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MARKUP OF H.R. ___, THE GASOLINE REGULATION ACT OF 2012, AND H.R. ___, THE STRATEGIC ENERGY PRODUCTION ACT OF 2012

TUESDAY, APRIL 17, 2012

House of Representatives,

Subcommittee on Energy and Power,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:09 a.m., in Room 2123, Rayburn House Office Building, Hon. Ed Whitfield [chairman of the subcommittee] presiding.

Present: Representatives Whitfield, Sullivan, Shimkus, Walden, Terry, Burgess, Bilbray, Scalise, McMorris Rodgers, Olson, McKinley, Gardner, Pompeo, Griffith, Barton, Upton (ex officio), Rush, Castor, Sarbanes, Dingell, Markey, Engel, Green, Capps, Doyle, and Waxman (ex officio).

Staff Present: Charlotte Baker, Press Secretary; Michael

Beckerman, Deputy Staff Director; Mike Bloomquist, General Counsel; Anita Bradley, Senior Policy Advisor to Chairman Emeritus; Maryann Brown, Chief Counsel, Energy and Power; Allison Busbee, Legislative Clerk; Paul Edattel, Professional Staff Member, Health; Garrett Golding, Professional Staff Member, Energy; Peter Kielty, Associate Counsel; Heidi King, Chief Economist; Ben Lieberman, Counsel, Energy and Power; Alexa Marrero, Communications Director; Mary Neumayr, Senior Energy Counsel; Katie Novaria, Legislative Clerk; Michael Aylward, Minority Professional Staff Member; Phil Barnett, Minority Staff Director; Jen Berenholz, Minority Chief Clerk; Jacqueline Cohen, Minority Counsel; Greg Dotson, Energy and Environment Minority Staff Director; Caitlin Haberman, Minority Policy Analyst; Elizabeth Letter, Minority Assistant Press Secretary; Karen Lightfoot, Minority Communications Director and Senior Policy Advisor; Roger Sherman, Minority Chief Counsel; and Alexandra Teitz, Minority Senior Counsel, Environment and Energy.

Mr. Whitfield. The committee will come to order. At the conclusion of opening statements yesterday, the chair called up the committee print, the Gasoline Regulation Act of 2012. And it was open for amendment at any point. The chair will now recognize himself for the purpose of offering an amendment in the nature of a substitute. So if the clerk would please report the amendment.

The Clerk. Amendment in the nature of a substitute to discussion draft offered by Mr. Whitfield of Kentucky.

[The amendment of Mr. Whitfield follows:]

******** INSERT 1-1 ********

Mr. Whitfield. Without objection, the reading of the amendment is dispensed with, and the chair will recognize himself for 5 minutes in support of this amendment. The amendment in the nature of a substitute addresses concerns raised by some of the colleagues at our legislative hearing on the Gasoline Regulation Act. These are very simple amendments.

In section 2, we simply added the Department of Agriculture to the list of agencies serving on the Transportation Fuels Regulatory Committee and responsible for contributing to the final report. Fuels issues do have a significant agricultural component, and that input and expertise from the Department of Agriculture, we decided, is certainly necessary to help achieve the goals of this bill. And I do want to thank those members who pointed that out, because I think it does improve the bill. And then in section 3 of the bill, as we replaced a reference to analyzing the impacts associated with increases in gasoline or diesel fuel prices to impacts associated with changes in gasoline or diesel fuel prices.

So originally there was almost a bias that, oh, this is certainly going to increase gasoline prices. So our language simply says any change, whether it is increase, decrease, whatever it may be. So as I said, we did this simply because we didn't want to prejudge any result of the analysis. And then in section 5 of the bill, after listing three Clean Air Act rules whose finalization would be delayed until 6 months after the final report is completed, we added a provision to reiterate that the finalization of any other rule at EPA beyond these three is

simply not affected.

So this makes it very clear that we are only talking about three rules. We are not talking about any other rule. And I think this would allay any concerns that the bill would delay or even preclude other rules from being adopted. So I think these are three minor amendments. I think it improves the original bill. And I would hope that our colleagues would be able to support this amendment and make this an actually better bill than it is right now. So is there any further discussion of the substitute amendment that I just discussed? For what purpose does the gentleman seek recognition?

Mr. Waxman. To strike the last word.

Mr. Whitfield. Okay. The gentleman is recognized for 5 minutes.

Mr. Waxman. The premise of this legislation before us today is that high gas prices are caused by EPA regulations that haven't even been proposed. And that is a complete fantasy. Every expert at our hearings on gas prices, including the Republicans' own witnesses, told us that gasoline prices are driven by world oil prices, and world oil prices have spiked with rising global demand, tensions in the Middle East, and tight supplies. Nothing in the bill before us will affect world oil prices. And the best example of this is just to look at Canada. Canada is energy independent. In fact, it is one of our major oil suppliers. But its gasoline prices are just as high as ours. So what is really going on here? These bills aren't about lowering gasoline prices, they are about using high gasoline prices as yet

another rationale for advancing a profoundly anti-environmental agenda.

