

**Statement of Ranking Member Frank Pallone, Jr.  
House Energy & Commerce Committee  
Subcommittee on the Environment  
Hearing on “Discussion Draft: The 21<sup>st</sup> Century Transportation  
Fuels Act”**

*December 11, 2018*

Since this is likely the last Environment Subcommittee hearing of the 115<sup>th</sup> Congress, I want to commend Chairman Shimkus and Ranking Member Tonko on their record of success. We have enjoyed a level of mutual respect that I believe has benefited both sides and produced work we can all be proud of. I look forward to continuing this working relationship in the 116<sup>th</sup> Congress.

Today’s hearing on the Renewable Fuel Standard (RFS) is the fifth this Congress, and a culmination of Chairman Shimkus’ substantial effort to reform transportation fuel policy. I commend the Chairman for his efforts.

The RFS program is far from perfect. Unfortunately, the “21st Century Transportation Fuels Act” is even less perfect than the program it supposedly is reforming.

This discussion draft does not address any of the known problems at the Environmental Protection Agency (EPA). It does not address EPA’s substantial misuse of small refinery waivers to exempt refineries that are neither small nor in financial distress from biofuel blending obligations. It also does not address EPA’s failure to set volumes at levels required by the law.

What the “21st Century Transportation Fuels Act” does is to create a high-octane fuel standard without a biofuel mandate. It also waives misfuelling liability for vehicles manufacturers and retailers. And, it provides fuel economy credit “harmonization” to automobile manufacturers in an effort to garner their support. Ultimately, this legislation is mainly a broad compilation of diverging changes to the RFS and other vehicle programs.

For a reform effort to be fair and successful, any RFS restructuring proposal should provide long term stability and

certainty for all stakeholders. It should increase transparency and consistency in the market and promote overall environmental benefits through the diminishing use of fossil fuels.

The discussion draft before us fails to meet any of those goals.

Congress enacted the RFS program to diversify the fuel supply, reduce dependence on fossil fuels, promote rural development and deliver environmental improvements of air quality and greenhouse gas reduction. Furthermore, the RFS program promotes economic development for American farmers and their families, drives long term investments in technology, and provides a critical market for home grown fuel at a time when our rural economy is hurting.

These are important things to consider in judging any reform effort. But it's also critical to ask the question of whether, in the face of intensifying climate change, a proposal improves the environmental benefits of the RFS or if it undermines them?

This question is vital, because the transportation sector is the largest contributor of U.S. greenhouse gas emissions. Let me be

clear: a policy change that extends the dominance of fossil fuel use in transportation, that slows improvement in vehicle fuel economy standards, or keeps us on a path of increased carbon emissions in the transportation sector is absolutely unacceptable.

Unfortunately, I believe that will be the overall effect of this discussion draft. It will ultimately increase the use of liquid fossil fuels in inefficient cars, long into the future. Looking through a climate lens, this proposal would do nothing to address the existential problem of climate change and would likely make it worse. And, that's something I will oppose.