



Marathon Petroleum Company LLC

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Federal Trade Commission
Office of the Secretary
Room H-135 (Annex M)
600 Pennsylvania Ave. NW
Washington, DC 20580

RE: Fuel Rating Review, Matter No. R811005

To Whom It May Concern:

Marathon Oil Corporation (Marathon) appreciates this opportunity to provide comments on the proposed changes to the Federal Trade Commission's (FTC) Fuel Rating Rule. Marathon is the fifth largest US refiner with seven refineries that process nearly 1.2 million barrels of crude oil per day. Marathon owns and operates 64 light product terminals and through Marathon Pipe Line LLC owns, operates, or has ownership in approximately 10,000 miles of petroleum pipelines in 16 states. Through our Speedway Super America marketing company, we own and operate approximately 1,600 retail gasoline convenience stores. FTC's decisions on the Fuel Rating Review will have a profound impact on Marathon's downstream operations.

Pump Labels

Marathon does not believe that FTC's current proposal to label mid-level ethanol blends with language that states "may harm some vehicles; check owner's manual" is enough of a consumer warning to prevent mis-fueling and advise the consumer of the potential dangers. For example, the testing completed by the U.S. Environmental Protection Agency (EPA) of mid-level ethanol blends has been limited to the emissions systems of certain vehicles. This testing does not address other vehicle or engine components that may be adversely impacted by the corrosive effect of additional ethanol. Further, Marathon is not aware of any testing of the effects of mid-level ethanol blends on non-road vehicles and small engines (i.e. snowmobiles, lawn mowers, chain saws, etc.). The higher ethanol content may cause this fuel to burn hotter and could result in personal injury if used in an engine that is not suitable for these mid-level ethanol blends.

Further, EPA is evaluating a waiver request to grant the sale of E15 for use in 2001 model year and newer vehicles. If the waiver is granted, EPA has indicated that it will propose dispenser pump labeling requirements for the use of E15. Marathon urges the FTC to work closely with the EPA to create a single labeling scheme for dispensers to provide customers with clear and unambiguous information to prevent mis-fueling and potential damage to engines and vehicles and potential personal injury. If the FTC and EPA are not in agreement on the label design and content, stations will be in the position of having two labels on the pumps that could be in conflict with each other. This conflict would lead to

customer confusion and mis-fueling of vehicles. This issue should be resolved prior to the final rulemaking from either agency.

The FTC has proposed adding the following definition to 16 CFR 306: Mid-Level Ethanol blend-A *mixture of gasoline and ethanol containing more than 10 but less than 70 percent ethanol*. Both the upper and lower ethanol contents listed above are under review. As mentioned in the previous paragraph, the EPA is evaluating a waiver to increase the allowable ethanol content in gasoline to 15%. In addition, ASTM is currently balloting a proposal to lower the minimum ethanol content of E85 to 68%. The language in the rule and labels would overlap with fuels that we expect to be approved in the near future. The FTC limits should be offset 1% from approved fuels to avoid confusion on which labels should be attached to the pumps. For example, if both changes listed above are enacted, the mid-level ethanol content should cover the range of 16 to 67% to eliminate overlap.

All labels for mid level ethanol and E85 should include the warning that states the fuel is only for use in Flexible Fuel Vehicles.

Octane Rating

The FTC has proposed adding the “Standard Test Method for Determination of Octane Number of Spark-Ignition Engine Fuels by On-Line Direct Comparison Technique” (ASTM D2885) in addition to “Standard Test Method for Knock Characteristics of Motor Fuels by the Research Method” (ASTM D2699-08) and “Standard Test Method for Knock Characteristics of Motor and Aviation Fuels by the Motor Method” (ASTM D2700-08). Marathon supports this change. We would suggest that the FTC not specify a year but require the most current version of the method for all three tests. This avoids two potential sources of conflict. First, FTC would have to update the rule every time ASTM makes a change to the methods. Second, if the FTC does not change the referenced method we would have the situation where the referenced technique does not match the industry agreed to standard methodology.

We also request that the FTC consider adding the Near Infrared Octane measurement technique (commonly referred to as NIR Octane) to the approved methodologies. The technique has been in existence for 20 years and is accepted by states, pipe line companies, and other oil companies. ASTM Methods D2699 and D2700 should be used as the referee method if there are concerns that the product is off specification. The FTC should not exclude any viable techniques that can be correlated to the standard methods. The NIR method has many attributes that make it superior to the knock engines that are used in ASTM methods D2699, D2700, and D2885. Among those attributes are:

- Smaller variability in results
- Faster response meaning more sample results in the same period of time
- Lower maintenance costs
- Lower capital installation cost

The first two items should be of interest to the FTC. In combination, they result in octane ratings that are closer to the true value of the gasoline than can be achieved with knock engines using either the on-line or laboratory methods.

Renewable Diesel

Marathon agrees with comments submitted by the API and NPRA that it is not necessary to disclose the presence of renewable diesel. Renewable and petroleum diesel can not be distinguished from each other. There is no ASTM method to identify the volume of renewable diesel in a batch of diesel.

Marathon is planning on using renewable diesel and has significant concerns on our ability to track and monitor the renewable diesel content as product travels through the distribution system. This requirement triggers completely unnecessary logistical issues that could negate the ability of the industry to use renewable diesel fuel.

Biodiesel

Marathon believes that the pump label should only be required to disclose the FAME biodiesel content if the fuel contains more than 5% FAME. ASTM D975 specifically states that diesel fuel containing up to 5% FAME complies with all the specifications for diesel fuel. Requiring this label does not provide useful information to the consumer. Diesel engine manufacturers are on record that 5% FAME content poses no issues with their engines. In addition, the use of FAME in diesel fuel is highly dependent upon the relative economics of petroleum diesel and FAME. The percentage of FAME in the tank at a service station can change between deliveries as retailers respond to market forces.

Marathon appreciates the opportunity to provide comments to the FTC on the proposed rule. If you have any questions or concerns, please contact Fred Walas, PE at 419-421-3434.

Sincerely,

Frederick A. Walas, PE