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Statement for the Record of the American Fuel & Petrochemical Manufacturers
US House Committee on Oversight and Accountability
“Driving Bad Policy: Examining EPA’s Tailpipe Emissions Rules and the Realities of a
Rapid Electric Vehicle Transition”

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American Fuel & Petrochemical Manufacturers (“AFPM”) is the leading trade association representing the U.S. fuel refining industry, which supplies gasoline, diesel, jet fuel, sustainable aviation fuel, and renewable diesel around the country; the petrochemical industry, which manufactures the essential building blocks for modern life; and the midstream energy industry, which makes it possible to transport energy feedstocks and products where they need to go.

AFPM supports efforts to reduce the carbon intensity of transportation, but we take great issue with EPA’s proposed rule entitled, “Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles.”

This rule continues efforts towards a nationwide ban on the internal combustion engine, increasing costs and decreasing consumer choice for American families. By measuring emissions at the tailpipe rather than on a lifecycle basis, the proposal ignores important sources of emissions and other environmental impacts of vehicle manufacturing and the power generation needed to charge electric vehicles. It also ignores the significant role liquid fuels do and will continue to serve in not only reducing emissions, but also in meeting demand for affordable and reliable energy. If EPA finalizes this rule as proposed, American families will be hurt while geopolitical competitors will reap the benefits as American energy security is exchanged for dependence on foreign supply chains and critical minerals mining.

IMPACTING VEHICLE AFFORDABILITY

This proposal will increase cost for U.S. consumers. EPA projects that the proposed rule would result in electric vehicles (EVs) accounting for 67 percent of new light-duty vehicle sales and 46 percent of new medium-duty vehicle sales by model year 2032. According to Kelley Blue Book, the average EV costs over \$14,000 more than the average non-luxury vehicle.¹ Forcing consumers to purchase higher cost vehicles will disproportionately impact low-income and disadvantaged families. Many families, particularly those in rural regions, rely on their car for 100 percent of their transportation needs, such as going to work or bringing their children to school.

¹ [Kelley Blue Book](#)



This proposed rule would also significantly decrease consumer choice, potentially resulting in higher costs for used vehicles. Ninety-four percent of new vehicles sold last year would not meet these proposed standards.² Therefore, these unrealistic standards could increase demand for less-efficient used vehicles, forcing consumers to pay higher prices across the entire vehicle market while potentially negating any expected emissions reductions. Despite generous purchase subsidies, a substantial price difference remains between gas-powered vehicles and the few available EV vehicle models. Ultimately, reduced choice in the vehicle market will only serve to perpetuate a cycle of increased prices for every vehicle sold.

REDUCING ENERGY SECURITY

The proposed rule would force an increased reliance on EV batteries, which contain components extracted and produced overwhelmingly by America's geopolitical competitors. China has a dominant position in the global supply chain for battery production, including 90% of anode production.³ The Chinese government also dominates the global market for critical minerals, such as lithium and cobalt. China operates the majority of Africa's largest lithium mining projects and 80 percent of lithium refining.⁴ Within two years, they are also expected to control half of all cobalt production.⁵

This rule would also place unprecedented strain on the US power grid, threatening its reliability and further exacerbating energy security concerns. The power grid cannot expand nearly fast enough to accommodate a forced EV transition. To provide power for millions of new EVs alongside other future power draws, the US power grid would need to more than double its electricity supply by 2050 and build more than 75,000 miles of high-voltage power lines by 2035.⁶ The proposed forced transition to EVs would outpace our power grid's capacity, meaning decreased access to reliable electricity and the possibility of rolling blackouts.

By contrast, the US is the world leader in exporting refined products, producing more liquid fuels than any other country. The number one feedstock for US refineries is American-sourced crude oil, with 88 percent of crude oil imports sourced from North America. The proposed policy would disqualify affordable cars and trucks that run on US-made gasoline and diesel, all while offshoring the millions of American jobs supported by the liquid fuels industry. The US should be very careful not to trade away our hard-earned energy security and grid reliability in exchange for an economy that is more dependent and financially beholden to adversaries that control the minerals required for EV batteries.

² [Kelley Blue Book](#)

³ [Bloomberg](#)

⁴ [Bloomberg](#), [Financial Times](#)

⁵ [Financial Times](#)

⁶ [Washington Post](#)



IMPROPERLY ACCOUNTING FOR EV EMISSIONS

EPA's proposed rule fails to properly quantify a vehicle's lifecycle emissions. This rule would require automakers to meet an emissions average of 82 grams of CO₂/mile across a company's production by model year (MY) 2032. However, EPA's proposed rule is singularly focused on tailpipe emissions during operation—as though only that category of emissions merits consideration.

Every vehicle and every powertrain technology is responsible for environmental impacts throughout their lifecycles, including through material sourcing, manufacturing, recharging and refueling, drivetrain and/or battery replacements, and end-of-life disposal and recycling. A ton of carbon has the same climate impact regardless of where it is emitted in a vehicle's lifecycle. For example, a significant amount of carbon is emitted in the manufacturing of batteries for electric vehicles, and EV's utilize carbon emitted by the power sector. By contrast, internal combustion engines have a smaller upfront carbon impact. By failing to consider or account for significant emissions across the vehicle lifecycle, EPA's proposal cannot be considered a responsible environmental policy.

If finalized, this proposal would disqualify the majority of internal combustion engines on the basis of tailpipe emissions alone, compelling consumers to purchase EVs that will not have an improved environmental footprint. These standards would stifle the development of other innovative carbon reduction strategies in the interest of ultimately mandating a single, politically favored technology.

AFPM strongly urges EPA to reconsider this proposed rule in favor of a technology-neutral and balanced approach to addressing carbon emissions.