

Committee on Energy and Commerce

Opening Statement

of

Full Committee Ranking Member Greg Walden

“Driving in Reverse: The Administration’s Rollback of Fuel Economy and Clean Car Standards”

Thursday, June 20, 2019

Remarks as Prepared for Delivery

Today we will explore the regulation of fuel economy with the National Highway Traffic Safety Administration, the Environmental Protection Agency, and a number of stakeholders.

This hearing touches on a prominent point of frustration for American consumers: ineffective, duplicative government programs that increase costs and decrease their choices. Layered on top of consumers concerns is an unnecessarily complicated regulatory scheme, disguised until recently as one national program. We are talking about the differing fuel economy programs administered by NHTSA, the EPA, and California.

As I said last week: It is a mistake to assume that a clean environment, or safety and efficiency, are incompatible with economic growth and job creation. However, to succeed we need common sense regulations that protect the public without suffocating innovation or failing to consider the practical impact on American consumers and taxpayers.

Consumer interests are best served by ensuring our automakers have the freedom to design, manufacture, and deliver products with the features consumers want and can afford, and which are safe and reliable.

I expect today we will hear about the various goals of the different programs, including the unique circumstances of certain states, but I would encourage all of us to refocus on the underlying statutory authority for the national fuel economy program and the facts about the marketplace today. One fact that I have said time and again is that climate change is real. But we need to be focused on innovative and achievable solutions that protect the public, support the economy and jobs, and don’t take choices away from American consumers.

I look forward to hearing from Attorney General Landry and others on the panel about the impact of the existing conflicting programs on states outside of California, and how costs have been driven up for consumers in those states. While we approach some of these issues from various perspectives, I believe it is important to have regulations for achievable and affordable solutions that are commonsense, constitutionally permissible, and that work for everyday Americans.

In my district, more than 66 percent of registered vehicles are crossovers, SUVs, pickups, and vans. Less than 0.3 percent of vehicles in my district are electric or plug-in hybrid. Less than two percent are hybrids. That means more than 98 percent of vehicles registered in my district are gas or diesel powered. We need to be sure we are keeping the consumer in mind.

It is also important to understand how we got here. In the 1970s, Congress delegated authority to NHTSA for regulating fuel economy with clear statutory requirements. But, the Obama-era EPA decided to get involved and developed their own standards, while also granting California a waiver under the Clean Air Act to allow a third regulator in this space.

In 2009, the Obama Administration announced this regulatory bottleneck as the “One National Program.” Unfortunately, the One National Program has not resulted in a single national standard, and today we are left with a system that does not work for the regulated industry and is based on assumptions that we now know are faulty.

Believe it or not, under the current scheme it is possible for automakers to be in full compliance with one federal regulatory standard but be subject to massive penalties under the other. This is an example of bureaucracy at its worst. Government should be working for the people. Not creating regulations that increase costs and decrease choices for consumers and create a compliance Catch-22 for manufacturers.

Per the commitments made by the Obama Administration, NHTSA and EPA were supposed to jointly issue respective determinations on standards for model years 2022-2025 in the spring of 2018.

However, the Obama-EPA abandoned its commitment and rushed through its final determination – without coordinating with NHTSA or taking input from stakeholders in a meaningful way – just seven days before President Trump was sworn into office.

To the Trump Administration’s credit, they are refocusing on the pre-2016 election commitments made under the prior administration—setting one national standard. Last August, NHTSA and EPA jointly issued a notice of proposed rulemaking for the Safer Affordable Fuel-Efficient Vehicles Rule, or the SAFE Vehicles Rule, which seek to unify and amend the federal standards for model years 2021 through 2026.

Duplicative and conflicting federal programs do nothing to help the American people. As policymakers, it is our job to ensure that our laws and the implementation of them advance public policy goals that benefit Americans.

I would like to thank all of our witnesses for joining us today and I yield back.

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