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CONTACT: Daniel A. Lashof, NRDC, 202-289-2399
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NRDC Supports Bill Promoting Hydrogen Vehicle Commercialization

Statement by Daniel A. Lashof, Ph.D., science director, NRDC Climate Center

On behalf of the Natural Resources Defense Council, I am pleased to support the H2 GROW Act, legislation being introduced today by Senator Ron Wyden (D-Ore.) and Congressman Christopher Cox (R-Calif.) to promote the commercialization of hydrogen fuel cell vehicles. As these leaders recognize, hydrogen fuel cell vehicle technology is an extremely promising long-term solution to the twin problems of oil dependence and global warming.

Personal vehicles are the primary driver of America's dangerous addiction to imported oil and the second largest U.S. source of heat-trapping carbon dioxide emissions. Our fleet of 200 million cars, vans, SUVs and light trucks uses 120 billion gallons of gasoline per year, accounting for 40 percent of our total oil consumption. At the same time, these vehicles emit 1.4 billion tons of heat-trapping carbon dioxide (CO_2) each year.

These problems are getting worse, not better. The fuel economy of new vehicles is at a 20-year low. Falling fuel economy combined with increasing travel propelled a 20 percent increase in transportation-related oil consumption and CO_2 emissions over the last decade.

Hydrogen fuel cell vehicles have the long-term potential to solve both these problems once and for all. When hydrogen is used in a fuel cell to generate electricity, the only emission is water. Equally important, hydrogen can be produced from renewable energy sources, such as wind and solar energy, resulting in an inexhaustible, emission-free fuel cycle.

The H2 GROW Act promotes this future in three important ways: First, it provides incentives to market fuel cell vehicles. Second, it provides incentives to install hydrogen-fueling infrastructure. Third, it provides incentives to produce hydrogen fuel, including a bonus for renewable hydrogen production. This is important because without appropriate incentives and strong environmental standards there is no guarantee that hydrogen production will be environmentally friendly, or even environmentally acceptable.

The performance-based incentives established by H2 GROW are designed to ensure that fuel cell vehicles get out of the laboratory and onto the highway. The largest incentives are offered in the early years when they are needed most. As fuel cell vehicle manufacturers move from high-cost, low-volume production to lower-cost mass production, the incentives are gradually phased out.

Even with the ambitious goals and substantial incentives of the H2 GROW Act, it will take more than a decade for fuel cell vehicles to enter the fleet in significant numbers. In the meantime, more than 16 million gasoline passenger vehicles will be sold each year in the United States, and

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these vehicles will stay on the road for more than a decade. We can't afford to ignore these cars while we wait for the promise of fuel cells. It is essential to act now to substantially reduce our oil dependence and CO_2 emissions by expanding production of hybrid vehicles and applying available technology to make cleaner, more efficient conventional vehicles.

America needs a comprehensive strategy to break the chain of oil dependence that compromises our environment and our security. The H2 GROW Act is a key component of that strategy. Thank you Senator Wyden and Congressman Cox for leading this important effort.

The Natural Resources Defense Council is a national, non-profit organization of scientists, lawyers and environmental specialists dedicated to protecting public health and the environment. Founded in 1970, NRDC has more than 550,000 members nationwide, served from offices in New York, Washington, Los Angeles and San Francisco. More information is available through NRDC's Web site at www.nrdc.org.

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