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March 6, 2009

The Honorable Steven Chu
Secretary of Energy
1000 Independence Ave., SW
Washington, DC 20585

Re: Higher Ethanol Blends with Gasoline

Dear Secretary Chu:

In the March 6, 2008 *Washington Post* article titled, "Ethanol Producers Press for Higher Limits," you were quoted as saying "the only issue is what auto companies say about the damage it could do to engines."

While automobile damage and warranties are an issue, there are several other significant issues that must be resolved. Currently, the Petroleum Marketers Association of America (PMAA) estimates that there are approximately 700,000 retail gasoline dispensers in use across the U.S. Of those 700,000 dispensers, we estimate that less than 5,000 have been UL certified for dispensing gasoline with ethanol levels above E-10. This is a very big concern because several federal regulations, state laws, local ordinances and insurance policies require UL certified equipment. There are similar issues in regards to existing underground storage tanks and piping systems. Additionally, there are Clean Air Act conflicts as well.

PMAA represents 8,000 independent petroleum marketing companies who own 60,000 retail gasoline outlets and supply motor fuels to an additional 40,000 retail outlets. Many of our member companies are very supportive of expanded use of ethanol; however, they are very concerned about all of the potential conflicts with existing laws and regulations. We will be working with Congress, EPA and DOE to resolve these issues, if possible. In the interim, we wanted to bring these concerns to your attention.

Sincerely

A handwritten signature in black ink, appearing to read 'Dan Gilligan', written in a cursive style.

Dan Gilligan
President