



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
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FOR IMMEDIATE RELEASE

April 13, 2018

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Pallone's Remarks at High Octane Fuels Hearing

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Environment hearing on "High Octane Fuels and High Efficiency Vehicles: Opportunities and Challenges:"*

Some will say that establishing a high-octane fuel standard could serve as an alternative to the current Renewable Fuel Standard (RFS) program. Others have very different viewpoints. Today we will hear both sides and review whether moving to a high-octane standard can satisfy enough stakeholders to move forward with RFS reform legislation. I remain skeptical.

As with any policy, the devil is in the details. Here are just a few of my questions:

- At what octane level would we set the standard?
- Is it a performance standard only or would we retain some discretion to designate clean and renewable fuels as the source for that octane?
- Where would advanced and cellulosic biofuels fit into this new program?
- What engine modifications are necessary and how quickly can they be integrated into new vehicle models?
- How would consumers be effected?
- How will this affect workers in the refining, automotive, and agricultural sectors?

These answers make a big difference about how stakeholder groups will be impacted. Unfortunately, today's panel does not come close to representing everyone involved.

Congress enacted the RFS program to diversify the fuel supply, reduce dependence on fossil fuels, promote rural development and deliver environmental benefits. While it achieved many of these goals, especially in air quality, the record on environmental benefits of the RFS is mixed. High-octane fuel standards may or may not deliver environmental benefits in terms of air quality, greenhouse gas emissions, and resource use.

This is critical, particularly in light of last week's announcement by EPA Administrator Scott Pruitt that the Trump Administration was going to roll back fuel efficiency standards for

passenger vehicles and light duty trucks. Continued growth of greenhouse gas emissions in the transportation sector must stop, and fuel economy must improve dramatically. A policy change that extends the dominance of fossil fuel use in transportation, that slows improvement in vehicle fuel economy standards, or keeps us on a path of increased carbon emissions in the transportation sector is unacceptable.

The current RFS program is not perfect. And, in the past few days, we've learned that this Administration's implementation of the RFS is far from perfect.

I have serious concerns and questions about Administrator Pruitt's extensive use of secret waivers to allow numerous refineries – apparently of all shapes and sizes – to get out from their obligations under the law. I support the judicious use of waivers as appropriate under law to relieve the burden on small refiners facing real hardship. However, these secret waivers by Administrator Pruitt seem to have gone far beyond the scope of the law to include refineries that are neither small nor in financial distress. That is absolutely not the way to address problems with RFS implementation.

We must evaluate this proposal for changes to the RFS program against its successes and shortcomings. The RFS has encouraged a great deal of investment by companies and individuals throughout the entire transportation, agricultural and biotechnology sectors.

Without careful consideration and analysis, we risk severe disruption and hardship for businesses, farmers, workers, consumers, and the environment. Trading one set of problems for another is not progress.

Thank you, I yield back.

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