UNITED STATES STATEMENT IN SESSION ONE

Thank you Mr. Chairman. Please accept our deep appreciation for your government's efforts in hosting this meeting. We are honored to be here and participate in this comprehensive discussion on the interlinked challenges of climate change and air pollution from various modes of transportation.

In the United States, we are pursuing a wide variety of initiatives that contribute to protecting the natural and built environment and reducing the environmental impacts from transportation, including climate change and air pollution.

We have adopted an integrated approach to clean transportation, which includes stringent emissions standards, complementary clean fuel standards, and environmentally-friendly transportation infrastructure and services. We have found, as many other countries have, that low sulfur gasoline and diesel are critical to the deployment of advanced technologies in transport.

In the U.S. we have had significant success in reducing pollution from the transportation sector. For example, to reduce air pollution we have implemented the most stringent vehicle emission standards in the world for a wide variety of vehicle types, including:

- Passenger vehicles, including cars and light-duty trucks;
- Heavy duty trucks and buses used to carry goods and people;
- Off-road equipment used in the construction and other industries; and,
- Locomotive and Marine vehicles.

Our recent programs on clean fuels and vehicles have produced, and will continue to produce enormous public health benefits. By 2030 the benefits of EPA clean fuels and vehicles programs are estimated to outweigh the costs by a ratio of 16:1, or benefits of $197 billion versus costs of $12 billion.

Domestic transportation programs in the U.S. support a wide variety of highway and transit purposes to help communities meet their transportation needs and reduce air pollution.

- U.S. transportation programs promote a balanced, multi-modal transportation system including transit, rail and pedestrian choices that can reduce distance traveled and emissions.
- Facilities and programs for non-motorized transportation help reduce vehicle travel, and reduce emissions.

- The Congestion Mitigation and Air Quality Improvement Program funds highway, transit and non-motorized transportation project to help meet air quality standards. Projects to retrofit diesel vehicles, promote ride-sharing, increase transit bus service, improve traffic flow through technology and increase bicycling and walking have reduced emissions of VOCs, NOx, CO and particulate matter.
- Transportation plans for urban areas must be coordinated with air quality plans, ensuring that transportation helps areas meet air quality standards and avoids causing new violations of the standards.
- Pricing of transportation facilities reduces congestion and emissions and raises revenue by shifting trips to off-peak times, less congested routes or alternative modes.

Of course many of these air pollution programs have significant co-benefits in terms of reduced greenhouse gas emissions.

We know that the challenges related to climate change are among the greatest we face this century. The United States remains firmly committed to taking a leadership role in developing a new global response to climate change, and to reaching an agreed outcome in 2009.

We also know that transportation is one of the most important sectors that must be addressed when addressing climate change. The Energy Independence and Security Act of 2007 (EISA) represents a major step forward in expanding the production of renewable fuels, reducing our dependence on oil, and confronting global climate change.

Under EISA, the U.S. transportation sector has significant new mandates to help reduce greenhouse gas emissions and increase energy security. Preliminary estimates indicate that combined, EISA mandates will prevent 5-6 billion metric tons of greenhouse gas emissions through 2030. The transportation policies include:

- Renewable fuels – 36 billion gallons or roughly 15 percent of fuel supply by 2022;
- Vehicle Fuel Economy – 40 percent improvement to 35 mpg (miles per gallon) by 2020;

Additionally, previously enacted fuel economy standards for light trucks model years 2005-2007 and 2008-2011, will result in GHG emission reductions of up to 196 million metric tons of the life of the covered fleets.

We've had some pretty impressive successes and I would like to reflect briefly on three pillars of the U.S. approach to addressing climate change and how it pertains to transportation.

Our first pillar is that an approach to a global problem requires global solutions, particularly when it comes to international transportation.

As ICAO and IMO recognize in their charters, international nature of those sectors require that all ships and airplanes be treated equally and this is also certainly true with regards to greenhouse gas emissions.

The second pillar is our commitment to developing and bringing to market new energy technologies that transcend the current system of fossil fuels and carbon emissions.

