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5 DRIVING AFFORDABILITY: PRESERVING PEOPLE'S

6 FREEDOM TO BUY AFFORDABLE VEHICLES AND FUEL

7 THURSDAY, JUNE 22, 2023

8 House of Representatives,

9 Subcommittee on Environment, Manufacturing,

10 and Critical Minerals,

11 Committee on Energy and Commerce,

12 Washington, D.C.

13

14 The subcommittee met, pursuant to call, at 10:01 a.m.,

15 Room 2123, Rayburn House Office Building, Hon. Bill Johnson

16 [chairman of the subcommittee], presiding.

17

18 Present: Representatives Johnson, Carter, Palmer,

19 Crenshaw, Joyce, Weber, Allen, Balderson, Fulcher, Pfluger,

20 Miller-Meeks, Obernolte, Rodgers (ex-officio); Tonko,

21 DeGette, Sarbanes, Clarke, Ruiz, Peters, Barragan, and

22 Pallone (ex-officio).

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24 Also present: Representatives Bilirakis, Latta, Lesko,
25 Pence, Walberg; and Dingell.

26 Staff Present: Sarah Alexander, Professional Staff
27 Member, Energy and Environment; Katie Arey, Digital Director;
28 Sarah Burke, Deputy Staff Director; Jerry Couri, Deputy Chief
29 Counsel for Environment; Sydney Greene, Director of
30 Operations; Jack Heretik, Press Secretary; Nate Hodson, Staff
31 Director; Tara Hupman, Chief Counsel; Sean Kelly, Press
32 Secretary; Peter Kielty, General Counsel; Emily King, Member
33 Services Director; Mary Martin, Chief Counsel, Energy &
34 Environment; Kaitlyn Peterson, Clerk, Energy and Environment;
35 Karli Plucker, Director of Operations (shared staff); Carla
36 Rafael, Senior Staff Assistant; Emma Schultheis, Staff
37 Assistant; Olivia Shields, Communications Director; Peter
38 Spencer, Senior Professional Staff Member, Energy; Michael
39 Taggart, Policy Director; Dray Thorne, Director of
40 Information Technology; Waverly Gordon, Minority Deputy Staff
41 Director and General Counsel; Anthony Gutierrez, Minority
42 Professional Staff Member; Caitlin Haberman, Minority Staff
43 Director, Environment, Manufacturing, and Critical Materials;
44 Mackenzie Kuhl, Minority Digital Manager; Kylea Rogers,

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45 Minority Policy Analyst; Medha Surampudy, Minority
46 Professional Staff Member; and Rebecca Tomilchik, Minority
47 Junior Professional Staff Member.
48

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49 *Mr. Johnson. The subcommittee will come to order.

50 The chair recognizes himself now for an opening
51 statement.

52 Welcome to the Environment, Manufacturing, and Critical
53 Materials Subcommittee's hearing on four pieces of
54 legislation intended to safeguard economic freedom and
55 mobility for the American people.

56 Our constituents across the country rely on their cars
57 to commute to work, travel to and from school, check in on
58 grandparents and loved ones, go to the grocery store, go to
59 medical appointments, a host of things. According to the
60 Department of Transportation, approximately 280 million
61 vehicles were registered in the United States in 2021. In
62 total, 92 percent of U.S. households have at least 1 vehicle,
63 and more than half of U.S. households have 2 or more
64 vehicles.

65 The Biden Administration continues to release regulation
66 after regulation to dramatically change transportation and
67 mobility for Americans on a timetable that defies reality.
68 For many Americans, this is pushing them toward vehicles that
69 they cannot afford and into vehicles that don't make sense,
70 especially for rural Americans like those in my district.

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71 And who will pay for this so-called transition? It is
72 the American taxpayer.

73 Luckily, Republicans on our committee have some
74 solutions. The four bills we are considering today stop the
75 Biden Administration's excessive overreach, and enable
76 Americans to continue to choose the cars they want and can
77 afford.

78 First, the Preserving Choice in Vehicle Purchases Act
79 was introduced by our subcommittee members Dr. Joyce, Mr.
80 Latta, Mr. Bilirakis, and Mr. Obernolte. This legislation
81 limits the EPA's ability to unilaterally issue a waiver of
82 national vehicle emission standards to California if the
83 states' policies directly or indirectly limit the sale or use
84 of new internal combustion vehicles. The intent of the Clean
85 Air Act is clear: Congress never directed California to
86 dictate America's vehicle emissions, and also did not
87 authorize the EPA to force vehicles that the agency does not
88 like off the road.

89 Next we have the Fuels Parity Act introduced by Dr.
90 Miller-Meeks, which allows ethanol derived from cornstarch to
91 qualify as a renewable fuel and an advanced biofuel under the
92 Renewable Fuel Standard. The bill also supports the use of

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93 the Department of Energy's Argonne National Laboratory GREET
94 model to assess life cycle greenhouse gas emissions. We
95 should prioritize nationally-recognized standards, rather
96 than international standards that specifically disadvantage
97 American fuels.

98 We also have two discussion drafts we are considering
99 today. The first addresses one of the most egregious
100 examples of the Biden Administration's regulatory overreach:
101 the proposed creation of a program to introduce electricity
102 into the Renewable Fuel Standard with eRINs. I am encouraged
103 that the EPA decided to pull back on the eRINs program from
104 the final set proposal, but any administration currently has
105 the ability to re-engage on eRINs at a later date. So we
106 need to address this.

107 Fortunately, the No Fuel Credits for Batteries Act would
108 clarify that the EPA is not authorized to create an eRINs
109 program. This, the second draft, tackles another similarly
110 disastrous proposal by the Biden and the EPA: the "multi-
111 pollutant emission standards for model years 2027 and later
112 for light and medium-duty vehicles.'`

113 The Biden Administration's intent with the proposed rule
114 was to pave the way for two-thirds of new car sales, and

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115 nearly half of new truck sales to be totally electric in the
116 next 10 years. To reach its goal, the EPA set emission
117 standards that only electric vehicles could achieve. The
118 Choice in Automobile Retail Sales Act, or the CARS Act,
119 prohibits the EPA from moving forward with this proposed
120 rule. The bill also prevents the EPA from issuing any
121 regulations in the future that would mandate a specific
122 technology or engine type.

123 All Americans deserve the freedom to choose what car
124 they drive, and to my Democratic colleagues I want to
125 emphasize that none of the bills being considered today
126 prevent electric cars or trucks from being driven on our road
127 if people want them. But forcing these vehicles on long-
128 distance driving rural Americans -- and, for that matter,
129 many urban-dwelling Americans who don't have garages and
130 driveways to charge these cars -- is simply wrong.

131 Ultimately, this forced EV transition will
132 disproportionately burden working-class Americans. The four
133 pieces of legislation simply prevent the Biden Administration
134 from using the Federal Government to dictate how Americans
135 travel and reach their desired destinations.

136 I appreciate the witnesses for testifying today, and I

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137 look forward to our discussion on ensuring affordable and
138 reliable transportation for the American people.

139 [The prepared statement of Mr. Johnson follows:]

140

141 *****COMMITTEE INSERT*****

142

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143 *Mr. Johnson. And with that I yield back and I
144 recognize the ranking member, Mr. Tonko from New York, for
145 his opening statement.

146 *Mr. Tonko. Thank you, Mr. Chair. I begin by
147 recognizing and thanking our witness, Mr. Goffman, as well as
148 the EPA's staff, for continuing their work on a regulatory
149 agenda that boldly addresses pollution from the
150 transportation sector, and upholds the agency's mission of
151 protecting human health and our environment.

152 Transportation remains the largest source of greenhouse
153 gas pollution in our United States, and is a major emitter of
154 other harmful air pollution. Luckily, the Clean Air Act
155 provides EPA with a wide range of authorities and tools to
156 address their emissions, and I believe EPA is working to
157 fulfill its obligation to protect public health in a manner
158 consistent with both the latest science and the law.

159 Unfortunately, the four bills under consideration today
160 would undermine EPA's efforts, and I must oppose them.

161 H.R. 1435, the Preserving Choice in Vehicle Purchases
162 Act, would limit the Clean Air Act's so-called California
163 waiver, and requires previously-issued waivers to be revoked.
164 Given its history and extraordinary air quality challenges,

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165 California has the ability to request a preemption waiver for
166 its vehicle emission standards, provided that they are at
167 least as stringent as Federal standards, and necessary to
168 meet compelling and extraordinary conditions. This
169 leadership by California has benefited so many Americans. My
170 home state of New York is among the section 177 states that
171 adopt these standards.

172 The choice in an automobile retail sales act prohibits
173 EPA from finalizing its recently proposed medium-duty and
174 light-duty vehicle standards, blocking the ongoing effort to
175 strengthen tailpipe emission standards for future model
176 years.

177 I would not have been surprised to see the majority use
178 the Congressional Review Act on this rule, but they could not
179 even wait for it to be finalized. This bill prevents EPA
180 from carrying out its duties to protect the public from
181 harmful air pollution, and it will deny Americans the
182 significant economic and health benefits of the proposed
183 rule.

184 Ultimately, this bill will undermine private-sector
185 investments, investments in cleaner vehicle technologies, by
186 injecting even greater uncertainty into the standards and

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187 incentives that are resulting in this rapid adoption of zero
188 emission vehicles. It will also stifle innovation, removing
189 the push on automakers and suppliers to continue making
190 cleaner, more efficient, and more affordable vehicles at
191 every price point.

192 The No Fuel Credits for Batteries Act would prevent EPA
193 from allowing eligible biofuels used to make electricity that
194 power EVs from earning eRINs under the RFS. There are
195 currently several fuel pathways involving electricity
196 approved under RFS, but these pathways have never been
197 operationalized. EPA has recently considered adding eRINs to
198 the RFS, and I hope the agency moves forward with this
199 proposal in the near future. Failing to do so will keep
200 otherwise eligible feedstocks from participating and
201 receiving the benefits of the RFS.

202 Finally, H.R. 3337, the Fuels Parity Act, changes the
203 definition of advanced biofuel in the Clean Air Act to remove
204 the bar on cornstarch. It also requires EPA to use the GREET
205 model to assess carbon intensity for corn ethanol.

206 I want to be clear that I do not necessarily have a
207 problem with the GREET model, but this bill would give
208 preferential treatment to only two types of biofuels, while

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209 requiring other fuels to use other, less advantageous models.

210 Ultimately, I believe these bills will continue the
211 Republican trend of creating uncertainty for private sector,
212 seeking to upend investments in the next generation of clean
213 vehicle technologies.

214 There is no denying the rapid adoption of EVs, which is
215 only expected to increase in the years ahead. The consumers
216 are realizing that these vehicles are not only good for the
217 environment, but also result in major cost savings over the
218 life of the vehicle. And these vehicles and their components
219 will increasingly be built in America, in large part due to
220 the incentives included in the Bipartisan Infrastructure Law
221 and the Inflation Reduction Act.

222 Now, while I am very excited about the possibilities for
223 widespread EV adoption, I also know liquid fuels will
224 continue to play an important role in our fuel mix for many
225 decades to come, and I want those fuels to continue to reduce
226 their carbon intensity.

227 Last year, under Democratic leadership, the House passed
228 bipartisan legislation with the support of several
229 Republicans on this committee that would have done just that
230 by allowing E15 to be sold year-round. These higher biofuel

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231 blends not only reduce emissions, but also give consumers
232 another option to save at the pump. While that proposal is
233 certainly not my preferred long-term solution to evolve
234 Federal fuels policy toward a fuel-neutral, performance-
235 based, carbon intensity program, I do believe it is a more
236 legitimate attempt at bipartisan legislating than the bills
237 before us today.

238 So while I look forward to our witnesses' testimony, I
239 remain unconvinced that we can work together to build broad
240 bipartisan support for any of these bills.

241

242

243 [The prepared statement of Mr. Tonko follows:]

244

245 *****COMMITTEE INSERT*****

246

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247 *Mr. Tonko. And with that, Mr. Chair, I thank you and
248 yield back.

249 *Mr. Johnson. The gentleman yields back. I now
250 recognize the chair of the full committee, Chair Rodgers, for
251 five minutes for the purposes of an opening statement.

252 *The Chair. Thank you, Mr. Chairman.

253 Since the invention of the Ford Model T, America has led
254 the world in car manufacturing and technology. The
255 combustion engine has allowed people from around the world to
256 increase their mobility, raise their standard of living. For
257 more than half a century, affordable transportation has
258 helped drive America's economic success.

259 The question we should be asking today is what do we
260 want America to be -- whether we want America to be leading
261 the auto sector for the next 100 years.

262 Nearly 20 years ago China made the decision to fully
263 electrify. Today, by some estimates, they are building an
264 average of two coal-fired plants per day in order to meet
265 their needs to fully electrify. I continue to hear from some
266 of my colleagues, well, we just need to put more money into
267 this system. That is money that is going to China. China
268 dominates the supply chains. It is China's technology that

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269 is being used in electric vehicles and the batteries. Those
270 supply chains include nickel from Russia, cobalt from Congo,
271 lithium from China.

272 Ladies and gentlemen, it has been the United States of
273 America that has been leading in bringing down carbon
274 emissions. We have led the world. It has been American
275 technology and innovation that has resulted in us leading the
276 world and bringing down carbon emissions. It is not China.
277 China continues to increase their carbon emissions. China's
278 carbon emissions are going to continue to increase until at
279 least 2030, 2032.

280 So today we are discussing a rule, a proposed rule by
281 EPA, that would have us follow China's lead. It is just 1 of
282 151 proposed rules by EPA, 151 rules right now at OMB, Office
283 of Management and Budget, the White House by EPA. And this
284 is a rule that would basically, in the next -- by 2032 take
285 away the choice from Americans. Ninety-five percent of the
286 cars that Americans drive today would no longer be made
287 available.

288 Today's hearing is really, fundamentally about whether -
289 - you know, and if we are going to make this decision, if the
290 United States is going to make this decision to fully

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291 electrify its transportation fleet, it should be the elected
292 representatives of the people that are making that decision.
293 That is a decision that belongs in this committee, the Energy
294 and Commerce Committee.

295 When it comes to protecting consumers' affordable
296 transportation choices and preferences, that should be a
297 debate in Congress. The cars we drive, how we fuel them, we
298 need to make sure that it is practical, affordable. Top-down
299 government mandates and subsidies will not reduce emissions
300 or lower cost. Americans deserve to have the choice to
301 decide what mode of transportation suits them best.

302 So the proposed rule. The proposed rule suggests that -
303 - it proposed that two-thirds of the cars, nearly 70 percent
304 of the cars, by 2032 must be 100 percent battery electric.
305 Not hybrids, not plug-in hybrids, not hydrogen, not any other
306 technology, 100 percent battery electric. That is China's
307 goal. That is China's agenda. Since when is the United
308 States of America following China's lead?

309 I have heard from many of my colleagues, and I have
310 heard from the Secretary of Energy that we need to be
311 following China's lead. I don't agree. I don't agree for a
312 moment, and this proposed rule is an affront to

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313 representative government. It is an affront to the elected
314 representatives of the people, and it is affront, actually,
315 to every American.

316 So instead of forcing Americans to spend more money on
317 vehicles that they don't want to buy, on vehicles that only
318 advance a political agenda, let's get back to the work of
319 making sure that people have access to affordable, reliable,
320 functional means of transportation. Let's get focused on
321 improving mobility, mobility choices. Let's get focused on
322 American technology and innovation. Protecting people's way
323 of life, and the ability to provide, you know, for their
324 families should be a bipartisan priority.

325 You know, America has long celebrated that we trust
326 people to make the best decisions for themselves, not a
327 government that decides for them. And today we have the EPA
328 wanting to decide for us, not even the elected
329 representatives of the people.

330 [The prepared statement of The Chair follows:]

331

332 *****COMMITTEE INSERT*****

333

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334 *The Chair. I yield back.

335 *Mr. Johnson. The gentlelady yields back. I now
336 recognize the gentleman from New Jersey, the ranking member
337 of the full committee, Mr. Pallone, for five minutes for an
338 opening statement.

339 *Mr. Pallone. Thank you, Mr. Chairman.

340 Today we are once again witnessing Republicans picking
341 winners and losers in our nation's transportation sector to
342 put polluters over people. With the bills before the
343 subcommittee, Republicans are actively fighting against
344 innovation, lower energy bills for Americans, and the oil
345 industry's ability to make manufacturing decisions based on
346 what consumers want.

347 Committee Republicans' efforts to continue propping up
348 big oil corporations threatens a clean and prosperous future
349 for all Americans. I reject this approach, and am instead
350 committed to clean vehicle affordability and consumer choice,
351 and that is exactly what Democrats delivered last Congress:
352 real solutions for our transportation sector.

353 The Bipartisan Infrastructure Law invested \$7.5 billion
354 in EV charging, \$10 billion in clean transportation, and over
355 7 billion in EV battery components, including critical

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356 minerals which have increasingly been manufactured overseas.
357 These investments will help build the EV infrastructure
358 needed across the nation.

359 The Inflation Reduction Act included rebates and tax
360 credits to lower the cost of EVs for American families,
361 including a tax credit up to \$4,000 for a qualifying
362 pre-owned or used EV.

363 Electric vehicles are becoming more and more popular
364 every day, and these tax credits are making them even more
365 affordable for American families. And yet every Republican
366 here today voted against both of these laws and all of these
367 critical investments. Instead, they are deliberately
368 misleading Americans about EVs and EPA proposals in order to
369 do the bidding of big oil corporations.

370 The truth is, EPA is not imposing any sort of EV
371 mandate. It is also true that EVs provide significant public
372 health and environmental benefits and deliver significant
373 savings to Americans by decreasing fuel costs by 50 percent.
374 They are also, overall, 25 percent less expensive to own than
375 regular cars. As a result of these benefits, demand for EVs
376 is already exceedingly outpacing supply.

377 Unfortunately, the four Republican bills included in

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378 this hearing will move us backwards in cleaning up and
379 modernizing the transportation sector. My Republican
380 colleagues oppose EVs so much that they are trying to
381 legislate away decades of innovation and cleaner
382 transportation, are working against market trends, and will
383 strip EPA of its authority to protect Americans from vehicle
384 pollution. And they are doing all of this to protect large
385 corporations while refusing to invest in American families.

386 Now, H.R. 1435 flies in the face of 50 years of Congress
387 and EPA recognizing California's authority to set more
388 protective vehicle standards. It infringes on states'
389 ability to voluntarily adopt these standards to protect their
390 citizens from dangerous pollution and climate change. This
391 bill is not just a direct attack on California, but also on
392 dozens of other states, including New Jersey, that frequently
393 follow California's lead.

394 Then there is a discussion draft that would block EPA
395 from finalizing its proposed light and medium-duty vehicle
396 emission standards. As drafted, it could also prevent EPA
397 from ever finalizing new vehicle standards, hamstringing the
398 agency's ability to fulfill its obligation to protect
399 Americans from dangerous motor vehicle pollution.

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400 Another discussion draft, the No Fuel Credits for
401 Batteries Act, would bar EPA from allowing credits to be
402 generated under the Renewable Fuel Standard for renewable
403 electricity for transportation fuel, also known as eRIN --
404 like iPhones [sic]. EPA has been working in this area since
405 2010, as directed by Congress. The renewable electricity for
406 eRINs would be produced by a variety of renewable biogas
407 feedstocks such as landfills, farmers, municipal wastewater
408 treatment facilities, and others. And this legislation would
409 stifle biofuel production opportunities across the country.

410 And finally, I have concerns with H.R. 3337, which would
411 allow cornstarch ethanol to qualify as an advanced biofuel
412 under the Renewable Fuel Standard. It would force EPA to
413 rely solely on the Department of Energy's GREET model for
414 determining life cycle emissions for biomass-based diesel and
415 cornstarch ethanol. Picking winners and losers within the
416 biofuels market under the RFS makes no sense. As drafted,
417 the bill also weakens EPA's ability to administer the RFS
418 responsibly, and would replace science-based decision-making
419 with political preference.

420 Now, if House Republicans are really interested in
421 driving affordability, they should join us in supporting

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422 policies that will continue to promote innovation in our
423 clean transportation sector, not undermine it. I invite them
424 to join us on our efforts to lower energy costs for
425 Americans, protect public health, address the worsening
426 climate crisis, and grow our economy for the future.

427 Unfortunately, the bills before us today are a step in
428 the wrong direction. And for that reason I oppose.

429 [The prepared statement of Mr. Pallone follows:]

430

431 *****COMMITTEE INSERT*****

432

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433 *Mr. Pallone. And I yield back the remainder of my
434 time, Mr. Chairman.

435 *Mr. Johnson. The gentleman yields back. And our first
436 witness today, our only witness for the first panel, is Mr.
437 Joseph Goffman, principal deputy administrator for the Office
438 of Air and Radiation at the EPA.

439 Mr. Goffman, thanks for being with us today. You are
440 recognized for five minutes for your opening statement.

441

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442 STATEMENT OF JOSEPH GOFFMAN, PRINCIPAL DEPUTY ADMINISTRATOR,
443 OFFICE OF AIR AND RADIATION, U.S. ENVIRONMENTAL PROTECTION
444 AGENCY

445

446 *Mr. Goffman. Thank you, Mr. Chairman. Chair McMorris
447 Rodgers, Ranking Member Pallone, Chair Johnson, Ranking
448 Member Tonko, and members of the subcommittee, thank you for
449 inviting EPA to testify today.

450 At this point the Administration does not have an
451 official position on the bills or drafts before the
452 subcommittee, but I would like to make a few points that I
453 hope will assist the committee in the consideration of the
454 bills before it.

455 On April 12, 2023, EPA proposed vehicle standards that
456 would significantly reduce CO₂, hydrocarbons, NO_x, and
457 particulate matter, and deliver widespread reductions in air
458 pollution across the country. The Choice in Automobile
459 Retail Sales Act of 2023, if enacted, would not allow EPA to
460 finalize those standards.

461 That legislation, if enacted, would prevent EPA from
462 finalizing the proposed standards, and that would mean that
463 harmful pollutants would continue to blight Americans'

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464 quality of life and health by subjecting them to more
465 hospital visits, more respiratory and cardiovascular
466 illnesses, and more health impairments from non-fatal heart
467 attacks, aggravated asthma, and decreased lung function. It
468 means that drivers would be denied the chance to save fuel
469 costs, and that American society would not see the 850
470 billion to \$1.6 trillion in net benefits these standards
471 would achieve.

472 The proposed standards align with commitments already
473 made by automakers and U.S. states as they plan to accelerate
474 clean vehicle technologies in the light and medium-duty
475 fleets, and they are aligned with the significant investments
476 Congress itself made in clean vehicle technologies through
477 the Inflation Reduction Act and the Bipartisan Infrastructure
478 Law.

479 Moving on to the second bill, let me just observe a
480 couple of things. The Clean Air Act explicitly requires the
481 control of air pollution be primarily the responsibility of
482 states and local governments. The regulation of new motor
483 vehicle emissions is an exception to this design. The Clean
484 Air Act gives that job to the EPA, and preempts states from
485 doing it.

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486 But even here, Congress made a move back toward the
487 state role by expressly giving California authority to set
488 separate standards. In fact, the Clean Air Act explicitly
489 stipulates that the EPA administrator shall waive the Federal
490 preemption of state car and truck standards for California,
491 unless one of three specified criteria are met. Thus, the
492 Preserving Choice in Vehicle Purchases Act, if enacted, would
493 preclude EPA from issuing state waivers that directly or
494 indirectly limit the sale or use of new motor vehicles with
495 internal combustion engines.

496 For perspective on this, I just want to note that the
497 authority that Congress granted to California and the
498 obligation to grant a waiver in -- unless certain criteria
499 are met, when Congress set this system up it did so 50 years
500 ago and continually reenacted that structure through a series
501 of reauthorizations of the Clean Air Act.

502 The third bill before this committee, the No Fuel
503 Credits for Batteries Act of 2023, would prohibit the EPA
504 from requiring or otherwise promoting the generation, use, or
505 transfer of RINs for the creation of electricity for use as a
506 transportation fuel.

507 I just want to note, as the chair and others did, that

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508 while we proposed an eRIN program, we got such an
509 overwhelming level of interest and such an extensive comment
510 record that we thought that what we really needed to do was
511 to continue to engage with stakeholders to explore the issues
512 that they raised.

513 Finally, the Fuels Parity Act would revise the statute
514 to no longer preclude cornstarch ethanol as an advanced
515 biofuel, and would specify the life cycle analysis modeling
516 that we should use. As a general matter, the EPA relies on
517 multiple models, and relies on the expertise of our technical
518 staff and our scientists to continually oversee the models
519 that are used because our experience is that, from the
520 perspective of scientific integrity, they are in the best
521 position to continue to collect information, observe the
522 advancements in science, and update our modeling repertoire,
523 if you will, as they see fit.

524 Thank you very much, and I look forward to answering
525 questions.

526 [The prepared statement of Mr. Goffman follows:]

527

528 *****COMMITTEE INSERT*****

529

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530 *Mr. Johnson. Thank you, Mr. Goffman.

531 The gentleman has yielded back, and we will now begin
532 our questioning, and I recognize myself. I will begin.

533 Mr. Goffman, in late April our subcommittee held a
534 hearing titled, "Exposing the Environmental, Human Rights,
535 and National Security Risks of the Biden Administration's
536 Rush-to-Green Policies.'" During the hearing witnesses
537 emphasized that EV adoption faces significant cost barriers
538 which would disproportionately impact low-income Americans.
539 The average price of an EV is \$17,000 more than the average
540 price of an internal combustion engine vehicle.

541 So, Mr. Goffman, are you concerned that pursuing such a
542 policy that clearly makes vehicles unaffordable would
543 eliminate reliable transportation options for low-income
544 Americans?

545 *Mr. Goffman. Thank you for that question, Mr.
546 Chairman, because that is actually of -- it is an essential
547 objective of the rulemaking process we --

548 *Mr. Johnson. So are you concerned?

549 *Mr. Goffman. Yes, and we are --

550 *Mr. Johnson. Okay, great.

551 *Mr. Goffman. -- focusing on affordability because of

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552 that concern.

553 *Mr. Johnson. All right. All witnesses -- also,
554 witnesses at that hearing highlighted the negative global
555 environmental impact of mining, processing, and refining the
556 critical minerals necessary for EV batteries and motors, as
557 it has been pointed out. We are tremendously dependent upon
558 China for those materials today.

559 Would you agree we need to significantly increase the
560 production and refining of critical minerals necessary to
561 meet the Biden Administration's EV and green energy goals?

562 *Mr. Goffman. My understanding is that the Inflation
563 Reduction Act and the Bipartisan Infrastructure Law put that
564 in motion, which is to bring --

565 *Mr. Johnson. So you agree that we need to
566 significantly increase?

567 *Mr. Goffman. And I believe the authors of those two
568 bills --

569 *Mr. Johnson. No, I am asking you. Do you agree?

570 *Mr. Goffman. Yes, yes.

571 *Mr. Johnson. Yes, okay. Are you concerned that the
572 EPA is ignoring the environmental, human rights, and national
573 security risks associated with the skyrocketing demand for

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574 these critical minerals, though?

575 I mean, we are more dependent upon critical minerals
576 from China than we have ever been on oil from OPEC, for
577 example, right now. And they hold the corner market in the
578 world. Are you concerned about the skyrocketing demand for
579 these minerals?

580 *Mr. Goffman. And I believe the IRA was --

581 *Mr. Johnson. No, I am asking you. Are you concerned
582 about that skyrocketing demand?

