

FREQUENTLY ASKED QUESTIONS

What is FuelChoiceNow (FCN)?

FuelChoiceNow is a grassroots campaign advocating for consumer choice at the fuel pump.

Who supports FuelChoiceNow?

FCN is a coalition of advanced fuel companies and cleantech investors.

Who founded FuelChoiceNow?

The supporters listed on the website – www.FuelChoiceNow.com – founded FCN.

What is the basic message of FuelChoiceNow?

American consumers deserve a choice at the fuel pump. FuelChoiceNow supporters share a common vision in which alternative fuels play an increasing role in an open and competitive U.S. transportation fuel marketplace that offers consumers a choice and savings at the pump and reduces U.S. dependence on foreign oil.

What type of policies does FCN support?

FCN supports aggressive policies that will accelerate the deployment of vehicles, infrastructure and technologies that will give consumers a choice at the pump, curb oil price increases, reduce foreign oil dependence, and put America at the forefront of alternative fuels development.

Does FCN support any current proposals to mandate certain types of vehicles?

FCN supports efforts to expand the manufacture of alternative fuel vehicles and the installation of new fueling infrastructure to support emerging fuel types. FCN is working with several members of Congress on this issue, but has not taken any positions with regard to legislation at this point.

More specifically, what type of marketplace does FCN envision?

FCN envisions a marketplace in which a majority of consumers drive alternative fuel-capable vehicles and have convenient access to fueling stations that offer a choice between several different types of fuel in various blends and at various prices.

If alternative fuels are competitive, why won't the market take care of itself?

In a competitive marketplace, price-competitiveness and innovation are rewarded. Unfortunately, U.S. fuel markets are not competitive. Enacting policies to open up the marketplace to new alternatives will introduce market fundamentals that do not exist today. FCN supporters believe that the government should provide incentives to increase consumer choice, and let the market determine the most cost effective solutions.

Do you have any evidence that the transportation fuel marketplace is not competitive?

Yes. Both ethanol and methanol (a liquid fuel derived from natural gas) are significantly cheaper than gasoline today, but have only limited access to the marketplace because automakers are not doing here what they are already doing in Brazil (making all new vehicles flex-fuel), and unnecessary hurdles exist in the refueling space.

FuelChoiceNow seems to prioritize Flex-Fuel Vehicles (FFVs) ... what is an FFV and why?

FFV is a term used to describe a car or truck that can run on virtually any blend of gasoline, ethanol and methanol. FCN highlights the FFV option for four reasons: (1) aggressive FFV deployment will have an immediate impact on U.S. fuel markets by introducing two affordable alternatives to gasoline (ethanol and methanol) at a time of very high crude oil prices; (2) aggressive FFV deployment is critical to the ongoing development of advanced ethanol fuels; (3) the additional manufacturing cost of an FFV is very small (less than

\$100 per vehicle) and relies on existing technology (there are already 10 million FFVs on the road today); and, (4) FFV deployment requires no cost to the U.S. Treasury. Rapid FFV deployment will pay immediate dividends for American consumers, but a portfolio of solutions (e.g. electricity, CNG, etc.) will ultimately be needed to provide broader and more durable consumer choice in the marketplace.

If there are 10 million FFVs already on the roadways, why do we need public policy?

FFVs and other alternative fuel vehicles still make up only a fraction of the more than 250 million passenger vehicles on the road today. FFVs do not exist in sufficient concentration to induce broader deployment of ethanol and methanol refueling infrastructure. The market will not change on the refueling side until there are enough alternative fuel vehicles available to warrant the infrastructural investment.

What about policies and incentives for a more diverse set of alternative fuels and vehicles?

FFVs are only part of the broader vision. Policies should be adopted to facilitate open markets for other alternatives to petroleum, including a broad range of renewable fuels and electricity.

People talk a lot about blender pumps ... what is a blender pump?

A blender pump is a fuel pump that allows individual consumers to determine what type of fuel to purchase. Most of the 500 or so blender pumps installed today are geared toward allowing consumers to determine the relative percentage of gasoline and ethanol to buy, based on price or other preferences. But advanced blender pump technology could facilitate consumer choice for a wider portfolio of conventional and alternative fuels.

Consumer choice is a good thing, but who is going to pay for all this?

Like any business proposition, there are up-front costs. However, in many cases, the up front costs are minimal and offset by considerable operating savings. For example, it costs auto manufacturers less than \$100 to make a conventional vehicle capable of running on any blend of gasoline, ethanol and methanol, but this cost would be paid back in the form of consumer savings within the first couple thousand miles of driving based on today's fuel prices. Electric vehicles are more expensive, but also offer substantial consumer savings because electricity is cheaper than gasoline on a per mile basis. Consumers will have the choice of which options they prefer.

Is the introduction of all these new fuels going to hurt my vehicle or void my warranty?

No. The campaign is about choice; consumers who prefer to purchase petroleum can do so.

Will pump prices be affected by this campaign, if successful?

Alternative fuels provide direct savings (when cheaper than petroleum) and indirect savings (as a hedge against oil spikes) to consumers. Increased use of alternative fuels will offset demand for gasoline and diesel, which will put downward pressure on fuel prices. Many of these savings are available right now, but consumers have only limited access to these cheaper fuels.