

Bush signs auto fuel economy bill

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WASHINGTON - President Bush has signed the energy bill passed yesterday by Congress, boosting auto fuel economy for the first time in 32 years.

The energy bill, boosting mileage by 40 percent to 35 miles per gallon, passed the House 314-100. The Senate approved it last week.

In a dramatic shift to spur increased demand for nonfossil fuels, the bill also requires a six-fold increase in ethanol use to 36 billion gallons a year by 2022, a boon to farmers. And it requires new energy efficiency standards for an array of appliances, lighting and commercial and government buildings.

"This is a choice between yesterday and tomorrow" on energy policy, declared House Speaker Nancy Pelosi, D-Calif., who was closely involved in crafting the legislation. "It's groundbreaking in what it will do."

While some GOP lawmakers criticized the bill for failing to address the need for more domestic oil and natural gas production, 95 GOP lawmakers joined Democrats in support of the bill.

Pelosi and Senate Majority Leader Harry Reid of Nevada acknowledged that they didn't get all they wanted — unable to push through a tax package that would have rolled back \$13.5 billion in tax breaks for oil companies and used the money to help spur wind, solar and biomass energy development and conservation programs.

The House passed the tax provisions, but the Senate fell one vote short of getting it through under threat of a presidential veto and a GOP filibuster. "Were going to be back and get the vote quicker than you think," Reid said at a news conference with Pelosi.

But Democrats said those shortcomings shouldn't take away from the importance of the approved bill.

"This legislation is a historic turning point in energy policy," said Majority Leader Steny Hoyer of Maryland because it will cut demand for foreign oil and promote nonfossil fuels that will cut greenhouse gases linked to global warming.

It increases energy efficiency "from light bulbs to light trucks," said Rep. John Dingell, D-Mich., a longtime protector of the auto industry who was key to a compromise on vehicle efficiency increases.

Many Republicans denounced the Democratic-crafted bill for failing to push for more domestic production of fossil fuels and for mandates some GOP lawmakers warned will not be possible.

"What we have here is a mandatory conservation bill," said Rep. Joe Barton, R-Texas. He argued that the auto fuel efficiency requirements and the huge increase in ethanol use may not prove to be technologically or economically possible.

Democrats disagreed. The legislation takes measured and concrete steps that are achievable, said Dingell.

The Senate passed the bill last week after discarding billions of dollars in higher taxes on oil companies and a solar and wind power mandate that opponents said would raise electric rates in the Southeast. President Bush and Senate Republicans opposed those measures.

The centerpiece of the bill remained the requirement for automakers to increase their industrywide vehicle fuel efficiency by 40 percent to an industry average of 35 mpg by 2020 compared to today's 25 mpg when including passenger cars as well as SUVs and small trucks.

Congress has not changed the auto mileage requirement since it was first enacted in 1975.

Democrats said the fuel economy requirements — when the fleet of gas-miser vehicles are widely on the road — eventually will save motorists \$700 to \$1,000 a year in fuel costs. They maintain the overall bill, including more ethanol use and various efficiency requirements and incentives, will reduce U.S. oil demand by 4 million barrels a day by 2030, more than twice the daily imports from the volatile Persian Gulf.

The automakers have repeatedly fought an increase in the federal fuel standard, known as CAFE, maintaining it would limit the range of vehicles consumers will have available in showrooms and threaten auto industry jobs. Bush also has argued against an arbitrary, numerical increase in the fuel efficiency requirement, preferring instead legislation to streamline the federal requirements and market incentives to get rid of gas guzzling vehicles.

But the automakers have accepted the political shift toward a tougher requirement. After the Senate approved the legislation last week, the White House immediately said Bush would sign it once it reaches his desk.

"While the president's alternative fuel standard and CAFE proposal would have gone farther and faster, we are pleased that Congress has worked together on a bipartisan way that provides the chance for the president to sign a bill that does not include tax increases," said White House press secretary Dana Perino.

The bill requires a massive increase in the production of ethanol for motor fuels, outlining a rampup of ethanol use from the roughly 6 billion gallons this year to 36 billion gallons by 2022. After 2015, the emphasis would be on expanded use of cellulosic ethanol, made from such feedstock as switchgrass and wood chips, with two thirds of the ethanol — 21 billion gallons a year — from such non-corn sources.

However, commercially viable production of cellulosic ethanol has yet to be proven and some Republicans have argued that the new requirements could be impossible to meet and may raise corn prices and food supplies.

The bill allows for a waiver if producers are unable to meet the federal requirement for cellulosic ethanol, which rises dramatically after 2015. "We have every confidence that we can meet the target," said Matt Hartwig, a spokesman for the Renewable Fuels Association, which represents ethanol producers.

The bill requires improved efficiency standards for lighting, commercial and government buildings, and appliances such as refrigerators, dishwashers and freezers. It also tells the Energy Department to issue efficiency standards more quickly. Light bulb efficiency will have to increase 70 percent over today's most widely used bulbs by 2020.

Environmentalists widely hailed passage of the legislation, especially the first increase in auto fuel economy since 1975, although expressing disappointment that the oil taxes and a proposal to require utilities to use renewable fuels did not pass.

"Just two years ago 62 members of the Senate opposed any increase in fuel efficiency," noted Phyllis Cuttino, director of the Pew Charitable Trusts Campaign for Fuel Efficiency, adding that not long ago "this achievement (was) unimaginable."

The bill is HR 6.