583 *Mr. Goffman. I am -- we are --

584 *Mr. Johnson. The EPA. I am not asking you what the
585 law did. I am asking you is the EPA concerned.

586 *Mr. Goffman. Yes, we are --

587 *Mr. Johnson. Okay, thank you.

588 *Mr. Goffman. -- focused on that issue.

589 *Mr. Johnson. Mr. Goffman, as I mentioned in my opening
590 statement, I appreciate that the EPA decided not to finalize
591 the eRINS proposal. What do you mean when you say that EPA
592 is not moving forward with eRINS "at this time"? Is that
593 leaving the door open for EPA to issue an eRINS rulemaking in
594 the future?

595 *Mr. Goffman. Yes, it is.

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596 *Mr. Johnson. Okay. Will you commit to briefing this
597 committee on any work that the agency does on an eRINS
598 program?

599 *Mr. Goffman. Of course. When we have something to
600 brief you on, we --

601 *Mr. Johnson. Okay, all right. And quickly, given the
602 information that we have seen coming from PJM, the RTO, the
603 grid operator, and others, I do have questions on how -- if
604 we shut down reliable, dispatchable power at an accelerating
605 rate in the next decade, there are concerns there will even
606 be enough electricity, whether or not there will be enough
607 electricity for this so-called EV transition.

608 So, Mr. Goffman, will you commit to returning to this
609 committee to brief us on your new Source Performance
610 Standards Rule for Coal and Natural Gas-Fired Power, better
611 known as the Clean Power Plan 2.0? Will you return to
612 discuss this with us?

613 *Mr. Goffman. Yes.

614 *Mr. Johnson. Okay, great. Mr. Goffman, if EPA grants
615 California's waiver of vehicle standards, 17 states are
616 poised to adopt the low-emission vehicle criteria. Along
617 with California, these states represent 40 percent of the

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618 market for new vehicles.

619 Ohio, however, is leading the charge in litigation with
620 17 states against EPA's reinstatement of the California
621 waiver. It is now pending before the U.S. Court of Appeals
622 for the D.C. Circuit.

623 Your testimony mentions three conditions under which the
624 EPA administrator cannot grant a waiver. If EPA's proposed
625 tailpipe emission standards go into effect, the national
626 standard would not be significantly different than
627 California's standards, nullifying one of the statutory
628 criteria for granting the waiver.

629 So has the EPA considered how the two policies would
630 interact, and whether they conflict?

631 [Pause.]

632 *Mr. Johnson. My time is expired. If you could, just
633 respond to that quickly.

634 *Mr. Goffman. Sorry, sorry.

635 *Mr. Johnson. Have you considered how they interact?

636 *Mr. Goffman. We haven't reached the stage in reviewing
637 the -- with the current pending waiver requests to get to
638 that question.

639 *Mr. Johnson. Well, I mean, would California need a

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640 waiver if the national standard accomplished the same goal
641 effectively?

642 *Mr. Goffman. I don't know.

643 *Mr. Johnson. Okay.

644 *Mr. Goffman. We just haven't gotten there yet.

645 *Mr. Johnson. I will come back with some future
646 questions, perhaps, if I get yielded some additional time.
647 With that I yield back and I recognize the ranking member,
648 Mr. Tonko, for five minutes.

649 *Mr. Tonko. Thank you, Mr. Chair.

650 Mr. Goffman, thank you for your testimony. Let's start
651 by focusing on the eRINS legislation.

652 Section 211(o) of the Clean Air Act uses the terms
653 "renewable fuel" and "transportation fuel." Transportation
654 fuel is defined as, and I quote, "a fuel for use in motor
655 vehicles, motor vehicle engines, non-road vehicles, or
656 non-road engines, except for oceangoing vessels."

657 So with that, Mr. Goffman, is there anywhere in the
658 Clean Air Act that indicates that a transportation fuel must
659 be a liquid fuel?

660 *Mr. Goffman. That is not how we interpreted it.

661 *Mr. Tonko. So do you believe EPA has the authority to

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662 allow fuels produced from eligible biofeedstocks used to make
663 electricity to power electric vehicles to participate in the
664 RFS?

665 *Mr. Goffman. Yes, we do.

666 *Mr. Tonko. And that would be consistent with EPA's
667 longstanding view. Mr. Goffman, is it correct that there
668 have been approved fuel pathways involving electricity since
669 2010?

670 *Mr. Goffman. Yes, there have been.

671 *Mr. Tonko. And since then there has also been
672 appropriations language directing EPA to operationalize these
673 pathways. So I am not sure what additional clarity is needed
674 now that hasn't been afforded over the past 13 years.

675 Mr. Goffman, I want to make certain everyone understands
676 that, to receive an hypothetical eRIN, electricity must be
677 produced from a feedstock eligible under the RFS such as
678 biogas from digesters at landfills, wastewater treatment
679 facilities, and other waste digesters. Is that correct?

680 *Mr. Goffman. Yes.

681 *Mr. Tonko. So am I correct that today a digester that
682 captures biogas, processes it into renewable natural gas, and
683 puts it into a pipeline to power a natural gas bus qualifies

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684 for RINs, but that same digester that captures that same
685 biogas, turns it into electricity to power an electric bus
686 does not?

687 *Mr. Goffman. You know, I am sorry, I am a little bit
688 confused by the question.

689 *Mr. Tonko. Sure. So if a digester that captures
690 biogas --

691 *Mr. Goffman. Right.

692 *Mr. Tonko. -- processes it into a renewable natural
693 gas, and puts it into a pipeline to power a natural gas bus
694 qualifies for RINs, but --

695 *Mr. Goffman. Ah, okay.

696 *Mr. Tonko. -- that same digester that captures that
697 same biogas turns it into electricity to power an electric
698 bus, it does not.

699 *Mr. Goffman. At the moment it does not. But I believe
700 our proposal would be consistent with authorizing or -- the
701 creation of RINs in the second example.

702 *Mr. Tonko. And I thank you, because I think it is
703 clear that we should be allowing every eligible feedstock
704 into the program, regardless of what type of vehicle it
705 fuels.

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706 Now, I know EPA's recent eRIN proposal has been put on
707 hold, and I appreciate it is more complicated than other
708 fuels. But I encourage EPA to move forward to operationalize
709 these pathways and to distribute credits in a manner that
710 promotes the most equitable buildout of EV charging
711 infrastructure.

712 Now, finally, on H.R. 3337, the GREET bill, I want to be
713 clear that I am not opposed to GREET as a method for
714 calculating life cycle assessments, but I do think all fuels
715 need to be assessed on a level playing field. So, Mr.
716 Goffman, do you have concerns with EPA being required to use
717 GREET for only two fuel categories under the RFS?

718 *Mr. Goffman. Well, our concern is -- in the vein of
719 maintaining scientific integrity, is being limited to just
720 certain of our analytic tools when we know that not just the
721 GREET model, but other models provide valuable information.
722 And so that is why we have long since come to rely on
723 multiple models and the flexibility to update them, change
724 them, and at times put differential weight on different
725 models.

726 This is an area of work in the scientific and technical
727 community that is fairly dynamic, and we want to -- we always

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728 prefer to be able to have the flexibility to respond to that
729 dynamism, as the science and understanding of the world and
730 of our modeling tools changes.

731 *Mr. Tonko. Thank you. I certainly agree that we need
732 to constantly revisit rules, regs, and laws that would give
733 us more opportunity and more flexibility. So with that I
734 thank you for your participation today.

735 And with that, Mr. Chair, I yield back.

736 *Mr. Johnson. The gentleman yields back. The chair now
737 recognizes Mr. Palmer from Alabama for five minutes.

738 *Mr. Palmer. Mr. Chairman, we find ourselves in another
739 hearing again in which our colleagues in the Biden
740 Administration are pushing dangerous socialist propaganda
741 policies over people.

742 And I was struck by your comments about the air quality
743 issues, and how it impacts people with respiratory illnesses,
744 cardiovascular illnesses. Are you aware that, because of the
745 move to renewables in Europe, that the increase in utility
746 cost has resulted in 68,000 people dying just last winter
747 because people who had respiratory issues, cardiovascular
748 issues -- because they couldn't afford to adequately heat
749 their homes?

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750 *Mr. Goffman. I am not familiar with those specific --

751 *Mr. Palmer. I am not surprised, because you are on
752 your own agenda that will deprive people of their rights in
753 this country. And that is where this is heading with this
754 Administration. You are going to -- you guys are pushing
755 policies that are literally going to derive -- deprive people
756 of their rights to choose whether they want to cook their
757 food on a gas range top or drive a vehicle of their choice.

758 Are you also aware that the head of the National
759 Transportation Safety Board warned of the risk posed by heavy
760 electric vehicles colliding with lighter cars? Are you aware
761 that the weight differentials impact injury rates and
762 fatality rates? Are you aware of that?

763 *Mr. Goffman. We looked at that issue explicitly --

764 *Mr. Palmer. And you didn't care?

765 *Mr. Goffman. -- the analysis --

766 *Mr. Palmer. You apparently didn't care.

767 *Mr. Goffman. -- our proposal.

768 *Mr. Palmer. You apparently don't care.

769 *Mr. Goffman. Oh, not -- we do care, and we
770 addressed --

771 *Mr. Palmer. Yes, it is like --

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772 *Mr. Goffman. We addressed that issue in our proposal.

773 *Mr. Palmer. Let me point out to you that -- you take
774 the Ford Mustang Mach 4 or 5, I believe it is. It is the
775 Mach-E. It is approximately 33 percent heavier than its
776 gasoline counterpart. Are you -- do you have any
777 understanding of physics, mass and velocity and things like
778 that, and the impact of a heavier vehicle colliding with
779 another vehicle at the same speed, what the damage can be
780 from the heavier vehicle?

781 *Mr. Goffman. We looked explicitly at --

782 *Mr. Palmer. And you didn't care.

783 *Mr. Goffman. -- that issue in our proposal, and --

784 *Mr. Palmer. Yes, but you really didn't care.

785 *Mr. Goffman. Well, on the contrary --

786 *Mr. Palmer. You -- no, you are --

787 *Mr. Goffman. We care --

788 *Mr. Palmer. Listen, I am so tired of listening to the
789 propaganda coming in these hearings. I am so tired of
790 putting our national security at risk because there is no way
791 that we are going to catch up with China in battery
792 production, because we can't even get the permits to do the
793 mining for the materials you need to make batteries.

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794 And what this Administration is doing is putting the
795 country at risk by making us more dependent on China. And
796 people need to wake up to this. This is past politics. I am
797 not interested in the politics of it. I am focused on the
798 policy. I am focused on the risk that it imposes on people.
799 And we are going to see that here if we go headlong into EVs,
800 into full-bore renewables. We are going to see people die
801 because of the propaganda coming out of this Administration.

802 So don't come in here and tell us that you are concerned
803 about the air quality and how it is going to impact people.
804 We have done a remarkable job of improving our air quality,
805 which I have yet to hear a single witness from this
806 Administration admit to. We reduced the 6 criteria
807 pollutants over the last 50 years by 86 percent, even though
808 our -- the vehicle miles have doubled almost in terms of
809 vehicle miles driven, and the number of vehicles on the road
810 have gone up.

811 So what you are proposing, I just want the American
812 people to wake up to this. This is an assault on freedom,
813 and it is dangerous. It is not only a threat to people's
814 personal safety, it is a threat to our national security. It
815 is a threat to our economy. And people need to understand

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816 this.

817 And you can call us climate deniers, whatever crap you
818 want to come up with. That is not the case. We understand
819 climate. We understand science, but we also understand
820 safety, we also understand freedom. And that is what is at
821 stake here.

822 And I will reiterate. You people are so beholden to an
823 agenda that you would literally tell families around the
824 country they can't even use a gas range top.

825 And I am -- you know, I am going to continue to focus on
826 the science. I am going to continue to focus on the physics,
827 the economics, but also on our national security.

828 Mr. Chairman, thank you for holding this hearing. It is
829 not my usual line of questions, but I yield back.

830 *Mr. Joyce. [Presiding] The gentleman yields. The
831 chair now recognizes the gentlelady from New York, Ms.
832 Clarke, for her five minutes.

833 *Ms. Clarke. Thank you very much, Mr. Chairman, and I
834 thank our Ranking Member Tonko for holding today's hearing.
835 I would also like to thank our witness for being here to
836 testify on these bills.

837 Through my line of questioning this morning I want to

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838 use my limited time to remind this committee, in contrast to
839 my colleagues on the other side of the aisle, of the
840 consequences of inaction, and what it would mean for our
841 constituents if the EPA does not finalize the strongest
842 feasible standard proposed under its light day [sic] vehicle
843 emission standards.

844 In your testimony, Mr. Goffman, you note the health
845 impacts associated with vehicle pollution and how communities
846 of color and economically disadvantaged neighborhoods are
847 disproportionately exposed to air pollution from vehicles.
848 If this rule does not go into place, what does this mean for
849 the health of our communities?

850 *Mr. Goffman. Well, thank you for that question.

851 When we analyzed our proposal, we looked at one of the
852 projected years of implementation. We saw that the premature
853 deaths avoided in that analytic year would range between 730
854 and 1,700 in that year. We projected that hundreds, if not
855 thousands of respiratory ailments and illnesses, including
856 aggravated asthma attacks requiring hospital visits, could be
857 prevented if we -- if this proposal was fully implemented.
858 And of course, those illnesses affect the entire
859 cardiovascular system. And so often people who suffer from

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860 those illnesses have adjacent or related health problems,
861 which means that their -- they experience health suffering.

862 And I think, as one of your colleagues said recently,
863 getting sick isn't free. And that is why, when we take those
864 benefits and we look at what the avoided oil costs would be
865 under this rule, and we sort of add them together, you know,
866 we are confident that there would be about a \$1 trillion net
867 benefit to American society if these proposals were adopted
868 and implemented.

869 *Ms. Clarke. Well, let me just thank you for that. For
870 environmental justice communities where pollution from peaker
871 power plants, chemical facilities, and dirty diesel trucks
872 are compounded, pollution is a matter of life and death.
873 There is no doubt about that.

874 A recent report by the American Lung Association found
875 that if we transition to 100 percent sales of zero emission
876 passenger vehicles by 2035, over 100,000 deaths would be
877 prevented, 2.2 million asthma attacks would be avoided, and
878 over 10.7 million days of work would not be lost. So I would
879 like to ask for unanimous consent to submit this report from
880 the American Lung Association entitled, "Zeroing In on
881 Healthy Air" into the record.

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882 *Mr. Johnson. [Presiding] Without objection, so

883 ordered.

884 [The information follows:]

885

886 *****COMMITTEE INSERT*****

887

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888 *Ms. Clarke. Thank you.

889 I also want to note that communities of color, low-
890 income communities, seniors, and disabled populations are
891 especially vulnerable to the harmful impacts associated with
892 climate change. Cutting greenhouse gas emissions in the
893 transportation sector is one of the most critical steps we
894 must take to meet our climate goals and limit the harm of
895 climate change on our most vulnerable populations.

896 Mr. Goffman, can you provide an estimate of the
897 magnitude of greenhouse gas emissions that would be avoided
898 by finalizing the proposed standards?

899 *Mr. Goffman. Yes. And again, thank you for that
900 question.

901 We estimate more than 7 billion tons of CO2 would be
902 reduced by the light-duty vehicle standards and other -- 1.8
903 would be reduced, about 9 billion tons of CO2 reduced by the
904 heavy-duty and the light-duty standards. That is double our
905 emissions in 2020.

906 *Ms. Clarke. Very well.

907 My Republican colleagues have continued to bring up
908 costs during this hearing. Mr. Goffman, can you tell us how
909 much money would be saved by reducing this climate -- these

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910 climate emissions by finalizing the proposed standards?

911 *Mr. Goffman. Well, we project for an individual driver
912 or customer, that driver would save \$12,000 over the lifetime
913 of a vehicle that met these standards, mostly in fuel savings
914 as well as in lower maintenance costs.

915 *Ms. Clarke. Very well. With that, I yield back, Mr.
916 Chairman.

917 *Mr. Johnson. The gentlelady yields back. The chair
918 now recognizes Dr. Joyce from Pennsylvania for five minutes.

919 *Mr. Joyce. Thank you, Mr. Chairman. First I want to
920 thank Chairman Johnson and Ranking Member Tonko for holding
921 today's important legislative hearing.

922 Over the past year we have seen draconian actions by the
923 Biden Administration and Democrats to force Americans to buy
924 electric vehicles. One of the clearest and most radical
925 actions are California's new Advanced Clean Car II
926 Regulations. These regulations would require 35 percent of
927 new cars to be electric vehicles in 2026, and fully 100
928 percent to be EVs by 2035.

929 Thankfully, these regulations have yet to go into
930 effect, and require a waiver from the EPA under the Clean Air
931 Act to be implemented. That is why I have introduced H.R.

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932 1435, the Preserving Choice in Vehicle Purchases Act, to
933 prevent the EPA administrator from granting a waiver allowing
934 California's ban on internal combustion engine sales by 2035.

935 Although starting in California, section 177 of the
936 Clean Air Act will ensure that, once adopted, this regulation
937 will spread across the nation, disrupting the entire American
938 auto market, and ultimately limit what my constituents are
939 able to buy. Seventeen states, including my home state of
940 Pennsylvania, have already adopted California's clean air
941 regulations. These states represent over 40 percent of the
942 American auto market, over 40 percent, and any electric
943 vehicle mandate at that large of scale is a de facto mandate
944 on the entire market, and represents a decisive shift in
945 national policy.

946 Let's be clear. This legislation is not anti-EVs.
947 Those who can afford and those who want an electric vehicle
948 should be able to buy one. But to put it bluntly, in my
949 district EVs simply cannot fulfill the needs of my
950 constituents. They can't drive the distances needed, they
951 can't maintain the charge at extreme temperatures, they can't
952 recharge fast enough to keep hardworking Pennsylvanians on
953 the move.

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954 An EV mandate is an abandonment of the free market
955 principles that have enabled Americans to have the most
956 mobility of any nation in the world. This policy will harm
957 working and middle-class families by making cars more
958 expensive and less capable. Only by taking government's
959 thumb off of the scale and letting free market decide will
960 Americans get the efficient and the affordable transportation
961 that they need and that they want.

962 Mr. Goffman, do you agree that a ban on internal
963 combustion engines affecting 17 states and over 40 percent of
964 our domestic market would be a de facto national policy?

965 *Mr. Goffman. I am not sure. And that -- and I --

966 *Mr. Joyce. I am sure. I think it would guide market
967 forces with that 40 percent domestic market. The automakers
968 have let us know that that is part of their decision of how
969 they will roll out new vehicles.

970 Mr. Goffman, do you think it is appropriate for a policy
971 tool that was meant to address local pollution concerns in
972 California in the 1960s and 1970s be used to create a
973 national ban on internal combustion engines?

974 *Mr. Goffman. If you will indulge me, I want to be a
975 little bit circumspect, since we do have that issue in front

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976 of us, thanks to California petitioning for a waiver. That
977 is like an adjudication process, so I hesitate to answer your
978 question because it is a decision that we may have to make,
979 or will have to make to respond to the petition.

980 *Mr. Joyce. Mr. Goffman, on May 10 Administrator Regan
981 testified in front of this subcommittee. When I posed the
982 question to him if he supported banning internal combustion
983 engines, he responded -- and I am quoting -- "No, not at
984 all.'" When asked if he supported consumer choice in
985 vehicles, his response was -- again, quoting -- "I don't see
986 a near-term future where we don't have a fuel supply that
987 complements electric vehicles and provides customer choice.'"`

988 So I am going to ask you the same question. Do you
989 support a ban on internal combustion engines or consumer
990 choice in vehicles?

991 *Mr. Goffman. No.

992 *Mr. Joyce. Thank you. Wouldn't granting a waiver for
993 the California regulations be a ban on internal combustion
994 engines?

995 *Mr. Goffman. I don't know yet, and --

996 *Mr. Joyce. I think the ramifications are clear to all
997 of us that that and the 40 percent market share would be a

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998 national ban.

999 Do you think that automakers will produce one set of
1000 vehicles for California, another set for New York, maybe a
1001 set for West Virginia? Do you think there is a capability in
1002 production to have different vehicles for different parts of
1003 the United States?

1004 *Mr. Goffman. My understanding is that, historically,
1005 auto manufacturers have striven to avoid making more than
1006 just one national fleet.

1007 *Mr. Joyce. But yet 40 percent of the market would be
1008 affected -- again, a de facto mandate of making EVs the only
1009 vehicle that Americans could choose to drive. Do you really
1010 think that the refining capacity --

1011 *Mr. Johnson. The gentleman's time has expired.

1012 *Mr. Joyce. Thank you, Mr. Chairman. I yield.

1013 *Mr. Johnson. The chair now recognizes the ranking
1014 member of the full committee, Mr. Pallone, for five minutes.

1015 *Mr. Pallone. Thank you, Mr. Chairman.

1016 I have significant concerns with the intent, execution,
1017 and desired outcomes of the bills before us today. And as I
1018 said in my opening statement, Republicans' opposition to EVs
1019 is an attack, in my opinion, on innovation, public health,

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1020 and lower energy bills for American drivers.

1021 But I am particularly concerned about H.R. 1435. In my
1022 opinion this bill runs counter to the intent of the Clean Air
1023 Act, which is a model of cooperative federalism, with decades
1024 of successful partnership between EPA and states, to protect
1025 Americans from dangerous air pollution. And this is
1026 especially true when it comes to controlling vehicle
1027 emissions.

1028 Congress directed EPA to take the lead, but also
1029 included language to recognize the authority of California to
1030 set separate and more protective standards. But the bill
1031 would ignore this well-established structure. So, Mr.
1032 Goffman, how would blocking more protective state vehicle
1033 standards undermine the Clean Air Act's partnership between
1034 states and the Federal Government to control air pollution?

1035 *Mr. Goffman. It could limit California's -- or more
1036 precisely, EPA's -- authority to grant a waiver to
1037 California. And I think, as you know, states like New Jersey
1038 have voluntarily -- have voluntarily -- chosen over the
1039 history of the Clean Air Act to exercise the option that the
1040 Clean Air Act gives them to adopt California's standards
1041 after EPA has granted California a waiver to implement its

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1042 standards.

1043 *Mr. Pallone. Well, thanks. And I am committed to
1044 defending states' authority to protect the health of their
1045 citizens and the environment from dangerous air pollution in
1046 the transportation sector, and that is why Senator Carper and
1047 I filed an amicus brief earlier this year defending EPA's
1048 decision to grant a Clean Air Act waiver for California's
1049 Advanced Clean Cars program.

1050 Now, H.R. 1435 would reverse EPA's decision and revoke
1051 this waiver. And this would be especially problematic, as
1052 you said, for New Jersey, since we often follow California's
1053 lead on vehicle standards. So, again, Mr. Goffman, how would
1054 revoking existing waivers impact the ability of states like
1055 New Jersey to control pollution from their transportation
1056 sectors?

1057 *Mr. Goffman. States like New Jersey, who have
1058 exercised their option of adopting California's standards,
1059 have depended on section 177 of the Clean Air Act. Section
1060 177 is contingent on California's being granted a waiver by
1061 the EPA for its standards.

1062 There have been waiver grants we have done in the last
1063 year or so where we determined that the -- California's

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1064 implied entitlement under the Clean Air Act was not negated
1065 by any of the facts that were presented to us in the record,
1066 and so that would take away not only California's ability to
1067 implement its vehicle regulations, but it would completely
1068 erase the option of states like New Jersey that have
1069 exercised that option in the past to adopt their --
1070 California standards.

1071 *Mr. Pallone. Well, thank you again. Let me just say
1072 that the transportation sector is currently the largest
1073 source of climate pollution in the United States. So it is
1074 critical, in my opinion, that states and EPA have every tool
1075 available to help cut these emissions. And with these bills,
1076 it is clear that my Republican colleagues are not interested
1077 in addressing this dangerous air pollution, and are just
1078 continuing to promote handouts for their polluting friends
1079 over the American people.

1080 But I do want to thank Mr. Goffman for being here today.
1081 I do think this hearing is important.

1082 And I yield back, Mr. Chairman.

1083 *Mr. Johnson. The gentleman yields back. The chair now
1084 recognizes Chair Rodgers --

1085 *The Chair. All right.

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1086 *Mr. Johnson. -- for the purpose of five minutes for
1087 her questions.

1088 *The Chair. Okay. Well, when the EPA administrator was
1089 here for our committee's EPA budget hearing, Mr. Regan, like
1090 you he rejected the idea that EPA was trying to ban internal
1091 combustion engine cars. He stated that EPA's proposed
1092 regulations are "technology standards that guide the
1093 future.'" In contrast, your testimony claims that the
1094 proposed rule for light and medium-duty vehicle emissions is
1095 a "performance-based emission standards.'"`

1096 So is it a technology standard or is it a performance-
1097 based standard?

1098 *Mr. Goffman. It is a performance-based standard, but
1099 we calculate the emission standard based on what we assess to
1100 be the available technologies on which to base the standard.

1101 *The Chair. Okay, okay, thank you. Your testimony
1102 states that the car companies can choose the mix of
1103 technologies used in the vehicle to comply with your proposed
1104 standards. EPA's analysis, though, assumes virtually no
1105 hybrids or plug-in hybrids will be in the market when the
1106 rule is fully implemented. Hybrids use far less critical
1107 minerals than battery electric vehicles, they don't require

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1108 new infrastructure to be built, they are more affordable,
1109 convenient for most consumers.

1110 My question: why does EPA's rule basically force
1111 manufacturers away from providing hybrid and plug-in hybrid
1112 options?

1113 *Mr. Goffman. What we projected is that up to a certain
1114 percentage, depending on which of the alternatives we looked
1115 at, of EV technology would be available, and based our
1116 standards on that calculus, or that assessment. But we
1117 expressed the obligation to -- that manufacturers must meet
1118 in terms of grams per mile, in order to give them the option,
1119 individual companies the option of using whatever mix of
1120 technologies that they choose.

1121 One of the issues that we expect to get feedback on --
1122 and, in fact, we are working actively to collect information
1123 from the manufacturers while this proposal is pending -- is
1124 whether we do succeed in giving them options like adopting
1125 hybrids.

1126 *The Chair. Excuse me. By 2032, what percentage of
1127 vehicles do you project will be battery electric?

1128 [Pause.]

1129 *The Chair. What is the percentage?

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1130 *Mr. Johnson. Microphone.

1131 *Mr. Howell. Sorry, thanks. It is somewhere between 62
1132 percent and 67 or 68 percent, depending on the alternative.

1133 *Mr. Johnson. Excuse me, Mr. Goffman, can you pull your
1134 microphone just a little closer to you?

1135 *The Chair. Did you say 2 percent to 68 percent --

1136 *Mr. Goffman. Sure, I am sorry.

1137 *The Chair. -- by 2032?

1138 *Mr. Goffman. Yes, I apologize. I don't have the
1139 figures --

1140 *The Chair. Two percent to sixty-eight percent?

1141 *Mr. Goffman. No, no, no, 62.

1142 *The Chair. Sixty-two to sixty-eight, I am sorry.
1143 Okay, so 68 percent, 68 percent will be battery electric.
1144 That is the projection, battery electric --

1145 *Mr. Goffman. That is a projection --

1146 *The Chair. Not hybrid, not plug-in hybrid.

