

STATEMENT OF SENATOR ERNEST F. HOLLINGS
HEARING ON
CORPORATE AVERAGE FUEL ECONOMY
December 10, 2001

I am pleased to see the Commerce Committee continuing its work on fuel economy standards. In 1975, I cosponsored the legislation that became the current CAFE law. I was also very involved in efforts during the 101st and 102nd Congresses to increase CAFE standards. It is again necessary for us to revisit the issue of CAFE.

The CAFE measures originally arose out of concern for the nation's energy security following the oil crisis of the early 1970s. Today, the transportation sector accounts for 28% of total U. S. oil consumption, and we rely on imported oil for 56% of our nation's oil supply. Clearly, reducing the oil consumption of our automotive fleet is even more pertinent to our energy security today.

Our dependence on automobiles has environmental consequences as well. The United States, with only 5 percent of the world's population, is responsible for 20 percent of world's carbon dioxide emissions. The U. S. transportation sector as a whole accounts for nearly a third of our carbon dioxide emissions, and automobile use accounts for nearly 60% of that figure.

Since 1975, we have seen an approximate doubling in the fuel economy of the new car fleet. This fact makes me very proud of the work we did to enact the CAFE law in 1975, as well as the ingenuity demonstrated by the automobile industry.

Since peaking at 22.1 mpg in 1987 and 1988, overall fuel economy of the U. S. fleet has declined. For 2001, fuel economy for passenger vehicles will be lower than it has been at any time since 1980, around 20 mpg.

The National Academy of Sciences completed a study of CAFE in August, and I thank the NAS panel for demonstrating some feasible options for improving our fuel economy without requiring increased consumer costs for vehicles. I urge the automobile industry to act on these findings and put their ingenuity again to work in boosting our nations' fuel economy.

We all recognize that the auto industry is an important contributor to the United States and world economies. We also want to protect the right of the American consumer to a reasonable choice of safe and economical products.

I urge our witnesses today to offer us ideas on how CAFE can further reduce our dependence on foreign oil, create jobs in the U. S. auto industry, and boost U. S. competitiveness in domestic and international markets. If we are creative, I believe these goals can be mutually compatible.