

Statement of Chairman John Shimkus
Environment Subcommittee
Hearing on “High Octane Fuels and High Efficiency
Vehicles: Challenges and Opportunities”
April 13, 2018

(As prepared for delivery)

This Subcommittee has jurisdiction over the EPA programs affecting transportation fuels and vehicles, most significantly the Renewable Fuel Standard as well as the Corporate Average Fuel Economy/Greenhouse Gas (CAFE/GHG) standards.

At our March 7th hearing on the future of fuels and vehicles, we had a chance to learn more about the trends impacting personal transportation in the years ahead. One takeaway was that, although electric vehicles will continue to make inroads, the internal combustion engine will still dominate the market for another three decades or more, as will petroleum and agriculturally-based liquid fuels to power these engines. For this reason, the RFS and CAFE/GHG programs will continue to have a significant impact for years to come.

One potential flaw with the RFS and with CAFE/GHG is that the two programs have never been fully coordinated with one another. The RFS doesn't necessarily give us the liquid fuel formulations that maximize energy efficiency, and CAFE/GHG doesn't necessarily result in the kinds of engines that make the best use of biofuel blends.

Fortunately, there is research underway to better coordinate these two programs. At the March hearing, we learned about DOE's Co-Optima initiative that is looking to maximize efficiency by using high octane fuels and engines specifically designed to run on these fuels. Ideally, this could benefit everyone from corn growers and biofuels producers, refiners, automakers, and most important of all, consumers. Today we seek to get the high octane policy discussion underway in earnest, and I welcome our witnesses.

High octane fuels can improve fuel economy in engines optimized for them. For automakers, it is a relatively low cost tool to increase miles per gallon. And because ethanol is the cheapest source of octane currently available, it also may be a pathway to use at least as much if not more ethanol than under the RFS.

But make no mistake – this is a major undertaking. For one thing, we must deal with the proverbial chicken and egg conundrum – we can't expect refiners and gas stations to invest in a new fuel unless they know that cars will be manufactured that will run on it, and automakers don't want to commit to the new engines until they know that the fuel will be widely available. Significant investment dollars and a great many jobs may be at stake.

And there are a lot of details yet to be decided, including exactly what the high octane standard should be, how many years refiners and automakers need in order to make the transition, and what gas stations must do in order to provide this new fuel for new vehicles while still carrying the old fuels for existing vehicles. We also must figure out what other legal and regulatory provisions need to be revised or repealed in order for a high octane transition to work. And most important of all, we need to make sure that what we do is of net benefit to consumers.

One point I do want to emphasize – this hearing is not a discussion of EPA's Mid-Term Evaluation of the CAFE/GHG standards for model years 2022 to 2025. Regardless of the outcome of that process, we know for certain that fuel economy standards are going to continue increasing from where they are today, and that automakers will need every cost-effective option for complying. High octane is one such option and is worthy of serious consideration, and today I hope we can get a constructive dialog underway. Thank you.