

A Hearing in the Finance Subcommittee on Energy

Advanced technology Vehicles: The Road Ahead

Opening Statement of Senator Jeff Bingaman (D-NM), Subcommittee Chairman

Good morning.

In today's hearing in the new Finance Subcommittee on Energy, Natural Resources, and Infrastructure, we look forward to hearing testimony on advanced technology vehicles. As we discuss energy policy and the most efficient path toward energy security and independence, we naturally turn to the issue of transportation fuels.

Right now, over 50% of the nearly 21 million barrels of oil we use each day in the U.S. is imported. And almost 70% of that oil consumption is used in the transportation sector. In 2007, we expect American to use over 14 millions barrels of oil to drive to work and do their chores, to travel within their communities, and to travel on vacation. We will also use over 4 million barrels of

fuel on industrial transportation. Ten million gallons of that fuel will be imported.

These numbers suggest that in order to achieve energy security, we need to reduce our use of imported fuels. We can begin this effort by becoming efficient users of transportation fuels.

In our tax code, we have several incentives aimed at encouraging manufacturers and consumers across many industries to build and purchase more fuel efficient vehicles.

We have tax credits for the purchase of vehicles featuring technologies that greatly increase their fuel economies. And we have tax penalties that apply to the purchase of the least fuel efficient vehicles. The tax code also features credits, against income or excise tax, for bio-based fuel blends that displace imported fuels.

And while we pursue energy security, we are always mindful of environmental concerns. Our vehicle tax credits have minimum emissions standards. And our alternative fuels credits are intended to encourage clean burning fuels.

We hope during this hearing to establish a record regarding the response of the market in general, and of vehicle manufacturers in particular, to the current tax incentives for efficient and clean vehicles. And as always, we are interested in hearing testimony on new incentives that might be more effective in helping us achieve our energy policy goals with respect to transportation fuel usage.

In particular, we sought testimony from:

- Manufacturers who employ cutting edge power storage technologies;
- Manufacturers who are active in the traditional and diesel markets;
- Producers of alternative transportation fuel who can speak to fueling station needs, and
- Scholars from the automotive industry who have long studied the response of the industry to Federal energy policies.

We look forward to hearing testimony from these experts today so that all of us will find it easier to use clean and efficient technologies to get where we need to go.