1147 So how can the administrator say it is technology-
1148 neutral if hybrids don't qualify?

1149 And I want to highlight for everyone that you can build
1150 -- for one -- for the raw materials for one battery-electric
1151 vehicle, you can build 90 plug-in hybrids, 90 for the same

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1152 raw materials. And over the lifetime, 70 -- 37 times, it
1153 will have 37 times the carbon reduction as a single battery
1154 electric vehicle. Yet EPA is taking us down this path.

1155 So on April 12 of this year, 2023, EPA released a press
1156 release about the proposed regulations, and it proclaimed
1157 that the proposed standards are projected to accelerate the
1158 transition to electric vehicles in the next 10 years. In
1159 addition, using your numbers, it states that the sales of
1160 internal combustion engines will drop in 2032 to a level that
1161 is 12.5 percent of what they were allowed in 2032.

1162 I am going to be running out of time here shortly. I
1163 just want to highlight that one percent of Americans today
1164 drive battery electric vehicles, one percent. And one of my
1165 concerns is that EPA is driving us down a road where we are
1166 going to be dependent upon Chinese cars, not just the
1167 minerals, not just the raw materials, not just the
1168 processing, but also the cars themselves. China is building
1169 manufacturing -- car manufacturing plants in Mexico today.
1170 And by 2032 our future could very well be one where it is
1171 only the Chinese cars that fulfill the requirements that are
1172 being handed -- mandated to us by EPA.

1173 I yield back.

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1174 *Mr. Johnson. The gentlelady yields back. The chair
1175 now recognizes Mr. Sarbanes from Maryland for five minutes.

1176 *Mr. Sarbanes. Thanks very much, Mr. Chair, and thank
1177 you, Mr. Goffman, for being here. And I want to get back to
1178 first principles, the authority that EPA has in this critical
1179 role of protecting our air quality.

1180 Congress gave EPA this role more than 50 years ago under
1181 the Clean Air Act, and reaffirmed that responsibility in 2005
1182 under the Energy Policy Act. And I don't want us to lose
1183 sight of that today as we discuss the bills that are being
1184 put forth by my Republican colleagues, each of which -- each
1185 of which -- would hamper EPA's ability to regulate air
1186 pollution and, unfortunately, continues this Republican
1187 agenda of putting big oil interests over the interests of the
1188 public.

1189 For example, one of the draft bills we are discussing
1190 today would preemptively bar EPA from finalizing,
1191 implementing, or enforcing its light and medium-duty vehicle
1192 proposed rule, as we have been talking about here, and it
1193 would preclude EPA from issuing any emission standards that
1194 mandate the use of any specific technology or result in
1195 limited availability of internal combustion engine vehicles.

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1196 It is important to be clear that EPA's proposed
1197 standards are reasonable, performance-based emissions
1198 standards, and constitute neither a national electric vehicle
1199 mandate nor an internal combustion ban.

1200 Mr. Goffman, Republicans like to accuse the agency, your
1201 agency, of "legislating." Can you explain what statutory
1202 authority EPA is using to promulgate vehicle emission
1203 standards, making it clear that we are the ones that
1204 legislate?

1205 We give you authority, and then you act responsibly
1206 within that authority. So could you talk about the statutory
1207 authority that you have with respect to these standards?

1208 *Mr. Goffman. Thank you for that question, Congressman
1209 Sarbanes.

1210 We have longstanding authority under section 202 of the
1211 Clean Air Act to set vehicle emission standards based on
1212 available technology, taking account of a variety of factors.
1213 We have used that authority, I guess I would say, for decades
1214 now to set pollution standards for a variety of pollutants,
1215 including greenhouse gases, as well as air quality
1216 pollutants. And we are using exactly the same authority in
1217 this proposal, and applying the same basic analysis in terms

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1218 of technological availability, feasibility, manufacture, lead
1219 time, cost, market uptake, et cetera.

1220 *Mr. Sarbanes. Right.

1221 *Mr. Goffman. So it is a traditional authority that we
1222 are applying in our --

1223 *Mr. Sarbanes. Yes, I mean, you are playing it
1224 straight, based on the authority that you have. They are
1225 operating inside the lines of the authority that Congress has
1226 given you, and you are doing it in order to protect the
1227 health of the American people.

1228 And would you say that the model year 2027 emission
1229 standards proposal is outside the scope of EPA's authority or
1230 inside the scope?

1231 *Mr. Goffman. I would say it is well within the scope.
1232 And if you will allow me, I will want to observe that what is
1233 different this time is not the use of our authority, it is
1234 everything that is going on, from the automobile companies'
1235 own commitment to advance EVs in their new car fleets.

1236 I think, as you know, 2 years ago a number of companies
1237 stood up with President Biden and committed to a 50 percent
1238 EV goal for 2030, and at least one of those companies then
1239 adopted a set of principles to reach 100 percent EVs by 2035.

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1240 And while they are doing that, Congress itself has made a
1241 significant investment, or a significant menu of investments
1242 in supporting electric vehicle technology, supporting the
1243 supply chain from, if you will, mine mouth to battery
1244 production to vehicles in a way that both creates more jobs
1245 here, brings these operations onshore here, and ultimately
1246 makes these vehicles affordable to produce and affordable to
1247 buy.

1248 *Mr. Sarbanes. That is an excellent point, I appreciate
1249 you making it. We are making -- we are trying to make
1250 investments here that align with the deployment of the
1251 regulatory authority you have, which aligns in turn with
1252 where industry is headed, all for the benefit of the health
1253 of the American people and energy efficiency. Thank you very
1254 much for your testimony.

1255 I yield back, Mr. Chair.

1256 *Mr. Johnson. The gentleman yields back. The chair now
1257 recognizes the gentleman from Texas, Mr. Weber, for five
1258 minutes.

1259 *Mr. Weber. I thank the chair.

1260 Mr. Goffman, roughly 70 percent of cobalt, a raw
1261 material needed in lithium ion cells that power most EVs,

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1262 comes from DRC. Are you aware of that?

1263 *Mr. Goffman. I believe, yes.

1264 *Mr. Weber. Okay. And unfortunately, the DRC has a
1265 high volume of artisanal -- I believe it is how you say that
1266 -- mines where kids, children are working in inhumane
1267 conditions to extract this resource. Are you aware of that?

1268 *Mr. Goffman. Yes.

1269 *Mr. Weber. In a separate vein, Chile is home to the
1270 driest non-polar desert on Earth. The lithium mining
1271 industry there is consuming large amounts of groundwater,
1272 destroying the local ecosystem, and literally drying up the
1273 resources needed for their very own local farmers and
1274 herders. Are you aware of that?

1275 *Mr. Goffman. I wasn't aware of that specific set of
1276 facts.

1277 *Mr. Weber. But you know it is dry, and they are using
1278 a lot of water, so it makes sense. Bad sense, but it does
1279 make sense.

1280 On an average, the water required for producing EV
1281 batteries is 50 percent more water-intensive than a
1282 traditional internal combustion engine. Were you aware of
1283 that?

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1284 *Mr. Goffman. I wasn't aware specifically of that fact.

1285 *Mr. Weber. But you knew it was a lot.

1286 *Mr. Goffman. Yes.

1287 *Mr. Weber. How can the human and environmental impacts
1288 of the growing EV market be measured against the impacts of
1289 the production of combustion engine vehicles?

1290 And the answer is they can't. But when you look at
1291 those facts, and you -- then you merge them with what our
1292 great chairwoman was saying, that Americans deserve a choice
1293 -- what Dr. John Joyce was saying, Americans deserve a
1294 choice, doesn't it seem a little out of kilter that we would
1295 try to force the lack of choices on them?

1296 *Mr. Goffman. I agree. And I think our proposal is
1297 consistent with that, that Americans will still have a
1298 choice. In fact, they will have more choices.

1299 If the auto companies continue with their plans to
1300 market EVs on a massive scale, and our proposals are adopted,
1301 also --

1302 *Mr. Weber. That sounds like pie in the sky. Forgive
1303 me for interrupting, but I remember when Henry Ford created
1304 the Model T, you know, he said you could have any color you
1305 want as long as it is black.

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1306 We are going to reduce their choices. And with the
1307 facts that we just laid out about the mines and the deserts
1308 and the waters and all of this stuff -- we didn't even really
1309 talk about the child labor all that much -- but how can one
1310 really say that EVs are truly a clean vehicle? It just
1311 doesn't make sense to me.

1312 In the time remaining I want to jump over to -- in your
1313 written testimony you state, "The proposal is not a national
1314 electric vehicle mandate or an internal combustion engine
1315 ban.'" But in essence, that is the slope that we are going
1316 down.

1317 And I saw -- tongue in cheek, saw a survey the other day
1318 about electric vehicles. It said 90 percent of electric
1319 vehicles were still on the road today. The other 10 percent
1320 made it home safely. We just don't have the charging
1321 capacity in our current grid. I am from Texas. We have our
1322 own grid. I owned an air conditioning company for 35 years.
1323 We dealt with power requirements all the time. I know how
1324 much electric power is needed, and we don't have it. And we
1325 have got to race down a slope, a slippery slope to make all
1326 these laws and rules that Americans don't get the choice, the
1327 vehicle is really not all that green, it comes from sources

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1328 that are anti-our own values, harming people in the process,
1329 and we want to go down this slope.

1330 So you also go on to say, "We know that Americans need
1331 and want flexibility in the type of vehicles they drive, and
1332 our proposed light and medium vehicles rule will help
1333 consumers have more choices, not fewer.'" That dog don't
1334 hunt in Texas. That statement is just not true. I agree
1335 with you that Americans want more choices when they look to
1336 purchase a vehicle, but you and I both know -- and our
1337 colleagues across the aisle should know -- that that won't be
1338 the case if and when this rule were to go into effect.

1339 This proposal -- they like to say that Republicans like
1340 to pick winners and losers. "Polluters over people'" is the
1341 name-calling they resorted to. You know, kindergarten kids
1342 did that. I remember that from kindergarten, calling names.
1343 This proposed rule picks winners and losers in the market,
1344 and inherently goes against consumer choice, which you claim
1345 is important to the EPA.

1346 True or false -- I am out of time -- is it true or
1347 false, a good thing for Americans to have more choices?

1348 *Mr. Goffman. Yes, it is.

1349 *Mr. Weber. I yield back.

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1350 *Mr. Goffman. And this proposal will give them more
1351 choice.

1352 *Mr. Johnson. The gentleman yields back. The chair now
1353 recognizes the gentleman from Georgia, Mr. Allen, for five
1354 minutes.

1355 *Mr. Allen. Thank you, Mr. Chairman, and thank you,
1356 Deputy Principal Administrator, for being with us this
1357 morning.

1358 Just for the record, I have a dear friend who is a --
1359 who was a Cadillac dealer in my district, and he is no longer
1360 a Cadillac dealer. Cadillac decided to go total electric.
1361 And he, along with 400 other Cadillac dealerships, are
1362 non-existent in this nation today.

1363 So what is the problem here? The problem here is the
1364 EPA drove them out of business, the government. A huge
1365 economic engine is no longer in my district.

1366 Sir, this country is about market-driven, not
1367 government-driven.

1368 I grew up a while back. In fact, I graduated from
1369 college and my mother and dad finally put air conditioning in
1370 our home. I went to a school that wasn't air conditioned.
1371 And what I would like you all to do is a study on how much

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1372 carbon we could save if everybody did away with air
1373 conditioning like I grew up. And then let's see who gets
1374 elected to office after you do away with all air conditioning
1375 in this country. And I use that as an example because what
1376 you are doing is you are incrementally moving this ball
1377 along, and convincing people that you are on the right path,
1378 yet the market and the people say otherwise.

1379 You know, there is an aggressive approach. I have got
1380 EMCs who put in all the scrubbers, and met all the
1381 requirements under the Clean Air Act. And then, under the
1382 Obama Administration, they were told, "You got to do away
1383 with coal." There was a war on coal.

1384 As far as manufacturers are concerned, do you have
1385 commitments from the manufacturers?

1386 You had said that -- before a subcommittee hearing
1387 yesterday, a House Oversight and Accountability Committee,
1388 you testified that provisions from the Infrastructure
1389 Investment and Jobs Act and the Inflation Reduction Act were
1390 intended to make manufacturing of these electric vehicles
1391 less expensive, therefore give the car companies the
1392 opportunity to sell vehicles they are planning to market at
1393 affordable prices. However, Kelley Blue Book reported that

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1394 the average price of electric vehicles increased by \$313 in
1395 just 1 month, from February to March of 2023.

1396 Do you have commitments from the manufacturers that they
1397 are going to lower their price on electric vehicles they
1398 sell?

1399 *Mr. Goffman. Our expectation is, given their plans --
1400 and we are in conversations as part of the rulemaking
1401 process, gathering information from manufacturers -- that
1402 they do intend to sell a significant -- more than 50 percent
1403 -- EV fleet.

1404 What we are doing, Congressman, is making sure that what
1405 -- that our final rules support or are consistent with their
1406 business strategies to market --

1407 *Mr. Allen. Well --

1408 *Mr. Goffman. -- a substantial amount of EVs.

1409 *Mr. Allen. Right. Not to interrupt, but it seems to
1410 me that when you eliminate 400 dealerships across this
1411 country -- you know, cost can only be reduced by competition.
1412 That is what has made -- that is the American way, is
1413 competition. We love to compete. You get rid of 400
1414 dealerships and then, of course, God knows how many more that
1415 aren't going to be able to sell these things -- I mean, I

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1416 asked my friend, "What in the world were you thinking?"`

1417 He said, "Do you know how much demand I have for
1418 electric vehicles? Zero. And yet they want me to spend \$20
1419 million to build this new electric dealership? You got to be
1420 kidding.`

1421 And I will tell you this. This government is not going
1422 to bail out General Motors when they come asking for us --
1423 asking to us for help because of what this government has
1424 done to General Motors.

1425 Let me ask you this. If you are relying on
1426 manufacturers to lower prices, are you envisioning a direct-
1427 to-consumer marketplace for vehicles? Americans like Scott
1428 Lambert in our second panel today is out of business. So how
1429 are you going to do this?

1430 *Mr. Goffman. I am sorry, sir. I didn't quite follow
1431 the question.

1432 *Mr. Allen. How are you going to lower prices?

1433 *Mr. Goffman. Well, our job is to collect information
1434 from the auto industry --

1435 *Mr. Allen. Okay.

1436 *Mr. Goffman. -- to make sure that our final standards
1437 are consistent with their business strategy.

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1438 *Mr. Allen. Yes, sir. Well, the market controls
1439 prices, sir.

1440 I am out of time. I yield back.

1441 *Mr. Johnson. The gentleman yields back. The chair now
1442 recognizes the gentleman from California, Mr. Ruiz, for five
1443 minutes.

1444 *Mr. Ruiz. Thank you, Chairman.

1445 Since the mid-1980s, the Coachella Valley in California
1446 has welcomed all of its visitors with the iconic view of the
1447 San Geronio Pass wind farm, right off of the 10 Freeway
1448 heading in from the west. It is that wind farm that you see
1449 in movies when people are driving their Harleys into Palm
1450 Springs in the desert. Usually, it is filmed in that area.

1451 My home state of California has been on the forefront of
1452 renewable energy by investing in solar, wind, and battery
1453 energy storage decades before the Inflation Reduction Act and
1454 the Infrastructure Investment and Jobs Act were passed into
1455 law. In fact, my district produces the most renewable energy
1456 than any district on Federal land, than any district in the
1457 country. And Democrats are making unprecedented investments
1458 that make this possible. It is my district's competitive
1459 advantage.

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1460 However, air pollution has serious negative impacts on
1461 human health. And as a physician, I have seen the effects of
1462 air pollution firsthand. Children, the elderly, communities
1463 of color are disproportionately impacted by poor air quality.
1464 In fact, in April the EPA released a report entitled,
1465 "Climate Change and Children's Health and Wellbeing in the
1466 United States.'`

1467 And I ask unanimous consent to enter the report into the
1468 record, Mr. Chairman. Thank you.

1469 *Mr. Johnson. Without objection, so ordered.

1470 [The information follows:]

1471

1472 *****COMMITTEE INSERT*****

1473

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1474 *Mr. Ruiz. Thank you. And this report found that
1475 climate change is expected to increase the incidence of
1476 asthma in children. Specifically, climate-driven changes in
1477 air quality are estimated to increase annual cases of asthma
1478 between 4 and 11 percent, respectively. Children's health is
1479 a very serious issue, and it is unfortunate that we are
1480 discussing rolling back regulations to help clean up our air.

1481 Mr. Goffman, how does the EPA's vehicle emission
1482 standards protect public health, especially the health of our
1483 most vulnerable populations?

1484 *Mr. Goffman. Well, thank you for that question,
1485 Congressman.

1486 Our standards would reduce a broad range of pollutants,
1487 not just greenhouse gases, but a number of air quality
1488 pollutants like fine particles, NOx, and hydrocarbons. Those
1489 are the pollutants that contribute to smog and soot. And
1490 those -- that bad air quality contributes massively to a
1491 range of health effects, including --

1492 *Mr. Ruiz. You know, those health effects are
1493 documented. There is a recent study that came out that, on
1494 average, people who live near high or at high air-polluted
1495 areas live, on average, 10 years less than people who don't.

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1496 So there is an association, of course, with length of life
1497 due to poor air quality.

1498 California has air quality challenges -- which is my
1499 home state, of course -- and they have taken a lead role in
1500 pollution controls for vehicles, which is one of the highest
1501 source. This bill that we are considering, the Preserving
1502 Choice in Vehicle Purchase Act, would prevent the EPA
1503 administrator from granting a waiver to California from
1504 setting their own vehicle emission standards. This bill
1505 would have detrimental impacts on the EPA's longstanding
1506 statutory authority to grant California waivers on the Clean
1507 Air Act.

1508 California leads the way in ensuring a clean air for its
1509 population. The California waiver is vital for my home
1510 state, for my district to tackle air quality and greenhouse
1511 gas emissions, which is one of the worst in the nation due to
1512 the 10 corridor from Long Beach to Phoenix that runs right
1513 through my district, and all those semis.

1514 So can you explain why EPA's authority to grant the
1515 California waiver to protect vehicle emission standards at
1516 the Federal level is an important tool for tackling air
1517 pollution?

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1518 *Mr. Goffman. Again, thank you for that question. It
1519 is a tool that Congress has long recognized and re-ratified,
1520 if you will, over 50 years, and that is because California
1521 has historically had a range of very particular air quality
1522 and, in recent years, climate challenges.

1523 And California has used its authority to ensure that on-
1524 road transportation really is -- the air quality problems can
1525 be addressed through new technology --

1526 *Mr. Ruiz. Thank you. The Preserving Choice in Vehicle
1527 Purchase Act is punishing a state that has proactively looked
1528 to clean up the air for its residents. This bill shouldn't
1529 even be discussed, let alone seriously considered.

1530 I yield back.

1531 *Mr. Johnson. The gentleman yields back. The chair now
1532 recognizes the gentleman from Texas, Mr. Crenshaw, for five
1533 minutes.

1534 *Mr. Crenshaw. Thank you, Mr. Chairman. Thank you for
1535 holding this important hearing.

1536 Mr. Goffman, this EPA just cannot help themselves. It
1537 is one thing after another, attacking American's way of life
1538 in pursuit of some pointless agenda that actually benefits no
1539 one, and I mean no one -- and we are going to go through the

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1540 numbers, and I will explain why -- because we always got to
1541 tackle policy this way.

1542 What are the costs? What are the benefits? Policy is
1543 about trade-offs. By EPA's admission, this tailpipe
1544 emissions rule is designed to increase EV sales. Is that
1545 correct?

1546 *Mr. Goffman. It is designed to improve air quality.

1547 *Mr. Crenshaw. Okay. So the EPA website states, "The
1548 proposed standards are also projected to accelerate the
1549 transition to electric vehicles.'" This is just from the
1550 website. I don't know, maybe you guys are on a different
1551 page. "Depending on the compliance pathways manufacturers
1552 select to meet the standards, EPA projects that EVs could
1553 account for 67 percent of new light-duty vehicles,'" et
1554 cetera, et cetera, et cetera.

1555 Okay, so right now, EVs account for 1 percent of cars
1556 registered to U.S. drivers, and about 4.5 percent of new
1557 vehicle sales. So that is quite a leap.

1558 Here is another thing. EVs are expensive. On average,
1559 \$20,000 more than a similarly sized internal combustion
1560 engine vehicle.

1561 Here is another thing. The price of a new EV has risen

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1562 by over 50 percent in the last 10 years, despite a concurrent
1563 increase in sales and obvious scalability. So what evidence
1564 does the EPA have that EVs will become more affordable for
1565 American consumers, or is that even part of your
1566 consideration?

1567 *Mr. Goffman. Affordability is a major part of our
1568 consideration, and we are fortunate, as we do this, as we put
1569 this proposal out and consider finalizing it, to have a
1570 number of factors --

1571 *Mr. Crenshaw. Okay. So they have increased by 50
1572 percent. How are they going to start decreasing? How is
1573 that going to happen? Does the EPA even care? How do you
1574 analyze that?

1575 *Mr. Goffman. Well, one of the things we are doing is -
1576 - and one of the things we observed even before we put the
1577 proposal out -- is that a number of American manufacturers
1578 committed to the goal by 2030 of marketing 50 percent of
1579 their new car fleet as EVs, and at least 1 American company
1580 has followed that up by --

1581 *Mr. Crenshaw. None of that speaks to costs. You guys
1582 have no idea, do you? And you don't take it into account.
1583 EVs are more expensive. This is just a fact. It is the way

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1584 they are built, it is the way they are processed.

1585 So the question is, they are going to be more costly,
1586 continuously more costly, as they always will be. So the
1587 question is, what benefit do we get from that? Are we saving
1588 people's lives by making them spend more on cars? No.

1589 You know, does the EPA -- when you assess, you know, the
1590 benefits from emissions from EV vehicles, do you assess the
1591 life cycle emissions? Do you take those into account from
1592 production of everything that goes into it through the sale?

1593 *Mr. Goffman. We do look at that.

1594 *Mr. Crenshaw. Okay.

1595 *Mr. Goffman. Under the Clean Air Act authority, we
1596 look primarily and base our standards on --

1597 *Mr. Crenshaw. I mean, I know you guys don't, you don't
1598 have any reports that do that. But luckily, others do. The
1599 International Energy Agency did a critical minerals report.
1600 They found that, when you count all emissions of production,
1601 on average, a single battery for an EV, you have to dig up
1602 500,000 pounds of Earth. That involves heavy machinery, oil,
1603 gas. And let's not forget, 85 percent of critical mineral
1604 processing is in China. I am pretty sure their environmental
1605 standards are not very high.

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1606 According to other studies by the manufacturers
1607 themselves, like Volvo, like Volkswagen, manufacturing an EV
1608 generates 70 percent more emissions than manufacturing an
1609 internal combustion engine. You need to drive 70,000 miles
1610 to even break even with an internal combustion engine. Even
1611 at 100,000 miles, you are only getting a 20 to 30 percent
1612 reduction in carbon emissions. So it will do nothing for
1613 climate change. It will do nothing to reduce overall global
1614 emissions.

1615 And by the way, the EV owner already drives less, so it
1616 is unlikely that most of them have even reached the break-
1617 even point. So just by the math, in the short term EVs
1618 increase emissions globally. That is just the math.

1619 Now, if you are concerned about air pollution, which --
1620 you have stated that -- on the EPA website it says this:
1621 "The graph below shows that between 1980 and 2022 gross
1622 domestic product increased almost 200 percent, vehicle miles
1623 traveled increased over 100 percent, energy consumption
1624 increased 29 percent, and the U.S. population grew by 47
1625 percent. But during that same time period, total emissions
1626 of the 6 principal air pollutants dropped by 73 percent.'`
1627 It is like we are making all this progress.

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1628 So I just want to know where is the evidence that we are
1629 all of a sudden in an air quality crisis in America, and that
1630 we need to impose these enormous costs on the American
1631 people? Where is the evidence for that?

1632 *Mr. Goffman. I believe there is extensive evidence
1633 and, as it happens, it is reflected in a proposal we issued
1634 addressing --

1635 *Mr. Crenshaw. There is --

1636 *Mr. Goffman. -- ambient air quality --

1637 *Mr. Crenshaw. -- extensive evidence that we have
1638 decreased our problems with air quality, that we have
1639 increased air quality in America. There is extensive
1640 evidence on your own website -- it took me 5 seconds to
1641 Google it -- that those pollutants have decreased by 73
1642 percent. That is what your evidence says, and you want to
1643 impose these massive costs on the American people. That is
1644 why these bills are up for consideration today.

1645 And I yield back.

1646 *Mr. Johnson. The gentleman yields back. The chair now
1647 recognizes the gentleman from Ohio, my colleague, my
1648 neighbor, Mr. Balderson, for five minutes.

1649 *Mr. Balderson. Thank you, Mr. Chairman.

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1650 Thank you, Mr. Goffman, for being here today. There are
1651 three regulations that are currently under development by
1652 your office that will have a significant impact on the
1653 electric grid, which I am sure you are hearing a lot about
1654 today. Two of these proposals, the light-duty and the heavy-
1655 duty vehicle proposals, will greatly increase demand for
1656 electricity. The third ruling related to power plants will
1657 force the premature retirement of flexible, dispatchable
1658 resources.

1659 Additionally, California and several other states are
1660 seeking waivers to essentially ban the sale of new internal
1661 combustion engine cars and light trucks by 2035. Even the
1662 EPA admits in their regulatory impact analysis for light-duty
1663 vehicles that an enormous amount of electricity will be
1664 needed in 2035 just to support this EV rule.

1665 Due to the increased demand of these rules and the
1666 impact of EPA's Clean Power Plan 2.0, I would expect FERC to
1667 have a significant interest in all of these rules. When you
1668 were working on the original Clean Power Plan in President
1669 Obama's Administration, FERC had a series of technical
1670 conferences between the proposed and final rules to ensure
1671 grid reliability if the Clean Power Plan went into effect.

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1672 In fact, I believe you spoke at one of those conferences.

1673 FERC has not stated that they will have any technical
1674 conferences or any of the rules I previously mentioned. Do
1675 you believe that FERC should hold technical conferences to
1676 ensure that the grid can be maintained if these rules get
1677 finalized?

1678 *Mr. Goffman. I am really not in a position to speak
1679 for FERC, but I can speak for the EPA to tell you that we
1680 have spent, ourselves, time talking to FERC commissioners and
1681 FERC expert staff precisely about the issues related to
1682 reliability that we want to make sure that we are addressing
1683 as we finalize these power sector rules.

1684 *Mr. Balderson. So you would agree to -- I mean, want
1685 FERC to be part of this discussion.

1686 *Mr. Goffman. For our purposes, we have already --

1687 *Mr. Balderson. For your purposes. I understand you
1688 can't answer for FERC, but for your purposes.

1689 *Mr. Goffman. We have had discussions with them even
1690 before we, if you will, put pen to paper on some of these
1691 proposals.

1692 *Mr. Balderson. Okay, thank you. Have you tried to
1693 coordinate with FERC to facilitate these conferences

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1694 occurring? Obviously, you have not done that.

1695 My last question is did you consult in any way with the
1696 Department of Transportation or the Federal Highway
1697 Administration on the tailpipe emissions proposal?

1698 *Mr. Goffman. We -- as part of the interagency process,
1699 we benefited from the contributions and engagement with NHTSA
1700 and DoT on the vehicle -- on our vehicle rules, and we -- on
1701 our power sector rules we have been in discussions with DoE
1702 as part of the interagency process, and we even entered into
1703 an MOU with DoE to continue to address -- or at least monitor
1704 -- reliability issues in the process of finalizing our rules
1705 and their ultimate implementation.

