

U.S. House of Representatives
Select Committee on
Energy Independence and Global Warming

F. James Sensenbrenner, Jr., Ranking Republican

News Advisory

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Contact: Terry Lane
(202) 225-0110

Biofuels Only One of Many Alternative Fuel Options

Sensenbrenner: Let the Market Pick Winners

Washington, D.C., Oct. 24, 2007 – U.S. Rep. Jim Sensenbrenner, R-Wis., ranking Republican on the House Select Committee on Energy Independence and Global Warming, made the following statement during today’s hearing titled, “The Grass is Greener: The Future of Biofuels:”

“I’d like to start by thanking the chairman for today’s hearing. I believe any discussion of energy policy must include a thorough examination of current and future technologies, and today’s hearing on biofuels should give my colleagues and me the opportunity to explore the future of transportation fuels. I urge the chairman to schedule more hearings on technologies that can help address energy independence and global warming.

“By creating fuel from crops and other biological materials, biofuels hold great potential to help wean the United States from its reliance on foreign oil and to help reduce our greenhouse gas emissions. While biofuels do offer some answers to both of these problems, one question is whether biofuels offer the right answers.

“They very well could, but at this point, the questions biofuels raise outnumber the answers.

“For instance, how much does the federal government need to subsidize corn-based ethanol, which seems to offer a slight improvement in CO2 emissions, but also seems to put more pressure on food prices, water supply and quality, and land use?

“Or would it be better to make biofuels from soybeans, sugar cane or switch grass? In August, the Wall Street Journal reported on the cultivation of a plant called jatropha, a shrub found in India that can grow in almost any climate and can potentially produce biodiesel fuel at a cost cheaper than any of the other plants I have mentioned today. Is the jatropha plant an answer?

– more –

“And what about the alternatives, such as hydrogen fuel cells? This technology has the potential to propel cars and trucks without creating any carbon dioxide emissions. But is it better than the biofuels currently under development?”

“I don’t know the answer to these questions. I suspect Congress doesn’t either.”

“This is another situation where I worry that instead of letting the markets decide which product or technology is best, the government will try to pick winners and losers.”

“In July, this committee held a hearing on the plug-in gasoline-electric hybrid car. At the time, I raised some questions, but said the free market should be free to figure this out on its own. Just yesterday, it appears that market forces are starting to produce the answer. While General Motors and Toyota intend to keep developing hybrid technology, executives from Renault, Nissan and Honda said they see gasoline-electric hybrid technology as flawed and will apparently invest in all-electric car technology instead.”

“Fortunately, these executives made this decision without having to ask us in Congress what we think.”

“An undercurrent of today’s hearing is that the federal government should increase its mandated use of biofuels through a renewable fuels standard. Congress enacted such a standard in 2005 and witnesses today tell us that biofuel production has already exceeded the production requirements.”

“Some will say that we need to raise the government mandate even higher, because the free market isn’t responding. I’m not so sure that it’s not. General Motors is aggressively advertising its fleet of flexible fuel vehicles. Both Chevron and BP are proudly highlighting their research on biofuels.”

“The larger question is how we move from petroleum to alternative fuels without disrupting our economy. One way or another, the free market will give us an answer, and I will anxiously await the results.”

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