Under Republican leadership, this body has become the most anti-environment Congress in history. Since January 2011, the House Republicans have voted more than 200 times to undermine the Clean Air Act, the Clean Water Act, and other environmental laws. Republicans are saying that because gasoline prices are high, we need to block rules to clean up vehicles and gasoline, block rules to reduce toxic air pollution, block controls of industrial carbon pollution, block implementation of smog standards adopted by the Bush administration.

They also say we need to block EPA from determining what a safe level of smog pollution is. Members of the Flat Earth Society may believe this, but this proposal is not based in fact, science, or evidence. This bill is not what the American people want or deserve. Americans want clean air. They don't want this committee to use high gasoline prices as an excuse for blocking regulations to reduce toxic emissions from oil refineries. Americans want cars that can go further on a gallon of gasoline.

This is especially important when fuel prices are high. And they don't want us to use high gasoline prices as a pretext for blocking the development of the clean fuels that the auto companies need to make cleaner, more efficient vehicles. But that is exactly what this legislation does. It creates a new government bureaucracy to study rules that haven't been proposed using data that doesn't exist. And it delays important air quality protections until this impossible task

can be completed. Even worse, section 6 of the bill before us contains the Latta amendment, a proposal that will cut the heart out of the Clean Air Act. It would overturn the unanimous 2001 Supreme Court case Whitman v. American Trucking, repealing a long-standing requirement that says the goal of the Clean Air Act is to achieve air quality that is safe for Americans to breathe.

Yesterday, Chairman Whitfield downplayed the significance of this provision. He said that the Supreme Court was a bit ambiguous on whether costs should be considered when establishing a national ambient air quality standard. The Supreme Court wasn't at all ambiguous. And let me read what Justice Scalia wrote in 2001. He wrote for the court that the Clean Air Act, quote, "Unambiguously bars cost consideration from the NAAQS air quality standards setting process, and thus ends the matter for us as well as the EPA." Let us not pretend we are tinkering around the margins or applying what is described as a commonsense approach. The Latta amendment overturns a unanimous Supreme Court decision and makes a radical change in the Clean Air Act. If this bill becomes law, it will mean more premature deaths, more debilitating asthma attacks, more school days and workdays missed. It says to the American people the Congress values the profits of oil companies over the health of our children. Oil companies will surely benefit if this bill is enacted. Just as surely, American families will suffer. Yield back the balance of my time.

Mr. Whitfield. Thank you, Mr. Waxman. I might just make one comment. You are right, yesterday I did refer to the Whitman case.

But I said that in the Whitman case the judges, in writing the opinion, said that since the Clean Air Act was ambiguous on that point that they were not going to allow cost to be considered. So is there any further discussion on the amendment in the nature of a substitute?

Mr. Markey. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Massachusetts seek recognition?

Mr. Markey. I move to strike the last word.

Mr. Whitfield. The gentleman is recognized nor 5 minutes.

Mr. Markey. Thank you, Mr. Chairman. Not long ago, this committee reported the Farm Dust Regulation Prevention Act, a real piece of legislation written to solve an imaginary problem. In fact, before the markup, we were assured that EPA was as likely to regulate farm dust as it was to regulate fairy dust. But instead of taking "yes" for an answer from the EPA, Republicans continued to insist that the mythical threat of farm dust regulations could only be addressed by a bill that also blocked EPA from setting standards for the dirty soot that gets spewed out of massive mines, smelters, refineries, and some chemical plants.

Why did we need to do that? And why did we also need to block EPA from setting standards to reduce levels of toxic mercury, dioxin, global warming pollution, and oil we use? Because if EPA was allowed to do any of those things, Republicans claim that the economy would suffer, people would lose their jobs. Now that the economy is improving, that has become a much harder sell. So what Republicans

have decided to do, in furtherance of their efforts to repeal EPA's authority, is to shape their EPA Etch-a-Sketch and write a new bill that provides an imaginary solution to the very real problem of rising gas prices.

And surprise, today's bill also repeals EPA's Clean Air Act authority. Can I say that again? Today's bill repeals EPA's Clean Air Act authority. Also would result in dirtier air, also requires a journey to fantasy land, to believe Republican assertions that it will somehow help anyone other than oil companies, refiners, and other corporate polluters. And in the same category of pretend solutions to real problems, today's markup also offers another Republican attempt to convince Americans that the answer to high gasoline prices is drill, baby, drill. This second bill says that the Department of Energy can only release oil from the Strategic Petroleum Reserve if it also puts together a plan to lease more Federal land to drill for oil.

