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Pallone at Energy Hearing: Where is the EPA?

"It has been almost 10 months now and this Committee has yet to have a single EPA witness before us. That is simply unacceptable."

Washington, D.C. – Energy and Commerce Committee Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy hearing titled, "Discussion Draft, Energy Star Reform Act of 2017 and H.R. 3477, Ceiling Fan Energy Conservation Harmonization Act:"

Today's hearing will look at two pieces of legislation relating to energy efficiency, a very troubling discussion draft entitled the Energy Star Reform Act of 2017, and H.R. 3477, the Ceiling Fan Energy Conservation Harmonization Act, a bill that seems to have no opposition.

But, before I discuss the legislation before us, I must say that it is totally unacceptable to have a legislative hearing on a bill that will make major changes to the Energy Star program without witnesses from the Environmental Protection Agency and the Department of Energy. Unfortunately, the Trump Administration's blatant refusal to participate in our Committee's legislative process has been a common theme since President Trump took office in January. It is now November, and we are expected to believe that there is not a single person at EPA who can discuss the impacts of a bill that completely moves the Energy Star program to DOE? I've looked at the Committee records, and both the Obama and Bush Administrations were able to get EPA witnesses –including the Administrator—up here within three months of taking office. It has been almost 10 months now and this Committee has yet to have a single EPA witness before us. That is simply unacceptable.

If the Administration's absence is due to a scheduling conflict, then today's hearing should have been postponed. But, if they are just refusing to appear before our committee to discuss any legislative proposal, then we should not accept that. On Friday, Ranking Member Rush and I asked that this hearing be postponed until we could have both EPA and DOE before us. Clearly, that did not happen, but I would hope that Committee Republicans would join us in saying enough is enough – the days of this Administration hiding are over. It's time that they appear before us so that we can hear their thoughts on the legislation that we are considering.

Now, let me move to one of the bills before us today. I have serious concerns with the Energy Star Reform Act of 2017 discussion draft, which makes several significant changes to the Energy Star program. And I have one question: what problem are we trying to solve with this proposal?

The Energy Star program is extremely successful, reducing energy consumption and saving consumers money. According to EPA, in 2014 alone this completely voluntary program saved consumers 34 billion dollars on their utility bills, while stopping the release of 300 million metric tons of greenhouse gases into the atmosphere. This program is a win-win for consumers and the environment. And yet this bill is proposing major changes, including taking the program out of EPA and moving it to DOE. Energy Star was originally established at EPA, and the program was codified into law with EPA as the co-lead agency in the Energy Policy Act of 2005, which was produced by a Republican Congress and President. It remains an extremely effective and popular voluntary program. So, again, why the need for a change? I have yet to hear a credible argument from anyone as to why this is necessary.

The discussion draft also requires that product certifications and other program specifications be done using the Administrative Procedure Act (APA) process, which would require every product certification to be published in the Federal Register and be subject to public notice and comment. I worry that this will make the program less nimble, and harm both consumers and companies by opening the process to new, needless litigation from companies who otherwise couldn't meet Energy Star's standards.

Two other provisions in the draft would harm consumers who purchase products under this popular program. The "no warranty" subsection would create a liability shield, blocking consumers from recovering costs when the Energy Star-labeled product they bought turns out to be mislabeled and doesn't achieve the energy savings promised.

And another provision would allow companies to once again deem their products to be energy efficient, with little to no outside verification of those claims. GAO warned us back in 2010 that the Energy Star program was vulnerable to waste, fraud, and abuse, due to its self-certification policy. So, EPA implemented reforms, including a third-party certification program, to ensure products with the Energy Star label actually save energy. Rolling back this critical reform would endanger the long-term viability of the Energy Star program. It is particularly reckless when combined with the liability shield because it would leave consumers with no outside verification of manufacturer claims, while removing a critical avenue for consumers to be made whole if the manufacturers' claims prove to be wrong.

Again, Energy Star is a program that enjoys broad support from American consumers, manufacturers, and efficiency advocates. It is a voluntary program, and companies can choose not to participate. The changes in this draft would undermine the integrity of the Energy Star label, incentivize companies to cheat the system, and allow bad actors who lie about the efficiency of their products to get off scot free. In all of these scenarios, consumers are left paying the price for the legislative mistakes proposed in this draft.

Thank you, Mr. Chairman.

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