

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

MEASURE: SB 424
CARRIER: Sen. Thomsen

Fiscal: Has minimal fiscal impact
Revenue: Has minimal revenue impact

Action Date: 03/02/15

Action: Do Pass.

Meeting Dates: 03/02

Vote:

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Allows retail, nonretail or wholesale dealer to sell or offer gasoline that is not blended with ethanol if gasoline is for use in motorcycles.

ISSUES DISCUSSED:

- Metallurgy and degradation from alcohol
- Motorcycle manufacturer's warranty provisions
- Safety issues associated with degradation
- Availability of gasoline without ethanol

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The E15 fuel blend (15 percent ethanol, 85 percent gasoline) was approved by the federal Environmental Protection Agency (EPA) for use in light-duty vehicles (cars, trucks and SUVs) made in model year 2001 and newer, as well as all flex-fuel vehicles (FFVs). E15 was not approved for small engines, lawnmowers and motorcycles; in fact, its use in these types of engines is illegal. E10 (10 percent ethanol, 90 percent gasoline) continues to be a safe and approved fuel for motorcycle engines. Even though the commercialization of E15 is slow, with only a handful of stations offering the fuel today, the American Motorcyclist Association (AMA) has expressed concern that the introduction of E15 will eliminate the availability of E10 in the marketplace. AMA's concern was exacerbated by EPA's decision to require a four-gallon minimum purchase where E15 was being dispensed from a common hose with other E10 fuels. EPA imposed this requirement to address concerns that residual fuel from an E15 sale would result in greater than E10 being dispensed to consumers not able to use E15. Many motorcycles have tanks with a capacity of less than four gallons.

In February, 2013, the EPA addressed the AMA's concern and approved an option that obviates the need for a four-gallon minimum sale and assures the availability of E10 fuels for those engines that cannot utilize the higher blend.

Most motorcycle manufacturers urge owners to use gasoline without ethanol to best protect engines. At least one motorcycle maker, Ducati, considers ethanol to be a gas additive and its use voids the cycle's warranty. Senate Bill 424 allows gasoline dealers to sell gasoline without ethanol for use in motorcycles.