

INDEPENDENT OIL MARKETERS ASSOCIATION OF NEW ENGLAND

November 5, 2009

Arthur Marin
Executive Director
NESCAUM
89 South Street, Suite 602
Boston, MA 02111
Re: Low Carbon Fuel Standard

The Independent Oil Marketers Association (IOMA) wishes to state its objections to the rush to judgment embodied in NESCAUM's proposed LCFS. With so much obviously depending on unresolved science, undeveloped technologies and unavailable supplies of (along with nearly non-existent demand in the Northeast for) electric vehicles and plug-in hybrids, the LCFS is a risky policy. Clearly, NESCAUM's LCFS will seriously jeopardize the Northeast's fuel system by mandating that an LCFS be achieved by 2020 by eleven states.

Your proposal raises the obvious question: What price will the drivers and taxpayers of these eleven states pay for NESCAUM's ill-advised attempt to mimic California? Given that the fuels needed to comply with NESCAUM's 2020 goal are not currently available, then it must be concluded that NESCAUM is seeking to resurrect and greatly expand the failed electric vehicle mandate of the 1990s.

Your own NESCCAF findings acknowledge that your proposed 10% CO₂ reduction by 2020 will require that between three to six million vehicles in the Northeast (between 9 to 17 percent of the entire light duty vehicle fleet) will have to be either electric or plug-in hybrids. In Massachusetts alone that would require that approximately 25 to 35 percent of new car and light duty truck sales from 2015 to 2020 would have to be electric or plug-in hybrids.

Moreover, to achieve that level of alternative vehicle sales would require massive subsidies by the purchasers of traditional vehicles to allow auto manufacturers to reduce the price of electric cars (well below their cost) to the point where they would even approach the necessary 25 to 35 percent level in 2015 and beyond.

It would seem that your attempt to resurrect an electric car mandate in the Northeast is based on your assumption that the public will not understand LCFS' adverse impact on both the price of their new automobiles—as they are forced to subsidize their neighbors' new electric cars—or on the price of their gasoline in time to effectively repudiate your efforts.

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IOMA believes that this assumption may also (along with the LCFS mandate) prove to be ill-advised.

Sincerely,

A handwritten signature in black ink that reads "Peter Romano". The letters are cursive and somewhat stylized, with the first name "Peter" and last name "Romano" clearly legible.

Peter Romano
President & COO
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