



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone's Opening Statement at CAFE Hearing

Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks at a joint Subcommittee on Commerce, Manufacturing, and Trade and Subcommittee on Energy and Power hearing titled "Midterm Review and Update on the Corporate Average Fuel Economy Program and Greenhouse Gas Emissions Standards for Motor Vehicles:"

Good morning. Thank you for holding this hearing on the mid-term review of the federal greenhouse gas and fuel economy standards for light duty vehicles. It has been some time since our Committee held a hearing to examine the Corporate Average Fuel Economy – or CAFE Program. We have excellent panels of witnesses here today and I particularly want to thank Assistant Administrator McCabe and Chief Counsel Hemmersbaugh for appearing before us today.

There is no scientific doubt that the climate is indeed changing, and we need to be more aggressive about controlling greenhouse gas emissions. Today, the transportation sector is second only to the electricity sector in the production of greenhouse gas emissions. The vehicles regulated under the CAFE program account for 60 percent of the total emissions from the transportation sector. And, these harmful emissions affect more than our climate, they also directly impact air quality and public health.

The coordinated standards for greenhouse gas emissions set by the Environmental Protection Agency (EPA) and fuel economy set by the National Highway and Traffic Safety Administration (NHTSA) are a vital part of the effort to control harmful emissions. These standards will deliver multiple benefits including: significant savings in fuel costs to consumers; improved air quality; and greater energy security. Compliance with these federal standards will also ensure that automakers are in compliance with the greenhouse gas emission standards issued by California.

Gasoline prices have come down. That's great. Lower fuel prices keeps more money in peoples' pockets. But we also know from past experience that prices can rise quickly, and when they do, improved fuel economy provides an effective buffer from price spikes.

In 2007, there were two major events that changed the regulatory landscape for vehicles. First, the Supreme Court ruled in Massachusetts v. EPA that the Clean Air Act required EPA to regulate greenhouse gas emissions. Second, Congress amended the Energy Policy and Conservation Act (EPCA) to provide automakers a more flexible regulatory program.

The targets set by EPA and NHTSA are aggressive. The purpose of the midterm review is to answer two key questions: Can automakers meet the standards? And, can they meet them at a reasonable cost? The extensive analysis presented in the Technical Assessment Report -- or TAR -- done by EPA, NHTSA, and California's Air Resources Board indicates the answer to both of these questions is "yes."

Innovation is and always has been the driver for these advancements. We recognized that air pollution from automobile emissions was a serious problem in southern California as early as 1959. At that time, there were no pollution control devices for cars. Auto manufacturers said pollutants couldn't be controlled -- the technology didn't exist. And, they claimed that even if it were possible, it would be far too expensive to deploy the technology.

Well, California passed laws requiring pollution control anyway. We all know the rest of the story. It was not impossible. It was not too expensive. We enacted the Clean Air Act and fuel efficiency standards and, of course, people still bought cars. Not only did they buy cars, but today we have cleaner, more efficient cars than ever. We also have much cleaner air thanks to regulation pushing technology forward.

The last phase of the coordinated regulations maintain the necessary pressure for further improvement, and I have no doubt that our auto industry can and will rise to the occasion.

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