



December 5, 2014

Mr. Edward Burke  
Chairman, Committee on Finance  
City of Chicago  
City Hall, Room 302  
121 North LaSalle Street  
Chicago, IL 60602

Dear Alderman Burke; members of the City of Chicago Finance Commission:

The American Coalition for Ethanol (ACE) writes today to thank you and the Chicago Finance Committee for giving Chicagoans cleaner air and area drivers more clean fuel choices through the Chicago Clean Air Choice ordinance. Since it became the first city to ban leaded gasoline and to choose ethanol over MTBE in reformulated gasoline, Chicago has shown leadership to the rest of the nation in constantly moving toward cleaner automotive fuels.

Personally, I also offer my thanks as the father of a son and his wife (and someday, possibly grandchildren), living in the Chicago area. By sponsoring this ordinance, which will reduce greenhouse gas (GHG) emissions and other pollution in the city, you and the ordinance's other supporters will make their lives measurably better. Currently transportation accounts for 21% of all GHGs in Chicago, and the Argonne National Laboratory notes that higher ethanol blends such as E15 help reduce greenhouse gas emissions by an average of 34% compared to regular gasoline. This ordinance will go a long way towards reducing those pollutants, and helping all Chicagoans breathe cleaner air.

As Senior Vice President of ACE, I naturally support the Chicago Clean Air Choice ordinance that makes E15 available to motorists in the City of Chicago. While Big Oil is campaigning hard to convince Chicagoans that this is an E15 "mandate" that will make all other gasoline blends unavailable, the reality is quite the opposite. This fuel choice regulation is only necessary because of Big Oil's coordinated efforts to misinform and frighten the public about E15, while at the same time enforcing their own anti-E15 mandate through contract restrictions and threats to de-brand. The contracts also force retail station owners to pay "buy-out" charges of tens or even hundreds of thousands of dollars if those retailers choose to offer E15 through pumps and equipment and on property the retailers already own.

As a fuel retailer (albeit not a Chicago fuel retailer), I understand and support the reasonable exceptions that exempt low-volume stations and stations with non-compatible underground tanks from the requirement to offer E15. Much as they have done in the national E15 debate, Big Oil's well-funded PR machine is deliberately misleading Chicagoans and Chicago fuel retailers by implying station owners will have to spend hundreds of thousands of dollars on new equipment to



comply with this regulation, which will in turn drive up prices for consumers. Those charges are not true. Because oil companies are well aware of the equipment and volume exceptions, the industry's advertisements and information has used the deceptive phrase "Retailers say . . . equipment for E15 would cost gas station owners up to \$200,000." While "retailers" may well say such a thing, Big Oil knows that is not the truth, yet they repeat the false claim boldly. Unfortunately, that is not a unique approach, as Big Oil has been more interested in fear-mongering to block further competition from ethanol than in providing useful information about E15 since EPA approved the fuel more than two years ago.

There are already 35 million cars and light trucks on the road that were built for and carry warranties that allow the use of E15, with 8 million or more E15 vehicles being added to the fleet each model year. After extensive testing, EPA approved all cars and light trucks manufactured in model year 2001 and later to use E15. Those vehicle owners have been prevented from even trying E15 because of the heavy-handed and dishonest efforts of ethanol's opponents. We are thankful that you and the other supporters of the Chicago Clean Air Choice ordinance have seen through the literal smokescreen created by Big Oil, and recognized the cost and clean air benefits E15 provides local drivers. When you add to that the additional economic activity that will result from the use of more fuel manufactured by your neighbors in Illinois, this ordinance will provide increased income for all kinds of Chicago area businesses. We applaud the Council for approving E15 and we look forward to working with all parties involved to get more locally-produced E15 into the marketplace.

Sincerely,

Ron V. Lamberty,  
Senior Vice President, American Coalition for Ethanol