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Engine Products Group Files Legal Challenge to EPA's Partial Waiver for Ethanol (E-15) Fuel

- Partial waiver sets a bad precedent for the introduction of new fuels in the marketplace -

Alexandria, VA – December 20, 2010 – The newly formed Engine Products Group (EPG) comprising the [Alliance of Automobile Manufacturers \(Alliance\)](#), [The Association of International Automobile Manufacturers, Inc. \(AIAM\)](#), the [National Marine Manufacturers Association \(NMMA\)](#), and the [Outdoor Power Equipment Institute \(OPEI\)](#) filed a petition today challenging the Environmental Protection Agency's (EPA) decision to grant a partial waiver approving the sale of gasoline containing 15 percent ethanol (E-15) for 2007 model year and newer passenger cars and light trucks.

“Our organizations collectively represent some 400 million engine products used by tens of millions of people every day in the US. The safe and reliable use of those products is paramount to us and our customers, and the legal action we take today is to protect those customers,” said Kris Kiser, speaking on behalf of the Engine Products Group.

The petition, filed with the U.S. Court of Appeals for the District of Columbia Circuit, asks that EPA's decision be remanded back to the Agency and requests judicial oversight and review over whether EPA's “partial waiver” approval for E-15 fuels violates the federal Clean Air Act provisions, which expressly limit the circumstances under which EPA can approve applications for new fuels and fuel additives.

The petition challenges the ability of EPA to grant a partial waiver for three specific reasons.

- The Clean Air Act does not authorize EPA to issue any “partial waiver” decisions,
- EPA's own statute passed by Congress in 2007 states that fuels can't be approved for the market that could cause any failures. Yet, E-15 has been shown to adversely affect engines in non-road products and later model year vehicles, cause emission failures and increase air pollution due to misfueling. Further, administrative records fail to demonstrate that even new model year motor vehicles (other than “flexible fuel vehicles”) would not be damaged and result in failures when run on E-15, and
- The testing, upon which EPA made its decision, was put in the administrative record too late to

permit meaningful comment or scrutiny from concerned groups and stakeholders.

“While all members of the EPG have and continue to support the development and use of safe and sustainable alternative fuels, the action EPA has taken to permit E-15 to be sold as a legal fuel, even if limited only to certain products, will have adverse consequences for the environment and consumers. A partial waiver, by its nature, necessarily will result in the misfueling of products not designed or tested for E-15 use,” added Kiser.

“AIAM supports renewable fuels, including ethanol. Our concern is that EPA prematurely granted the partial waiver before critical studies on the effects of E-15 use were completed. We want to be sure that any new fuel will not increase air pollution, harm engines or endanger consumer safety,” said AIAM’s President and CEO, Michael J. Stanton. “We are pursuing this legal action reluctantly and remain committed to continuing to work with the Administration and other stakeholders to establish prospective, performance-based targets to address the challenging issues related to the introduction of new fuels into the marketplace,” said Stanton.

“NMMA regrets having to pursue litigation on this matter, but it is clear that EPA has not fulfilled its statutory obligations to ensure the safe introduction of E-15,” said NMMA President Thom Dammrich. “Consequently, we and our industry partners have determined that it is necessary to seek relief in the courts in order to protect our manufacturers and our consumers.”

“The partial waiver for E-15 sets a bad precedent of how to introduce a new fuel. This partial waiver would allow fuel to come on the market with inadequate testing, inadequate misfueling controls and without a dedicated legacy fuel for use in those products for which E-15 was not approved,” said Kris Kiser, Executive Vice President of the Outdoor Power Equipment Institute.

A detailed fact sheet on the joint petition filing can be found at:
<http://members.opei.org/news/detail.dot?id=12146> or at individual member Web sites.

Background

Growth Energy, an ethanol industry trade group, petitioned the EPA in March 2009 to raise the limit on ethanol in gasoline from 10 to 15 percent. Several engine product and auto manufacturers as well as others urged EPA to be deliberative in its review process, assuring thorough and adequate testing to assure that E-15 would not harm existing products or pose safety risks. By approving E-15 use in a small subset of engines on the road, there is a high risk that consumers will unknowingly or mistakenly put E-15 in products for which it has not been approved.

About the Auto Alliance

The Alliance of Automobile Manufacturers (Alliance) is a trade association of 12 car and light truck manufacturers, including BMW Group, Chrysler Group LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda North America, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota Motors North America, Inc., Volkswagen Group of America and Volvo Cars North America. For more information, visit www.autoalliance.org

About AIAM

The Association of International Automobile Manufacturers, Inc. (AIAM) is a trade association representing 15 international motor vehicle manufacturers who account for over 45 percent of all

passenger cars and light trucks sold annually in the United States. For more information, visit www.aiam.org

About NMMA

National Marine Manufacturers Association (NMMA) is the leading association representing the recreational boating industry in North America. NMMA member companies produce more than 80 percent of the boats, engines, trailers, accessories and gear used by boaters and anglers throughout the U.S. and Canada. For more information, visit www.nmma.org.

About OPEI

[OPEI](http://www.OPEI.org) is an international trade association representing more than 80 engine and equipment manufacturers worldwide in the utility, forestry, landscape, and lawn and garden industry. OPEI is a recognized Standards Development Organization for the American National Standards Institute (ANSI) and active internationally through the International Standards Organization (ISO) in the development of safety standards. For more information, visit www.OPEI.org.