



March 31, 2008

Fuel Quality

By email to fuel.quality@environment.gov.au

**Re: Proposed Management of Diesel / Biodiesel Blends
Position Paper – January 2008**

Dear Sir / Madam,

Cummins offers the following comments to the position paper.

1. Cummins concurs with the B5 approach being included in the base diesel specification and that labeling at the pump is not required for blends of B5 or less.
2. Cummins would also prefer there to be a standardized B20 fuel complete with source and blend standards, this is consistent with other European and North America directions. This would better serve the bio-fuels industry and engine manufacturers alike. B20 would need to be labeled at the pump / point of sale.
3. The maximum biodiesel component in the base diesel standard of 5% will therefore shut down the current practice of blenders selling B20 – B35 that so called 'meets' the diesel specification (usually a measurement of density only). We consider this as a positive. Additionally, forecourt selling of B20 etc should thus cease.
4. The lack of blend standard for B20 fuels etc will create issues at the point of reviewing a Section 13 submission. For the same reason, there is now an ethanol blend standard to remove the variability in the market place.
5. There is no comment on the ATO implications in the document. A current blender of B20 – B35 fuel that currently sells his fuel as meeting the diesel standard, enables his customers to claim back the full 18c per litre. In future presumably this will not be the case; the customer will only be able to claim back the proportional diesel component only.
6. Cummins does not see enough 'teeth' in the document to stop current sellers of biodiesel blends that 'meet' the diesel specification. Cummins considers that a focused effort on auditing of fuel samples will be required.

Yours sincerely,
Cummins South Pacific

A handwritten signature in blue ink, appearing to read 'J. Portman'.

Director – Engineering

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