

**Verbal Testimony of Nicole Vasilaros
National Marine Manufacturers Association (NMMA)
Before the Environmental Protection Agency (EPA)**

Public Hearing for Proposed E15 RVP and RIN Market Reform Rule

Ypsilanti, Michigan
March 29, 2019

My name is Nicole Vasilaros and I am Senior Vice President of Government and Legal Affairs with the National Marine Manufacturers Association, representing 1,300 recreational boat, engine, and accessory manufacturers. Our members collectively produce more than 80 percent of the recreational marine products sold in the United States with a total economic impact of \$170 billion annually. The U.S. marine manufacturing industry is comprised of nearly 35,000 businesses that provide nearly 700,000 jobs.

142 million recreational boaters take to the water annually, in about 12 million registered boats, consuming about 2.3 billion gallons of gasoline. The proposed rulemaking, allowing for the year-round sale of E15 is deeply troubling to the recreational marine industry and based on questionable statutory authority. Marine engines are designed, calibrated, and certified by EPA to operate on blends of gasoline up to 10 percent ethanol by volume and federally prohibited from operating on E15. If finalized, this rulemaking would double down on failed government policy and increase the supply of a fuel harmful to millions of marine and other consumer products, during the height of the summer boating and recreation season. Additionally, it will continue to diminish consumer choice for ethanol free fuels which are in high demand by many boaters and engine product consumers.

NMMA members through the U.S. Department of Energy's Renewable Energy Laboratory have extensively studied the effects of E15 on marine engines. The results unequivocally show safety problems caused by significant engine damage, poor engine performance and difficulty starting. Higher ethanol blends, increase heat and corrosive properties that destroy boat engines, leading to costly repairs, void warranties and dangerous maintenance issues. This EPA has concurred with these findings, as evident by its prohibition against the use of E15 (and higher blends) in marine engines, yet the current proposal does nothing to truly address the marine, small, and off-road engine market.

While we appreciate EPA's acknowledgment in this proposal that as E15 and other higher-level ethanol blends become more prevalent in the marketplace, the use of additional misfuelling mitigation measures may be appropriate, we disagree with the assessment that such misfuelling measures are unnecessary at this time and out of the scope of the proposed action. A recent study released by the Outdoor Power Equipment Institute shows misfuelling is on the rise, with more than 3 in 5 Americans mistakenly assuming that any gas sold at gas stations is safe for all of their

products. Consumer education and safeguards at the point of sale are incredibly important to recreational boaters—95 percent of boats are small, towable vessels, filled at local gas stations across the country along with cars, other off-road and small engine equipment. A 2016 Harris Poll found that only 31 percent of Americans understand that higher blends of ethanol can be harmful to small engines.

The current misfuelling mitigation measures are grossly inadequate. Simply pull up to your nearest gas station in Ann Arbor and you will see missing and crumbling labels, labels hidden behind pump hoses, and pumps labeled as Unleaded 88 exacerbating consumer confusion. As polling indicates, the labels alone have not done their job to educate consumers, and no wonder given the dismal and non-uniform state of labeling currently in practice. Year-round sale will only further exacerbate consumer confusion and lack of awareness. EPA must do more--- improve the label to actually warn consumers, require uniform positioning, work with the FTC on fair marketing so unleaded 88 is not a workaround, and do more to protect consumers before and at the pump.

We strongly oppose year-round sale of E15, but ask at the very least, to take into consideration the significant financial and safety implications for millions of consumers as a result of the proposed rule. EPA should aim to protect consumers—not put them in jeopardy. Any regulatory change that would increase the amount of E15, a fuel that is dangerous to a broad array of consumers, into the marketplace must include sufficient protections for at-risk consumers.

NMMA stands ready to work with the EPA to develop needed consumer safeguards from misfuelling to ensure boaters and all consumers have a safe and reliable fuel supply.

Thank you.