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CHAIRMAN JIM SAXTON

PRESS RELEASE

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STATEMENT OF CHAIRMAN JIM SAXTON

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ALTERNATIVE AUTOMOTIVE TECHNOLOGY AND ENERGY EFFICIENCY

WASHINGTON, D.C. I am pleased to welcome Under Secretary Garman and the other expert witnesses before the Committee this morning.

With oil prices in the neighborhood of \$60 per barrel, it is not surprising that there is increased interest in fuel efficiency and alternative ways of powering cars and trucks. Increased demand for oil, especially from Asia, combined with the restrictive practices of the OPEC cartel, have together created a situation where oil prices have spiked in recent months. With OPEC members only last December complaining about an “over-production” of oil, it is abundantly clear that we cannot depend on them to be reliable suppliers of petroleum. Unfortunately, according to many experts, OPEC and elevated oil prices may be with us for an extended period of time.

Gasoline accounts for about 45 percent of American oil consumption each day, so it is appropriate to consider the long-term potential of alternative automotive technologies that would reduce our dependency on oil. The purpose of this hearing is to explore these alternatives and examine which of them seem to be most feasible over the short, medium, and long terms. Greater efficiency in internal combustion engines, using methods such as shutting off half of the cylinders when maximum power is not needed, is already being realized.

Flexible fuel vehicles capable of running on a mixture of gasoline and up to 85 percent alcohol are also already in production. Recently I have introduced legislation to enhance tax incentives for the purchase of flexible fuel vehicles. U.S. auto companies already make millions of flexible fuel vehicles that are only slightly more expensive to produce than cars with conventional engines.

The market for hybrid vehicles is also expanding far beyond small economy cars and promises additional savings. Small hybrid cars demonstrated the feasibility of this technology, and it is now being applied to mid-sized passenger cars as well as to SUVs. There are some exciting new refinements of hybrid technology that could produce significant increases in fuel efficiency. Perhaps in the future hybrid or electric vehicles could even be recharged using the existing power grid.

None of these technologies alone is likely to reduce our oil consumption significantly in the short run. But over the next decade, they could make a real difference, and synergies between them offer the potential for further gains. For example, improved efficiencies of the internal combustion engine could be combined with hybrid and other technologies to maximize fuel savings.

Over the long run, the high price of oil is likely to create incentives for other technological breakthroughs that will be more dramatic. Hydrogen fuel cells offer one promising technology for the long term. Since power can be most efficiently generated in power plants, there are those who argue that a transition to hydrogen fuel cell or electric vehicles offers the most promise in coming decades.

In any event, continued federal government and industry support for research and development, and the vision of entrepreneurs and inventors, are needed to ensure that advancements in technology will enable us to eventually increase our energy security.

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