Never mind that offering land for lease cannot magically guarantee that there is any oil underneath that land. In fact, the Interior Department has already made more than 75 percent of the offshore oil and gas resources available for drilling. Never mind that offering land for lease cannot magically guarantee that oil companies will bid for the leases. In fact, oil companies only bid for 5 percent of the offshore areas offered up in the last auction.

Never mind that even after they bid they aren't going to drill upon them. They right now control an area the size of Indiana that they have already bid for and control that they have not yet drilled

upon at all. They are just stockpiling it rather than drilling on it. And never mind that any of this is going to happen at all, because what we have seen from the past is that the Republicans oppose any amendments to ensure that any oil drilled on public lands stays in this country instead of being sold to the highest international bidder. In other words, what is the point? What is the point of drilling for oil on public lands if the oil is then not sold inside of the United States? And yet, the Republicans vote against every amendment to keep the oil here in the United States.

So just stop saying that this is all about American oil for America, or North American oil for us in the United States if you then vote not to keep it here. You know, if you want to sell it out into that OPEC marketplace, fine, just say it. Because that is what your vote is saying that you want to do. So this bill gives the Department of Energy regulatory authority over the Department of Interior and even the Defense Department because Republicans' oil-above-all approach apparently knows no jurisdictional bounds.

I urge my colleagues to oppose these cynical legislative forays and stop pretending that waving a regulatory magic wand will do anything to save anyone even a penny at the pump. This is not about Obama, this is about OPEC, oil companies, and Wall Street manipulators of the price. And what the Republicans do on amendment after amendment is oppose anything that does anything about OPEC, about oil companies, or about Wall Street speculators. And that is what this whole debate is going to be all about. I yield back the balance of my time.

Mr. Whitfield. Is there any further discussion of the substitute amendment?

Mr. Green. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Texas seek recognition?

Mr. Green. Move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Green. Mr. Chairman, let me follow my colleague, though, because the concern about offshore drilling, you lease a lot of tracts because there are only a few you can produce on. That is like telling a farmer that cow may only take the size of this table, but you can't have a hundred acres and get ag value for that 100 acres because that cow is only eating on that one section. Obviously, there is some misunderstanding on how you really drill in offshore. But I want to quickly state my position on the bills today. The Strategic Energy Production Act combines two previously unrelated government activities, the operation of the Nation's Strategic Petroleum Reserve and the leasing of Federal lands for oil and gas production. I am a strong supporter of opening more Federal lands for oil and gas production, and we should not do anything to limit or delay the accessibility of the Strategic Petroleum Reserve during an emergency situation or during supply shortages. On the second bill, I would like to support the Gasoline Regulations Act.

Unfortunately, I do not support section 6 of that bill. The Clean Air Act directs EPA to set the level of each ambient air quality standard

based on what is necessary to protect health, including the health of sensitive groups such as children and the elderly. Section 6 would require the EPA to take industry costs into account when setting ozone standards. Current economic costs come into play when EPA and the States develop the deadlines and plans for achieving the health-based standards. As a result, the compliance deadlines which take into account costs can vary according to difficulty in achieving the standards. I also know that before a rule goes into effect, the Office of Management and Budget deal with it.

And I know my colleague, Joe Barton from Texas and I have dealt with that with OMB before EPA does some things. And while I am sensitive to the compliance costs of these standards, I am pleased the administration decided not to revisit the ozone standard last September for the very reason we should not dismiss the 40-year old core principle of the Clean Air Act. I plan to offer an amendment either today or during the full committee to strike section 6, and hope the chair and my colleagues will agree that we should not overturn the 40-year-old core clean air policy and support the amendment. And I yield back my time.

Mr. Bilbray. Will the gentleman from Texas yield?

Mr. Green. I will be glad to yield whatever time I have left.

Mr. Bilbray. I would just like to say that the discussion about having to consider the cost impacts is not countered, in fact, it is very compatible with initiating the health aspects of it. The California air laws actually include the requirement that the economic

and the cost-effectiveness be a consideration. All they are talking about is a consideration. If it worked so well to move environmental regulations in California, why is everybody so scared of that consideration at the Federal level? And I would yield back to the gentleman.

Mr. Green. Coming from Texas, I would not want to pattern after California because we do produce a lot more. But that interplay is already there. When EPA comes to our Texas Commission on Environmental Quality and they work out these deadlines, and that is where costs comes in. But ultimately, before that rule goes into effect, and as a Member of Congress, I have the right to go to OMB no matter who is -- the Office of Management and Budget, no matter who is the President, to say the economic costs of this rule, no matter what may have been worked out with the State, is too high. I would like you all to look at that. So that is where we are -- we have a structure already. And that is my concern about the section.

Mr. Bilbray. If the gentleman would yield again?

Mr. Green. Be glad to.