1706 *Mr. Balderson. Did the Department of Transportation
1707 provide you any feedback on this, whether it was good, bad,
1708 indifferent, anything?

1709 *Mr. Goffman. In the interagency process NHTSA provided
1710 us with significant technical advice.

1711 *Mr. Balderson. Okay. Well, it is concerning to me.
1712 And I know car manufacturers, auto dealers have been brought
1713 up. I am a former auto dealer, so I am just ad-libbing here
1714 a little bit. And I heard some of Mr. Allen's testimony and
1715 some of his questions.

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1716 I sat with a friend yesterday that is going to lose his
1717 dealership because the manufacturer that he sells -- he is a
1718 single point store, like we were, and our family business was
1719 shut down back in 2008 during the bailout with the auto
1720 manufacturers. And I shouldn't say it was caused by that,
1721 but it led up to that taking place. But I have two friends
1722 as of yesterday that are going to lose their agencies because
1723 the manufacturer has committed not to do any more fossil fuel
1724 vehicles, combustion engines, however you want to look at it.

1725 I mean, do you have any insight into that? I know that
1726 you don't deal with the manufacturers, but these rules being
1727 implemented the way that they are, I mean, they -- are you
1728 looking at the bigger picture of who it is impacting, and
1729 what it does?

1730 *Mr. Goffman. Well, we are in the process of taking in
1731 comment and feedback and engagement with, we hope to be, all
1732 stakeholders who have equities in these rules.

1733 *Mr. Balderson. What would you advise my friend that is
1734 losing his agency potentially here in 2030 because his
1735 manufacturers -- what would be his comment to the EPA?

1736 *Mr. Goffman. Well, the -- we would certainly be eager
1737 to get some analysis, some background on what his experience

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1738 -- what your constituent's experience was.

1739 *Mr. Balderson. Okay, I am out of time.

1740 Thank you very much, Mr. Chairman.

1741 *Mr. Johnson. The gentleman yields back. The chair now
1742 recognizes the gentleman from Texas, Mr. Pfluger -

1743 *Mr. Pfluger. Thank you, Mr. Chair.

1744 *Mr. Johnson. -- for five minutes.

1745 *Mr. Pfluger. I want to push back, Mr. Goffman, on some
1746 things that have been said in this hearing.

1747 The number-one cause of death in this world is lack of
1748 energy. And there are many studies that suggest that the
1749 higher the CO2 emissions in a country, the higher the GDP,
1750 and the higher the life expectancy. And for us to be having
1751 an all-out assault from the EPA with rule after rule and
1752 weaponization after weaponization on liquid fuels, and on
1753 primary sources of energy, and on all the things that have
1754 made this country the richest, most powerful country in the
1755 world are just unbelievable.

1756 What is the range on your electric vehicle? What is the
1757 range on your electric vehicle?

1758 [Pause.]

1759 *Mr. Pfluger. Two hundred and fifty?

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1760 *Mr. Johnson. Microphone.

1761 *Mr. Pfluger. Two hundred and fifty miles?

1762 *Mr. Goffman. Anecdotally, in my personal experience --

1763 *Mr. Pfluger. Okay, which is the exact same range on
1764 one of the manufacturer's pickup trucks, except for when you
1765 add load to it and when temperature starts to drop.

1766 So a pickup truck, an electric vehicle pickup truck, is
1767 now 40 percent less, which at 240 miles is about 100 miles
1768 less. That is 140 miles. It is not reasonable. It doesn't
1769 work.

1770 I assume you support the President and his initiatives.

1771 *Mr. Goffman. Of course, yes.

1772 *Mr. Pfluger. Okay. Do you support his desire to kill
1773 fossil fuels?

1774 *Mr. Goffman. I am not aware that he has a desire to
1775 kill fossil fuels.

1776 *Mr. Pfluger. Mr. Goffman, that was a clear message
1777 that he said when he was being elected to President of the
1778 United States.

1779 Do you support killing fossil fuels?

1780 *Mr. Goffman. In my role as implementing the Clean Air
1781 Act, no.

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1782 *Mr. Pfluger. Is it your goal to kill liquid fuels?

1783 *Mr. Goffman. My goal is to improve air quality, and
1784 address climate --

1785 *Mr. Pfluger. Which we have --

1786 *Mr. Goffman. -- and implement the Clean Air Act,
1787 which --

1788 *Mr. Pfluger. Which we have done.

1789 *Mr. Goffman. -- the last time I looked, does not
1790 authorize EPA to, if you -- as you put it, to kill fossil
1791 fuels.

1792 *Mr. Pfluger. That is right. It doesn't. But your
1793 policies are doing that, and they are actually going to
1794 decrease our quality of life here, and they are going to put
1795 the most vulnerable in our world in jeopardy. And they are
1796 going to kill the dealerships that my colleagues just
1797 mentioned.

1798 I want to follow up on your response to my colleague
1799 that the EPA is still looking at California's waiver request
1800 for the Advanced Clean Cars II regulation. You claim that
1801 you have not looked at this yet, and you not looked at light-
1802 duty vehicles at the same time. But in the recent LDV
1803 proposal that your office wrote, ACC II and section 177 are

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1804 used as a justification as to why EPA should introduce and
1805 move forward with such stringent standards. This sounds like
1806 the EPA is using ACC II and a waiver that has not yet been
1807 granted or reviewed as justification for their light-duty
1808 vehicles rules.

1809 Is the agency making decisions before a waiver has been
1810 granted?

1811 *Mr. Goffman. Congressman, let me check on that,
1812 because --

1813 *Mr. Pfluger. This is a response in this hearing that
1814 you said to one of my colleagues.

1815 *Mr. Goffman. Well, my understanding -- let me check to
1816 make sure that we -- my experience is that we do not rely on
1817 regulations from California where we haven't granted the
1818 waiver --

1819 *Mr. Pfluger. So the waiver has not yet been granted?

1820 *Mr. Goffman. It has not been --

1821 *Mr. Pfluger. So would it be used as justification?

1822 *Mr. Goffman. Let me check to -- let me check on that.
1823 My experience is --

1824 *Mr. Pfluger. Is it standard practice for the EPA to
1825 use a waiver that has not been granted as justification?

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1826 *Mr. Goffman. In my experience, we have not. But your
1827 question makes me a little nervous. I would like to get back
1828 to you --

1829 *Mr. Pfluger. It makes me nervous, as well, Mr.
1830 Goffman.

1831 *Mr. Goffman. I would like to get back to you with a --

1832 *Mr. Pfluger. It makes our country nervous.

1833 *Mr. Goffman. -- a well-founded answer.

1834 *Mr. Pfluger. How much electricity does the United
1835 States demand each year?

1836 *Mr. Goffman. I don't know that number off the top of
1837 my head.

1838 *Mr. Pfluger. Okay. It is four terawatts, annually.
1839 So the Secretary of Energy didn't know it, the EPA doesn't
1840 know it, FERC probably doesn't know it. Who else doesn't
1841 know it in this country, and we are mandating electric
1842 vehicles?

1843 What is the percentage increase in electricity demand if
1844 we get to the 2030 and 2035 mandates that your agency is
1845 pushing for and the Administration is pushing for? What is
1846 the percentage increase that we will need?

1847 *Mr. Goffman. Four-tenths of a percent in 2030, and 4

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1848 percent in 2050.

1849 *Mr. Pfluger. Okay. So the Secretary of Energy sat
1850 right there two weeks ago, and she said it is going to double
1851 our electricity demand, and you are giving me a much more
1852 accurate -- or at least specific -- answer. You guys have no
1853 idea how much demand is going to be there. Where is that
1854 electricity going to come from?

1855 *Mr. Goffman. Well, first of all, we did analyze the
1856 demand that the implementation of these proposals --

1857 *Mr. Pfluger. EPA analyzed it, or the Department --

1858 *Mr. Goffman. Yes, we did.

1859 *Mr. Pfluger. Okay.

1860 *Mr. Goffman. We analyzed it as part of our --

1861 *Mr. Pfluger. Where is the electricity --

1862 *Mr. Goffman. -- analysis.

1863 *Mr. Pfluger. -- going to come from?

1864 *Mr. Goffman. It will come from a diverse grid.

1865 *Mr. Pfluger. It is 110 degrees in my hometown today.
1866 The wind is not blowing, the sun is shining. And after four
1867 hours of darkness, there will be no batteries on this planet
1868 that can produce a reliable source of baseload dispatchable
1869 power. We have no plan for this.

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1870 So please get back to me on the question that I asked
1871 you. And if waivers are being used that have not been
1872 granted for justification, this is complete -- this is
1873 overreach to a point that we couldn't even imagine.

1874 Mr. Chairman, I know my time is up. I yield back.

1875 *Mr. Johnson. The gentleman yields back. The chair now
1876 recognizes the gentlelady from Iowa, Dr. Miller-Meeks, for
1877 five minutes.

1878 *Mrs. Miller-Meeks. Thank you, Mr. Chair. I am glad
1879 Energy and Commerce is focusing today's hearing on several
1880 bills related to preserving choice in America for vehicles
1881 and fuel, including my bill, the Fuels Parity Act.

1882 The Fuels Parity Act, which I introduced with
1883 Representatives Hunt, Bice, Budzinski, and Sorensen, is a
1884 bipartisan bill with geographically diverse cosponsorship
1885 ranging from Texas oil and gas members to Midwestern biofuels
1886 members.

1887 As the Biden Administration continues its war on liquid
1888 fuels, biofuels and gasoline included, this bill makes it
1889 abundantly clear that establishing a partnership between
1890 biofuels and oil is more important than ever.

1891 The Fuels Parity Act would allow ethanol from cornstarch

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1892 to qualify as an advanced biofuel, and require EPA to use
1893 DoE's Argonne GREET model to determine the carbon content of
1894 biofuels under the Renewable Fuel Standard, rather than an
1895 outdated predictive model. Allowing corn to qualify as an
1896 advanced biofuel allows internal combustion engine vehicles
1897 to compete with EVs by incentivizing lower emissions from
1898 ethanol production, making the fuel that powers on-road
1899 vehicles cleaner.

1900 Here is a list of biomass types that are allowed to be
1901 advanced fiber fuels: Brazilian sugarcane ethanol, the
1902 fibrous outer shell of a kernel of corn known as corn kernel
1903 fiber sorghum, soybeans, wheat, and barley. All of these
1904 crops can be advanced biofuels so long as they meet 50
1905 percent requirement for carbon reductions. Literally, the
1906 only feedstock that cannot qualify is cornstarch. Even other
1907 parts of the corn kernel can qualify. As long as cornstarch
1908 ethanol can achieve a 50 percent greenhouse gas emission
1909 reduction, it should be afforded the same opportunity to be
1910 an advanced biofuel like every other feedstock.

1911 And Ranking Member Tonko, I would be open to a
1912 discussion prior to subcommittee markup with you and others
1913 about making DoE's Argonne GREET model applicable to all

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1914 fuels.

1915 Mr. Chairman, I ask unanimous consent to insert a letter
1916 into the record which expresses support for the Fuel Parity
1917 Act. The letter also includes support for year-round E15,
1918 and outlines concerns about the EPA's final RVOs from 2023 to
1919 2025, which limit the growth of low carbon fuels.

1920 Mr. Goffman, the Refuelable [sic] Fuel Standard, RFS,
1921 program is integral to reducing carbon emissions and adding
1922 value to agricultural commodities. While opportunities may
1923 exist to improve the program, any statutory reforms should be
1924 careful and thoughtful. The Fuels Parity Act would remove
1925 the prohibition on cornstarch ethanol as an advanced biofuel.
1926 I realize this is not a perfect piece of legislation, and I
1927 am committed to working with all stakeholders moving forward.

1928 Can you speak to the EPA's ability to consider new Clean
1929 Air Act proposals, including pilot programs, when setting
1930 post-2022 volumes?

1931 Does the EPA have authority to consider criteria not
1932 explicitly stated and contained in section 211(o)?

1933 *Mr. Goffman. Well, thank you for that question,
1934 Congresswoman.

1935 I don't believe we have the authority to consider

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1936 criteria that aren't in the statute, especially now that we
1937 are in -- we are past 2022, and the statute doesn't include
1938 presumptive volumes.

1939 *Mrs. Miller-Meeks. Mr. Goffman, under the Clean Air
1940 Act EPA is required to set annual increasing volume
1941 requirements for the amount of renewable fuel to be blended
1942 into our transportation fuel supply. EPA fulfilled this
1943 obligation and increased volume requirements for 2023 to
1944 2025. In contrast, however, EPA has also proposed several
1945 rulemaking, including the latest tailpipe emission standards
1946 that would drastically reduce all supply of all liquid fuels
1947 in favor of an all-EV approach.

1948 How can EPA simultaneously implement the RFS, where the
1949 goals are to increase biofuels and liquid fuels usage, and at
1950 the same time propose a tailpipe rule which would
1951 dramatically curb liquid fuels? Your agency's tailpipe
1952 proposal appears completely contradictory to RFS goals.

1953 *Mr. Goffman. Well, in both cases, Congresswoman, we
1954 were responding to what we understand to be the imperatives
1955 of the Clean Air Act, which requires us to set or --
1956 authorizes us to set tailpipe emission standards, as well as
1957 to set volume obligations under the RFS.

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1958 Our approach has been to maintain, ultimately, a
1959 diversity of energy sources for transportation, consistent
1960 with both 202, which is our tailpipe emission standard
1961 authority, and 211, which is our RFS authority.

1962 *Mrs. Miller-Meeks. Which is why it seems contradictory
1963 that cornstarch would not be classified as an advanced
1964 biofuels, and we wouldn't have -- we don't have year-round
1965 E15, and also that the volumes are not set at the level where
1966 we can certainly produce.

1967 A Des Moines Register article just today indicates some
1968 studies show that ethanol can reduce greenhouse gas emissions
1969 by 46 percent and biodiesel by 69 percent. So if, in fact,
1970 we are trying to reduce greenhouse gas emissions, increasing
1971 the volume production of all biofuels would be complementary
1972 to that goal.

1973 Thank you, Mr. Chair. I yield back.

1974 *Mr. Johnson. The gentlelady yields back, and without
1975 objection the letters requested by the gentlelady will be
1976 included in the record.

1977 [The information follows:]

1978

1979 *****COMMITTEE INSERT*****

1980

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1981 *Mr. Johnson. The gentlelady yields back. The chair
1982 now recognizes the gentleman from California, Mr. Obernolte,
1983 for five minutes.

1984 *Mr. Obernolte. Well, thank you very much, Mr. Chair,
1985 and thank you, Mr. Goffman.

1986 In your testimony you talked about the California Air
1987 Resources Board a little bit. They have issued a request
1988 that the EPA approve a waiver under the Clean Air Act to
1989 implement new rules in California that would set yearly
1990 rising zero-emission vehicles starting in 2026, and would end
1991 completely the sale of vehicles that are powered by gasoline
1992 by the year 2035.

1993 So one of the bills that we are hearing today is my
1994 bill, H.R. 1435, that would restrict the EPA from issuing a
1995 waiver for any new regulations that would completely ban the
1996 sale of internal combustion motor vehicles, and I will talk
1997 about the reasons for that in a moment.

1998 My question for you is, has the EPA reviewed that
1999 request by CARB? And if so, has any consideration been made
2000 on whether or not it will be approved?

2001 *Mr. Goffman. We have only just begun the review
2002 process, which has at least three steps.

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2003 Step one is to publish a notice to the public that the
2004 petition is under review, and ask the public and stakeholders
2005 for input on specific issues.

2006 Once that once that step is completed, by creating a
2007 record based on all the public comment we received, we review
2008 the record and then make what we think of as an adjudication
2009 as to whether or not, based on the record, California's --
2010 the mandate to the administrator to grant the waiver can be
2011 met, or whether one of three criteria has actually been
2012 triggered that would negate California's entitlement to the
2013 waiver.

2014 And I am sorry, it is a very -- very much an
2015 adjudicatory process that involves creating a public record.
2016 We have only just begun that.

2017 *Mr. Obernolte. And what would you say the timeframe
2018 for issuing that decision is?

2019 *Mr. Goffman. I measure it in months. But since we
2020 haven't actually published, formally published the notice
2021 inviting comment, set a comment deadline, or even, obviously,
2022 seen what kind of record we are going to have to work with,
2023 we haven't established a precise timeline yet.

2024 *Mr. Obernolte. Yes, I would appreciate it if you would

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2025 keep my office informed as you work through that process.

2026 *Mr. Goffman. Of course.

2027 *Mr. Obernolte. My motivation for introducing my bill
2028 to prevent the EPA from granting that request and requests
2029 like it is twofold.

2030 First of all, I am deeply skeptical that California's
2031 electric grid can be in a position to support a 100 percent
2032 new electric vehicle fleet by the deadline that CARB has set.

2033 I also represent a very economically disadvantaged
2034 portion of California, and my constituents can't afford to
2035 buy new EVs, even if they were available. And I have deep
2036 skepticism that by that time we will have the mineral
2037 resources necessary to even convert the current year's
2038 production vehicle fleet to electric.

2039 So those are some of my concerns. And although we are
2040 all -- we all want to be good stewards of the environment, we
2041 have to live here, too. And we have to keep the needs of the
2042 economically disadvantaged in mind when we make these
2043 decisions. Do any of those factors -- are any of those
2044 factors considered when the EPA makes decisions about whether
2045 or not to grant that waiver request?

2046 *Mr. Goffman. Just to observe that when we set

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2047 standards we take those into consideration. What the
2048 statute, what the Clean Air Act tells us to do when
2049 California submits its waiver is -- the statute basically
2050 says the EPA administrator shall grant the waiver unless one
2051 of three conditions is met. So Congress itself narrowly
2052 circumscribed what we can consider when a waiver petition
2053 comes in.

2054 *Mr. Obernolte. Right. So you are saying that this --
2055 these factor into the EPA's standards, but not necessarily
2056 the decision about whether or not to approve California's
2057 waiver request?

2058 *Mr. Goffman. The Clean Air Act does not clearly
2059 authorize us to take that breadth of considerations in mind.
2060 Congress, when it drafted those provisions and reauthorized
2061 them, contemplated California as sort of something that
2062 resembles an entitlement.

2063 *Mr. Obernolte. Right. Well, that is why I think there
2064 is a need for the bill that I have authored. But I thank you
2065 for your testimony today.

2066 I will yield back, Mr. Chairman.

2067 *Mr. Johnson. The gentleman yields back. The chair now
2068 recognizes the gentleman from Georgia, Mr. Carter, for five

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2069 minutes.

2070 *Mr. Carter. Thank you for being here, Mr. Goffman.
2071 Mr. Goffman, in looking at EPA's proposed tailpipe rule with
2072 its timeline and its scale, it is hard to say that it intends
2073 to do anything more than just ban internal combustion
2074 engines. I mean, I have to be quite honest with you. This
2075 is one of the most egregious rules that I have ever seen the
2076 Federal Government come out with. And it is totally
2077 inappropriate.

2078 And I am not saying that because I am not a fan of EVs.
2079 I am a fan of EVs. But this is ridiculous. In fact, I am so
2080 much a fan that the largest economic development project in
2081 the history of the State of Georgia is going to be in my
2082 district. It is under construction right now, an EV
2083 manufacturer bringing in a \$5.5 billion investment to bring
2084 8,100 jobs and probably that many more in ancillary
2085 businesses. We are excited about it. Georgia has embraced
2086 this. We have embraced the battery plants, EV manufacturers,
2087 all of that.

2088 But we are not going to enact a tailpipe rule, not in
2089 the State of Georgia. That would be ridiculous. Just like
2090 California and other policies that have more or less mandated

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2091 EVs, there is no better example of the Federal Government
2092 picking winners and losers than what we are witnessing right
2093 here. No better example. And that is the last thing the
2094 Federal Government should be doing. I just don't -- I don't
2095 agree with it at all. Again, I feel like it is totally
2096 inappropriate.

2097 Why is this rule necessary? Explain to me why it is
2098 necessary, especially in the scale and the timeline that you
2099 have set out.

2100 *Mr. Goffman. Well, thank you for that question and
2101 thank you for articulating the concerns you raised.

2102 If I can just start with one point that we observed as
2103 part of our analysis, is that we project that even -- that
2104 under this proposal, if it were finalized, we project north
2105 of 40 million internal combustion engine vehicles continuing
2106 to be sold in the new car fleet over the course of the 6
2107 model years covered by this rule. So we obviously don't see
2108 this as either -- certainly not explicitly, and not even
2109 effectively -- a ban on internal combustion engines.

2110 What this rule does is, in many ways, complement what
2111 the private sector and Congress have already begun to make
2112 substantial investments in, which is diversifying the on-road

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2113 fleet so that it is not just internal combustion engines that
2114 relies on, in part, imported oil, but also domestic
2115 electricity.

2116 And in fact, as you know, Congress less than a year ago
2117 made substantial investments in the components and the raw
2118 materials to manufacture electric vehicles here in the United
2119 States --

2120 *Mr. Carter. Mr. Goffman, with all due respect, I
2121 understand the point you are trying to make, but I beg to
2122 differ.

2123 And you used the word "diversify." To me, this does
2124 more than diversify. To me, this mandates. And there is a
2125 big difference between diversification and mandating.

2126 *Mr. Goffman. Well, our intent with this rule is not to
2127 create a mandate. We don't see the Clean Air Act as doing
2128 anything different from what we did in this proposal, which
2129 is to set grams per mile emissions performance standards,
2130 which we, based on what we see, is available, affordable
2131 technology, and then --

2132 *Mr. Carter. Do you feel like the internal combustible
2133 engines would be able to meet those, though?

2134 *Mr. Goffman. We think of -- we project that fleets

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2135 that include both EVs and internal combustion engines will be
2136 able --

2137 *Mr. Carter. So the hybrids.

2138 *Mr. Goffman. -- wide level to meet these standards.

2139 *Mr. Carter. Well, now I want to follow up on what my
2140 colleague from California just asked you about. Did you take
2141 into consideration any of the low-income families that rely
2142 on internal combustion engines to get to work, to get to
2143 school, to get to groceries, any -- all of those things?

2144 *Mr. Goffman. Well, we did take -- we took into
2145 consideration the affordability of meeting these standards.

2146 *Mr. Carter. Well, look. I represent south Georgia.
2147 It is a vast area, and a lot of traveling. And it -- I mean,
2148 we need internal combustion engines in south Georgia. And we
2149 have got a lot of low-income families. And this is going to
2150 have a major, major impact.

2151 And again, I just -- I want to reiterate that I feel
2152 like this is one of the most inappropriate and blatant
2153 examples of picking -- of the government picking winners and
2154 losers that I have ever witnessed. And -- but I do
2155 appreciate you being here, and I appreciate your work.

2156 With that, I will yield back.

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2157 *Mr. Johnson. The gentleman yields back. The chair now
2158 recognizes Mrs. Dingell from Michigan for five minutes.

2159 *Mrs. Dingell. Thank you, Mr. Chair. I think today's
2160 legislative hearing is very important, and it is very
2161 important to the industry that I represent. I do want to say
2162 that we are considering four bills that I believe could have
2163 potential harmful effects on the future of the automotive
2164 industry, and would fail to help consumers truly afford the
2165 clean vehicles, the future that Detroit is building.

2166 Collectively, these bills could undo the good progress
2167 we have made on reducing harmful vehicle Michigans [sic], and
2168 would stymie future automotive innovation. And these bills
2169 are clearly disconnected right now from the market reality.
2170 Right now every major automotive company in the United States
2171 and around the globe is in a race to manufacture and ship
2172 greater and greater numbers of clean vehicles, including
2173 hybrids, battery electric vehicles, and hydrogen fuel cell
2174 vehicles.

2175 So with due respect to my colleagues on the other side,
2176 I oppose each of your bills at this time, but I do share many
2177 of the concerns my Republican colleagues have raised here
2178 today. If we are to successfully make the needed transition

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2179 to electrification, we have to do so in a comprehensive way
2180 and build on all the meaningful bills from last Congress, and
2181 we need to do it together.

2182 So, Mr. Goffman -- and I am going to ask you to be
2183 concise, because I have a lot of questions -- thank you for
2184 being here. I would like to start with the real concerns I
2185 am hearing and that I share as it relates to the EPA's
2186 recently proposed rule on multi-pollutant emission standards
2187 for light and medium-duty vehicles beginning in model year
2188 2027.

2189 First off, in your testimony you say the proposed
2190 standards align with commitments already made by automakers
2191 in the U.S. states as they plan to accelerate clean vehicle
2192 technologies in the light and medium-duty fleets in the next
2193 10 to 15 years. I will be honest, I don't think this is
2194 consistent with what the industry or labor has committed to.
2195 So, Mr. Goffman, can you expand on what you mean, and how
2196 this proposal aligns with commitments made by the automakers?

2197 *Mr. Goffman. Well, thanks for that question. I am
2198 glad to be able to address it. What I was referring to was a
2199 couple of things.

2200 One, in August of 2021, 3 companies --

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2201 *Mrs. Dingell. Three companies joined with the
2202 environmentalists and labor to a fifty percent goal.

2203 *Mr. Goffman. That is right. And then, in the fall of
2204 last year, at least one American company announced principles
2205 to -- what they called principles to set as a goal of 100
2206 percent EVs by 2035 --

2207 *Mrs. Dingell. Goals, if the underlying foundation is
2208 there.

2209 *Mr. Goffman. And that is exactly why part of the
2210 process we are engaged in now is collecting information from
2211 the companies about how these rules ultimately will interact
2212 with their business plans.

2213 We are at a technical level, Congresswoman, spending
2214 time really talking to the companies, collecting information,
2215 and making sure that what our rules do work together --

2216 *Mrs. Dingell. I have a lot more questions, and you
2217 know the companies have expressed their reservations to you.

2218 *Mr. Goffman. Yes.

2219 *Mrs. Dingell. While Administrator Regan has stipulated
2220 the emissions proposal does not require a particular
2221 propulsion technology, it is clear that battery electric
2222 vehicles would need to account for 67 percent of new vehicle

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2223 sales by 2032, up from under 6 percent as of last year.

2224 Mr. Goffman, can you explain how EPA measures success in
2225 terms of a nearly 10 times increase in light-duty
2226 electrification compared to new vehicle sales in 2022?
2227 Quickly, please.

2228 *Mr. Goffman. Again, the way we ultimately define the
2229 success of this program is if it supports the goals that
2230 companies like, say, GM have announced to --

2231 *Mrs. Dingell. But what if they can't get there because
2232 what needs to be in place isn't there?

2233 What if people can't afford to buy the vehicles?

2234 What if the charging stations aren't there?

2235 What happens if the assumptions and forecasting that EPA
2236 relies upon aren't viable?

2237 *Mr. Goffman. Well, our first line -- we have three
2238 lines of defense to answer that.

2239 One is we have run a number of different analytic cases
2240 to see how and at what rate these emissions standards could
2241 be achieved. We have asked for public comment on that. We
2242 are also getting input and information from the companies.

2243 And then, as you know, there is at least the precedent
2244 of -- from a previous rulemaking -- of mid-term review. Now,

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2245 the companies have not raised that with us, but what they are
2246 doing is working with us --

2247 *Mrs. Dingell. I believe they have raised it --

2248 *Mr. Goffman. -- on the four --

2249 *Mrs. Dingell. -- and you are going to be getting
2250 comments.

2251 *Mr. Goffman. Okay.

