

American Lung Association Response to Governor's Task Force on Boutique Fuels

1. EPA's 2001 study analyzed four different scenarios for reducing the number of boutique fuels. Do you agree with these options? Are there other options that should be addressed?

The American Lung Association believes that events have largely over-taken the 2001 study rendering the four scenarios obsolete. In EPACT 2005 Congress eliminated the oxygen requirement in reformulated gasoline, adopted a renewable fuel standard requiring the equivalent of 4% of gasoline be renewable by 2012, and adopted significant limits to the addition of additional state clean fuel requirements. In addition, Tier II limits of 30 ppm in all gasoline is in full effect and EPA has proposed a Mobile Sources Air Toxics rule that will substantially reduce benzene in all gasoline. Finally, three more states have adopted state-wide 10% ethanol mandates and ethanol mandates have been under consideration in a significant number of state legislatures. In light of these changes we see a need for additional analyses with a focus on the changes listed above. We see no need to further evaluate either the 49 state Federal CBG or the 50 state California CBG options.

We recommend EPA address the impact of state-wide ethanol mandates as an option in terms of their impact on distribution complexity, air quality, production capacity, and cost.

We further recommend and evaluation of E-85 as a means of implementing the Renewable Fuel Standard in a way that protects air quality.

2. Given the current state of fuel requirements, are the 2001 study findings regarding the cost, fungibility, air quality and supply of the four options still accurate?

As indicated above, no. We believe substantial new analysis is needed.

3. What data would be needed to complete additional analysis on these four factors for boutique fuel options?

We recommend the following:

1. An assessment of the impact of EPACT limitations on the ability of states to adopt clean fuel requirements.
2. An assessment of low blend ethanol in gasoline on air quality in both areas that are already using clean fuel requirements as well as those that have not but violate the 8-hour NAAQS for ozone.
3. An assessment of the impact of E-85 on air quality in areas that are already using clean fuel requirements and those that have not but violate the 8-hour NAAQS for ozone.

4. What do you see as the appropriate balance between state ability to adopt unique fuels to address air quality problem and limiting fuel types to manage supply/distribution concerns?

We support states having the ability to choose among three fuels: a 7.0 RVP CBG, a 7.8 RVP clean fuel, and 9.0 RVP conventional summertime gasoline. We believe these options enable states to make clean fuel choices that meet their air quality needs while accommodating the Renewable Fuel Standard mandate.