Mr. Bilbray. Let me just tell you I see that at the back end. But one thing we learn when we are doing environmental regs is that we can't do everything we would like to do. That we, right from the beginning, should be giving priority to the most cost-effective strategy that gives you the most environmental benefit with the least amount of economic hit. That has actually helped to move the environmental agenda. This town keeps talking like that

cost-effectiveness is a barrier to effective environmental strategy. Up front, it has proven again and again that it is much more cost-effective to consider cost-effectiveness and much more environmentally efficient do it up front rather than waiting to the end of the process.

Mr. Green. I think EPA does some of that already. But again, their core principle is the health-based. But there is a system in place and we can deal with that. It is just not EPA's responsibility to take into consideration economic costs. It is also OMB, but also when they work with our States on the development of those deadlines.

Mr. Bilbray. Let me just tell you that the environmental agency should be considering, like any business or any family considers, the cost-benefit ratio. There are times that we have actually at the ARB sought strategies that were counterproductive, was going to cost so much it was going to be counterproductive to the environmental strategy, and we totally reversed our rulemaking based on a cost-effectiveness that actually helped the environment in the long run. So I just think that too much of this town argues as if they are conflicting agendas, and they are not.

Mr. Green. I think there is a system in place, Mr. Chairman, I know you have been patient, that we don't need to change it based on taking away because there is a way we can get at these issues.

Mr. Whitfield. The gentleman's time has expired. Does anyone else seek recognition for discussion on the substitute amendment? Seeing no one seeking recognition, are there any bipartisan amendments

to the substitute amendment? Are there any amendments to the substitute amendment? For what purpose does the gentleman from Illinois seek recognition?

Mr. Rush. Mr. Chairman, I have an amendment at the desk, D-02.

Mr. Whitfield. The clerk will report the amendment.

The Clerk. Amendment to the amendment in the nature of a substitute offered by Mr. Rush of Illinois.

[The amendment of Mr. Rush follows:]

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Mr. Whitfield. The gentleman from Illinois is recognized for 5 minutes to explain his amendment.

Mr. Rush. I want to thank you, Mr. Chairman. Mr. Chairman, while high gas prices are on the minds of each and every American family, unfortunately the bill before us here today would do nothing to address those concerns. The Gas Regulations Act of 2012 uses the backdrop of surging gas prices as a ruse to once again attack the EPA and the Clean Air Act without doing a single thing to actually address the costs that Americans are paying at the pump. This is cruel, Mr. Chairman. Mr. Chairman, instead of looking into how the role of speculators impact gas prices, as I have requested in a March 15 letter, or holding a hearing to determine why Big Oil profits increased by $2 million for every additional penny that Americans pay at the pump, the majority party is, again, seeking to attack the EPA and dismantle the Clean Air Act.

This is cruel, Mr. Chairman. As we heard from Gina McCarthy, the assistant administrator for the Office of Air and Radiation in the subcommittee hearing, this bill, and I quote, Does not address the reasons for the recent increase in the price of gasoline, while rolling back core aspects of the Clean Air Act, which was passed on a bipartisan basis and signed by a Republican President. This is cruel, Mr. Chairman.

Mr. Chairman, I have an amendment that will address the issue of whether or not this bill would directly impact gas prices. My amendment simply states that, and I quote, "Not later than 90 days after

the date of enactment of this Act, the administrator of the Energy Information Agency shall make a determination as to whether implementation of this Act is projected to lower gasoline prices in the United States within 10 years."

However, if the administrator of the EIA determines that the implementation of this Act is not projected to lower gasoline prices in the United States within 10 years, then section 5 and 6 of this Act would sunset and shall cease to be effective. Mr. Chairman, this subcommittee should not use the premise of the suffering of the American people as regards to high gas prices to remove long-standing Clean Air Act requirements for the EPA to set ambient air quality standards and the level necessary to protect human health, nor should the majority attempt to block and delay several EPA air quality and public health protections under the guise of falsely claiming that these attacks on EPA would actually reduce gas prices.

Time and time again over the past year and a half, this very subcommittee under the majority party's leadership has tried to roll back provisions of the Clean Air Act at the behest of a few of the Nation's dirtiest air polluters. This is cruel, Mr. Chairman. And once again, I urge my Republican colleagues to stand with the American people and allow the agency and the laws that we have put in place to protect public health to do the job that this Congress and previous Congresses established them to do. Mr. Chairman, with that, I urge all my colleagues to vote for the Rush amendment, and I yield back the balance of my time.

Mr. Whitfield. Does anyone seek recognition to oppose the gentleman's amendment? In that case, I will recognize myself to respectfully oppose the gentleman's amendment. His amendment basically asks the Energy Information Administration to determine if the bill lowers gas prices, and if not, would nullify the delay of gas rules and consideration of costs and new ozone standards. At the hearings that we have held on this, just speaking of the tier 3 regulations alone, even EPA admitted that there would be a slight increase in gasoline prices, and other witnesses indicated that it would be up to 6 to 9 cents per gallon possibility increase.

