-fueled vehicles or engines. EPA encourages fuel providers to employ other strategies at their facilities that are cost-efficient and effective in further reducing the risk of misfueling.

¹ A "gasoline-only vehicle or engine" refers to a motor vehicle or nonroad engine that has been certified by EPA to meet emissions standards using gasoline containing up to 10% ethanol.

² A "flexible-fueled vehicle or engine" refers to a motor vehicle or nonroad engine that has been certified by EPA to meet emissions standards using E85 (85% ethanol and 15% gasoline), gasoline without ethanol, or any intermediate combination of gasoline and ethanol.

If you have any questions regarding this matter, you may call Jeff Kodish, Fuels Team Leader, at (303) 312-7153.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip A. Brooks". The signature is fluid and cursive, with the first name being the most prominent.

Phillip A. Brooks, Director
Air Enforcement Division