



Iowa Renewable Fuels Association

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July 1, 2014

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex N)
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Fuel Rating Rule Review, 16CFR Part 306, Project No. R811005
Federal Trade Commission Notice of Proposed Rulemaking and Request for Comments:
“Automotive Fuel Ratings, Certification and Posting”

Dear Secretary:

The Iowa Renewable Fuels Association (IRFA) respectfully submits the following comments on the Federal Trade Commission’s (FTC) notice of proposed rulemaking and request for comments on Automotive Fuel Ratings, Certification and Posting, which was published in the Federal Register on April 14, 2014. As the largest state trade association representing Iowa’s ethanol producers, the IRFA appreciates the opportunity to comment on this proposed rule.

Iowa is a leader in ethanol production and usage. Iowa motorists have purchased E85 for more than 25 years. With more than 200 E85 retail locations and attractive pricing, E85 sales have hit record highs. According to the Iowa Department of Revenue, record E85 sales in 2013 were up 24 percent over 2012. For the period January through March 2014, E85 sales were up a staggering 48 percent over the first quarter of 2013.

Both long-term and during the more recent rapid expansion of E85 sales, there have been no reports of misfueling or consumer confusion, which is a testimonial to the existing labeling identifying and explaining the fuel’s use. There is no need to change the E85 label, which has been effective for years. To do so would invite more consumer confusion, not less.

Iowa also became an early adopter of E15 when the state’s first retailer began offering this new fuel in September of 2012. Since then, Iowa has become the nation’s leader with the largest number of registered E15 retailers – a number expected to at least double by the end of 2014. Sales of E15 are increasing dramatically as access to the fuel expands. To date, there has not been a single reported incident of E15 misfueling in Iowa.

Iowa's success with E15 and E85 (along with other mid-level blends) proves that motorists are well aware of the types of vehicles that are compatible with these fuels. People licensed to operate motor vehicles are quite capable of educating themselves on proper fuel use. Given the success of existing labels and the absence of reported confusion, the proposed label changes appear to be a solution in search of a problem.

With regards to flex-fuel blends, the language being proposed by FTC – “Use Only in Flex-Fuel Vehicles/May Harm Other Engines” – is excessive and unfair. No scientific evidence exists to prove that any vehicles may be harmed. The reference to potential harm unfairly converts the informational label into a “warning” label. Including unnecessary language would result in the creation of a “warning” label that would further confuse motorists and deter them from purchasing a safe, economical, renewable fuel.

This type of “warning” is not required for any other fuel. Further, it is the stated policy of the United States to increase the amount of renewable fuel use. To create a “warning” label for renewable fuels while not requiring a similar label for petroleum based fuels (either on vehicle performance or human health) would run counter to U.S. policy goals.

The IRFA supports a straightforward, informative label that states “Use Only in Flex-Fuel Vehicles.” We believe history has proven this language is sufficient to prevent misfueling. In fact, there have been no reported incidents of motorists improperly using mid-level ethanol blends or E85 in vehicles not approved for use. In addition, using the commonly used name of alternative fuels with a disclosure of the amount of alternative fuel as the main component provides sufficient information for consumers to make the proper fuel choice.

With regards to E15 labeling, the EPA-approved label currently in use went through extensive evaluation with input from a variety of stakeholders prior to being authorized for use. It has proven to be effective in notifying motorists of 1) the type of fuel, 2) the approved use of the fuel (vehicle types) and 3) unapproved applications. The thorough description of the fuel and its use has been successful. There have been no reported incidences of misfueling anywhere in Iowa or the U.S. since E15 became an approved, registered fuel in 2012.

While the IRFA did not (and does not) prefer all of the language on the E15 label, the label is familiar to consumers and has achieved its purpose. Requiring a second label in addition to the EPA-required E15 label would only cause confusion.

Therefore, the IRFA respectfully requests the FTC adopt the current EPA-approved E15 label and give strong consideration to clear, concise labeling for mid-level ethanol blends and E85 that enables consumers to make informed decisions on fuel purchases. Misleading, confusing

statements regarding ethanol use should not be included to avoid harming the integrity of a tested and proven high-quality fuel.

The IRFA appreciates the opportunity to comment on this matter. Please feel free to contact me with any questions at 515-252-6249.

Sincerely,

Monte Shaw
Executive Director