2252 *Mrs. Dingell. I have 34 seconds --

2253 *Mr. Goffman. Okay.

2254 *Mrs. Dingell. -- and a lot more questions. I am going
2255 to ask you for the record to talk about whether the new
2256 proposed EPA GHG rules are factoring into other fuel economy
2257 regulations. Based on my conversations I have had with
2258 industry, labor, and my own constituents, it is clear we
2259 still need additional EV charging solutions and investments
2260 if we are going to be able to assure every family in America
2261 who wants an electric vehicle can reliably access charging.

2262 I also am going to ask you to give us what analysis you
2263 did to evaluate the charging infrastructure necessary.

2264 But I have a UAW question. I would like to know more
2265 about the work EPA has done to study the impact this proposal
2266 will have on autoworkers. Mr. Goffman, what are the proposed

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2267 standards projected to do -- impact on employment?

2268 Has the EPA evaluated the impact on the union workforce
2269 that produces light and medium-duty ICE vehicles?

2270 *Mr. Johnson. Mr. Goffman, I am going to ask you to
2271 take that question for the record.

2272 *Mr. Goffman. Okay.

2273 *Mr. Johnson. And if you would get back, I would
2274 appreciate it.

2275 [The information follows:]

2276

2277 *****COMMITTEE INSERT*****

2278

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2279 *Mr. Johnson. The gentlelady's time has expired. The
2280 chair now recognizes Mr. Latta for five minutes.

2281 *Mr. Latta. Well, thank you, Mr. Chairman, for holding
2282 today's legislative hearing, and also for allowing me to
2283 waive on to the subcommittee today. I appreciate it.

2284 Along with the gentlemen from Pennsylvania, California,
2285 and Florida, I am proud to co-lead the Preserving Consumer
2286 Choice and Vehicle Purchases Act, and I thank the
2287 subcommittee chair and the full committee chair for working
2288 with us to get to this point today.

2289 This legislation builds on the previous work that we did
2290 last fall, which included a letter with over 150 House
2291 Members to President Biden advocating for the rights of our
2292 constituents to purchase whatever vehicles they so choose.
2293 Unfortunately, we never received a response from the
2294 Administration. To me, this signals that the Administration
2295 is not prioritizing the rights of consumers in their
2296 deliberations.

2297 Without repeating the same points as my co-leaders on
2298 this legislation, I cannot emphasize enough that California's
2299 efforts to ban the sale of internal combustion engine
2300 vehicles will have national implications. It will, as stated

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2301 by others, will increase costs for Americans and add to
2302 greater instability for an already strained electric grid.

2303 Mr. Deputy Administrator, since the President did not
2304 respond to our concerns that we outlined in our letter last
2305 year, and your written testimony doesn't indicate any
2306 specific stance on the bill, do you know, is the
2307 Administration opposed to this legislation?

2308 *Mr. Goffman. I don't know, because we have -- the
2309 Administration has not taken a position yet on the
2310 legislation.

2311 *Mr. Latta. Did the Administration forward the letter
2312 on to the EPA?

2313 *Mr. Goffman. I don't know. I just -- I am not calling
2314 up to mind that particular letter, so I just don't know
2315 about --

2316 *Mr. Latta. If you could, if you would get back to me
2317 on that, I would like to know if the EPA, you know, received
2318 that letter from the President then to work on.

2319 When Congress first wrote title 2 of the Clean Air Act,
2320 do you believe it was the Congress's intent to allow one
2321 state to have the ability to implement a de facto national
2322 mandate on what specific vehicle consumers could purchase?

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2323 *Mr. Goffman. I believe what Congress intended to do
2324 was to give states the option of adopting California's
2325 standards if EPA granted a waiver for those standards. And,
2326 of course --

2327 *Mr. Latta. I am sorry, could you speak into the
2328 microphone? It is -- there we go.

2329 *Mr. Goffman. I am sorry.

2330 *Mr. Latta. But you said that you believe it was what?

2331 *Mr. Goffman. I believe that the intent -- I don't -- I
2332 believe the intention of Congress was to give states the
2333 option after EPA granted waivers -- a waiver to California --
2334 to adopt California's standards as appropriate to address the
2335 air quality problems within their states.

2336 *Mr. Latta. But -- and again, though, in this
2337 situation, could it be a de facto national mandate when you
2338 look at the size of California, especially the states around
2339 it, what it could do to other states having to then adhere to
2340 what California is doing?

2341 *Mr. Goffman. Well, sir, the mechanism under the Clean
2342 Air Act is for states to exercise their option to choose to
2343 adopt California standards.

2344 *Mr. Latta. Well, and -- because our time is short here

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2345 -- but again, if California would do it, it could be in a
2346 situation that would be almost a de facto mandate on the
2347 other states.

2348 Let me move on, because I am running out of time here.
2349 You know, and again, as you have already heard, in order to
2350 move on to an all-EV fleet, which is what California wants to
2351 impose on the entire country, the U.S. Energy Information
2352 Administration has stated that the United States will need to
2353 generate at least 50 percent more electricity.

2354 Now, again, when EPA starts reviewing things, do you
2355 look at what EIA says, that we are going to have to have 50
2356 percent more energy generation by that point in time?
2357 Because I know, when I have talked to the electric co-op
2358 associations, they are saying that the amount is over 50
2359 percent.

2360 So -- and also, as has also been pointed out by other
2361 members, how much does EPA look at, then, that -- on
2362 generation alone? Do you look at the statistics out there
2363 that, you know, we could be having brownouts, blackouts
2364 across the country?

2365 And even last September, when the governor of California
2366 just recently said they wanted to go to this EV mandate that

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2367 -- that almost following weekend they had a heat wave, where
2368 everyone was supposed to turn up their air conditioners, and
2369 then not plug in their cars.

2370 So how much does EPA look at on the energy production in
2371 this country that we would have to have just to meet the
2372 requirements of having an EV fleet?

2373 *Mr. Goffman. Well, when we issued this proposal for
2374 these -- this set of standards, we did do an analysis of the
2375 net increase in demand. And what we project for 2030 is that
2376 these standards would increase demand by 4/10 of a percent,
2377 and then go up to 4 percent in 2050.

2378 *Mr. Latta. I am sorry, when you say the -- pardon me,
2379 Mr. Chairman.

2380 When you say four percent, are you talking about we need
2381 four percent more energy?

2382 *Mr. Goffman. Four percent more energy to --

2383 *Mr. Latta. Well, how -- I am kind of confused, then.
2384 How does EIA come up with 50 percent?

2385 *Mr. Goffman. I am not -- I know we considered -- we
2386 work with the EIA. I don't know. I would need to go back
2387 and look at the particulars --

2388 *Mr. Latta. What I would like you to do --

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2389 *Mr. Goffman. -- of the EIA's analysis.

2390 *Mr. Latta. I will make sure that we get the EIA
2391 information to you all.

2392 *Mr. Goffman. Okay.

2393 *Mr. Latta. Thank you very much, Mr. Chairman, and I
2394 yield back.

2395 *Mr. Johnson. The gentleman yields back. The chair now
2396 recognizes the gentleman from Florida, Mr. Bilirakis, for
2397 five minutes.

2398 *Mr. Bilirakis. Thank you, Mr. Chairman, and thank you
2399 for allowing me to waive on. This is a very important
2400 hearing.

2401 Briefly, I just wanted to identify with the comments of
2402 Representatives Joyce, Obernolte, of course, my good friend,
2403 Mr. Latta, my colleagues on the Preserving People's Freedom
2404 to Buy Affordable Vehicles and Fuel Act.

2405 I just wanted to emphasize the national effect this new
2406 California regulation would have. California has 17 other
2407 states bound to follow its air quality standards. Therefore,
2408 this standard would have an effect on 40 percent of the
2409 market, making it a de facto national impacting policy, as my
2410 good friend, Mr. Latta, said. This means that the residents

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2411 in my state will most likely see an increase in vehicle costs
2412 and a decrease in choice.

2413 That also means that automakers, convenience store
2414 owners, farmers, and car dealerships nationwide will also be
2415 negatively affected by this California policy.

2416 We can't let California and the Biden Administration ban
2417 combustion engines, and Preserving People's Freedom to Buy
2418 Affordable Vehicles and Fuel Act is the way to stop it. This
2419 is a priority for us, and we really appreciate you giving me
2420 the time, Mr. Chairman.

2421 And I yield back the balance of my time.

2422 *Mr. Johnson. The gentleman yields back. The chair now
2423 recognizes the gentleman from Michigan, Mr. Walberg, for five
2424 minutes.

2425 *Mr. Walberg. Thank you, Mr. Chairman. Thanks for
2426 letting me waive on, as well.

2427 Michiganders care about cars, as you might expect, and
2428 care about trucks, pickup trucks especially.

2429 I want to better understand the Biden Administration's
2430 thinking on vehicles. So, Mr. Goffman, just to kind of lay
2431 the foundational consideration here, I would like a yes or no
2432 on whether or not you believe that all Americans should have

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2433 access to reliable, available, functional, and affordable
2434 cars and trucks.

2435 *Mr. Goffman. Yes.

2436 *Mr. Walberg. Thank you. Do you believe any rules you
2437 are issuing should make cars less available, less affordable,
2438 and less functional for consumers and their needs?

2439 *Mr. Goffman. No.

2440 *Mr. Walberg. Then let me move on. Your testimony
2441 discusses new vehicle sales numbers. Could you tell me
2442 roughly what new car sales were 5 years ago and 10 years ago?

2443 *Mr. Goffman. Off the top of my head, I can't.

2444 *Mr. Walberg. Well, let me add to it, because being a
2445 car guy from Michigan, I have to know these type of things.

2446 Ten years ago, it was fifteen million in sales. Five
2447 years ago, it was seventeen-point-one million in sales
2448 vehicles themselves. Total sales peaked at 18.665 million in
2449 April of 2021.

2450 Your testimony claims that, under your proposed rule,
2451 the number of new ICE vehicles will be slashed by close to
2452 half between 2027 and 2032. How many new EVs does EPA expect
2453 to be available and affordable for consumers to replace that
2454 cut?

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2455 *Mr. Goffman. Well, the -- we expect there to be enough
2456 EVs to meet demand and meet the performance standard. But
2457 the --

2458 *Mr. Walberg. Well, and I appreciate you saying, "we
2459 expect that," because it is certainly a guess and by golly,
2460 what in the world it is going to be, based upon what we are
2461 seeing so far, and based upon, you know, the Michiganians,
2462 Michiganders, whatever we call ourselves in any given time,
2463 expect and what we need.

2464 Under your proposed rule, will there be more cars on the
2465 road in 15 years or less when your rule is entirely
2466 implemented?

2467 *Mr. Goffman. I don't know the total, offhand. I --

2468 *Mr. Walberg. But more or less, what would we expect?

2469 *Mr. Goffman. More or less -- we don't expect these
2470 rules -- we didn't assume or premise these rules on any kind
2471 of reduction in demand for vehicles.

2472 *Mr. Walberg. Well, between state and EPA requirements
2473 on the auto sector over the last 10 years, it is hard to say
2474 there has been no impact on the price of compliance. And
2475 that has got to have an impact on the number of cars that
2476 will be on the road.

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2477 Can you tell me what the average price of a vehicle over
2478 the last couple of years -- or how it has changed?

2479 *Mr. Goffman. Over the last couple of years, no, I
2480 don't know that.

2481 *Mr. Walberg. I set you up so I could answer that
2482 again, and let me tell you. The answer is that back in 2021
2483 the reported estimated average transaction price for a light-
2484 duty vehicle in the United States was \$37,876. According to
2485 Kelley Blue Book and the Bureau of Labor Statistics, the
2486 average new car price at the beginning of 2023 is \$49,388.

2487 Will you commit -- and that of the EPA -- will you
2488 commit that this proposed rule is not going to directly or
2489 indirectly raise the price of new vehicles for consumers?

2490 *Mr. Goffman. Well, what I can commit to is that
2491 between now and the time we finalize this rule, this -- these
2492 proposals, we will be focusing on that issue and addressing
2493 it.

2494 *Mr. Walberg. Oh, I hope you are, because my
2495 constituents need to know that. They need to understand that
2496 they are not going to experience what California has
2497 experienced. They don't want to have to leave -- well, if we
2498 do it all, there is no place to go to, there is no place to

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2499 flee like Californians.

2500 Let me get to this question. Will your proposed rule
2501 reduce the number of affordable SUVs and small trucks?

2502 *Mr. Goffman. I don't believe so. And certainly, we
2503 will again address that issue, because one of the objectives
2504 of this rule is to ensure that vehicles that -- or fleets
2505 that meet these standards are affordable.

2506 *Mr. Walberg. Well, I hope that is the case. But just
2507 to be sure this proposal doesn't cause problems for
2508 consumers, will you commit to inserting a regulatory off-ramp
2509 into the rule, light and medium-duty rule, if new vehicles
2510 either become more expensive or unreliable, auto choice or
2511 functionality is limited, or those cars are unavailable to
2512 American consumers?

2513 *Mr. Goffman. Well, we anticipate ideas like that being
2514 raised in the comment record and we will, of course, will
2515 consider them.

2516 *Mr. Walberg. I appreciate that, and I hope it comes to
2517 fruition. Because if it doesn't, my constituents' way of
2518 life is altered irretrievably.

2519 Thank you, I yield back.

2520 *Mr. Johnson. The gentleman yields back. The chair now

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2521 recognizes the gentlelady, Ms. Barragan, for five minutes.

2522 *Ms. Barragan. Thank you, Mr. Chairman.

2523 Mr. Goffman, thank you for your tireless work at EPA to
2524 advance critical clean air regulations that are critical for
2525 our -- for the health of our planet and our communities.

2526 Mr. Goffman, since Democrats passed the Inflation
2527 Reduction Act the private sector has committed over \$120
2528 billion in domestic electric vehicle manufacturing and
2529 battery investments. Do these investments give the EPA
2530 confidence that its proposed light and medium-duty vehicle
2531 emission standards can be reached?

2532 *Mr. Goffman. Yes. Yes, they do. In fact, we are
2533 finalizing these proposals in the coming months in a context
2534 in which Congress has made substantial investments, and the
2535 auto industry itself has made substantial investments in
2536 producing exactly the results that these proposals are
2537 intended to produce.

2538 *Ms. Barragan. Great, thank you. EPA estimates the
2539 benefits of its proposed light and medium-duty vehicle
2540 emission standards will exceed costs by at least \$850
2541 billion. Can you tell us about some of the benefits for our
2542 communities?

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2543 *Mr. Goffman. Well, these rules will have substantial
2544 impact on improving air quality in communities, and that
2545 means they will have substantial impact on public health. We
2546 project that in one of the years we -- one of the single
2547 years we analyzed, these proposals would reduce up to 1,700
2548 premature deaths related to air pollution. And that is just
2549 in one year.

2550 We determined that there would be a substantial
2551 reduction in hospital visits, aggravated asthma attacks,
2552 non-fatal heart attacks, and all of the health costs in human
2553 terms and in financial terms that are associated with those
2554 impacts.

2555 *Ms. Barragan. Well, thank you for bringing those up.
2556 Often when I go across the country, and certainly in my
2557 district, it is parents talking about their children, their
2558 health, the health impacts. So often overlooked is the
2559 amount of money we save in health care costs, and you can't
2560 put a dollar figure on -- when somebody is sick and in the
2561 hospital, you as a parent, as a loved one, you say to
2562 yourself, "I don't care what it would cost to make my loved
2563 one better.'" So thank you.

2564 As you noted in your testimony, EPA's notice of proposed

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2565 rulemaking offered different options that EPA could take for
2566 a final rule. I want to just urge the EPA to choose the most
2567 ambitious option that will result in the greatest number of
2568 zero-emissions vehicles sales over the life of the rule that
2569 will maximize the benefits that you just outlined.

2570 Mr. Goffman, EPA has proposed a rule to strengthen our
2571 national air quality standards for particulate matter, a
2572 pollutant -- a toxic pollutant estimated to cost tens of
2573 thousands of excess deaths each year. Public health groups
2574 argue the proposed standard should be stronger and follow the
2575 recommendations of EPA's own Clean Air Scientific Advisory
2576 Committee, and many Democrats agree.

2577 This spring, 85 Members of Congress led by myself and
2578 Representative Blunt Rochester, wrote the EPA requesting a
2579 final rule that follows a recommendation of your advisory
2580 committee. Will EPA finalize a rule that follows the
2581 recommendations of its Clean Air Scientific Advisory
2582 Committee?

2583 *Mr. Goffman. Thank you for that question. We are
2584 right now in the process of deliberating on the record that
2585 we got back from the proposal that we issued at the end of
2586 last year. And we are certainly taking -- we are putting a

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2587 lot of weight on what the Clean Air Act Science Advisory
2588 Committee, as well as other experts who submitted comments,
2589 as -- we are putting great weight on all of that as we
2590 finalize our decision.

2591 *Ms. Barragan. Well, thank you. I urge, again, EPA to
2592 set stronger particulate matter standards that protect our
2593 communities. It would make sense, given the positive steps
2594 EPA is taking to reduce particulate matter from cars, trucks,
2595 and power plants.

2596 Mr. Goffman, my last question is, has the Renewable Fuel
2597 Standard reduced greenhouse gas emissions?

2598 *Mr. Goffman. As part of the rulemaking we announced
2599 yesterday, we analyzed that question, and we determined that
2600 there would be about a 50 billion ton per year -- did I say
2601 50 billion? I meant 50 million ton per year net reduction in
2602 greenhouse gas emissions under the standards we -- or the
2603 renewable volume obligations we finalized yesterday.

2604 *Ms. Barragan. Okay. Thank you so much.

2605 With that, my time has run. I will yield back.

2606 *Mr. Johnson. The gentlelady yields back. The chair
2607 now recognizes the gentlelady from -- I am sorry, the
2608 gentleman from Indiana, Mr. Pence.

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2609 *Mr. Pence. Thank you, Mr. Chairman, for letting me
2610 waive on here.

2611 And thank you, Mr. Goffman, for being here. Let's talk
2612 eRINs for a minute, okay?

2613 I am an individual that actually created and traded them
2614 in my former life. I understand that if EPA creates a new
2615 eRINs program in the future that is substantially similar to
2616 the eRINs program that the agency proposed at the end of
2617 2022, the program could go straight to a final rule and
2618 eliminate the opportunity for public comment. True?

2619 *Mr. Goffman. One of the reasons that we didn't
2620 finalize the proposal is that we wanted to have more
2621 engagement with the many --

2622 *Mr. Pence. Sure, and I kind of want to get to that.
2623 But do you have to get more public comment?

2624 *Mr. Goffman. You know --

2625 *Mr. Pence. Or can you go right to issuing?

2626 *Mr. Goffman. We may be able to go right to issuing, I
2627 just don't --

2628 *Mr. Pence. Okay, thank you.

2629 *Mr. Goffman. I just don't know.

2630 *Mr. Pence. So I would encourage you not to do that,

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2631 right? I noted in the executive summary some stakeholders
2632 are strongly supportive, some sought significant
2633 modifications, and others opposed. So let's kind of talk
2634 about the impact that eRINs would have.

2635 First and foremost, what would the impact of eRINs be on
2636 RINs?

2637 *Mr. Goffman. Well, when we proposed it, we proposed
2638 that in 2025, if we had -- if we were going to finalize eRINs
2639 now, that it would increase the volume obligation for 2025
2640 for cellulosic fuel or for cellulosic volume obligations.

2641 *Mr. Pence. So not being technically up to speed on
2642 that language, does that mean RINs would reduce and eRIN use
2643 would increase, or eRIN requirement would increase?

2644 *Mr. Goffman. We would -- we projected at the time we
2645 proposed this that the total volume of the program would go
2646 up to match the availability of eRINs.

2647 *Mr. Pence. So what I said is incorrect. It wouldn't
2648 be -- eRIN increase wouldn't be at the expense of RINs. Is
2649 that correct?

2650 *Mr. Goffman. That is correct.

2651 *Mr. Pence. Okay.

2652 *Mr. Goffman. But of course, that is one of the issues

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2653 that some stakeholders --

2654 *Mr. Pence. Sure.

2655 *Mr. Goffman. -- that we want to go back and --

2656 *Mr. Pence. Well, sure. I mean, liquid fuel fuels, the
2657 ethanol industry, the ag industry all are very -- would be
2658 very concerned about something like that, right?

2659 *Mr. Goffman. Yes, that is --

2660 *Mr. Pence. Who is going to need eRINs, going forward?
2661 Who would be the buyers of eRINs, in your opinion?

2662 *Mr. Goffman. I think, to the extent that eRINs were
2663 sort of fungible with other RINs, it would be other parties
2664 with volume obligations.

2665 *Mr. Pence. So would that go beyond the transportation
2666 industry or the production industry?

2667 So let's say the car manufacturer would generate a
2668 need --

2669 *Mr. Goffman. That is --

2670 *Mr. Pence. Whomever generates an eRIN, who would need
2671 those eRINs to comply?

2672 *Mr. Goffman. Refiners with volume obligations.

2673 *Mr. Pence. Refiners with --

2674 *Mr. Goffman. Yes.

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2675 *Mr. Pence. Would any other manufacturing type
2676 industries have to look at eRINs?

2677 *Mr. Goffman. I don't think so.

2678 *Mr. Pence. Okay. So --

2679 *Mr. Goffman. It would stay within the sort of four
2680 corners of the obligated party.

2681 *Mr. Pence. So certain refiners buy RINs.

2682 *Mr. Goffman. Right.

2683 *Mr. Pence. And now those same refiners, I would
2684 assume, because of their production capabilities and
2685 emissions, they would have to buy more RINs by buying more
2686 eRINs. Correct?

2687 *Mr. Goffman. Yes.

2688 *Mr. Pence. So that would increase their cost of
2689 production, which would have a negative impact on their
2690 profitability, or their ability to generate profits and be
2691 competitive.

2692 *Mr. Goffman. Well, we --

2693 *Mr. Pence. Is that correct?

2694 *Mr. Goffman. We certainly got comments to the effect
2695 that that would be the effect, and there were certainly
2696 stakeholders that objected to that.

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2697 *Mr. Pence. Yes. So -- and my concern about that is,
2698 while you are looking for expanding choice, as you were
2699 saying, and you are pushing against winners and losers, but
2700 over here on the liquid fuel side you would be in a sense
2701 penalizing liquid fuels by creating additional expenses for
2702 them which would make them more or -- that would make them
2703 less competitive --

2704 *Mr. Goffman. We --

2705 *Mr. Pence. And I have run out of time, and that is
2706 something we will keep an eye on.

2707 Thank you, Chairman. I yield back.

2708 *Mr. Johnson. The gentleman yields back. The chair now
2709 recognizes the gentlelady from Arizona, Mrs. Lesko, for five
2710 minutes.

2711 *Mrs. Lesko. Thank you, Mr. Chairman, and good news. I
2712 think I am the last person. So only five minutes to go.

2713 I want to clarify something I think I heard you say
2714 earlier. Did you say that the EPA has estimated that the
2715 extra amount of electricity you will need on the grid for the
2716 switch to electric vehicles is only 4 percent by 2050? Is
2717 that what you said?

2718 *Mr. Goffman. Yes, 4/10 of a percent in 2030, and then

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2719 going up to 4 percent in 2050.

2720 *Mrs. Lesko. And do you have math on this that you
2721 could give to the committee? Because I would be really
2722 curious how you came up with four percent.

2723 *Mr. Goffman. Sure.

2724 *Mrs. Lesko. Okay.

2725 *Mr. Goffman. It is in the regulatory impact analysis,
2726 which I can --

2727 *Mrs. Lesko. Yes, if you could --

2728 *Mr. Goffman. It is a page-turner, but I will get you
2729 the --

2730 [Laughter.]

2731 *Mr. Goffman. I will get you the specific --

2732 *Mrs. Lesko. Yes, if you could get me a link with the
2733 page number, that would be great.

2734 *Mr. Goffman. Yes.

2735 *Mrs. Lesko. I would like to see it.

2736 I am going to switch. I am from Phoenix, Arizona. I
2737 represent Phoenix, Arizona and some suburbs. I have the
2738 Taiwan Semiconductor Plant in my district that is newly being
2739 built.

2740 Mr. Goffman, Maricopa County, Arizona, which is the

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2741 Phoenix area, has developed 2 proposed emission reduction
2742 credit rules, rule 204 and 205. These rules have languished
2743 before region 9 for approval for years. In fact, rule 204
2744 was submitted 3 years ago and is still awaiting a response.
2745 Do you have a timeline on the approval of rule 204 and/or
2746 205?

2747 *Mr. Goffman. Well, thank you for that question. This
2748 has recently been brought to my attention by others in the
2749 delegation, as well. And our EPA's region 9 understands the
2750 importance of getting to a resolution on those rules. And I
2751 know from conversations I had with my colleagues in region 9
2752 in the last few weeks that they are working with the state
2753 and with the county to resolve some issues and try to get a
2754 decision across the finish line.

2755 I think we have a very acute and vivid understanding of
2756 how important these rules are to economic development and air
2757 quality in Maricopa County.

2758 *Mrs. Lesko. Well, thank you very much for that answer.
2759 Hopefully, it will get done pretty soon.

2760 The Administration and this Congress has made it a
2761 priority to bring semiconductor manufacturing back to the
2762 United States through the CHIPS Act. Unfortunately, without

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2763 a strong industrial history, Arizona is limited in its option
2764 to generate credits to meet the Clean Air Act offset
2765 requirements. Without a long-term solution, The Federal
2766 requirements will cap the growth of these very manufacturing
2767 facilities which are key to the future technology to reduce
2768 ozone.

2769 So my question is, is the EPA dedicated to finding long-
2770 term alternatives for new ways to create emission reduction
2771 credits to enable states like Arizona to continue to attract
2772 investment and grow into the clean, innovative technology
2773 manufacturing hub?

2774 *Mr. Goffman. Well, I am glad you asked that question.
2775 I know that recently Maricopa County, working with the State
2776 Department, the Arizona DEP, and with region 9, came up with
2777 an innovative approach to using offsets from the
2778 transportation sector, from a fleet, to help a facility meet
2779 its offset requirements.

2780 And so what we are learning is that there is a very
2781 important supportive role that we can play in working with
2782 states and air quality districts as they come up with
2783 innovative strategies for addressing the offset needs of new
2784 or reinvested facilities, which is one of the reasons that we

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2785 know that Arizona is looking at 204 and 205, and really needs
2786 us to be responsive on that.

2787 So what I am saying is that, at the state and air
2788 quality district level, we are seeing increasing leadership
2789 in innovation, and we are committed to supporting that.

2790 *Mrs. Lesko. Thank you. That would be very helpful.
2791 You know, we are just doing a lot of great things in Arizona.
2792 And so sometimes regulations -- quite frankly, the EPA --
2793 kind of hold us back from doing what we need to do. And so
2794 any help in that aspect would be greatly appreciated.

2795 And I yield back.

2796 *Mr. Johnson. The gentlelady yields back.

2797 I think, if it is -- Mr. Goffman, first of all, thank
2798 you for taking the time out of your busy schedule to be with
2799 us today. These are very serious questions. And, you know,
2800 your rules coming out of the EPA are very serious, and I
2801 understand that. So thanks for joining us today to have this
2802 discussion over these pieces of legislation.

2803 With that, I will excuse you, and we will ask our other
2804 panelists to please take your seats. And while we get
2805 arranged, we will take a quick, five-minute break and then
2806 come back and get started.

