

**Mr. Sensenbrenner's Opening Statement for Select Committee on Energy Independence and Global Warming hearing: "\$4 Gasoline and Fuel Economy: Auto Industry at a Crossroads."**

**June 26, 2008**

Energy efficiency is one of the key technological improvements that must be achieved through any global warming policy. Increased efficiency in automobile fuel economy is one area where new and improved technology can help reduce the amount of greenhouse gas emissions in the atmosphere.

I did not vote for the bill that raised the Corporate Average Fuel Economy (CAFE) standards, primarily because the same bill also increased the mandates for ethanol, which I strenuously oppose. However, I am also worried that raising CAFE standards will have the potential to reduce vehicle safety.

Regardless, the bill has passed Congress and has been signed into law and it is now up to the Department of Transportation to figure out exactly how to enact these new regulations, and it is my hope that it does so without jeopardizing safety.

Despite the fact that Congress has mandated an increase in fuel economy, it seems many consumers aren't waiting for these regulations to take affect. With the high cost of gas, who can blame them? Sales of hybrids and other higher MPG cars are soaring, while sales of SUVs are dropping. And yet, it didn't take an act of Congress for this to happen, just increasingly expensive gasoline and a robust free-market economy.

One point that Republicans consistently raise during debates over climate change policies is that the government should not be in the business of picking winners and losers. In this case, it should be consumers, not Congress, who should make the decisions on what type of cars to buy. This not only goes for automobiles, but also other technologies to reduce greenhouse gas emissions, like nuclear, clean coal, solar and wind power.

While the high price of gas may help hybrid car sales, it is hurting the economy and impacting all Americans, whether they drive a lot or only a little. High gas prices are raising the costs of food, transportation and other products and services. And while it is true that increased CAFE standards will reduce demand for gasoline, and presumably drive down the price eventually, the American people need help on gas prices now. But the Democratic leadership of the House continues to refuse to consider policies that will open more domestic sources of oil and gas to exploration and development. Doing so would send an immediate signal to the oil markets that we are moving to expand supplies and would result in lower fuel costs in the near term and beyond.

Former EPA official Jeffrey Holmstead's testimony points out another critical issue: the problems of having several different government entities trying to regulate carbon dioxide emissions from automobiles. With the National Highway Traffic Safety Administration, EPA, the state of California and other states all trying to regulate CAFE

standards, all kinds of problems are likely to occur. Mr. Holmstead notes that NHTSA's program to raise CAFE standards balances fuel economy, safety and jobs, something the others aren't taking into account. I welcome Mr. Holmstead and all the witnesses here today and look forward to their testimony.

As I have stated repeatedly to this committee, Congress should do more to decrease our dependence on foreign oil by allowing more exploration of domestic oil and gas resources. This would greatly improve the United State's energy security and also help lower energy costs, including gasoline prices. While I enjoy learning about the technology of tomorrow, I think the American people want us focused on bringing down energy prices today, and I urge the Democratic leadership in the House to take real action to open these vital energy resources.

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