So to allow now the Energy Information Administration to get in and do an analysis if that is the case or not, at least from my position the hearing pretty well established that there is going to be some increase in gasoline prices. And since the entire purpose of this bill is to establish this interagency task force to do a more thorough analysis of the impact of the three regulations that we are talking about, I think this is a very modest piece of legislation. And the American people are certainly concerned, and all are being negatively impacted by the increase in gasoline prices. So I would respectfully oppose the gentleman's amendment.

Mr. Waxman. Would the gentleman yield?

Mr. Whitfield. I would be happy to yield to the gentleman from California.

Mr. Waxman. You have indicated in your comments that there will be a determination of whether this is really lowering gasoline prices.

How would that determination be made and who would make it?

Mr. Whitfield. On his amendment?

Mr. Waxman. No, on your proposal.

Mr. Whitfield. Well, in our legislation, as you know, we have the establishment of a task force that would do an analysis of all of this, and within 3 months it would report back to the Congress on what the impact, the cumulative impact of these three regulations would be. And then Congress would take up to 60 days to receive comments on this legislation and then make their final determination. And then after that final report is due, we are simply asking EPA not to finalize any of these rules for a period of 6 months.

And it is my understanding, by the way, that EPA has already indicated that they are probably not going to finalize any of these rules for at least another year. So we are simply trying to look at the cumulative impact, which EPA has not been doing. And we also, as you know, are asking that we at least consider cost, that cost be considered under the ambient air quality standard. And we also know that EPA has already taken steps to start initiating these rules. Tier 3, for example, they initiated the rulemaking on February 18. The renewable fuel standard, greenhouse gas, and new source performance, ozone standards. So they are already beginning to move in some of these areas. And we just are asking for more analysis.

Mr. Rush. Mr. Chairman, would you yield?

Mr. Whitfield. Yes, sir, I would be happy to.

Mr. Rush. Mr. Chairman, I have one simple question. Under the

bill that we are considering, can you answer me the question of how would this bill reduce gasoline prices at the pump for the American people as it is being touted to the American people?

Mr. Whitfield. Well, first of all, I don't think any of us have said that our bill would reduce costs. We are simply saying that let's understand if prices are going to be increased by these three regulations. And if they are, we should know about it, the American people should know about it, and that should be a consideration before we go on with these additional regulations that can make gasoline prices even higher. But there is nothing in our legislation, nor have we ever indicated there is anything in this legislation, that would, in and of itself, reduce gasoline prices. This is simply additional information.

Mr. Griffith. Mr. Chairman? Mr. Chairman, would you yield?

Mr. Whitfield. Be happy to yield to the gentleman from Virginia.

Mr. Griffith. Mr. Chairman, is what you are trying to say is that we shouldn't be like lemmings who are just leaping off on faith, that we should have information that we are actually leaping into something that makes sense for the American people before we go forward? And that is what this bill does? It just says let's look before we leap. Is that what you are trying to say, Mr. Chairman?

Mr. Whitfield. Absolutely. And particularly at this time, when we are facing high gasoline prices, and we are not dictating anything, we are saying let's get the information. Let's be aware of it before we leap. And I think your characterization is exactly correct. My

time has expired. Does anyone else seek recognition?

Mr. Waxman. Mr. Chairman, I wish to be recognized.

Mr. Whitfield. Yes, sir, the gentleman is recognized for 5 minutes.

Mr. Waxman. Yeah, I wish to be recognized in support of the Rush amendment. The whole bill that we have before us is premised on this is the Republican approach to lowering gasoline prices. And so what the Republicans are proposing to do is to let a task force analyze what the chairman described as three rules. Well, they are not three rules, they are three types of rules. We don't know what the rules are because they haven't been proposed. So the chairman said, well, we will have an analysis done by a task force. Analysis of what? The rules that have not been proposed. This study can't be done. What can be done by this legislation is stopping the EPA from acting in order to live up to the responsibilities of existing law.

The Rush amendment is not letting a task force deal with this. The Rush amendment would let the independent Energy Information Administration determine whether or not this bill will lower gasoline prices. If it does not, then the bill's most offensive provisions will have no effect. If this is defeated, the Republican alternative is to let these offensive provisions have effect before we even know what the consequences are. I don't know who the lemmings are when you act on a piece of legislation without knowing what the impact will be. But we do know one thing: From the debate a minute ago, the chairman admitted this isn't to lower gasoline prices, this is maybe in the

future to lower the increases in gasoline prices.

Well, is that the Republican response to high gasoline prices? Stop environmental regulations so that maybe in the future, if these regulations can't even be proposed, that we might see a reduction in three cents of what it would otherwise be? I just think this bill is premised on half truths and misrepresentations about why gasoline prices in the U.S. have increased over the last few years. And they have increased because the price of oil has increased according to the world market. But the Republicans are still insisting that more drilling will lower gasoline prices and stopping regulations will lower gasoline prices.

