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AAA Urges Halt on Sale of E15 Gasoline Blend

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By CAROLYN CUI

AAA, the nation's largest automobile club, is urging regulators and fuel producers to stop selling a new gasoline blend containing 15% ethanol, citing the potential for consumer confusion, voided warranties and vehicle damage.

In a release issued Friday, the group warned its 53 million motorist members that most vehicles aren't approved by manufacturers to run on E15, the new blend approved by the Environmental Protection Agency in June. By filling up using E15, consumers risk damaging vehicles and voiding warranties, AAA said.

The latest call from the consumer group highlights the growing controversy surrounding the new form of gasoline. While the ethanol industry fought hard to win government support to roll out E15, car makers and blenders have relentlessly resisted the move, citing concerns about its impact on vehicles and equipment.

According to a survey among auto makers, AAA found that 12 million, or 5%, of all light-duty vehicles were authorized by manufacturers to use E15. However, the Renewable Fuels Association, which represents the country's ethanol producers, says that 62% of the cars are suitable for E15.

Until they reach an agreement, "the risk is that consumers are caught in the middle," said Robert Darbelnet, president and chief executive of AAA. "We're asking the EPA to suspend the authorization they granted for the sale of E15 until such time as consumers can be better informed," he said.

Most consumers are not aware of the new gasoline, which is only offered at 10 gas stations in three states. The AAA said unsuspecting consumers may end up using E15 in unapproved cars, which could result in technical problems, such as accelerated engine wear and failure, and fuel-system damage.

The latest statement by AAA is another blow to the country's ethanol industry. Falling auto sales and gasoline demand in the U.S. have left the industry with excessive supply. Through increasing the ethanol content in gasoline from the current 10% to 15%, producers hope it will help bolster ethanol demand and absorb the surplus, while bringing down gasoline prices and lowering greenhouse-gas emissions.

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Ethanol is generally cheaper than gasoline, although the price gap has recently narrowed. As of Thursday's close, the price for ethanol is \$2.428 a gallon, or 35.9 cents lower than RBOB gasoline's \$2.787.

So far, the only vehicles approved by manufacturers to use E15 are flex-fuel models, 2001 model-year and newer Porsches, 2012 and newer General Motors Co.

GM -1.08% vehicles, and 2013 Ford Motor F+0.13% Co. vehicles, AAA said.

Five producers, including BMW AG, BMW.XE -0.43% Chrysler Group LLC and Toyota Motor Corp., 7203.TO -0.57% have said their warranties will not cover fuel-related claims caused by the use of E15, AAA said.

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