



## Public Affairs

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May 17, 2006

Honorable Stephen Johnson  
Administrator  
Environmental Protection Agency  
Washington, D.C. 20460

Dear Administrator Johnson:

I am responding to your letter of May 11, 2006, to AAA President and CEO Robert Darbelnet, inviting us to a meeting of the Governors' Task Force on Boutique Fuels. Helen Sramek, Director of Federal Relations, will represent AAA at this meeting.

With almost 50 million members in the U.S. and Canada, AAA is the largest organization of motorists in North America. AAA members drive approximately 25 percent of all the motor vehicles in operation in this country. Because of the negative impact on so many of our members, AAA has for many years monitored issues associated with unpredictable gas prices. There is no doubt that the wide swings in gas prices that we have seen over the last several years have had a damaging impact on consumers.

AAA is not involved in the production, shipping, refining, or retailing of gasoline. Rather, we come at the energy issue from just one perspective: that of the consumer. AAA believes that consumers expect government and industry to work together to ensure the uninterrupted availability of reasonably priced gasoline.

In the area of boutique fuels, AAA acknowledges the complexities of the issue and recognizes there are no simple solutions. The fact remains, however, that today's existing patchwork of specialty fuel blends seems to have exacerbated fuel price volatility and contributed to regional disruptions in fuel supply. One need look no further than the price spikes that have occurred each year between the transition from winter to summer blends to see the problem.

Or, look to those instances where an area of the country suffers a supply disruption to find that they cannot quickly or easily ship supply from an adjacent area on an emergency basis either because inventories of available fuel are unreasonably tight or because local clean fuel regulations must be waived to allow the use of available but non-conforming fuel. Clear examples of this phenomena occurred in Arizona when a critical pipeline broke in 2003, in Florida after Hurricanes Charlie, Frances, Ivan, and Jeanne disrupted fuel shipments to the state in 2004, and in Texas, Louisiana, Mississippi and other states after Hurricanes Katrina and Wilma temporarily halted the production and shipment of fuel along the Gulf Coast and sent fuel prices to their highest level ever.

AAA suggests that the experts in this business find a way to achieve both our clean air and supply objectives. Moving toward fewer fuel blends seems obvious. More careful attention must be paid to the implementation process by federal and state agencies. Significant investments have already been made in boutique fuels, and untangling this apparatus will require careful oversight. Hopefully, there will be some lessons learned from our recent experience of transitioning between MTBE and ethanol which resulted in temporary fuel shortages in some locations and may in part be contributing to today's high fuel prices.

AAA thanks EPA for calling this meeting and looks forward to positive results emerging from these deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Marvaso". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kathleen F. Marvaso