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2807 The subcommittee stands in recess for five minutes.

2808 [Recess.]

2809 *Mr. Johnson. The subcommittee will again come to
2810 order. I thank our guests for the second panel for taking
2811 your seats.

2812 Our witnesses for the second panel are Mr. Chet
2813 Thompson, president and CEO of the American Fuel and
2814 Petrochemical Manufacturers; Mr. Neil Caskey -- have I got
2815 that right, Caskey -- CEO of the National Corn Growers
2816 Association; Ms. Genevieve Cullen, president of the Electric
2817 Drive Transportation Association; and Mr. Scott Lambert,
2818 president of the Minnesota Auto Dealers Association.

2819 Mr. Thompson, you are recognized for five minutes.

2820

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2821 STATEMENT OF CHET THOMPSON, PRESIDENT AND CEO, AMERICAN FUEL
2822 AND PETROCHEMICAL MANUFACTURERS; NEIL CASKEY, CEO, NATIONAL
2823 CORN GROWERS ASSOCIATION; GENEVIEVE CULLEN, PRESIDENT,
2824 ELECTRIC DRIVE TRANSPORTATION ASSOCIATION; AND SCOTT LAMBERT,
2825 PRESIDENT, MINNESOTA AUTO DEALERS ASSOCIATION

2826

2827 STATEMENT OF CHET THOMPSON

2828

2829 *Mr. Thompson. Well, thank you and good afternoon,
2830 Chairman Johnson, Ranking Member Tonko, members of the
2831 subcommittee. It is a real honor to be here this afternoon.
2832 I have the great privilege of representing the American fuel
2833 and petrochemical manufacturers. Our members lead the world
2834 in the manufacturing of gasoline, diesel, jet, and renewable
2835 fuel.

2836 Our refineries and the products we produce every day are
2837 critical assets to the United States. This was made
2838 abundantly clear most recently when Russia invaded Ukraine
2839 last year. In fact, it was around that time when President
2840 Biden called our industry to reopen refineries and make more,
2841 not less, fuel. That is because we supply reliable and
2842 affordable fuel not only to the United States, but to our

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2843 allies all around the world, and we do so cleaner, safer, and
2844 more efficiently than any other country in the world.

2845 Our energy security is a national strength. That is why
2846 AFPM supports the legislation under consideration today.
2847 Here are just a few key points from my written testimony.

2848 First, and importantly, AFPM is fully committed to
2849 improving vehicle efficiency and reducing the carbon
2850 intensity of transportation. Today's fleet, as you know, is
2851 bigger, heavier, and more powerful than ever before. Yet it
2852 is also the highest in fuel economy and the lowest CO2
2853 emission rate on record. We also are committed to lowering
2854 the carbon intensity of fuels. In fact, as you know, Mr.
2855 Chairman, I have testified multiple times before this very
2856 committee in support of a national octane standard that would
2857 lower carbon emissions from cars and trucks.

2858 Second, and very importantly for the subject matter
2859 today, California's ban of the new internal combustion engine
2860 and EPA's proposal to effectively do the same are clearly
2861 unlawful. Eliminating consumer choice is not the American
2862 way. Ingenuity is. Congress, this is the only body in this
2863 country, in this town that has the authority to develop our
2864 nation's energy and transportation policies, not EPA, and

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2865 surely not one state that fancies itself a super state.

2866 Now, to be clear, AFPM is not anti-electric vehicle. My
2867 members produce a lot of plastics that go into electric
2868 vehicles, but we are anti-bans.

2869 Third, our transportation policies should be realistic,
2870 and they should reflect the full life cycle of fuels and
2871 batteries. Right now EPA and California want to measure
2872 emissions exclusively at the tailpipe. This means that
2873 emissions generated upstream, places like battery production,
2874 mining, during EV charging, they are not even accounted for
2875 at all. This gives consumers the false impression that there
2876 is such a thing called a zero-emitting vehicle. There is no
2877 such thing.

2878 A tailpipe-only approach ignores the investments
2879 refiners and biofuel producers are making in reducing
2880 emissions throughout -- through carbon capture, lower carbon
2881 hydrogen, and alternate feedstocks, just to name a few of the
2882 technologies we are invested in. Liquid fuels like renewable
2883 diesel and sustainable aviation fuel can reduce emissions by
2884 80 percent. And guess what? We can do that today without
2885 overhauling our fuel and our vehicle infrastructure. Yet
2886 they are not even considered under a tailpipe-only approach.

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2887 This makes absolutely no sense.

2888 In addition to being unlawful, mandating EVs and banning
2889 gasoline and diesel cars and trucks is bad for consumers. It
2890 is bad for our national security. It would trade our hard-
2891 won energy security for mineral dependance on countries that
2892 simply don't have our best interests at heart, countries like
2893 China. Last year, 85 percent -- 85 percent -- of all the
2894 crude that ran through U.S. refineries were sourced from
2895 right here in North America. Let's contrast that to China,
2896 which owns 80 percent of global battery manufacturing
2897 capacity. Forced electrification would make us less secure
2898 as a country, not more.

2899 The world is growing, and we need more energy, not less.
2900 We need all options to remain on the table to meet this
2901 demand, to maintain our energy security, and to continue to
2902 reduce emissions from the transportation sector.

2903 Finally, AFPM supports both of the RFS bills under
2904 consideration today. EPA did the right thing yesterday by
2905 abandoning -- it is a theme here -- its unlawful attempt to
2906 turn the RFS into yet another subsidy for electric vehicles.

2907 We also support allowing cornstarch ethanol to qualify
2908 as an advanced biofuel. This might surprise some, but the

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2909 RFS no doubt has been a challenging -- has a challenging
2910 history. But we hope that the diverse support for this bill
2911 is a model for ways for us to work together going forward. A
2912 modernized RFS would promote competition, reduce costs, and
2913 achieve better emission reductions.

2914 In closing, we support these bills for a very important
2915 reason, because they foster innovation and competition, which
2916 is how we as a country have tackled every single challenge we
2917 have ever faced.

2918 I appreciate the opportunity to be here, and I look
2919 forward to your questions.

2920

2921 [The prepared statement of Mr. Thompson follows:]

2922

2923 *****COMMITTEE INSERT*****

2924

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2925 *Mr. Johnson. The gentleman yields back. The chair now
2926 recognizes Mr. Caskey for five minutes.
2927

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2928 STATEMENT OF NEIL CASKEY

2929

2930 *Mr. Caskey. Chairman Johnson, Ranking Member Tonko,
2931 thank you for the opportunity to testify. I am Neil Caskey,
2932 the CEO of the National Corn Growers Association, and we
2933 appreciate the subcommittee asking for our input on
2934 increasing consumer choices for affordable fuels and
2935 vehicles.

2936 As producers of the sustainable primary feedstock for
2937 low-carbon ethanol, America's corn farmers stand behind
2938 agriculture's contributions to low-cost, cleaner, domestic
2939 energy. Farmers' higher yields using fewer resources enable
2940 them to meet food, feed, and fuel needs, and their production
2941 improvements will help achieve biofuels with net-zero
2942 emissions and higher ethanol blends cost less. Cleaner
2943 liquid fuels are imperative. Consumers will benefit from
2944 greater choices and affordability without sacrificing climate
2945 progress and energy security.

2946 NCGA shares concerns regarding California's advanced
2947 Clean Cars II Standard reflected in H.R. 1435, the Preserving
2948 Choice in Vehicle Purchase Act. We support uniform vehicle
2949 standards for both fuel economy and GHG emissions, relying on

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2950 a full life cycle analysis to ensure a level playing field.

2951 California should not limit its vision of a zero-
2952 emissions future based on one technology, but should instead
2953 focus on setting achievable targets and allowing innovation
2954 to maximize emissions reductions and improve equity.

2955 We also support the Fuels Parity Act, introduced by
2956 Congresswoman Miller-Meeks. This legislation ensures EPA
2957 uses the most accurate life cycle emissions assessment for
2958 biofuels: the Department of Energy Argonne National Labs
2959 GREET model. According to Argonne, today's corn ethanol is
2960 up to 52 percent lower in carbon intensity than gasoline, due
2961 to increased crop yields, reduced fertilizer intensity, and
2962 improved ethanol production efficiency.

2963 The Fuels Parity Act recognizes progress made under the
2964 RFS, allowing all fuels that meet the 50 percent lower
2965 greenhouse gas standard to qualify as an advanced biofuel.
2966 NCGA has a long -- has long followed the principle of do no
2967 harm for the RFS. Therefore, we caution that any efforts to
2968 update the RFS must unite supporters of this successful
2969 policy and protect it.

2970 Regarding the Choice in Automobile Retail Sales Act,
2971 NCGA supports policies to further reduce emissions from

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2972 vehicles. However, we have serious concerns with the EPA's
2973 proposed rule. EPA's proposed rule envisions only one
2974 solution to meet new standards, electric vehicles, without
2975 accounting for their full life cycle emissions. Rather than
2976 endorse a single technology, we are urging EPA to focus on
2977 outcomes and open pathways for all low-carbon fuels and
2978 technologies, as well as advance a needed rulemaking to
2979 improve fuels.

2980 NCGA also strongly urges EPA to separate its proposal
2981 for renewable biomass electricity, or eRINs, from the RFS
2982 volumes during the RFS rulemaking process because the eRIN
2983 proposal was inconsistent with the way the RFS functions for
2984 other renewable fuels. We appreciate that EPA did not
2985 finalize the eRIN proposal with the RFS volume rule from
2986 yesterday.

2987 We also agree with the chairs that we need to increase
2988 choices and access to reliable, affordable fuels and
2989 vehicles. Two additional bipartisan bills referred to this
2990 subcommittee would help deliver on the chair's commitment,
2991 and we urge consideration of these measures, as well.

2992 Last June the House passed legislation that included the
2993 Consumer and Fuel Retailer Choice Act. We ask the House to

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2994 pass H.R. 1608 again this Congress. H.R. 1608 would
2995 permanently remove outdated barriers to full market access
2996 for E15, a lower-cost and lower-emissions choice. More than
2997 95 percent of vehicles on the road can use E15, often
2998 marketed as unleaded 88.

2999 The Biden Administration used emergency authority to
3000 prevent a disruption in E15 availability last year and again
3001 this year. Biofuel, retail, agriculture, and even oil
3002 stakeholders now support Congress permanently removing this
3003 red tape.

3004 Consumers need more choices and affordability in
3005 addition to EVs. Led by bipartisan committee members
3006 Representative Miller-Meeks and Representative Craig and 21
3007 cosponsors, the Next Generation Fuels Act provides another
3008 choice. NCGA supports H.R. 2434, and urges the subcommittee
3009 to advance this bill, as well. The Next Generation Fuels Act
3010 considers fuels and vehicles as a system, improving our
3011 nation's liquid fuel supply and transitioning new combustion
3012 vehicles to use advanced engines that take advantage of
3013 better fuels. This transition to updated fuels and vehicles
3014 would cut fuel costs, reduce greenhouse gases and other
3015 transportation emissions, while also increasing fuel

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3016 efficiency.

3017 For consumers, these advanced vehicles and fuels mean
3018 additional clean choices that are affordable. For
3019 automakers, a better fuel allows deployment of advanced
3020 combustion engine technologies.

3021 With that, I thank you for considering our input and I
3022 look forward to your questions.

3023 [The prepared statement of Mr. Caskey follows:]

3024

3025 *****COMMITTEE INSERT*****

3026

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3027 *Mr. Johnson. The gentleman yields back. Ms. Cullen,
3028 you are now recognized for five minutes for your statement.
3029

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3030 STATEMENT OF GENEVIEVE CULLEN

3031

3032 *Ms. Cullen. Thank you, Chair McMorris Rodgers, Chair
3033 Johnson, Ranking Member Pallone, Ranking Member Tonko, and
3034 members of the subcommittee.

3035 The Electric Drive Transportation Association is the
3036 cross-industry trade association promoting the advancement of
3037 electric drive transportation. EDTA's members represent the
3038 entire value chain of electric drive, including vehicle
3039 manufacturers, materials, and component manufacturers,
3040 electric utilities, and infrastructure developers.
3041 Collectively, these companies are building the electric
3042 transportation ecosystem, which is enabling U.S.
3043 competitiveness and creating jobs, while reducing greenhouse
3044 gas emissions and creating transportation options that
3045 families, businesses, and communities want.

3046 I appreciate the opportunity to appear before the
3047 committee to talk about the electric transportation
3048 opportunity in the United States.

3049 First, a quick picture of the market. EVs are projected
3050 to rise to 30 percent of global new car sales by 2026, and in
3051 the United States that number will be 28 percent of new car

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3052 sales. This market is accompanied by investment in building
3053 out the entire ecosystem, from supply chains to chargers.
3054 And what it all points to is that the future of
3055 transportation is electrified. Our choice now is simply
3056 whether we are going to lead in this market or follow.

3057 For consumers, an electric future means more
3058 transportation options, fuel and maintenance savings, and
3059 healthier communities. Consumers have 87 models to choose
3060 from today at all price points and sizes, and that number
3061 will increase to at least 150 models by 2027. The used EV
3062 market is poised to follow this rapid growth in the new EV
3063 market. Both the new and used vehicle sales are reinforced
3064 by Federal and state purchase incentives that accelerate
3065 price parity, putting some vehicles at or below the cost of
3066 their conventional counterparts today.

3067 Domestically produced electricity, on average, costs the
3068 equivalent of \$1.20 a gallon of gasoline. This price is
3069 stable and insulated from the volatility of global oil
3070 markets. Drivers of battery electric cars save roughly 60
3071 percent in energy costs. Owning an EV is also cheaper.
3072 Plug-in cars incur only half the repair and maintenance costs
3073 of conventional cars.

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3074 Electrifying the transportation sector is also an
3075 essential tool in combating climate change and reducing air
3076 pollution, which accounts for one in five premature deaths in
3077 the United States. According to the Union of Concerned
3078 Scientists, no matter where you plug in in the U.S., an EV
3079 has fewer emissions than the average internal combustion
3080 engine vehicle.

3081 For the United States, an electric future means growing
3082 U.S. leadership in the global EV race. It has already
3083 created hundreds of thousands of jobs and more than \$210
3084 billion in private EV manufacturing and battery investments
3085 since 2021.

3086 As many analysts have noted, the EV industry is at an
3087 inflection point. What policymakers do next can help cement
3088 U.S. leadership, get us to full scale in the next decade, and
3089 secure the economic and environmental benefits of e-mobility
3090 for consumers and for the country. And from that
3091 perspective, we offer the following thoughts on the
3092 legislation before the committee.

3093 H.R. 1435's proposed changes to the EPA's Clean Air Act
3094 waiver program could create substantial disruption in the
3095 U.S. vehicle market, extending beyond California to the

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3096 section 177 states, which combined represent more than 40
3097 percent of new vehicle sales.

3098 In addition, the legislation would hinder the states'
3099 ability to address their unique environmental conditions, as
3100 waivers are designed to do.

3101 The CARS Act would prohibit the EPA from finalizing its
3102 proposed rule for 2027 to 2032, and potentially invalidate
3103 previous emissions regulations. At this inflection point for
3104 the market, the disruption and uncertainty created by the
3105 changes proposed in these bills will work against U.S. market
3106 leadership and consumers' access to choices. Vehicle
3107 manufacturers and the complex supply chains that support them
3108 and the EV ecosystem have made substantial investments in
3109 reliance on the current regulatory regimes.

3110 EDTA supports a coherent national regulatory regime that
3111 promotes investment in greenhouse gas-reducing technology,
3112 and provides manufacturers with the support they need to
3113 achieve aggressive goals. We believe that informed
3114 regulators and engaged stakeholders working together to
3115 finalize standards is the way to ensure effective regulation
3116 and reward innovation in the vehicle market.

3117 Regarding the No Fuel Credits for Batteries Act, EDTA

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3118 supports establishing an RFS pathway for renewable
3119 electricity used in transportation. We believe that
3120 renewable electricity is logically within the ambit of the
3121 program, and want to work with the Administration and
3122 stakeholders to take this important next step in the
3123 expansion of EV infrastructure.

3124 And finally, EDTA has no position on the Fuels Parity
3125 Act.

3126 I thank you for the opportunity to be here, and I look
3127 forward to your questions.

3128

3129

3130 [The prepared statement of Ms. Cullen follows:]

3131

3132 *****COMMITTEE INSERT*****

3133

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3134 *Mr. Johnson. Thank you, Ms. Cullen. The gentlelady
3135 yields back.

3136 Mr. Lambert, you are now recognized for five minutes for
3137 your statement.

3138

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3139 STATEMENT OF SCOTT LAMBERT

3140

3141 *Mr. Lambert. Good afternoon, Mr. Chairman and Ranking
3142 Member Tonko. My name is Scott Lambert, and I am president
3143 of the Minnesota Automobile Dealers Association.

3144 We represent 365 franchised new car and truck dealers in
3145 the great state of Minnesota. Combined, my members employ
3146 over 20,000 people and have a sales of over \$14 billion. And
3147 we are a truck state. Our customers purchase pickups and
3148 SUVs at an impressive rate of 89 percent.

3149 To be clear at the outset, we are not opposed to
3150 electric vehicles. In fact, our dealerships are making
3151 millions of dollars in investments for chargers, new hoists,
3152 forklifts, and other equipment necessary to sell and service
3153 electric vehicles. When consumers are ready to purchase
3154 these vehicles, we are very anxious to sell them. Currently,
3155 however, new EVs compose only five percent of the retail
3156 market in Minnesota. What we are opposed to are mandates
3157 that will force dealers to stock vehicles that may not appeal
3158 to consumers.

3159 For over 100 years, manufacturers have built and dealers
3160 have sold vehicles based on consumer demand. In the last few

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3161 years that basic economic model has been replaced by one that
3162 now has vehicles being produced and offered for sale based
3163 instead on public policy. And it is a public policy that is
3164 impatient.

3165 Minnesota recently adopted the California car rules.
3166 Unfortunately, these rules are one-size-fits-all and, equally
3167 unfortunately, Minnesota does not have a southern California
3168 climate. The average low temperature in February in
3169 Minnesota is 10 degrees, while the average low temperature in
3170 Los Angeles for the same time period is 48 degrees. This is
3171 important, because the colder temperatures and need to
3172 defrost and heat a vehicle can reduce the battery range by as
3173 much as 40 percent, causing an already limited vehicle range
3174 to become even lower.

3175 The other significant drawback to EVs currently is their
3176 limited towing capability. Towing anything with any weight
3177 to it dramatically reduces the potential vehicle range, even
3178 in ideal weather conditions. This is a significant problem
3179 for contractors, farmers, loggers, miners who rely on their
3180 vehicles, just to name a few, for their livelihood. In
3181 Minnesota the ability to tow a boat to one of our 10,000
3182 lakes is just as important.

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3183 Another barrier to EV adoption at the moment is the lack
3184 of dependable EV charging. Urban consumers who don't have a
3185 garage to charge their vehicle overnight will find charging
3186 difficult, especially when there is two feet of snow on the
3187 ground. Rural consumers who drive longer distances for basic
3188 goods want to know that they can easily find a fast charger
3189 at their destination. But there are large areas of Minnesota
3190 where we can drive for three hours with no access to a fast
3191 charger.

3192 In Minnesota, 80 percent of the state's almost 35,000
3193 registered EVs reside in the Twin Cities area, where only 55
3194 percent of the population lives. It is simply not convenient
3195 to own an EV in vast stretches of farmland or northern lakes
3196 areas.

3197 The California mandate forces dealers to stock EVs at an
3198 increasing rate until it bans the sale of internal combustion
3199 vehicles by 2035. The EPA's proposed rules on mileage
3200 standards basically accomplishes the same goal by simply
3201 strangling the manufacturers with ever-increasing mileage
3202 standards. Both regulations distort the marketplace and fail
3203 to acknowledge the basic economic principles of supply and
3204 demand.

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3205 Currently, the average electric vehicle costs
3206 approximately \$14,000 more than the average equal gas-powered
3207 vehicle. The upfront price differential is a deterrent to
3208 consumers' uptake of EVs. For dealers being forced to stock
3209 vehicles that do not enjoy widespread consumer demand is a
3210 recipe for economic chaos.

3211 Over the past 100 years the Federal Government has been
3212 very good at nudging the industry forward to build and sell
3213 more efficient and safer vehicles. I fear these new mandates
3214 are not nudges forward, but instead are a shove off the
3215 cliff. When manufacturers can build an affordable truck that
3216 can go over 400 miles on a single charge, and can tow heavier
3217 cargo, that will be, in my opinion, a game changer, and will
3218 speed up the new era of mass sale of EVs, and we won't need a
3219 mandate. But that vehicle does not presently exist.

3220 We all understand the concerns about climate change, but
3221 I believe we should slow down and let technology get caught
3222 up in this sector. Violating the principles of consumer
3223 choice and mandating the supply of vehicles that do not work
3224 in every situation is folly.

3225 Our organization supports H.R. 1435, and hopes that
3226 Congress will do the right thing for consumers.

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3227 Thank you for allowing me to testify today.

3228 [The prepared statement of Mr. Lambert follows:]

3229

3230 *****COMMITTEE INSERT*****

3231

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3232 *Mr. Lambert. Thank you, Mr. Lambert, for yielding
3233 back, and we will now begin questioning, and I will start
3234 once again, and I will go directly to you, Mr. Lambert.

3235 My constituents in Appalachian Ohio, I think, are much
3236 like rural Minnesotans. They actually need to use their
3237 trucks, their vehicles for work. Now, Ohio doesn't get quite
3238 as cold as Minnesota does, but I am concerned -- and you
3239 mentioned this in your testimony -- that in real-life
3240 scenarios, while EVs have their place, they may be good for a
3241 quick run out to run an errand or to jaunt around town, that
3242 kind of thing, but the challenges for other uses start to
3243 compound, depending on where you live, and in climates and
3244 geography like we live in. And that makes the elimination of
3245 a choice very problematic for the American people.

3246 What happens if, say, you need to tow or haul heavy
3247 equipment or building materials 60 to 80 miles or more, and
3248 it happens to be below freezing outside, and you could be
3249 hours from an EV charging station -- that is, if there is
3250 even one in the direction or close by the job that you are
3251 going to.

3252 I mean, these are practical questions that you have to
3253 ask. It is like you don't cut your grass if you don't have

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3254 gas in your lawnmower, for crying out loud. If you can't
3255 charge your vehicle, you got a problem if all you have got is
3256 an electric vehicle.

3257 Mr. Thompson, in your testimony you mentioned -- oh, I
3258 am sorry.

3259 So back to you, Mr. Lambert. Is that a problem, in your
3260 view, that you can't get to a charging station and you got
3261 these long distances to drive?

3262 *Mr. Lambert. Mr. Chairman, yes, it is definitely a
3263 problem.

3264 Remember, it gets cold in Minnesota. And currently the
3265 truck on the market has a towing capability range of 80
3266 miles. That is the current pickup truck. If it gets cold,
3267 that reduces by 40 percent. If you are planning to take your
3268 ice fishing house onto the lake in cold weather, you better
3269 plan your day pretty carefully. That is just the reality of
3270 the market right now.

3271 *Mr. Johnson. Okay. Mr. Thompson, in your testimony
3272 you mentioned multiple times the dangers of this multi-
3273 pronged effort by the Administration to force us into EVs,
3274 which would eventually lead to significant shutdowns of
3275 America's refining capacity. America's refining capacity is

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3276 one of our strengths and ways we can project geopolitical
3277 power.

3278 I mean, I was just -- I was thinking during our first
3279 panel, some of them -- some of the questioning, you know, the
3280 skyrocketing costs that will result in refined fuels as they
3281 become in less demand, making it more costly to produce them
3282 and make them available.

3283 But our adversaries are watching, you know. We can use
3284 our refining capacity to project geopolitical power. China
3285 is rapidly building its own refining capacity. Can you speak
3286 to us about the national security implications of China
3287 taking over America's global market share in refining if we
3288 shut ours down and, on the West Coast, the possible effects
3289 on our military readiness?

3290 *Mr. Thompson. Chairman, Mr. Chairman, thank you for
3291 that question. Let me start off and say proudly we have the
3292 best refining kit in all the world right now. We are the
3293 cleanest, the most efficient. But we should not take it for
3294 granted.

3295 One thing that has happened over the last three years,
3296 we actually lost the world's leading capacity, refining
3297 capacity. We have now been overtaken by China. During COVID

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3298 we lost over a million barrels per day of refining capacity
3299 in this country, in part due to bad policies that could
3300 indeed get worse with these policies if they were to proceed
3301 because this would, you know, create a significant dent in
3302 demand, and some refineries might not be able to survive in
3303 that -- under that economic model, and we could lose more
3304 refining capacity. It is a real, real concern, as we felt,
3305 all of us, last year when we were coming out of COVID.

3306 But China right now is, in essence, going to become the
3307 world's swing refiner capacity. They have exceeded us. They
3308 have plans to get up to 20 million barrels a day. And so
3309 that takes away further leverage from us right now, as the
3310 world's leading producer of oil and gas and refined products.

3311 *Mr. Johnson. Okay.

3312 *Mr. Thompson. Now, you mentioned the West Coast. I
3313 will say we provide 750 million gallons a year of fuel to --
3314 on the West Coast for the military. It is a real national
3315 security -- if we lose more West Coast refining, it would be
3316 a real, you know, a real impediment to our national security,
3317 something we should avoid.

3318 *Mr. Johnson. Okay. Mr. Caskey, a key component of the
3319 Fuels Parity Act is requiring the use of Department of

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3320 Energy's Argonne GREET model to measure life cycle greenhouse
3321 gas emission. Is the GREET model considered to be
3322 scientifically sound?

3323 And secondarily, how does the GREET model benefit
3324 domestic biofuels as opposed to international standards?

3325 And I am already out of time, so if you could answer
3326 quickly.

3327 *Mr. Caskey. I would just answer that it is absolutely
3328 the gold standard, and it does -- it is the most robust and
3329 transparent model that exists in measuring the carbon
3330 intensity of biofuels, and that is why we stand behind it.

3331 *Mr. Johnson. Okay. All right. Well, thank you very
3332 much.

3333 I yield back, and now I recognize the gentleman from New
3334 York, the ranking member, Mr. Tonko, for his five minutes.

3335 *Mr. Tonko. Thank you, Mr. Chair. Mr. Thompson's
3336 testimony included a phrase that I like, "Competing for
3337 emissions reductions.'" I think that is part of the ethos
3338 that our Republican colleagues claim to support, all-of-the-
3339 above, market-based approaches, while supporting the
3340 emissions reductions that Democratic members are expecting in
3341 our transportation system.

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3342 That is why, instead of these messaging bills, we should
3343 be working together on legislation to transition our Federal
3344 fuels policy towards a technology-neutral, performance-based
3345 policy that incentivizes emissions reductions. A clean fuel
3346 standard would directly reward a refiner that makes those
3347 investments to be able to produce those lower-emission fuels.
3348 It could also support a biofuels producer that continues to
3349 drive down the carbon intensity of their product. And if an
3350 electric vehicle doesn't use clean electricity, such a
3351 program would penalize it accordingly.

3352 This can all happen if we transition to a performance-
3353 based standard that cares first and foremost about emission
3354 reductions. So I encourage the witnesses and other members
3355 to work with us on finding consensus on such a policy. I
3356 know reaching agreement won't be easy, but it does seem like
3357 it could address much of the dissatisfaction with the current
3358 RFS.

