

## Testimony of the American Fuel & Petrochemical Manufacturers

### NHTSA Proposed Rule Virtual Public Hearing

Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027–2032 and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030–2035

September 28, 2023

Good afternoon and thank you for the opportunity to testify. I am Patrick Kelly, Senior Director Fuel & Vehicle Policy at the American Fuel & Petrochemical Manufacturers. AFPM represents the U.S. refining and petrochemical industries, and we are committed to developing sound climate policies that take a balanced approach to our energy and economic security and environmental needs.

AFPM advocates for market-driven fuel efficiency standards that enhance competition among technologies to deliver the best mix of performance, efficiency, and other attributes Americans desire when selecting a vehicle. We oppose unrealistic targets that effectively function as a ban on internal combustion engines. These standards create a distorted vehicle market with expensive, limited choices for American drivers and disproportionately burden those who can least afford it.

AFPM supports efforts to reduce carbon emissions and improve vehicle efficiency. NHTSA could have worked jointly with EPA to further these goals within the statutory bounds set by Congress by developing a joint rulemaking. NHTSA and EPA should perform a full-lifecycle assessment of all vehicle types. While EVs do not emit CO<sub>2</sub> at the tailpipe, carbon is emitted in processing the minerals, and in the generation of electric power. And because a ton of carbon has the same climate impact regardless of where it is emitted, it is only through a full lifecycle assessment that vehicles can properly be evaluated.

NHTSA's proposal is not consistent with federal statute. Congress directed NHTSA to not consider electric vehicles in determining the maximum feasible standards. While the proposal acknowledges this constraint, NHTSA includes electric vehicles in the annual baseline, creating a reality where the proposed fuel economy standards cannot be met with liquid fuels alone. This thinly veiled attempt to force ever increasing reliance on electric vehicles limits consumer choice and places unnecessary risks on our energy and economic security.

The U.S. is now a net exporter of crude oil and petroleum products. We have not experienced such strong energy security since about 1950. In contrast, China has a dominant position in the global supply chain for critical mineral extraction, processing, and battery production. The U.S. should not trade away our hard-earned energy security and leave our economy more dependent and financially beholden to countries that control the minerals required to manufacture EV batteries.

NHTSA should not finalize this proposal and should repropose CAFE and HDPUV standards that follow the direction of congress, preserve consumer choice, avoid picking technology winners and losers, and maintain our energy and economic security. AFPM will provide additional written comments, and I am happy to answer any questions.