Gasoline prices peaked at more than $4 a gallon when George W. Bush was President. And no one can say that he was anti-drilling. Republicans are seizing on the political opportunity that they see right now to blame President Obama for high gasoline prices. Well, experts and common sense agree it is the global financial crisis and recession that caused oil prices to plummet worldwide at the end of 2008. Republicans on this committee have actually claimed that President Bush produced the rapid drop in oil prices at the end of 2008 by lifting the moratorium on new offshore drilling. This would be quite funny if they were not misleading the American public about something that is no laughing matter to families that are struggling to get by.

And today we are considering a bill premised on the false notion that blocking future EPA rules to reduce air pollution, rules which

have not even been proposed, will somehow reduce gasoline prices. This is really quite a lot of folly. I support the Rush amendment because we ought not to stop these regulations until we know whether there will be any consequence to gasoline prices.

Mr. Whitfield. Will the gentleman yield?

Mr. Waxman. Yes.

Mr. Whitfield. I just want to point out that on the three rules we are talking about, all of them have been initiated already at EPA. We are simply asking for a more thorough analysis. But even by their proposed rule deadlines, this legislation would not really delay the implementation of it. It would simply provide additional information.

Mr. Waxman. Reclaiming my time, some of these rules have been initiated, but some of them have not been initiated. And we are stopping those rules as well. We don't know what those rules are or what the consequences would be. It is not just three rules, it is three types of rules that can involve a number of different rules. I yield back to you, if you want.

Mr. Whitfield. Well, it is my understanding that all three of these rules have been initiated.

Mr. Waxman. They have not been proposed.

Mr. Whitfield. May I ask, would you object if we asked counsel?

Mr. Waxman. No, certainly.

Mr. Whitfield. I would like to ask the counsel, have these three rules that are the subject of this legislation been initiated at EPA?

Ms. Neumayr. Yes. They have been initiated at the Agency.

They have not yet been proposed. But the tier 3 rule was initiated, according to the Agency's Web site, on February 18, 2011. A small business panel, review panel was convened on August 4, 2011. And EPA projects proposing the rule in July of 2012.

Mr. Waxman. I would like to ask you a question. Has the NSPS for oil and gas refineries been proposed? For greenhouse gas?

Ms. Neumayr. They have not been proposed. But the greenhouse gas new source performance standards and the rulemaking that is being done pursuant to the settlement that was entered into --

Mr. Waxman. But it hasn't been proposed.

Ms. Neumayr. Hasn't been proposed, but it was initiated --

Mr. Waxman. I know it has been initiated, but it has not been proposed. We would stop it before we know what it is. Isn't that accurate?

Ms. Neumayr. It was initiated in January 2011.

Mr. Waxman. Initiated is not the same as proposed, right?

Ms. Neumayr. That is correct.

Mr. Waxman. Mr. Chairman, I stand by my support --

Ms. Neumayr. However, EPA has entered into a settlement committing to issue the standards. And according to the settlement that is posted on the Web site, the standards are to be finalized by November of this year.

Mr. Waxman. Mr. Chairman, reclaiming my time -- how did I get --

Mr. Whitfield. I had asked the counsel a question. The gentleman from California is correct, these rules have not been

proposed, but they have been initiated, and analyses are being conducted at this time. And we are simply, in this legislation, asking that they look at additional information.

Mr. Waxman. How can you do an analysis of a rule that hasn't actually been finalized? What Mr. Rush's amendment would do is have the independent Energy Information Administration determine whether or not this bill will lower gasoline prices. And I think we ought to have a disinterested official agency do that job. And that is why I support the Rush amendment.

Mr. Whitfield. I would say I am puzzled by a lot of things they do at EPA. But they are analyzing these proposed -- even though the rule has not been proposed, they have initiated the procedure to propose the rules.

Mr. Rush. Mr. Chairman, would you yield?

Mr. Waxman. I yield back my time, Mr. Chairman.

Mr. Whitfield. The gentleman yields back his time. Is there any further discussion? For what purpose does the gentleman from California seek recognition?

Mr. Bilbray. Strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Bilbray. Mr. Chairman, as the old saying goes, those who don't learn by history are condemned to repeat it. I guess the one thing you would look at is there is one side that is saying that the regulations have no impact at all, won't affect price, that those strategies go on. If there was any place in the United States, and

I know you get tired of California saying this, that have implemented a lot of regulation and also had a lot of impact, it is California. If you look at this graphic again, let's do some forensic review of what past actions have done to the price of fuel at the consumer level.

