

Committee on Energy and Commerce

Opening Statement

of

Subcommittee on Environment Ranking Member Paul Tonko

High Octane Fuels and High Efficiency Vehicles: Challenges and Opportunities

April 13, 2018

Thank you, Chairman Shimkus. And thank you to our witnesses for joining us this morning.

I like to think all of this Subcommittee's hearings are high octane. But none more so than today's, which will focus on the challenges and opportunities of high octane fuels and vehicle efficiency.

Last month, we heard broadly about the future of our nation's transportation fuels. We learned more about DOE's co-optimization program, which is studying how to produce fuels and engines in tandem that will make our vehicles more efficient.

Today's panel represents a cross section of the transportation sector— refiners, vehicle manufacturers, fuel producers, and retailers.

This hearing comes as the Administration and some Members of Congress have considered changes to our existing fuels and fuel economy policies.

Earlier this month, EPA Administrator Scott Pruitt determined that emissions standards for Model Year 2022-2025 light-duty vehicles should be revised. Personally, I do not believe this decision is justified by the technical record.

Similarly, discussions of how to reform the Renewable Fuel Standard continue.

In both cases, we must be mindful of the fact that greenhouse gas pollution from the transportation sector has become our nation's largest source of emissions and needs to be reduced.

Currently, refiners blend additives, most commonly ethanol, into gasoline in order to increase its octane level.

A number of today's witnesses will express support for a 95 Research Octane Number, or RON, fuel standard, which would be similar to fuels sold today as premium gasoline and generally cost about 50 cents per gallon more than regular unleaded.

In theory, this standard would phase-in over time.

But before we sign up for an impending policy shift, we need to better understand the consequences of this type of change.

Clearly it would impact all transportation stakeholders— including those represented on the panel, but also, and most importantly, consumers.

During any fuel transition period, I believe it is natural that consumers will gravitate to the cheapest fuel option, as they have always done.

It is critical to consider how consumers will deal with any potential fuel cost increase or confusion around misfueling.

The other issue to consider is how an octane standard would interact with or displace the RFS.

Obviously, there are a wide variety of views on the RFS. I believe in some ways it has been successful in achieving its stated goals, and in others it has fallen short, particularly around the development of advanced biofuels production.

In that case, the question I find most important is, “Will moving to a high octane fuel standard do a better job in incentivizing and creating market signals for advanced biofuels?” I think probably not, but I am open to hearing otherwise.

One success of the RFS has been the reduction in carbon pollution.

The RFS supports fuels that are less carbon intensive than gasoline. But unless there are certain requirements, it is my understanding that a 95 RON fuel would not necessarily be guaranteed to use ethanol or other low-carbon biofuels, and could potentially increase the carbon intensity of the nation’s fuel supply.

We should consider how best to ensure a transition to higher octane fuels does not permit a backslide on the gains that have already been made to improve air quality and reduce carbon emissions.

Similarly, how would this standard interact with CAFE standards?

There is potential for higher octane fuels, coupled with turbocharged engines, to help achieve fuel economy standards.

But I don’t think this can or should be done without the certainty that these standards will continue, and continue to be strengthened, into the future.

I don’t agree that our nation’s existing fuels and fuel economy programs are as problematic as some here.

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But I am sure these programs can be improved, and I am open to hearing ideas that seek to further the goals of these programs without eroding the progress that has already been made.

Once again, I want to thank our witnesses for joining us this morning. I look forward to hearing your testimony. And I yield back.