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Opening Statement
Representative Carolyn Maloney
Joint Economic Committee Hearing
July 28, 2005

Thank you, Chairman Saxton. The question of what role alternative automotive technologies will play in our energy future is an important one, and I hope we will be able to learn things from this hearing that can inform our future policy choices.

We are heavily reliant on oil to power our cars and fuel our lifestyle, and 58 percent of the oil we consume is imported, often from politically volatile regions of the world. Promoting conservation, raising efficiency standards, and supporting R&D can all play an important role in overcoming our dependence on oil and reducing our reliance on imports.

Today, more than two-thirds of the oil consumed in the United States is used for transportation, mostly for cars and light trucks. Increasing fuel efficiency would lower pressures on oil prices, enhance our national security, curb air pollution, and reduce the emission of greenhouse gases, which cause global warming. Clearly, alternative fuel and automotive technologies are needed to help achieve these goals, but we cannot overlook the importance of other approaches.

Corporate Average Fuel Economy (CAFE) standards for cars have remained static for two decades and average vehicle fuel economy has actually declined since the late 1980s when sales of SUVs began to climb. Car manufacturers could increase the average fuel economy from today's 27.5 miles per gallon to 46 miles per gallon just by implementing existing technologies, according to a recent MIT report. This would reduce our dependence on foreign oil by three-fourths and cut greenhouse gas emissions by nearly a third.

The auto industry is pursuing a variety of advanced vehicle technologies, such as hybrid vehicles, fuel cells, and hydrogen fuel. While hybrid vehicles have received a lot of attention, they still make up only about 1 percent of the 17 million vehicles sold in the United States each year. However, some hybrids don't contribute much to energy efficiency, as car companies are building more high-end, high-performance vehicles.

Congress needs to be careful about which technologies it subsidizes. We should make sure that we are not prematurely committing to any particular technology and neglecting other potentially beneficial approaches. We also should make sure that tax incentives are well targeted to achieving their objectives, rather than simply subsidizing behavior that would have taken place anyway. It doesn't make much sense to give a tax break when manufacturers are wait-listing consumers for certain models – the demand is already there, the cars are not.

I will be interested to learn more about whether the President's initiative to promote hydrogen fuel and fuel cells has realistic goals or is just science fiction. Right now, there is a danger that hydrogen fuel and fuel cells may never be commercialized because they are so expensive, and this initiative may draw funding away from near-term technologies such as hybrids.

I have many more questions, but I will stop here because we have a panel of witnesses that I hope will be able to provide some answers, or at least provide us with more information about the intriguing technological possibilities that lie before us. Getting solid and reliable information is the first step toward developing sound policy. I don't think any of us believe that the current energy bill is the last word on energy policy, and much remains to be done to meet the challenges that lie before us.

Mr. Chairman, I look forward to hearing the testimony of our witnesses today.

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