



COMMITTEE ON  
**ENERGY & COMMERCE**  
**DEMOCRATS**  
RANKING MEMBER FRANK PALLONE, JR.

**FOR IMMEDIATE RELEASE**

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## **Pallone Statement at Renewable Fuel Standard Hearing**

*Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks at an Energy & Power Subcommittee Hearing on the Renewable Fuel Standard:*

Thank you Chairman Whitfield and Ranking Member Rush for providing us an opportunity to hear from the Administration and many of the key stakeholders in the Renewable Fuel Standard (RFS) program.

The transportation sector is our country's largest consumer of oil and the second largest emitter of carbon pollution, so the development of low carbon renewable fuels is critically important. The RFS program that Congress established in 2005 and amended significantly in 2007 has helped extend our domestic fuel supply, and it spurred investment in alternative fuel production. The RFS has also supported farm incomes and rural economies in a number of states.

In recent years, domestic production of fuel overall increased due to expanded domestic production of oil and gas. The production of ethanol has also provided us with a stable supply of domestic fuel. And, the availability of ethanol provided an alternative to MTBE (M-T-B-E) as an octane enhancer and oxygenate when MTBE proved to be a problem in water systems across the country.

Despite these successes, there have also been a number of challenges. For example, the annual obligation for the Environmental Protection Agency (EPA) to set RFS targets has been more controversial and challenging than Congress originally anticipated. Moreover, the increase in renewable fuel production targets Congress passed in 2007 anticipated faster and broader-based development of cellulosic ethanol and other advanced biofuels.

There are also a number of constituencies – particularly equipment manufacturers and their customers, including small boaters– who still have concerns about increasing the percentage of ethanol beyond the 10 percent fraction that is commonly sold throughout the country. And, there are others who question whether increasing biofuel production will achieve the

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program's important environmental goals, particularly the goal of reducing greenhouse gas emissions from the transportation sector.

I want to thank Assistant Administrator McCabe for coming today to discuss the EPA's implementation of the RFS. This is a challenging assignment. Every year, EPA must balance many different factors with the needs and desires of the many assorted players throughout the fuel supply chain – from production to distribution to use.

And to some degree, this has been made more difficult by the fact that the targets we set in 2007 assumed that the demand for transportation fuels would continue to grow. However, we've actually seen reduced demand nationally for transportation fuel due to a combination of historically higher fuel prices, increased vehicle fuel efficiency, slower growth in vehicle miles traveled, and the recession.

I look forward to hearing more about the implications for the fuel market from Mr. Gruenspecht from the Energy Information Agency, as well as from witnesses on our second panel.

During today's hearing we should consider how the RFS contributes to the deployment of the low-carbon transportation system of the future that benefits both our environment and our economy. But, we should also consider how this program could work better to help us meet our climate goals. Fortunately, we have an excellent panel of witnesses here today who can speak to those matters. I look forward to hearing their perspectives on the RFS program.

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