

Statement of Edward J. Markey On the Introduction of a bill to increase CAFÉ standards

Some of the basic facts about why we need to increase fuel economy are exactly the same as they were 4 years ago, when Mr. Boehlert and I first offered our amendment to increase fuel economy standards to the Energy bill:

- The U.S. has only about 3% of the world's known oil reserves, but it consumes more than 25% of the world's oil. In contrast, OPEC controls 40% of the world's known oil reserves.
- Two thirds of all the oil we use in the U.S. **is consumed by the transportation sector – in the cars and light trucks that we drive.**
- The fuel efficiency of the cars and light trucks we are driving in this country is getting worse. In 1975, Congress passed a law, signed by President Gerald Ford, that mandated that fuel economy had to double from 13 miles per gallon to almost 27 miles per gallon by 1985. The car companies got it done – in ten years, they made cars twice as efficient. But **the fleetwide average fuel economy peaked in 1987 at 26.2 miles per gallon, and has now fallen back to under 25 miles per gallon, ROUGHLY THE SAME LEVEL WE WERE AT IN 1981!**

But even before Hurricane Katrina hit, some things had changed:

- OPEC is saying it has almost maxed out its production capacity, while China's demand for oil is growing at a rate that is seven times that of the US. Exxon, just one oil company, made **\$15 billion** alone in just 6 months.
- A message posted to a jihadist message board calls upon Mujahideen everywhere to attack not just people, but oil wells and pipelines, arguing that "the killing of 10 American soldiers is nothing compared to the impact of the rise in oil prices on America and the disruption that it causes in the international economy."
- A group of national security hawks have teamed up with environmentalists to state that "U.S. dependence on foreign petroleum poses a serious risk to our national and homeland

security as well as our economic well-being” and call for a 50% oil reduction by 2025.

- Automakers have agreed to a voluntary deal that amounts to an increase in fuel economy standards in Canada by 25% even as they fight all efforts to do the same here.
- Sales of hybrid vehicles are so strong that the Washington Post has urged that Virginia stop letting solo drivers of hybrids use the HOV lanes because traffic is getting clogged up.

It is events that have occurred in the past 2 WEEKS, however, that perhaps most dramatically illustrate the need to implement strong fuel economy increases:

- Price gouging and refinery outages as a result of Hurricane Katrina have sent gas prices skyrocketing to over \$3/gallon.
- Some of the refineries in the Gulf Coast area may be offline for months.
- Two weeks ago, rumors that gas supplies would run dry in the DC area led to long lines at gas stations reminiscent of the Energy crisis of the 1970s.

Airlines are getting clobbered, farmers are getting clobbered, truckers and florists and plumbers -- all over America, people are wondering whether this Administration is ever going to move in a direction that addresses the hopes of every American rather than just the wish-list of huge wealthy corporations. The scene at the gas pump is outrageous. The unjustified price hikes at the pump have caused panic buying, gouging and shortages, and all the President has to say about it is "don't drive as much if you don't need to."

The President has done nothing to ease consumers' pain at the pumps. Instead of telling drivers to drive less and providing even more subsidies and environmental waivers to Big Oil, why can't we simply make the cars being driven consume less gasoline?

Several years ago, the National Academy of Sciences published a report that identified 17 technologies that could allow cars, SUVs and pickups to achieve this improvement *without harming automobile safety*.

Their analysis doesn't even consider hybrids or diesel technology, both of which can improve fuel economy by up to 50 percent.

The bill we are introducing today raises automobile fuel economy standards to 33 miles per gallon by model year 2016, a level that the National Academy of Sciences report shows is easily achievable. Beginning in 2016, it would save 10 percent of the gasoline the nation would otherwise burn – but also directs NHTSA to accomplish these savings without adverse impacts on automobile safety.

We introduce this bill just over a month after the President signed the Republican Energy Policy Act of 2005 into law. Already, it is becoming clear that this bill is going to do nothing to address the record high prices that Americans are paying for gasoline at the pumps. Like under-funding levees in the Hurricane belt, a policy which focuses almost exclusively on subsidies for wealthy oil companies is foolish. You only get away with it until you don't get away with it. Some of the new proposals that we are hearing now on refinery permitting and drilling on the Outer Continental Shelf or in the Arctic Refuge are just "more of the same" -- a reprise of the Republican energy policy which is failing before our very eyes, yet those in charge just keep saying it will all work out if we just stay the course.

The course we are on is insanity -- we are dependent on oil from the Middle East because our transportation system is dependent on this commodity which God put in vast quantities under the Arabian desert, not in the USA. We are polluting our air, our children are getting asthma at record rates, the global climate is warming, our hurricanes are getting more numerous and stronger, our wetlands are disappearing, we put pipelines and well heads and roads and airports in our national wildlife refuges, we wink at the human rights abuses of OPEC, we treat as allies countries which incubate terrorism, and we shower tax credits and royalty relief on companies which are already drowning in their own profits.

The rest of the world is asking "what is the world's greatest technological superpower thinking? Will Katrina wake up America to the consequences of its failed energy policy, or will it just go on its merry way, continuing to pretend that drilling for oil on the fishing

grounds of George's Bank or the caribou calving grounds of the Arctic National Wildlife Refuge will prevent the next catastrophe?

Mr. Boehlert and I feel like the National Weather Service must feel. You warn people about a coming storm, but the response is not adequate to the threat. For four years we have attempted to get US policymakers to adopt policies that would head off an energy crisis by reducing the demand for oil. The reliance on oil is a real and present danger to our country -- to national security, to clean air and clean water, to reliable transportation supplies at an affordable price. If we don't start thinking ahead, we can expect repeat episodes of consumers getting gouged, children getting asthma, and troops getting sent to the Middle East to stabilize world oil supply. With this bill, we are pleading -- please, let's think ahead so that we don't get left behind...

The time for changing course is NOW. We MUST reduce our consumption of oil to prevent the destruction of our economy and our way of life. I call upon the President and the Congress to wake up to reality, and take meaningful steps to reduce our dependence on oil.