3359 Ms. Cullen, I want to ask you about how EDTA's members
3360 are responding to the incentives of the Inflation Reduction
3361 Act and the Bipartisan Infrastructure Law. Are you seeing a
3362 great deal of private-sector investments across the supply
3363 chain to support zero-emission vehicles?

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3364 *Ms. Cullen. Thank you. We are, indeed. In fact, we,
3365 along with Atlas Organization, has documented \$210 billion in
3366 EV supply chain investments since 2021, but there is \$190
3367 billion of investment that started in 2016.

3368 So the Federal policies in the Bipartisan Infrastructure
3369 Law and the Infrastructure [sic] Reduction Act are
3370 reinforcing where the market is going, and they are helping
3371 to drive down costs. In fact, as you know, as been -- we
3372 have talked a lot about costs here today. And the fact is,
3373 even in the tumult and the inflation and then the global
3374 supply chain disruptions of the last couple of years, battery
3375 costs have gone down 6 percent in year-over-year -- between
3376 2021 and 2022. So these investments are already paying off
3377 through the supply chain.

3378 *Mr. Tonko. Thank you. And if Congress continues to
3379 inject uncertainty into the market, whether that is by
3380 repealing incentives or blocking EPA's regulatory agenda, how
3381 would that affect your members?

3382 *Ms. Cullen. Well, they, in fact, have -- if you read
3383 any of the papers, you have seen they have made substantial
3384 promises to their shareholders, to their customers, and to
3385 their workforces about building the fleet of the future that

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3386 customers want. They are investing heavily. They are making
3387 decisions today for the fleets that will be on the road 5
3388 years from now and 10 years from now.

3389 So all uncertainty undermines investment, and it
3390 certainly doesn't accelerate our movement towards a cleaner
3391 fleet.

3392 *Mr. Tonko. Thank you. And do you believe the bills
3393 before us today could undermine the private sector's efforts
3394 to develop resilient domestic supply chains, build charging
3395 and hydrogen refueling infrastructure, and plan for a
3396 modernized electric grid that can integrate these new loads?

3397 *Ms. Cullen. I absolutely do. A confused market signal
3398 does not provide the certainty that businesses and even
3399 consumers need to make the substantial investments in
3400 technology and supply chains. And I would have to say I
3401 think a red-light/green-light policy is just not the way
3402 forward for plotting our transportation and our economic
3403 future.

3404 *Mr. Tonko. Thank you. Again, Ms. Cullen, I asked Mr.
3405 Goffman earlier about one of the bills to prevent eligible
3406 feedstocks from participating in the RFS just because they
3407 are used to power an EV. Do you believe that it would be

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3408 fair to close off the program to eligible renewable fuels
3409 based on the type of vehicle they would be powering?

3410 *Ms. Cullen. It doesn't make sense to me. We believe
3411 that renewable fuel used in transportation, you know, that
3412 electricity, if it is renewable, falls within the ambit of
3413 that program.

3414 And that -- we certainly would like to work with the
3415 Administration and participate -- they said they had a lot of
3416 interesting comments, pro and con -- and be part of that
3417 process.

3418 *Mr. Tonko. And I would just ask a question, and you
3419 can perhaps respond on record. And can you discuss how eRINS
3420 might contribute to a more resilient grid with more
3421 distributed energy resources?

3422 *Ms. Cullen. Creating more stakeholders and more
3423 participants in a renewable electricity market in fact
3424 creates more opportunities for expanding EV charging, and
3425 even in particular -- in places -- say, remote farm areas
3426 where folks have assets that might be generating renewable
3427 natural gas, that we are -- we create more opportunities to
3428 create charging that is -- that reinforces the grid or, in
3429 fact, is distributed from the grid.

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3430 So more resources is better for the electricity supply,
3431 overall.

3432 *Mr. Tonko. Thank you.

3433 And with that, Mr. Chair, I yield back.

3434 *Mr. Johnson. The gentleman yields back. The chair now
3435 recognizes the chair of the whole committee, Mrs. Rodgers,
3436 for five minutes.

3437 *The Chair. Thank you.

3438 In prior committee hearings we have heard testimony
3439 about how the United States is not ready to practically make
3440 the transition at the pace and the scale that is called for
3441 in many of these rules, 147 proposed rules from EPA, and that
3442 we will be more reliant on Chinese and the Russians to make
3443 these changes in the short term.

3444 So, Mr. Thompson, would you speak to the concerns? What
3445 concerns should we have about Chinese and Russian influence
3446 in the marketplace, and especially at a time when we see
3447 these countries and their leaders being more and more
3448 adversarial towards American security and prosperity?

3449 *Mr. Thompson. Well, it seems -- thank you for the
3450 question, Chairman. It seems we should be quite concerned.

3451 Let me tell you what happens this year. This year 85

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3452 percent of all the crude that we run through domestic
3453 refineries comes from North America. So here in the United
3454 States or Canada, under an EV transition, a forced EV
3455 transition, we are going to be at the hands of China, who
3456 presently controls the -- all the mining of the minerals
3457 required for EVs, the processing of these same minerals, and
3458 more than 80 percent of the battery capacity. So it seems
3459 that we would be trading what we have today, which is energy
3460 security, in order for dependance upon China. I would think
3461 we would be very concerned, and it doesn't seem like this is
3462 in the best interests of consumers.

3463 *The Chair. Thank you.

3464 You know, we heard the EPA witness this morning say that
3465 they estimated a four percent increase in electricity demand.
3466 Mr. Lambert, do you have any thoughts on what the proposed
3467 increase in electricity demand may be, given the goal of two-
3468 thirds of the new vehicles being sold in the United States in
3469 2032 being 100 percent battery electric?

3470 *Mr. Lambert. Madam Chair, I am the car guy and not the
3471 power grid guy, necessarily. But I can tell you that my 365
3472 dealers that I represent are served by 63 different power
3473 providers, everything from IOUs to municipals and co-ops.

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3474 They are all in different states of readiness. And I -- a
3475 week doesn't go by I don't get a call from one of my dealers
3476 where they say, "I have got to do all this upgrade for my
3477 store, my manufacturer is requiring me to get all this done,
3478 but my power provider has no idea how to do this. I have got
3479 no specs, they can't tell me cost. We have got to get the
3480 power increased to my store. What do I do?''

3481 And we have actually hired an EV program director to try
3482 and help liaison between these different power providers and
3483 the stores to give them a leg up because the mandates are
3484 coming.

3485 *The Chair. Thank you.

3486 I am a big believer in free markets. I am a big
3487 believer in the power of innovation as what has set America
3488 apart. It is why we have led the world. It is why we have
3489 led the world in reducing carbon emissions. It is why we
3490 have dominated the car sector and new technology in cars over
3491 the last 100 years. And I am very concerned about an agenda
3492 right now being driven by the Biden Administration and the
3493 EPA that is benefiting China. It is an agenda that benefits
3494 China. I am concerned about government intervention in
3495 markets that remove consumer choice for Americans, limit

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3496 affordable options, and ultimately give China control of the
3497 cars and the trucks that we are going to have on the roads.

3498 So, Mr. Lambert and Mr. Thompson, would you speak to the
3499 impact of these -- this approach, the proposed rule that EPA
3500 has on tailpipe emissions for consumers making their best
3501 decisions, and just how government is tipping the scale of
3502 the market to control vehicle and fuel outcomes, and how that
3503 is going to impact people and potentially create hardships in
3504 America?

3505 *Mr. Lambert. Madam Chair, I can say simply we are for
3506 consumer choice, and we believe this limits consumer choice
3507 and gives consumers less to take home.

3508 If we want to try and get EVs into people's driveways,
3509 we should let the market happen organically, and let this
3510 technology develop. The mandates speeding this up only allow
3511 people to hang on to their cars longer.

3512 *The Chair. Thank you.

3513 *Mr. Thompson. I will just echo we certainly agree in
3514 consumer choice. Only a family can decide what meets their
3515 budget and what meets their family needs.

3516 The other point that should be stressed is this rule is
3517 unlawful. This rule is unlawful. EPA does not have the

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3518 authority to have this transformative of a rule. The Supreme
3519 Court recently spoke to this, when an agency is going to make
3520 a rule that has massive consequences, and this -- there is
3521 nothing more transformative. I have worked at EPA for three
3522 years. There is no bigger rule they have ever done than this
3523 one. They do not have the authority buried in this statute
3524 to move the society and our economy this way. They know it.
3525 And I appreciate what this legislation does to call them out
3526 on it.

3527 *The Chair. Thank you. I will just highlight Americans
3528 have chosen today -- one percent of Americans today have
3529 chosen to have a battery electric vehicle, one percent. And
3530 this rule is completely a mandate by the Federal Government
3531 to tell Americans what they think is best -- by the EPA, not
3532 the elected representatives of the people.

3533 I yield back.

3534 *Mr. Johnson. The gentlelady yields back. The chair
3535 now recognizes the gentlelady from California, Ms. Barragan,
3536 for five minutes.

3537 *Ms. Barragan. Thank you, Mr. Chairman.

3538 There has been lots of talk about the people and
3539 consumers. We have had dangerous levels of wildfire smoke

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3540 from Canada causing air alerts in Washington, D.C. and along
3541 the East Coast. We have had -- State Farm and Allstate have
3542 stopped offering home insurance in California because of
3543 extreme weather driven by the climate crisis. And brutal
3544 heatwaves that have hit Texas this week. Last week in --
3545 more than 40 million people in the south were under excessive
3546 heat warnings and heat advisories.

3547 These extreme weather events threaten public health and
3548 property costs on all Americans. These aren't just happening
3549 to random folks. I mean, these are Americans. These are the
3550 same people that we are talking about need choice. When the
3551 heat is extreme, or they don't have the ability to keep the
3552 lights on they are not given a choice.

3553 We really need to continue to do all we can to address
3554 the climate impacts. Despite these extreme weather events,
3555 Republicans in Energy and Commerce have another hearing to
3556 try to block efforts by EPA to address climate change and
3557 reduce air pollution.

3558 Ms. Cullen, for over 50 years the EPA has granted
3559 California waivers under the Clean Air Act to set vehicle
3560 emission standards stronger than the Federal Government. How
3561 has California's waiver authority led to a vehicle emission

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3562 standard that improves public health and drives innovation?

3563 *Ms. Cullen. Well, I don't think there is any disputing
3564 the fact that California has been a leading adopter of EV
3565 policy and of electric transportation. It is the largest EV
3566 sales market in the country. In fact, it is the largest car
3567 market in the country, so -- but there are over a million EVs
3568 on the road in California today, and they are laying down a
3569 template of how, in fact, to answer these questions about
3570 transition, about how do you make these vehicles a grid
3571 asset, how do you plan for that increased demand, how do you
3572 build out infrastructure that serves inner city and rural and
3573 highway needs?

3574 *Ms. Barragan. Well, thank you. I mean, one of the
3575 things that we have definitely seen is a reduction in
3576 emissions. We have seen health outcomes become a little bit
3577 better, but there is a lot of work to do. And in many
3578 communities you are seeing increased asthma rates. In my
3579 very community you see asthma inhalers there.

3580 And the talk about the one percent who has gotten EVs,
3581 there is a shortage of them. People can't get their hands on
3582 electric vehicles, at least in California. There is a huge
3583 shortage of them. And so it is that -- one percent number, I

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3584 think, also could attribute to the fact that the supply is
3585 not keeping up with the demand.

3586 Ms. Cullen, a bill on the hearing today -- on the
3587 hearing agenda today would limit these EPA Clean Air Act
3588 waivers, and even revoke recent ones for any California
3589 standard that would limit the sales of cars. Let me start
3590 again.

3591 A bill on the hearing agenda today would limit these EPA
3592 Clean Air Act waivers, and even revoke recent ones for any
3593 California standard that would limit the sales of cars, would
3594 an internal -- with an internal combustion engine. What
3595 would be the impact of these restrictions on innovation and
3596 clean vehicle options for consumers?

3597 *Ms. Cullen. As we testified, we do not support
3598 upending the current rulemaking process. Our members are
3599 participating in it, and we -- you know, we are going to be
3600 working with the regulators to come to a workable and
3601 effective rule, but to freeze the ability of EPA to move
3602 forward and to work with stakeholders to take the next steps
3603 in setting emissions -- performance-based emission standards
3604 undermines U.S. competitiveness.

3605 We are in a global race for -- to win the EV race.

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3606 There is just simply no option. If we do nothing, we give
3607 the market to China.

3608 *Ms. Barragan. Well, thank you for that.

3609 Other witnesses have made claims today that electric
3610 vehicles are not cleaner than internal combustion engines
3611 when you factor in the carbon footprint of the grid. Are
3612 those claims accurate?

3613 *Ms. Cullen. No, they are not. It has been well
3614 documented by multiple sources. No matter where you plug in
3615 an EV in the United States, on a well-to-wheels basis it is
3616 cleaner than the average combustion engine. That is even in
3617 places where the grid is entirely grid-fired.

3618 *Ms. Barragan. And also between the clean energy
3619 investments in the Inflation Reduction Act, the proposed EPA
3620 power plant rule, and the recent growth of clean energy
3621 resources, we know the grid will continue to get cleaner,
3622 right?

3623 *Ms. Cullen. That is absolutely true. An electrified
3624 car is the one car that gets cleaner as it gets older,
3625 because the grid will get cleaner.

3626 *Ms. Barragan. Great, thank you.

3627 I yield back.

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3628 *Mr. Johnson. The gentlelady yields back. The chair
3629 now recognizes the gentleman from Texas, Mr. Crenshaw, for
3630 five minutes.

3631 *Mr. Crenshaw. Thank you, Mr. Chairman. I will start
3632 with a correction here.

3633 It is absolutely not true, what you just said. It is
3634 not true. Every study has shown about 70,000 miles are
3635 required to break even. That is from the manufacturers
3636 themselves who want to sell their EVs. These are accurate
3637 studies. Now, if you don't take into account the entire
3638 production line and what it takes to actually extract the
3639 critical minerals to make the batteries, which are extremely
3640 complex machines, then yes, you might come up with different
3641 numbers. But if you do the calculations the right way, you
3642 come up with those numbers, which is really -- it is
3643 interesting, because what it actually shows is in the short
3644 term you will actually get an increase in global emissions
3645 from doing EVs, because it takes so long to actually even
3646 break even. It is 70 percent more emissions required to
3647 build an electric vehicle versus an internal combustion
3648 engine. That is what the math and the studies show from the
3649 people who want to sell EVs. It is just not correct.

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3650 Again, we have to ask ourselves cost/benefit,
3651 cost/benefit. So there is not very much benefit, it seems,
3652 but we seem, like, obsessed with this idea that we have to
3653 just -- we have to get to electrification, we have to get to
3654 EVs because it will save us. From what? What does that even
3655 mean? I mean, what would be the decrease in emissions, even?
3656 And then what would the effect be on the climate? Those are
3657 the questions you have to ask when you are willing to impose
3658 massive costs on people and their way of life. These are
3659 very objective questions.

3660 So -- and then I also want to talk about who are we
3661 relying on to build these things. So maybe, Mr. Thompson,
3662 you could make some remarks on this. You know, our refining
3663 capacity is damaged, as you said, because of COVID and
3664 because of certain policies and lack of investment in
3665 additional refining capacity because of those policies. But
3666 at least, you know, we are not importing it necessarily from
3667 China.

3668 But, you know, when 85 percent of critical mineral
3669 processing occurs in China, aren't EVs already -- aren't the
3670 batteries, the battery manufacturing, isn't that already a
3671 Chinese product? Are we going to be more reliant on China if

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3672 we transition drastically to electric vehicles?

3673 *Mr. Thompson. Well, it certainly would seem that way,
3674 based on the data now.

3675 And again, to be clear, we are certainly not anti-
3676 electric vehicles. We are anti-these rules, which simply go
3677 about banning the internal combustion engine. That is the
3678 point.

3679 But yes, Congressman, you are correct that China owns --
3680 dominates the supply chains. I saw a stat the other day that
3681 says, even if the United States increases its investment in
3682 minerals and mining by tenfold over the next five years, we
3683 will still be dwarfed. We will only have 10 percent of the
3684 supply chain. So think about that. Ten times.

3685 *Mr. Crenshaw. Yes.

3686 *Mr. Thompson. We will still have only 10 percent of
3687 the supply chain. And having worked at EPA, I know that we
3688 are not going to be able to permit mines in this timeframe.

3689 *Mr. Crenshaw. Yes. I mean, what is interesting is,
3690 you know, the EPA suggests that these new emission standards
3691 will help us get to 70 percent EV usage by, whatever, 2032.
3692 You know, that -- I don't think that is taking into account
3693 the actual material required to build that many EVs. Right?

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3694 So you are going to have a supply constriction there, very
3695 obviously, just because of the supply chain issue. So what
3696 does that do to cost?

3697 And this is what I was getting at, you know, in the last
3698 panel. So Mr. Lambert, you might be a good person to ask
3699 about this. Are costs of electric vehicles going down in the
3700 in the short, medium, or long term? Because I have data that
3701 says they have been going up, actually, despite them, you
3702 know, increasing in sales.

3703 *Mr. Lambert. Congressman, there is no indication from
3704 our viewpoint that costs are going down.

3705 *Mr. Crenshaw. And how could -- well, how could they go
3706 down? Is there is there anything -- I mean, obviously, they
3707 are subsidized, so that -- you know, it is a way to make them
3708 go down. Of course, that subsidy generally goes to wealthier
3709 folks.

3710 And is what I just said even accurate? Because my
3711 theory here is that the supply chains will constrict the
3712 supply of -- even an ability to even produce these vehicles,
3713 which means there is not enough of them. But the tailpipe
3714 emission standards are going to make it way too expensive to
3715 buy anything else. So when there is less supply and higher

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3716 demand, what happens to prices?

3717 *Mr. Thompson. Congressman, when there is less supply
3718 and more demand, obviously, prices go up. But understand,
3719 supply chain has been disrupted in a big way from the
3720 pandemic years. And we are still -- that is still rippling
3721 through at least the new car economy.

3722 *Mr. Crenshaw. Right.

3723 *Mr. Thompson. So supplies are hard right now.

3724 *Mr. Crenshaw. So there is no way to see the cost going
3725 down, right, without massive government subsidies. I mean,
3726 the costs are what they are just because of the market. And
3727 then there is the cost to the taxpayer. So you have to add
3728 in those costs, as well.

3729 So this is a massive cost to our society. And if we are
3730 going to impose a massive cost to our society, I want to see
3731 clear benefits. This is the point I always make on this
3732 committee, whether we are -- whatever issue we are talking
3733 about. Whenever we are imposing a cost on Americans, you
3734 have to directly link it to a benefit, and that benefit is
3735 very clearly not there in this case.

3736 And I yield back.

3737 *Mr. Johnson. The gentleman yields back. The chair now

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3738 recognizes my colleague from Pennsylvania, Dr. Joyce, vice
3739 chair of this committee.

3740 *Mr. Joyce. First I want to thank you, Chairman Johnson
3741 and Ranking Member Tonko, for holding the second panel on
3742 today's important hearing.

3743 This is important to all of Pennsylvania. This is
3744 important to all of America. It is great to hear from people
3745 in the real world, our witnesses here today who can speak to
3746 how hard-working Americans are going to be affected by these
3747 radical actions taken by the Biden Administration and
3748 Democrats to force Americans to buy electric vehicles.

3749 I was disappointed by the lack of foresight and wishful
3750 thinking by the EPA on the effects of granting the California
3751 waiver and implementing the tailpipe emissions regulations.
3752 It seems that the EPA is looking to mandate electric vehicles
3753 and remove the American freedom to choose the car, the truck,
3754 the SUV that the individual American wants to purchase.

3755 The facts is my constituents want to choose on their
3756 own. They don't want the EPA, they don't want government
3757 making those decisions for them. That is why I, along with
3758 Representatives Latta, Bilirakis, and Obernolte introduced
3759 H.R. 1435, the Preserving Choice in Vehicle Purchases Act, to

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3760 prevent the EPA administrator from granting a waiver allowing
3761 California's ban on internal combustion engines.

3762 As I have said before, this legislation is not anti-EVs.
3763 Those who can afford and who want an electric vehicle should
3764 be able to buy one. There is a laundry list of reasons why
3765 an electric vehicle mandate is bad policy.

3766 First, and for the most, EVs simply cannot fulfill the
3767 needs of my constituents. They can't drive the distances
3768 needed. I am in a rural district. I am in a mountainous
3769 terrain. In places like Pennsylvania with winters, or
3770 Minnesota, electric vehicles can lose a third of their range.

3771 Our grid is also simply not ready for the added demand,
3772 and we cannot build transmission or chargers fast enough.

3773 Lastly, this policy will harm working and middle-class
3774 families by making vehicles cost thousands of dollars more
3775 for people who can afford it the least.

3776 Again, only by taking government's thumb off of the
3777 scale and letting the free market decide will Americans get
3778 the efficient and affordable transportation that they need
3779 and that they want.

3780 Mr. Thompson, our nation is already losing refining
3781 capacity at a rapid rate. How would granting California a

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3782 waiver for a ban on internal combustion engines affect 17
3783 states and over 40 percent of our domestic market?

3784 How would that hurt American energy independence and
3785 American energy dominance?

3786 *Mr. Thompson. Well, Congressman, thank you for the
3787 question.

3788 And let me just say again we support -- and listen, this
3789 is what we want, we want EPA to follow the law, we want EPA
3790 to recognize consumer choice, and to take into account life
3791 cycle.

3792 Now, this -- you are right. If the California waiver is
3793 granted, that is 40 percent of the new car market. That is a
3794 substantial share of liquid fuel demand, and certainly that
3795 could undermine the viability of some U.S. refining capacity
3796 in this country. We lost over a million barrels a day of
3797 capacity already. And if, you know, we certainly continue to
3798 go down this road, it is a real threat that we would lose
3799 more, and that will hurt consumers, lack of supply -- you
3800 know what it does for, you know, demand and prices. So that
3801 would not be a good thing.

3802 We don't have to do it this way.

3803 *Mr. Joyce. Mr. Lambert, the Federal Government has

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3804 been putting significant pressure on automakers to produce
3805 more electric cars. You talked to us about that. How is
3806 this pressure felt at the dealer level? And what are the
3807 real-world implications on your members?

3808 *Mr. Lambert. Congressman, it is a mandate to produce.
3809 It is not a mandate for consumers to buy. So we are stuck,
3810 the dealers are stuck in the middle. We will have to take on
3811 these vehicles.

3812 And remember, we purchase the vehicles from the
3813 manufacturers. We go to a bank, get a loan, and service that
3814 loan. So the dealers will be stuck with a supply of vehicles
3815 that they may not be able to sell, servicing the loan, losing
3816 money. The resulting economic chaos could be significant.

3817 *Mr. Joyce. Mr. Lambert, in my district I have spoken
3818 with dealers who talk about just what you said, being stuck,
3819 having the loans, carrying the notes on these vehicles. And
3820 they are happy to sell EVs to those who want them, but they
3821 are seeing the demand wane.

3822 In places, as I mentioned earlier, with winters, severe
3823 winters like Pennsylvania and Minnesota, can EVs meet the
3824 demand of every customer, rural or urban?

3825 *Mr. Lambert. Congressman, no, they cannot. There is a

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3826 place for EVs in the marketplace, but at -- currently, at the
3827 current technology, they cannot meet everybody's need.

3828 *Mr. Joyce. I think, as I said earlier, we need to
3829 remove our thumb from the scale. That place exists, but the
3830 consumer, the purchaser should make that decision.

3831 Thank you, Mr. Chairman, and I yield.

3832 *Mr. Johnson. The gentleman yields back. And seeing
3833 that votes have been called, and we are getting kind of low
3834 on the number, we are going to recess, and then we will
3835 reconvene after votes.

3836 So with that, the subcommittee stands in recess until
3837 after votes.

3838 [Recess.]

3839 *Mr. Johnson. The subcommittee will come to order. We
3840 are going to continue with our five-minute questionings. Now
3841 the chair recognizes the gentleman from Alabama, Mr. Palmer,
3842 for five minutes.

3843 *Mr. Palmer. I appreciate the opportunity to have our
3844 witnesses here, and thank you for coming.

3845 One of the things that I think I expressed rather
3846 passionately in the -- with our previous witness is my
3847 concerns about this effort to transition so rapidly from

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3848 gasoline-powered vehicles to electric-powered vehicles, and
3849 how that impacts consumer choice. I personally drive a
3850 light-duty pickup. It is not a status symbol; it is my
3851 everyday vehicle. It is also a work vehicle. And I don't
3852 have a whole lot of hope that I would be able to use an
3853 electric vehicle for the things that I need my pickup for.

3854 The other thing, though, that concerns me is how this
3855 rapid transition to electric vehicles are going to impact
3856 safety, automobile safety. And what we have seen over the
3857 years as we have pushed these corporate auto fuel economy
3858 standards is the technology for increasing fuel efficiency
3859 has been good, but it hasn't been good enough. And so what
3860 we have had to do is lighten vehicles, and particularly where
3861 you are dealing with smaller cars and light-duty trucks or
3862 other SUVs. In those situations where accidents occur, the
3863 heavier vehicles -- the consequences of getting hit by a
3864 heavier vehicle are pretty severe.

3865 And I brought this up in the previous panel. The head
3866 of the National Transportation Safety Board warns of these
3867 risks. And I would just like to get some feedback from some
3868 of you. I know that you are very interested in different
3869 types of fuel, but is this a concern to you, Mr. Thompson?

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3870 *Mr. Thompson. Well, certainly, safety is a concern,
3871 and we want all drivers to be as safe as possible. I am not
3872 in a position to speak to the physics of light versus heavy,
3873 but what I can say is one concern would be, you know, the
3874 average EV is going to be between 14 and \$16,000 more
3875 expensive than its ICE counterpart, which, for some
3876 consumers, means they are going to have to delay buying new
3877 vehicles, and they are going to have to rely on their current
3878 vehicles for longer. And that would mean that some of the
3879 new modern safety benefits of a newer car is going to have to
3880 be foregone. And that certainly is something that folks
3881 should be concerned about.

3882 *Mr. Palmer. Well, I understand the economic
3883 consequences, but I am talking about the safety. And I think
3884 we all understand the physics well enough to know if you are
3885 in a boxing match with a guy that is 6' 4", and weighs 240
3886 pounds, a heavyweight, and you are 5' 11" and weigh 175
3887 pounds, the impact of the blow to the 175-pounder is going to
3888 be a good bit more severe than the other way around. That is
3889 basic physics, mass versus -- mass and velocity. The
3890 consequences pile up for the heavier object.

3891 Mr. Caskey, I know you are here to talk about the

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3892 benefits of ethanol. But again, does the safety concern
3893 impact your decision-making if you were to buy a vehicle?

3894 *Mr. Caskey. Sure. Safety is, obviously, a concern in
3895 all things farming. And I can't really speak to the physical
3896 physics of that, either. But I can say from a clean air
3897 standpoint that ethanol has an incredible track record of
3898 cleaning the air, and it is -- and helping in climate change.
3899 So if we talk about safety in that respect, ethanol is a
3900 wonderful product that can help solve some of those problems.

3901 *Mr. Palmer. Well, thank you for working that into the
3902 answer. And apparently -- I hope you know enough about
3903 physics to know the problems with heavier vehicles.

3904 And Ms. Cullen, I know you are all for the electric
3905 vehicles, so I can anticipate that you are not concerned, but
3906 maybe you should be.

