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2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

MAJORITY (202) 225-2927
FACSIMILE (202) 225-2525
MINORITY (202) 225-3641

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The Honorable Gene Dodaro
Acting Comptroller General
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Dodaro:

The Government Accountability Office (GAO) August 2009 report, *Biofuels: Potential Effects and Challenges of Required Increases in Production and Use*, identified a number of challenges stemming from increased biofuel production and use in the United States. Notably, the report found that the nation may soon reach an ethanol “blend wall”—the point where all of the nation’s gasoline is blended as ten percent ethanol (E10) and extra volumes of ethanol cannot be readily consumed. This blend wall could limit the fuel industry’s ability to meet the increasing Renewable Fuel Standard compliance targets of the 2007 Energy Independence and Security Act.

GAO noted that one option to avoid the blend wall is to determine whether higher ethanol blends—E12, E15, or E20—can be used in the gasoline distribution and storage infrastructure without adversely affecting the integrity of storage tank systems or vehicle equipment and performance. At present, EPA does not allow the use of ethanol blends higher than E10 in most U.S. vehicles.

Current automaker warranties on vehicles are voided if ethanol exceeds 10 percent of motor fuel. There are also concerns that higher blends, or even E10, as the GAO noted, could damage non-auto-engines, such as boat engines and small engines for equipment such as lawn mowers, chain saws, and small tractors. Further, most gasoline distribution and storage infrastructure (gas pumps and tank systems) are designed to dispense and store up to E10, not higher blends. Leak detection technologies used in underground storage tank systems have been developed for use for petroleum fuel and would need to be tested for performance with higher blend fuels.

Another strategy identified by GAO was the greater use of E85 vehicles and the development of related infrastructure, such as dedicated ethanol pipelines to transport ethanol

from the Midwest to major markets on the East and West coasts, dedicated tank systems for storing E85, and specialized pumps and equipment for dispensing it. As with increasing ethanol blend percentages, this strategy also may involve substantial costs and liabilities that have not yet been fully assessed or estimated.

In the meantime, Congress may consider whether the federal government should assume liability for costs associated with increasing ethanol blends. It is imperative that Congress have some measure of the potential costs of infrastructure and liability risks should higher blends be mandated. In light of these pressing ethanol blend wall issues, I seek GAO's assistance to answer the following questions:

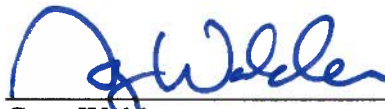
1. What is the extent of the federal government's risk if it allowed the use of intermediate ethanol blends and assumed liability for damages to vehicle equipment, non-auto engines and related transportation and distribution infrastructure?
2. What are the key components of the nation's vehicle, non-auto engine and gasoline infrastructure systems that are most at risk from the use of mid-level or intermediate ethanol blends?
3. What research has been conducted on the durability and performance of vehicle equipment, non-auto engines and related transportation and distribution infrastructure that use mid-level or intermediate ethanol blends?
4. Is the research that has been conducted or that is underway sufficient to identify fully the potential liability risks of increased ethanol blends?
5. What are the economic and other challenges of using dedicated ethanol pipelines to move ethanol from the Midwest to the East and West coasts?

Thank you for your prompt attention to this request. Please work with the Minority Committee staff at (202) 225-3641 on the specifics of your study.

Sincerely,



Joe Barton
Ranking Member



Greg Walden
Ranking Member
Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Chairman

The Honorable Bart Stupak
Subcommittee on Oversight and Investigations