

FACTSHEET

OPEN FUEL STANDARD ACT: CHOICE AT THE PUMP FOR EVERY AMERICAN

Senate bill S.3303. Cosponsors: Senators Brownback (R-KS), Salazar (D-CO), Lieberman (I-CT), Collins (R-ME), Thune (R-SD), Collins (R-ME), Grassley (R-IA)

House bill H.R. 6559. Cosponsors: Reps. Engel (D-NJ), Kingston (R-GA), Israel (D-NY), Inglis (R-SC), Barrow (D-GA), Bartlett (R-MD), Bishop (D-GA), Cohen (D-TN), Crenshaw (R-FL), Hinchey (D-NY), Johnson (D-GA), Kuhl (R-NY), Lipinski (D-IL), Lowey (D-NY), Manzullo (R-IL), Schwartz (D-PA), Scott (D-GA), Shays (R-CT), Wexler (D-FL)

- Oil's virtual monopoly in the transportation sector has allowed a cartel of petroleum exporting countries to inflate fuel prices. Much of the inflated petroleum revenues the oil cartel earns at the expense of the people of the United States are used for purposes antithetical to the interests of the United States and its allies.
- Competition and consumer choice in the transportation fuel market would serve to end oil's monopoly in the transportation sector, strip oil of its strategic status, and protect consumers from price hikes at the pump.
- Existing technology, in the form of flexible fuel vehicles, allows internal combustion engine vehicles to be produced at little or no additional cost which are capable of operating on gasoline, alcohol fuels such as ethanol and methanol, or any combination of such fuels, as availability or cost advantage dictates, providing a platform for fuel competition and consumer choice.
- Fuel flexibility is complementary to other vehicle technologies such as plug in hybrids. It is a simple and inexpensive feature that should be standard in cars, like seatbelts or airbags. The ratio of flex fuel vehicles in Brazil increased from zero to 70% within three years, and thus as oil prices increase consumers in Brazil can protect themselves by putting alternative fuel in their fuel tank.
- Alcohol fuels such as ethanol and methanol can be made from a wide variety of domestic energy resources including agricultural waste, energy crops, natural gas, coal, and trash.
- Fuel choice would serve consumers money at the pump. As an example, including taxes, distribution, and markup, the price at the pump of the alcohol fuel methanol would be \$2.03 per gasoline equivalent gallon, **saving consumers over \$1.00 a gallon at today's prices.**

Bill Summary

- The CEOs of the Big Three auto companies have repeatedly stated their willingness to commit to making 50% of new cars flex fuel vehicles or warranted to operate on biodiesel by 2012.
- The Open Fuel Standard Act (OFS) would buttress this commitment with law, thus providing certainty for investors in a variety of alternative fuels to ramp up production and fuel station owners to install pumps.
- Specifically, OFS requires that starting in 2012, 50% of new automobiles, and starting in 2015, 80% of new automobiles, be flex fuel vehicles warranted to operate on gasoline, ethanol, and methanol, or be warranted to operate on biodiesel.

By enacting the Open Fuel Standard Congress **can break OPEC's monopoly on the international fuel market**, and protect consumers from the threat of future unlimited OPEC prices increases.