3907 *Ms. Cullen. Well, I think everyone is concerned with
3908 safety, and no one wants to be creating more hazard. And I
3909 believe it is the function and the mission of NHTSA to
3910 regulate the safety of vehicles on the road. And the
3911 mismatch between smaller and bigger, heavier and lighter cars
3912 has been happening since cars were invented and, in fact, was
3913 exacerbated when the fleet transitioned to SUVs. And it was

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3914 the weight of SUVs and how they were constructed that was
3915 such a menace to smaller cars. So there --

3916 *Mr. Palmer. Well, I will just point out --

3917 *Ms. Cullen. So we, in fact, created safety regulations
3918 to mitigate those risks, and I would assume NHTSA would do
3919 the same --

3920 *Mr. Palmer. Mr. Chairman, if I may continue this just
3921 for a minute longer, because I think the thing that you need
3922 to know is, if you take the electric Mustang, which is a Mach
3923 2, I believe, it is a third heavier than its gas-powered
3924 counterpart. We are talking a disproportionate increase in
3925 weight, as opposed to -- I mean, if you choose to drive a
3926 Prius and you get hit by a light-duty truck, that is an
3927 issue, obviously.

3928 But -- and then, Mr. Lambert, I will just let you close
3929 this out.

3930 And I will yield back after his answer. Thank you.

3931 *Mr. Johnson. The gentleman yields back. The chair now
3932 recognizes the gentleman from Georgia, Mr. Allen, for five
3933 minutes.

3934 *Mr. Allen. Thank you, Chairman Johnson and -- for
3935 holding this important hearing.

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3936 Mr. Lambert, I will let you answer that question because
3937 I got another question for you. You can answer both of them
3938 for my friend, Mr. Palmer.

3939 Early in the first panel I highlighted the impact that
3940 regulations proposed by the Biden Administration would have
3941 on rural communities -- and of course, we have just talked
3942 about light-duty trucks -- and middle-income families, which
3943 -- these are my constituents.

3944 This push to electrify our vehicle sector will have
3945 severe impacts on the reliability of the grid -- many states
3946 are already having brownouts -- and the affordability of
3947 vehicles that our constituents need to perform everyday
3948 tasks. It is critical that consumers are provided with
3949 choice.

3950 And Mr. Thompson, you noted in your testimony how the
3951 State of California is utilizing a waiver from the
3952 Environmental Protection Agency to adopt a standard which
3953 will essentially ban traditional gasoline and diesel vehicles
3954 in California. Should this waiver be approved by EPA, it
3955 could have negative impacts for vehicles across the nation.
3956 Can you elaborate on the impacts that approval of this Clean
3957 Air Act waiver could have on other states like my home state

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3958 of Georgia, and for citizens across this country?

3959 *Mr. Thompson. Yes, thank you for that question.

3960 Again, let me start off by saying we think that California's

3961 -- or EPA's approval of the California waiver would be

3962 unlawful. We don't believe that California is meeting the

3963 intent of the Clean Air Act that gave California that ability

3964 to get a waiver. And what is happening now is that, as you

3965 say, if it is granted, it will be 40 percent of the new car

3966 market, which means every consumer in this country is going

3967 to be subsidizing the price of these EVs.

3968 You can see it, and it is in the news every day. I

3969 think Ford had some commentary on this recently. They are

3970 losing lots of money on every car they sell. So what ends up

3971 happening is all cars, including gas and diesel-powered

3972 trucks, have to be more expensive to make up for that.

3973 *Mr. Allen. Exactly.

3974 *Mr. Lambert. So that is going to impact -- and then,

3975 of course, if we lose any more refining capability, that is

3976 going to jeopardize fuel supplies for everyone in the

3977 country.

3978 *Mr. Allen. Exactly. And I -- of course, my colleague,

3979 Congressman Joyce, earlier mentioned his bill, H.R. 1435,

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3980 which I am a cosponsor of, the Preserving Choice Vehicles
3981 Act, so that the Federal Government could deal with this
3982 issue between states.

3983 As mentioned in this hearing, this bill would prevent a
3984 state from getting an EPA waiver, and if -- their directive
3985 would directly or indirectly limit the sale or use of a new
3986 motor vehicle with an internal combustion engine.

3987 I told this in the early hearing. A dear friend of mine
3988 was a long-time -- three-generation Cadillac dealer in my
3989 district. Cadillac made the determination to go all
3990 electric, came to the dealers and said, "We are going all
3991 electric, and we want you to build this new modernized
3992 dealership.'" And he sold his dealership to Cadillac, as did
3993 400 dealers throughout the country, 400 dealers, a huge
3994 economic impact across this country.

3995 And he said -- I had asked him, I said, "Why did you do
3996 that?'"

3997 He said -- and, of course he was also a GMC dealer. But
3998 he said, "I have zero demand for electric vehicles.'"

3999 And, you know, and it is what -- Mr. Lambert, it cost
4000 20, \$25 million to build a dealership at this day and time, a
4001 new dealership?

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4002 *Mr. Lambert. Congressman, yes. To build a new
4003 dealership, it would probably be \$20 million.

4004 *Mr. Allen. Yes. So EPA is forcing this. It has got
4005 to be free market. So -- and of course, I have said, you
4006 know, General Motors better not come back to us, Congress,
4007 and ask for help, financial help, when they are -- when they
4008 go upside down because, again -- and they are going to blame
4009 it on the government. "Well, the government said we had to
4010 do this.'`

4011 So, Mr. Lambert, can you speak to this rush to electric
4012 vehicles perpetrated by the Federal Government and an agency
4013 of this Federal Government, and what it is going to do to
4014 dealerships across this country?

4015 *Mr. Lambert. Congressman, we used to -- 15 years ago
4016 we had 41 Cadillac dealers in Minnesota, and now we have 11.
4017 They are selling a third of the amount of Cadillacs. I have
4018 dealers who are investing a million, a million-and-a-half
4019 dollars to upgrade their facilities. And they have told me
4020 it might be the worst money they ever spent. They do not see
4021 the ROI right now, because they don't have demand for these
4022 vehicles. There is a place for electric vehicles.

4023 *Mr. Allen. And let me tell you what this Federal

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4024 Government does, and it is doing the same thing to automobile
4025 manufacturers and dealers. The Obama Administration, when
4026 they took office, the State of West Virginia was the tenth
4027 best economy in this country. At the end of that
4028 Administration, they were third from last. We have got to
4029 stop this Federal Government from perpetrating the disaster
4030 of our economy.

4031 And I yield back. Thank you.

4032 *Mr. Johnson. The gentleman yields back. The chair now
4033 recognizes the gentleman from Ohio, Mr. Balderson, for five
4034 minutes.

4035 *Mr. Balderson. Thank you, Mr. Chairman. Just earlier
4036 this week the Transportation Committee in the Ohio House of
4037 Representatives held a hearing on legislation that would
4038 prohibit the State of Ohio or a state agency from adopting
4039 California's ban on the sale of new internal combustion
4040 engine vehicles.

4041 Given that we are discussing the Preserving Choice in
4042 Vehicle Purchases Act, I would like to submit several
4043 documents from that hearing into the record, including
4044 statements and testimony supporting the Ohio State's efforts
4045 from the Ohio Auto Dealers Association -- Zach said to tell

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4046 you, hi, Mr. Lambert; the Ohio Oil and Gas Association -- my
4047 father was a 25-year board member; Act Ohio; PBF Energy;
4048 Consumer Energy Alliance; and the American Fuel and
4049 Petrochemical Manufacturers.

4050 I would like to add that to the record, Mr. Chairman.

4051 *Mr. Johnson. Without objection, so ordered.

4052 [The information follows:]

4053

4054 *****COMMITTEE INSERT*****

4055

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4056 *Mr. Balderson. Thank you, Mr. Lambert. Thank you for
4057 being here today. And you have noted about the dealerships.
4058 And having been one myself, but -- Mr. Allen has been
4059 advocating for automobile dealerships also -- are not opposed
4060 to electric vehicles. And I have friends that have
4061 dealerships to this day that aren't opposed to it. But you
4062 are opposed -- they are opposed to the mandates that force
4063 dealers to stock vehicles that may not appeal to their
4064 community.

4065 Would you consider the EPA's proposed regulations on
4066 tailpipe emissions for medium and light-duty vehicles as a
4067 mandate?

4068 *Mr. Lambert. Yes, sir, I would.

4069 *Mr. Balderson. Thank you. While the waiver has not
4070 been accepted yet, we know that Minnesota plans to adopt
4071 these standards. I think we have touched on this a little
4072 bit, but if you want to add anything extra, obviously, you
4073 have talked about the dealers, but how else -- is there any
4074 other thing? We have talked to some big truck dealers also,
4075 but how would it impact the dealers in Minnesota?

4076 *Mr. Lambert. Well, Mr. Chairman -- excuse me.

4077 *Mr. Balderson. I would take that title any day, thank

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4078 you.

4079 *Mr. Lambert. Sorry, my apologies.

4080 *Mr. Balderson. With all due respect, Mr. Chairman.

4081 *Mr. Lambert. I apologize.

4082 The impacts are investments. We have got to be certain
4083 about what the future is for us. The dealers right now are
4084 making investments that they do not feel good about because
4085 the product is not there that consumers want.

4086 And again, consumers need to have a choice. I can't say
4087 it enough. They need to have a choice in every category,
4088 including electric. And there are vehicles for them. But
4089 right now there is starter vehicles and low-volume vehicles,
4090 and then there is vehicles that allow people to show off
4091 their good fortune. And there is nothing really in the
4092 middle 90 percent that applies to people's livelihoods and
4093 lifestyles.

4094 *Mr. Balderson. I agree. You make an excellent point
4095 in your testimony that these rules are one-size-fits-all, and
4096 that, unfortunately, Minnesota does not have a southern
4097 California climate. Can you expand on the issues that rural
4098 populations and states like Ohio or Minnesota would
4099 experience if we transitioned as quickly as this

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4100 Administration is proposing?

4101 *Mr. Lambert. Well, sir, the -- it gets cold in
4102 Minnesota in the winter. For about three or four months out
4103 of the year it is very cold. And we lose battery capacity
4104 when that happens because we have to defrost and heat the
4105 car, and we can lose up to 40 percent. If you are trying to
4106 tow anything in winter weather, you are going you are going
4107 to have well under 100, possibly under 50 miles of range on
4108 your vehicle. That affects consumers.

4109 Consumers are not are not dumb. The consumers will make
4110 the decisions that work for them, and they are not interested
4111 in those types of vehicles. We have had a lot of vehicles, a
4112 lot of trucks recently, electric trucks that were sold, but
4113 that were also returned when people understood their limited
4114 capabilities. So the impacts are real, especially in our
4115 climate.

4116 *Mr. Balderson. Thank you very much, and I appreciate
4117 everyone being here today.

4118 I yield back, Mr. Chairman.

4119 *Mr. Johnson. The gentleman yields back. The chair now
4120 recognizes the gentleman from Texas, Mr. Pfluger, for five
4121 minutes.

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4122 *Mr. Pfluger. Well, thank you, Mr. Chairman, and thank
4123 you all for being on the panel today, for your testimony and
4124 discussion on this.

4125 And Mr. Lambert, let's just pick right up there where we
4126 -- where I heard you leaving off. You know, I am concerned
4127 about the capability of these vehicles being, you know, much
4128 less than it was previously. And, you know, one example is a
4129 manufacturer that has a truck with a advertised range of 240
4130 miles before you hit the load of either a trailer -- and,
4131 actually, this is coming from a car dealer who wanted to
4132 purchase this, but had a kind of a golf cart-style trailer.
4133 And you put that load on there, either with a trailer or with
4134 temperature being reduced, and you are talking 25 to 40
4135 percent reduction in range.

4136 And so this is something that I am, you know, worried
4137 about. Do you believe that any agency or the Administration
4138 has thought through the actual impact on transportation --
4139 this is a personal use trailer -- but on the transportation
4140 sector, on our economy? You know --

4141 *Mr. Lambert. Congressman, they are looking at numbers
4142 and trends, but I fear they are not looking at how people
4143 really use these vehicles and what it means for their

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4144 livelihoods and their lifestyles. It just doesn't seem to
4145 work for a lot of people.

4146 If they can fix those problems, they won't need a
4147 mandate. People will buy these vehicles.

4148 *Mr. Pfluger. How long have we been talking about
4149 electric vehicles in this country? I mean, 20 years, 50
4150 years, 80 years, 100 years?

4151 *Mr. Lambert. The history of the electric vehicle is
4152 tortured through the manufacturing process. But I think in
4153 current status we have been talking about it for maybe a
4154 decade to 15 years.

4155 *Mr. Pfluger. But, I mean, this is not a new subject.

4156 *Mr. Lambert. No.

4157 *Mr. Pfluger. And if the ranges were such that it made
4158 economic sense, then we would be doing it already, and the
4159 manufacturers would be doing it. They are for-profit
4160 businesses that want to maximize that.

4161 So, Mr. Thompson, you referenced that the United States
4162 would need to -- and I will quote -- "more than double its
4163 electricity supply by 2050, and build more than 75,000 miles
4164 of high voltage power lines by 2035 to achieve the
4165 Administration goals.'` Is that feasible, given, you know,

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4166 what we are -- given the scale, the timeline of the Biden's
4167 EPA mandates and policies?

4168 *Mr. Thompson. It certainly doesn't seem feasible
4169 within the time, you know, horizon we are talking about.

4170 And you know, on that same point, there was a question
4171 earlier about, you know, the cost of charging. And I took
4172 the opportunity to look at, you know, an article that says
4173 that California, their own California Utility Commission, is
4174 projecting, by 2026, that the price to charge a car could be
4175 the equivalent of \$8 a gallon, and that the State of
4176 California would need to triple their current capacity right
4177 now to meet EVs in the state, triple, okay?

4178 And so I don't even know how you begin to get something
4179 like that permitted in that time horizon.

4180 *Mr. Pfluger. Okay. So we have got this mandate. We
4181 go electric. We get to 2030 or the 2035, or whatever the
4182 other markers are, and we get this done. Then what is the
4183 EPA going to do on production, on the generation of
4184 electricity, and where is it going to come from?

4185 I have asked the witness prior on the panel, I know many
4186 of you were here. I have asked the Secretary of Energy.
4187 There are no answers for where it is going to come from,

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4188 other than a mixture of sources, which, to me, we need
4189 specifics. And I will open it up to any of you.

4190 *Mr. Thompson. Well, Congressman, I don't know where it
4191 is going to come from, but what I will tell you -- and I tell
4192 others -- is that if we move forward and we lose refining
4193 capacity in this country, it is never coming back.

4194 *Mr. Pfluger. That is right.

4195 *Mr. Thompson. The Administration came to us last year
4196 and said -- they knew we lost over a million barrels a day,
4197 and they said, "Well, turn it back on.'" It doesn't work
4198 that way. When they are gone, they are gone forever. And
4199 this is a national treasure that we have. It gives us
4200 security. We should be really, really reluctant to trade
4201 that away for dependance on China.

4202 *Mr. Pfluger. We are trading it away. You see the way
4203 Western Europe has gone. Some of the countries have
4204 completely turned away from reliable and affordable energy.
4205 The Texas grid is right now enduring 110 degree, 115 degree
4206 days. It is not -- you know, we can't take it for granted.
4207 This is a fragile entity that we have, and we have to make
4208 sure it has got baseload, dispatchable power that is ready to
4209 go. And we are trading it away with policies that don't make

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4210 sense, and they are not realistic.

4211 The Secretary of Energy told me that by 2030, if we had
4212 the 50 percent mandate or the different markers, that we
4213 would need to double the demand, which is actually quicker
4214 than your assessment. I don't necessarily agree with that,
4215 although I will take it, because they don't have a plan when
4216 it comes to servicing the grid and the baseload demand.

4217 So my time is expired. Thank you for your time today.
4218 This is a very important discussion. At the end of the day,
4219 this is a national security discussion. And if we trade it
4220 away and we go the way of some of the countries in Western
4221 Europe, we will absolutely be in a more vulnerable place than
4222 Ukraine and other countries have been in.

4223 Mr. Chairman, thank you. I yield back.

4224 *Mr. Johnson. The gentleman yields back. The chair now
4225 recognizes Dr. Miller-Meeks for five minutes.

4226 *Mrs. Miller-Meeks. Thank you, Mr. Chair, and I thank
4227 the witnesses for being here.

4228 The Fuels Parity Act is legislation that would allow
4229 ethanol from cornstarch to qualify as an advanced biofuel and
4230 require EPA to use DoE's Argonne GREET model to determine the
4231 carbon content of biofuels under the Renewable Fuel Standard.

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4232 Allowing corn to qualify as an advanced biofuel allows
4233 internal combustion engine vehicles to compete with EVs by
4234 incentivizing lower emissions from ethanol production. And
4235 even today there is an article in the Des Moines Register
4236 saying some studies show that ethanol decreases emissions by
4237 as much as 46 percent and biodiesel by 69 percent. So if our
4238 goal is to decrease admissions, biofuels is a great way to
4239 go.

4240 And as I stated in the earlier panel to Representative -
4241 - Ranking Member Tonko, I would be open to a discussion prior
4242 to the subcommittee markup of -- you know, about making DoE's
4243 Argonne GREET model applicable to all fuels.

4244 Mr. Caskey, as you know, I am the author of the Fuels
4245 Parity Act. Why isn't cornstarch an advanced biofuel?

4246 *Mr. Caskey. Well, thank you, Congresswoman, for that
4247 question. Thank you for your leadership on all things
4248 ethanol. We are grateful for that. Obviously, under current
4249 law there is only one biofuel that is not allowed, as -- is
4250 not permitted as an advanced biofuel, and that is cornstarch
4251 ethanol. And so, obviously, your bill would change that.

4252 I think, you know, when the law was established, you
4253 know, we may not have been able to -- ethanol may not have

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4254 been able to meet that 50 percent greenhouse gas reduction
4255 standard. It can now. And that is largely because of the
4256 hard work, the way that America's corn farmers grow their
4257 crops. They are better now. They have better practices,
4258 they have better tools, and they are just -- they are better
4259 at their craft. And so the things that they are doing from a
4260 sustainability standpoint are amazing, and that is why we are
4261 able to hit that standard, along with the work at the plants.
4262 They are a lot more efficient.

4263 And now cornstarch ethanol is able to hit that standard,
4264 and so it makes sense that this -- that law be amended, as
4265 your legislation would do. And we are grateful for that
4266 change. It is overdue.

4267 *Mrs. Miller-Meeks. Moving to the Argonne GREET
4268 requirement and the Fuels Parity Act, your testimony
4269 characterizes the Department of Energy's Argonne GREET model
4270 as the Federal Government's most robust and transparent tool
4271 for measuring carbon intensity.

4272 Earlier today Mr. Goffman testified that the EPA should
4273 use multiple models. Do you know why the EPA would oppose
4274 the use of a model that the DoE relies on?

4275 *Mr. Caskey. It is a great question. I know EPA has

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4276 even suggested that the model that they are currently using
4277 is outdated. And when you look at GREET, it is developed by
4278 the Department of Energy. It is the gold standard in terms
4279 of measuring carbon intensity of biofuels and transportation,
4280 and it just makes a lot of sense to use it across the board.
4281 And certainly we would favor that, as well.

4282 *Mrs. Miller-Meeks. Thank you.

4283 Mr. Thompson, would you say that the EPA and the Biden
4284 Administration's forced push to EVs by looking solely at
4285 tailpipe emissions is completely oblivious or intentionally
4286 ignoring the tremendous carbon and climate impacts on the
4287 production of said vehicles?

4288 And to Ms. Cullen's point, I am not talking about just
4289 the grid. I am talking about production, from production to
4290 disposal.

4291 *Mr. Thompson. Well, we certainly believe that the way
4292 EPA should be looking at this is through a full life cycle
4293 analysis.

4294 The American people, the consumers need to just put all
4295 the cards on the table. We are not even necessarily -- I
4296 don't know how that would all play out, but I do know that,
4297 when you look at -- there is no such thing as a zero-emitting

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4298 vehicle, just because you don't have a tailpipe. So we ought
4299 to be looking at the whole life cycle, from mining to where
4300 they are charged, right down. And we would expect the same
4301 for ICE engines, as well. Let consumers decide.

4302 *Mrs. Miller-Meeks. Thank you.

4303 The government classifies passenger vehicles as
4304 passenger sedans, light trucks, and motorcycles. So Mr.
4305 Lambert or any of our panelists, do you know how many
4306 passenger vehicles are on the road in the U.S. today?

4307 *Ms. Cullen. Two hundred and seventy-eight million.

4308 *Mrs. Miller-Meeks. Around 286 as of 2020, probably
4309 more on the road now.

4310 Do any of you know how much energy it takes to get a
4311 single 100-mile charge on an electric vehicle?

4312 [No response.]

4313 *Mrs. Miller-Meeks. That would be 30 kilowatt hours.
4314 So can you please do the math for me? Let's say there is 300
4315 million passenger vehicles -- that is not the rest of the
4316 vehicles -- 300 million vehicles on the road today, 30
4317 kilowatt hours to get a single 100-mile charge. How many
4318 kilowatt hours is that to get a single 100-mile charge for
4319 all vehicles on the road today? Three hundred million times

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4320 thirty kilowatt hours? Something like 9.5 trillion kilowatt
4321 hours. I think that is the substantial problem that we have
4322 in asking for choice.

4323 Electric vehicles are fine, they are not -- just because
4324 the tailpipe emission may not be -- may be zero doesn't mean
4325 that their carbon -- they have no climate or carbon impact.
4326 And the monumental task of electrifying all vehicles, while
4327 there is increasing demand for everything else that we do in
4328 our lifestyle, would certainly increase the cost of energy,
4329 make less energy available, and might stall some vehicles on
4330 the road when there is a natural disaster and they don't need
4331 to be on the highway with no charge.

4332 With that, I yield back my time.

4333 *Mr. Johnson. The gentlelady yields back. The chair
4334 now recognizes gentleman from Georgia, Mr. Carter, for five
4335 minutes.

4336 *Mr. Carter. Thank you, Mr. Chairman, and thank all of
4337 you for being here. Obviously, we are very concerned about
4338 this, as I am sure you have gathered from the questions that
4339 have been asked here today.

4340 Earlier in our first panel I made it clear, I think, the
4341 tailpipe ruling proposal is one of the most egregious,

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4342 irresponsible proposals that I have seen the Federal
4343 Government do. I mean, it is just ridiculous that we are
4344 mandating and picking winners and losers like this, and
4345 trying to do with internal -- doing away with internal
4346 combustible engines.

4347 But nevertheless, I wanted to ask you, Mr. Thompson -- I
4348 read your testimony. And in your testimony you characterized
4349 the tailpipe emission standard for light and medium-duty
4350 vehicles and the California waiver as mandating a single
4351 technology, EVs, and banning the sale of new internal
4352 combustion engine vehicles. And I couldn't agree with you
4353 more.

4354 My question is this: Can you explain how the EPA
4355 regulations can be considered a mandate?

4356 *Mr. Thompson. Well, look, you know, I couldn't help
4357 but think the emperor has no clothes when you hear EPA say
4358 this is not a mandate. Look at the President's executive
4359 order, where he wanted to go with this. Look at the press
4360 releases around this. Look at the executive statements
4361 around the rule, and it is all about being about EVs, and EV
4362 mandates. And they say that the only way the dealers can --
4363 excuse me, the manufacturers -- can comply is selling 70

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4364 percent electric vehicles. That is a mandate under any
4365 reasonable definition.

4366 *Mr. Carter. You know, also in your testimony you
4367 mentioned that refiners make long-term investment decisions.
4368 And, you know, I was -- look, I was in business for 32 years,
4369 and I know that I did that, as well. My business decisions
4370 were based on a lot of what was going on in the economy, what
4371 was going on in my profession. And certainly, that is what
4372 is happening here.

4373 And I go back to the State of the Union address, where
4374 this President had the audacity to stand up before a joint
4375 session of Congress and say that the reason gasoline prices
4376 were so high is because the petroleum companies weren't
4377 investing in infrastructure and in refineries, and then in
4378 the next breath said, oh, by the way, we are not going to
4379 need fossil fuels in the next 10 years. Unbelievable.

4380 But I ask you this because, even if these are simple
4381 proposals, these tailpipe emissions proposals, even if they
4382 are simple, what is the impact of the EPA issuing such
4383 excessive regulation? What would it have on business?

4384 *Mr. Thompson. Well, it is a massive impact.

4385 And as to any commentary that we haven't invested, I

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4386 will tell you that our industry has invested over \$100
4387 billion in the last couple of decades to reduce our emissions
4388 and to keep our plants up and running so we could supply the
4389 fuel that gets people to work and to church and everywhere
4390 else we need to go. We make tremendous investments.

4391 But we are capital intensive, Congressman, as you just
4392 said. And so if you are at a refinery right now trying to
4393 decide whether you are going to invest a couple of billion
4394 dollars to keep your plants up and running, these rules mean
4395 a lot. These rules mean a lot.

4396 *Mr. Carter. So do you think that they -- that these
4397 rule proposals, and California's waiver, that they have a
4398 chilling effect on the investments in the energy sector?

4399 *Mr. Thompson. Absolutely. There is no doubt about it.

4400 *Mr. Carter. It makes perfect business sense to me.
4401 One last question, Mr. Thompson. The Fuels Institute report
4402 indicated that battery EVs have a higher life cycle
4403 greenhouse gas emissions footprint than internal combustion
4404 engines and hybrid vehicles, and that is one thing that
4405 bothers me.

4406 Hybrid vehicles seem to be working well, and yet it is
4407 all or none. It is got to be all EV or nothing at all,

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4408 whereas the hybrids seem to accomplish even more. And you
4409 would think that, if we were being reasonable, that we would
4410 try to ease into this, maybe, you know, encourage more
4411 hybrids and then get to EVs, if that is the ultimate
4412 decision. But it doesn't -- this rush to green that we are
4413 experiencing with this Administration just is appalling to
4414 me.

4415 But if the Biden Administration truly wanted to decrease
4416 transportation-related emissions, should the tailpipe
4417 emission standard for light and medium-duty vehicles include
4418 hybrids?

4419 *Mr. Thompson. Absolutely. It should include all
4420 options, and it should do a life cycle analysis, and that way
4421 -- and they should follow the law, importantly, and then, you
4422 know, let the standards fall where they may.

4423 Listen, nothing we have said today is any way suggesting
4424 there should be a rollback, or we should not be pressing for
4425 fuel efficiency improvements. But we ought to do it the way
4426 this body, Congress, told EPA to do it, and we ought to leave
4427 all options -- it is crazy to take hybrids off the table,
4428 crazy.

4429 *Mr. Carter. Good. Well, again, I thank all of you for

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4430 being here. And this is extremely important to this.

4431 And thank you, Mr. Chairman, for this very educational
4432 and important hearing, and I yield back.

4433 *Mr. Johnson. The gentleman yields back.

4434 Seeing that there are no other members seeking to ask
4435 questions, I ask unanimous consent to insert in the record
4436 the documents included on the staff hearing documents list.

4437 Without objection, that will be the order.

4438 [The information follows:]

4439

4440 *****COMMITTEE INSERT*****

4441

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4442 *Mr. Johnson. I remind members that they have 10
4443 business days to submit questions for the record, and I ask
4444 the witnesses to respond to the questions promptly if you
4445 receive them. Members should submit their questions by the
4446 close of business on July 6.

4447 Without objection, the subcommittee is adjourned.

4448 [Whereupon, at 2:57 p.m., the subcommittee was
4449 adjourned.]