

September 22, 2009

Members of the United States Senate

Re: U.S. Marine Industry Opposition to S. Amdt. 2470 to 2010 Interior Appropriations Bill (H.R. 2996), Requiring EPA to Grant a Waiver for E15

Dear Senator:

The National Marine Manufacturers Association (NMMA), the nation's leading recreational marine industry trade association, urges you to oppose Senate Amendment 2470, filed by Senator Bill Nelson, which would force the Environmental Protection Agency to grant a waiver for E15 by December 1, 2009. This amendment, on H.R. 2996, the 2010 Interior Appropriations bill, would require EPA to allow the sale of "mid-level ethanol blends" (gasoline blends containing more than 10 percent ethanol, such as E15). This amendment disregards consumer and environmental protections embedded in the Clean Air Act requiring significant testing before a new fuel is introduced and disrupts an ongoing rulemaking process by EPA.

NMMA represents nearly 1,700 boat builders, engine manufacturers, and marine accessory manufacturers who collectively produce more than 80 percent of all recreational marine products made in the United States. With more than 70 million boaters nationwide, the recreational boating industry is a major consumer goods industry with expenditures on recreational marine products and services of \$33.5 billion in 2008 alone.

Robust, transparent, and independent scientific testing must be the basis for any decision relating to intermediate ethanol blends. EPA is currently in the midst of a regulatory process required by the Clean Air Act to determine the impacts of E15 on both on-road and non-road engines, including marine engines. An amendment through the appropriations process to circumvent Clean Air Act regulatory processes could put consumers, the environment and public health at risk, cause harm to products manufactured by our member companies, and undermine a scientific basis for U.S. fuels policy.

Additionally, NMMA has serious concerns about the impact of E15 or other mid-level ethanol blends on recreational marine engines, equipment, fuels systems and boats. Due to these concerns, NMMA and its members are participating in the current rulemaking process through public comment, which we believe should be completed according to current law. Some of these concerns are outlined below.

1. **Marine Engines/Equipment Not Designed, Calibrated, EPA Certified or Warranted to run E15.** There is an enormous and diverse array of nearly 17 million legacy marine products currently operating in the United States—and those boats, engines, and fuel systems currently being manufactured—none of which has been designed, calibrated, or certified to be compatible with any gasoline fuel containing more than 10 percent ethanol by volume. Owner's manuals and warranty documents specifically advise consumers not to use more than E10..
2. **EPA/DOE have not yet tested E-15 on Marine Engines or Equipment.** Neither EPA nor DOE, or any other federal agency, has conducted any testing of E15 on marine equipment, although Congress explicitly strengthened the Clean Air Act Sec. 211(f)(4) fuel waiver petition process in the Energy Independence and Security Act of 2007 (EISA) to require EPA to evaluate the implications of a new fuel (e.g. E15) on non-

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road equipment, including recreational marine engines, fuel systems and their components. Given widespread and well-documented problems associated with E10 in marine engines, it is likely that independent scientific marine engine durability and emissions testing will demonstrate that E15 is simply not compatible with recreational boats and marine engines as well as other non-road equipment of similar design. NMMA is working with DOE and EPA to undertake these studies, yet such testing has not yet begun.

3. **E-15 Will Increase Air Emissions from Marine Engines.** All available evidence indicates that the introduction and use of E15 or any ethanol-blended gasoline above E10 will result in an increase in NO_x (a smog-forming pollutant) emissions due to leaner operation, higher combustion temperatures, gumming and corrosion of fuel systems, and degradation to air emission control devices. All recreational marine engines and heavily regulated by EPA, and these engines are certified as compliant with air emissions regulations only up to E10.
4. **E15 Will Cause Substantial Harm to Existing Marine Equipment.** There is a significant amount of technical and anecdotal information that concludes that the introduction of E10 into the gasoline supply has caused significant damage and failure to boats. Although boat and engine manufacturers have adjusted and now design equipment to run on E10, the introduction of E15 will result in: (1) Damage to rubber parts; (2) water contamination in the fuel system due to ethanol's hygroscopic properties; (3) increased water absorption and phase-separation of gasoline and water while in tank; (4) corrosion of fuel system components and fuel tanks; (5) higher exhaust gas temperature due to enleanment; (6) performance issues, such as drivability (i.e. starting, stalling, fuel vapor lock); (7) damage to valves, push rods, rubber fuel lines and gaskets.
5. **E-15 Poses Safety Risks for Boaters, Anglers.** Boats and their engines must be reliable and are designed to perform very specifically in relation to their power source. The harsh marine environment and the potential jeopardy boaters could be in as a result of product failure is a serious safety issue. Any performance problem resulting from the use of an incompatible fuel such as E15, including the temporary failure of an engine due to vapor lock, while out in the open ocean is an independently sufficient reason to ensure any new fuel introduced into the marketplace is compatible with marine equipment.
6. **Introduction of E15 Would Result in Widespread Misfueling.** Ethanol advocates have suggested that boaters could still buy E10 if E15 is introduced into the market. However, there is a substantial risk of consumer misfueling in such a scenario, particularly among boaters. The overwhelming majority of recreational boats are trailerable and refueled at regular automotive gas stations—95 percent of recreational boats are less than 26 feet in length. Boaters, and nearly all consumers, make fuel choices based on price, and most boaters know that manufacturers advise that they should run only regular grade gasoline in their engines. Should a new fuel, such as E15, be sold at gas stations as a general purpose fuel, no amount of labeling and virtually no economically viable safeguard would prevent the misfueling of recreational boats.

Given these concerns and the lack of data or testing that has been officially conducted by EPA or DOE as required by the Clean Air Act regulatory process presently underway, we strongly urge you and all Members of the Senate to oppose this amendment, which would circumvent EPA's regulatory work on this very important matter. Please do not hesitate to contact Mathew Dunn of my staff if we can be of any help at 202-737-9760 or mdunn@nmma.org. Thank you for your consideration of our views.

Sincerely



Thomas J. Dammrich
President