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Distinguished Members of the Committee,

Thank you for the opportunity to speak today. My name is Dennis Blair, and I served as the third Director of National Intelligence and as Commander in Chief of U.S. Pacific Command. I offer this testimony as Chairman of SAFE, an organization founded in 2004 to reduce our nation’s dependence on oil as an economic and national security priority.

For some years oil will continue to be the lifeblood of our transportation sector, underwriting our entire economy. The United States is the world’s largest oil consumer, accounting for [21 percent](#) of global consumption, [two-thirds](#) of which is used in transportation.

This dependence exposes our economy and constricts our foreign policy. Oil is a volatile commodity, the price set on a worldwide market, subject to spikes in price from many different factors. Supply disruptions anywhere affect prices everywhere.

Oil is also subject to unpredictable, anti-free market actions from OPEC and hostile OPEC+ nations like Russia. As the administration’s recent plea to OPEC+ to increase production shows, we remain beholden to their actions to keep prices low for Americans, who bear the brunt of this dependence when oil prices spike.

And while the rulemaking cost/benefit process does not consider the U.S. military budgets spent to protect the global oil supply, SAFE has conservatively calculated this burden to be at least [\\$80 billion a year](#).

Because of these factors, long-term, demand-side measures to reduce our transportation sector oil consumption are our most effective weapon to counter our nation’s oil dependence.

As a result, we support the robust GHG emission standards proposed by the EPA. SAFE is in favor of revising the current rules to be as stringent as technically possible.

There are other factors at work in this complex energy/transportation picture. Transportation worldwide is going electric, and electricity in the US comes from fuel that is both domestic and diverse in source, as well as low and stable in price. Electrification of the transportation sector will ultimately eliminate the economic and national security consequences of our current dependence on petroleum. However, in the meantime, we need fuel efficient vehicles to use as little oil as possible, as well as high domestic production to ensure an adequate worldwide supply and low and stable petroleum prices.

A caution, however - China has jumped to an early lead over the EV and battery supply chains, from minerals to markets. The revised standards proposed by the EPA not only make conventional vehicles more efficient, but they should also accelerate the development of the domestic electric vehicle market in this country to support an American EV industry using supply chains safe from Chinese influence.

Accelerating this development is vital. If we do not compete, the United States risks trading its dependence on an unstable oil market dominated by nations that do not share our interests, to a reliance on Chinese domestic policy for the minerals, components, and batteries that will power our economy in the 21st century.

It is important for this shift to happen as soon as possible to spur investment in a robust, domestic EV supply chain. American car companies can increase production of EVs to more than 50 percent of all vehicle production without stranding investments and with minimal workforce disruption. We recommend that in preparing a final rule, EPA ensure that extensions of the shelf life of previously earned GHG emissions credits do not slow this vital process down.

As transportation goes electric, more stringent mileage standards will be vital in accelerating U.S. efforts to lead that shift. Thank you for the chance to offer this testimony. SAFE stands ready to support however we can.