Take a look at that graphic and tell me that this committee should not only be telling the administration to look at what impact these regulations could have on future fuel prices, but we should be sitting down and taking a look at this graphic and say why does California have almost a total red zone when it comes to consumer cost of energy and especially gasoline? What is going on and has gone on over the last couple decades in California that has created a map that shows greatly exactly how much more clear can you be that something is going on in California that is driving up the price of gasoline? And let us learn from the mistakes of the past. And even if it is the mistakes of the State of California, I think we all can learn, though belatedly, that there is an approach here.

And let me just explain to you, we have the strongest environmental regs when it comes to gas refineries; we have the strongest environmental regs when it comes to gasoline mix; we have duplicative requirements from the Federal and the State; we import over 50 percent of our oil now from the Straits of Hormuz; our supply from Alaska has dropped off. And that is the outcome right now.

Now, Mr. Bilbray, you are just saying that. Great. Then let's have a committee hearing. Let's allow Democrats and Republicans face off with that map and allow the gentleman from California on one side

and the gentleman from California on the other side explain to America why what is not projected -- what is projected for America isn't that whole map, if you follow California, that entire map will be within our lifetime red, will be those outrageous --

Mr. Whitfield. Will the gentleman yield?

Mr. Bilbray. Yes, I yield back.

Mr. Whitfield. I see that map. And would you explain what does the red color actually mean?

Mr. Bilbray. The green and the yellow are the lowest gas prices. The red is the highest gas prices. And I am not asking anybody to project what might happen in the future. I just want us to admit what is there today and how does supply and government regulations affect the impact of the price of gasoline at the tank? I am not asking us to guess what is going to happen in the future with future regulations, which we need to take a look at what we are doing, do no harm. But let's look back forensically and look at what we have done in the State of California, and why are consumers in the State of California paying pretty much a dollar higher in San Diego for a gallon of gasoline than what somebody in Houston is paying? I am asking that this committee take a look at that and learn from our past mistakes and accomplishments.

Mr. Rush. Would the gentleman yield?

Mr. Whitfield. Will the gentleman yield again? You served on some environmental boards out there. And I don't know if you are an expert or not, but why would California's be all red? Are why are the

prices so high?

Mr. Bilbray. Look, domestic supply is way down. Anybody that says the domestic supply doesn't affect the price at the tank denies the fact that California is probably the State that is more dependent on importation than any of the contiguous 48. But the other issue is we have the most restrictive environmental regs. And there is benefits from that. We have major cleaner air. But let's admit it, there is economic impact to that. The sticker shock of the consumer can't be denied. We take credit for the environmental benefit, but let's not deny the economic burden that we placed on our consumers, and at least be up front about that so that there is a balanced approach.

I would just ask that we try it again. Look at that map, look at what's happening in the past, and try to learn at least during these tough times when we are asking Americans to do without. They are going through tough periods. If there was any time for us to be sensitive to the effect of our government regulations and our lack of supply on the consumers, not just in California but across this country, then, frankly, now is the time to do it.

Mr. Chairman, I would just like to close by saying this. I know there is a lot of people in this town who would love to do for America what they have done to California. But the fact is, California right now is getting squeezed at the gas pump every day, and you can't just say it is the oil companies that are doing that. You can't just say that fuel prices are fungible around the world. Not when you take a look at that map and say California has led with its nose, and now we

see what is happening. They are taking it on the nose. I yield back.

Mr. Whitfield. The gentleman's time has expired. Does anyone on this -- for what purpose does the gentleman from Michigan seek recognition?

Mr. Dingell. Strike the requisite number of words.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Dingell. Mr. Chairman, I begin by expressing great respect for you and my colleagues on the Republican side of the aisle. And I also speak in more sorrow than anger. And I do observe the issue of gasoline prices is a serious one. And it is going to keep on being a problem as we try to continue growing the American economy and getting our people back to work. I appreciate it that the committee is recognizing these concerns. But I am again distressed because these bills today do nothing to actually address the issue of gasoline prices. More importantly, they just, quite frankly, waste the time of the committee. The so-called Gasoline Regulation Act attempts to address gasoline prices by adding another level of Federal bureaucracy through a newly-created interagency committee that includes seven cabinet-level members who will study four different EPA rules.

It is most curious, and I am surprised that my colleagues have been so critical of how this administration has addressed gasoline prices would turn around and now ask the same members of the administration that they have been criticizing to study these rules and how they affect prices. Additionally, Mr. Chairman, none of these rules have been proposed by the EPA. It seems that if we are going

to have them study something, it ought to have been proposed. Is this a completely irrelevant, empty bill that is just for political gain and has no policy substance?

In fact, this bill would direct cabinet-level officials to drop everything they are doing and examine rules that do not now exist and whose scope has not yet been defined. As my colleagues all know, there is already a process in place for the departments and agencies to review the comments and to also comment on proposed rules during the interagency review process. It is certainly confusing as to why now we wish to, again, duplicate a process that is already in place.