The United States is a world leader in the research, development and deployment of such clean energy technologies. Our investments in energy technology research have increased from $1.7 billion in 2001 to now over $4 billion per year. Moreover, as a result of legislation in recent years, there is now $42.5 billion available for federal loan guarantees to promote the deployment in the United States of clean energy technology.

The U.S. is developing advanced fuels that will hopefully eliminate or greatly reduce emissions from mobile sources.

- The National Fuel Cell Bus Program is a $49 million effort to facilitate development of commercially viable fuel cell bus technology and related infrastructure.
- The FAA and the X prize Foundation have teamed up to deliver a prize to the first sustainable "drop-in" biofuel to be used in commercial aviation. Last Wednesday, Continental Airlines became the first U.S. commercial carrier to conduct a demonstration flight powered in part by biofuel derived from algae and jatropha plants. The 1 hour and 45 minute flight using a Boeing 737-800, was the first in the world to use algae as a fuel source.

- Many agencies are working on developing next generation biofuels which will have significant improvements in terms of greenhouse gas reductions.

The United States is also working actively to help our partners around the world bring clean energy technologies and alternative energy sources to the marketplace - from solar, and wind, and biofuels, to diesel and hybrid vehicles, and clean, safe nuclear power.

Which brings me to our third pillar—U.S. commitment to the partnership approach. Partnerships that focus on addressing climate change also offer significant additional benefits to their participants, including benefits for energy security, reduced pollution, and advancing economic growth. Our partnerships actively engage industry and other stakeholders. We know that while the right kind of government-to-government collaboration can pave the way for great progress, the ingenuity, resources and vision of the private sector in developing and diffusing technology will always be a key piece of the puzzle. Finally, countries engaged in such collaborative efforts benefit in ways that are consistent with their national circumstances.

The SmartWay Transport Partnership is a collaboration between EPA and the freight sector designed to improve energy efficiency, reduce greenhouse gas and air pollutant emissions, and improve energy security. SmartWay helps freight companies improve their environmental performance by working with them to set improvement goals, identify financing options, and share information on technologies, strategies and policies that will reduce the environmental impact of shipping.

- By 2012, SmartWay aims to reduce annual emissions of carbon dioxide by 33 to 66 million metric tons, lower annual nitrogen-oxide emissions by 200,000 tons, and cut annual diesel-fuel consumption between 3.3 and 6.6 billion gallons per year, saving the industry from $13 billion to $26 billion a year (assumes cost of around $4 per gallon of fuel).

Through the Congestion Initiative, DOT has committed discretionary resources and agency expertise to supporting areas that have entered into *Urban Partnership Agreements*. As a part of this initiative, the cities agree to:

- Implement a broad congestion pricing or variable toll demonstration;

- Create or expand express bus services, which will benefit from free flow traffic conditions;
- Secure agreements from major area employers to establish or expand telecommuting and flex scheduling programs;
- Encourage and support use of technology to improve the efficiency of operation of the highway system; and
- Expedite completion of the most significant highway capacity projects currently underway that hold the greatest potential for reducing congestion and bottlenecks.

Changes in consumer behavior have already been seen in response to tolling: increased ride-sharing and use of transit and fewer non-essential trips reported during peak hours.

It is important to note that many of the opportunities available to address climate change and air pollution – particularly in the rapidly emerging economies – have a very low cost. Efficiency gains and deployment of existing low-carbon energy can contribute significantly to our mitigation efforts. In fact, according to a number of independent assessments, many of these policies and measures would actually yield cost savings.

The U.S. is a charter member of the United Nation's Partnership for Clean Fuels and Vehicles, which is focused on assisting countries across the globe achieve lead-free gasoline, low sulfur gasoline and diesel, and clean vehicle technologies.

Recently EPA has engaged in on the ground projects related to significantly reducing the emissions from diesel buses used in urban areas throughout the world. One project was in Beijing prior to the Olympics, and an ongoing project is occurring in Pune, India. We are also finishing an important project in India that reduces air pollutants and increases the fuel efficiency of three-wheeled vehicles.

Thank you very much Mr. Chairman, and I look forward to productive discussions over the course of this important meeting.