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March 7, 2018

Pallone Opening Remarks at Hearing on Future of Transportation Fuels and Vehicles

Washington, DC – Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Environment hearing on "The Future of Transportation Fuels and Vehicles:"

This morning, we will examine the future of transportation fuels and vehicles, a future that will be shaped by federal policy. While we have made significant progress in reducing emissions and improving fuel efficiency, I believe the federal government can and should do more.

Last month, the Environmental Protection Agency (EPA) released the latest inventory of greenhouse gas emissions. For the first time, the transportation sector has edged out the electric power industry as the largest emitting sector. Transportation now accounts for 28.5 percent of our greenhouse gas emissions, with passenger vehicles contributing most of these emissions. While the total emissions from transportation are lower for 2016 than for the peak year of 2005, the trend is not good. Overall emissions from this sector increased between 2012 and 2016.

History has shown that real progress in fuel efficiency and emission reduction from vehicles is the direct result of government policies. CAFE standards and the emission control programs of the Clean Air Act have delivered great gains. The renewable fuels standard program has provided us a reliable source of domestic fuel that has reduced both our dependence on petroleum and emissions from fuel combustion. Similarly, federal tax incentives, research, procurement, and loan programs have helped spur the development and deployment of electric vehicles, battery technology, advanced biofuels, and other fuel and vehicle options.

But, we must do more. Oil prices may be affordable and supplies may be abundant right now, but that situation can change. Experience demonstrates that the adjustment to rising prices is painful for everyone, from individual vehicle owners to auto manufacturers and all the businesses in their supply chains. A diverse fuel supply, combined with enhanced fuel efficiency provides an important buffer against rising prices.

If we do not do more to reduce transportation sector emissions, the effects of climate change are likely to accelerate and worsen. Moreover, vehicles are major purchases and reliable vehicles can remain on the road for up to 25 years so it may take many years to see substantial changes in fuel consumption or emission reductions without aggressive federal policies.

All of this has implications beyond our own borders. Two countries with the largest market potential – India and China – have signaled their intention to move beyond the internal combustion engine. Meanwhile, a number of European countries are reducing or phasing out their use. U.S. auto manufacturers need to remain at the forefront of this industry, and that will only happen if they maintain a diverse fleet of vehicles with improved fuel efficiency and reduced emissions. When U.S. auto succeeds, the country's economy also succeeds.

Let me say, in closing, that I am very concerned about the direction President Trump is taking on fuels and vehicle policy. Low fuel prices are already leading automakers and consumers to discount the importance of fuel economy as a consideration when making a vehicle purchase. The Trump Administration's apparent intention to weaken the pending combined CAFE and greenhouse gas emission standards for light duty vehicles would take us in the wrong direction. Meanwhile, the Administration's proposal to rescind EPA's "glider" truck rule, which closes a gaping loophole in freight truck emissions standards, has rightly united both truck manufacturers and environmentalists in opposition.

We need to spur innovation and reward it. We need the transportation sector to be cleaner and more fuel-efficient. However, technologies to improve fuel efficiency, reduce emissions, and diversify fuel supplies will not appear on the market without the technology push provided by strong federal policy.

Rollbacks are, by definition, not a way to move forward. We can have cleaner, healthier air and vehicles that cost less to operate delivered by a globally competitive U.S. automobile industry if we stay the course.

Thank you, I yield back.

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