



April 7, 2008

Federal Trade Commission
Office of the Secretary
Room H-159 (Annex F)
600 Pennsylvania Ave., N.W.
Washington, DC 20580
Submitted online

RE: Proposed Rule for Biodiesel Labeling, Matter No. R811005

On behalf of the Alliance of Automobile Manufacturers (Alliance), I am submitting comments on the FTC's proposal to amend its Fuel Rating Rule to conform with EISA requirements to label biodiesel fuels. The Alliance is a trade association of ten car and light truck manufacturers: BMW Group, Chrysler, Ford Motor Company, General Motors, Mazda, Mercedes-Benz, Mitsubishi Motors, Porsche, Toyota, and Volkswagen. For more information, visit the Alliance website at www.autoalliance.org.

The Alliance supports the proposed rulemaking in large part but is commenting on four items: the FTC's definition of "biomass based diesel," the FTC's proposed label for "B5 to B20" blends, the proposed label for higher blends and the need for a reminder on the label for consumers to check with the vehicle manufacturer regarding its fuel recommendations.

"Biomass-based Diesel." The FTC has proposed to define "biomass-based diesel" differently than "biodiesel," which may become a source of confusion. While both are diesel fuel substitutes made from renewable resources that meet EPA's fuels and fuel additives requirements, the FTC has proposed defining only "biodiesel" as mono-alkyl esters of long chain fatty acids meeting the standards of ASTM D6751. The Energy Independence and Security Act of 2007 (EISA), however, defines "biomass-based diesel" as a subset of "biodiesel," with the only apparent distinction being their relative contributions to reducing greenhouse gas emissions for purposes of the Renewable Fuel Standard. *Compare* 48 Fed. Reg. 12921 and 121 STAT. 1520, 1530. Since other renewable diesel alternatives that do not meet the definition of biodiesel are beginning to emerge in the market, some people may believe "biomass-based diesel" also applies to these other renewable diesel fuels. To avoid confusion between "biomass-based diesel" and these emerging alternatives, we recommend specifically including the term "biodiesel" in the definition, as EISA does, rather than relying solely on other definitional sources, legally correct as they may be.

Label for "B5 to B20" Blends. Regarding the proposed label for "B5 to B20" blends, to the extent the FTC retains any flexibility in the specific wording on the label, the Alliance recommends "contains up to 20 percent biodiesel" instead of the proposed "in quantities between 5 percent and 20 percent." Citing the lower end of the range may cause confusion regarding the label's application to B5, which is not actually included in the category. It may also increase retailer liability for mislabeling if B5 is occasionally placed in a tank that normally carries higher levels. Since vehicle manufacturers only care if the biodiesel content exceeds recommendations, there is no need to include the lower end of the

BMW Group • Chrysler LLC • Ford Motor Company • General Motors
Mazda • Mercedes-Benz • Mitsubishi Motors • Porsche • Toyota • Volkswagen

range. Our proposal would provide the necessary information to consumers without adding confusion about the category's lower end point. It would also increase flexibility for the marketer.

Blends greater than B20. Regarding the proposed labeling for blends greater than B20, the Alliance recommends requiring the specific biodiesel content on the fuel, such as B30 or B70, instead of the general category. B21 to B99 constitutes a wide range of biodiesel content, and as the FTC correctly notes, manufacturer warranties may vary considerably with specific vehicles; they may also change for future vehicle models. Identifying the amount of biodiesel in the fuel will provide manufacturers with the most flexibility in specifying warranty coverage and is the best way to enable the consumer to comply with manufacturer recommendations in a changing market. Specifying the particular biodiesel content may also help prevent fraud. Again, as with the "B5-B20" category, we recommend simply mentioning the upper limit.

Consult the manufacturer. The Alliance makes one more recommendation: to help ensure consumers are informed about manufacturer recommendations for their particular vehicle, we recommend including in all labels the text: "Consult manufacturer fuel recommendations." This text, which is consistent with the NCWM draft model rule, will simply remind consumers to be aware of and informed about manufacturer recommendations. This can be critical to ensure vehicle durability, low emissions, good performance and warranty coverage.

We illustrate here examples of our recommendations (unformatted):

B-20 Biodiesel Blend Contains up to 20 percent biomass-based diesel or biodiesel Consult Manufacturer Fuel Recommendations

B-XX Biodiesel Blend Contains up to XX percent biomass-based diesel or biodiesel Consult Manufacturer Fuel Recommendations

B-100 Biodiesel Contains up to 100 percent biomass-based diesel or biodiesel Consult Manufacturer Fuel Recommendations

In closing, we note the purpose of pump labeling is to allow consumers to make informed decisions about fuel purchases, and we are pleased the federal government is taking steps to help protect consumers in a rapidly changing marketplace. We hope the FTC finds these comments helpful.

Sincerely yours,

Ellen L. Shapiro
Director, Automotive Fuels