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# NEWS

**FOR IMMEDIATE RELEASE**

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## **Volkswagen Extends Warranty Coverage for B5 Biodiesel Fuel**

*National Biodiesel Board Applauds VW Announcement on National Ag Day*

JEFFERSON CITY, Mo. – Volkswagen AG and Archer Daniels Midland Company (ADM) announced today a landmark decision by Volkswagen to extend warranty protection for the use of low blends of biodiesel fuel in all of its U.S. market diesel powered automobiles. This announcement represents the first major initiative to emerge from the Joint Research Agreement on Biodiesel established by the two companies last year.

The warranty protection, which covers biodiesel blends of up to 5 percent (B5), marks a significant milestone in the development of a national market for biofuels. Volkswagen's important commitment to accept B5 in the U.S., as it has in Europe for many years, comes after a successful year of extensive biodiesel testing and development in cooperation with ADM. Biodiesel, named the fastest growing alternative fuel in the U.S. by the Department of Energy (DOE), is seen by Volkswagen as a key element of a long range fuel strategy that relies on efficient, clean diesel technology for the use of an increasingly broad portfolio of renewable fuels.

Biodiesel is an alternative fuel that can be made from any fat or vegetable oil, such as from soybeans grown right here in the United States. It works in any diesel engine with few or no modifications and can be used in pure form or blended with petroleum diesel at any level. The use of biodiesel yields significant environmental benefits, such as a reduction in emissions of particulate matter, unburned hydrocarbons and carbon monoxide compared to petroleum diesel, and it significantly reduces emissions of lifecycle CO<sub>2</sub>.

Len Hunt, head of the Volkswagen Brand in America, said, "Our decision to extend warranty coverage for diesel engines fueled by the B5 biodiesel blend is driven by the shared desire of VW and ADM to capitalize on the significant environmental, economic and fuel quality-related benefits of increased biodiesel usage." Volkswagen and ADM are now focused on jointly developing and demonstrating the advantages of biodiesel blends such as B20, a blend of 20% biodiesel and 80% petroleum diesel fuel. The companies have undertaken testing and analysis regarding B20, with a plan to address policies toward that in the future in order to provide ever-cleaner alternative and sustainable fuel choices.

*(more)*

Joe Jobe, Executive Director of the National Biodiesel Board (NBB), applauded the ADM / Volkswagen announcement by saying, “We have been working with VW for quite some time now and see this as a promising step for increased biodiesel usage in VW vehicles. The VW TDI diesel engine offers an excellent opportunity for increased use of biodiesel in the passenger vehicle market. We are committed to working with VW to achieve full support for B20 and are pleased that they are heading in that direction.”

VW’s announcement signals yet another milestone in what has become a monumental year for this American-grown fuel. Bolstered by growing acceptance of biodiesel among other Original Equipment Manufacturers (OEMs) such as DaimlerChrysler and John Deere, and the opportunities offered by a new biodiesel tax credit that went into effect on January 1, 2005, NBB expects to see a significant increase in demand for biodiesel over the next few years. Based in Jefferson City, Mo., the NBB is a nonprofit trade association dedicated to coordinating the biodiesel industry and educating the public about the fuel.

NBB membership is comprised of state, national, and international feedstock and processor organizations; biodiesel suppliers; fuel marketers and distributors; and technology providers. The NBB is largely led by soybean producers who contribute their checkoff dollars to biodiesel development.

In addition to its growing popularity for use in passenger vehicles, biodiesel is used by more than 500 major commercial fleets nationwide. Over 300 retail filling stations make biodiesel available to the public, and hundreds of petroleum distributors carry it nationwide.

*Readers can learn more about biodiesel and the NBB by visiting [www.biodiesel.org](http://www.biodiesel.org). This material is sponsored by the USDA OEM Outreach and Biodiesel Education Program.*

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