Worse, the second bill, the Strategic Energy Production Act, doesn't guarantee that energy of any kind will actually be produced. The bill simply states that the percent of Federal lands available for oil and exploration leases shall increase proportionately to the Strategic Petroleum Reserve released. Perhaps this is desirable. Does it mean we are simply going to be drilling for drilling sake? Does it mean that we will simply be digging holes for no benefit? Under the current administration, domestic oil production is at its highest point in 8 years, and the Energy Information Agency, which gave me this information, projects continued growth in domestic oil production throughout the next year.

The Energy Information Administration says that much of the crude oil trading happens in the over-the-counter markets. There is no requirement to disclose the data on these markets. And estimates have placed the range from 470 million barrels traded per day to much more.

The world only consumes 88 million barrels per day of liquids. This means that enormous amounts of petroleum products are being put into speculation. And the result of that, this committee has found, and the Oversight Subcommittee in previous Congresses has found, is causing us to see a tremendous amount of speculation, which has one impact upon the market, and that is to increase costs to consumers.

So if my colleagues on the other side of the aisle really do support an all-of-the-above approach, they have to know that we need to do more than looking in new areas that may or may not have oil and gas potential and writing bills for press releases. We need to be serious and focused. We ought to take a look at the problem we have with regard to the speculation which is going on. And we need to do something to see to it that that is controlled so that this kind of rascality does not continue to skin American consumers with advanced costs. Let's have a real debate on energy. Let's put forward a comprehensive and conclusive energy bill that balances oil and gas development with renewable and sustainable energies as well.

Now, I just happen to be a poor Polish lawyer from Detroit, and I continue to believe that we could get further with a more focused and surgical approach in dealing with this matter. As I have said many times before, I call on my colleagues on both sides of the aisle to work on these matters in a responsible, reasonable, and intelligent way, one which is calculated to bring a measure of success to the country in dealing with an enormous problem. Thank you, Mr. Chairman.

Mr. Whitfield. Thank you, Mr. Dingell. Is there further

discussion on the Rush amendment? For what purpose does the gentleman from Louisiana seek recognition?

Mr. Scalise. Move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Scalise. Thank you, Mr. Chairman. I think there has been some confusion about not only what the bill does, but about this difference between a rule that is initiated and a rule that is proposed. And there are some people that are trying to suggest that if the rule hasn't formally been proposed that it just doesn't exist, that nobody is looking at it in the marketplace. And yet that is what is happening. It is what has happened in the rules that we have been talking about. I want to ask our counsel, on the regulatory side, if you can address the issue of a rule that is initiated. So if it hasn't been proposed but it has been initiated, then is there a formal process moving forward to actually get to proposal? And isn't that the normal step that a rule goes through to become a proposed rule?

Ms. King. Yes, the rulemaking process is initiated months and often years in advance of the proposal. And in fact, the economic analysis must be completed 3 to 6 months prior to proposal in order to allow for the interagency review coordinated by OMB that Mr. Green referred to.

Mr. Scalise. So in other words, if there is a rule that gets to the stage of being proposed, then it has already been initiated months, or maybe years, prior to that. So you get to see it coming, you know what the agency is trying to do. And so if EPA is getting ready to

propose a rule, it is not like you don't hear about it until it is proposed. You actually do get to see it. It is posted. It is out there for the public to review prior to proposal. And that is the initiation stage?

Ms. King. After initiation, there is development of the rule and certain concepts are made available either through stakeholder outreach meetings or through other interagency consultations. It is not made available to the general public until it is actually signed or published in the Federal Register. But the dialogue and the agencies knowing what the contents of the rule might be are generally available to those agencies months in advance.

Mr. Scalise. So you can see it coming in the initiation stage?

Ms. King. That is correct.

Mr. Scalise. So I guess that really gets to the heart of the matter and why it is so important to bring the Gas Regs Act, is that there are some people that would just say, oh, don't do anything, don't worry about anything. You know, if EPA comes out with a proposed rule, just wait until they propose it, and then if it is something that is going to actually be proposed that will raise gas prices, then maybe you can start looking at it at that point. In the meantime, it has already had a rippling effect on the economy. Because people see what these rules are going to do.

We just had a district work period for the last 2 weeks. And I went all throughout my district. And of course, you go around south Louisiana, where the heart of the oil and gas industry is in the Gulf

of Mexico, and some of these rules that have been coming out by Department of Interior and the EPA have had devastating impacts not only on jobs -- we have lost over 19,000 jobs since the President put in place the moratorium and then the permatorium in the Gulf of Mexico just in the last 2 years -- 19,000 lost jobs because of the President's policies. But in the meantime, they see some of these rules coming out of the EPA, and it stifles growth, it kills their ability to invest and create jobs. And so as we focus on trying to get the economy back going, this is exactly the kind of thing that the job creators of this country are saying are killing jobs. You know, and the others, some people on the other side would just say, well, just don't worry about it. Maybe if it is proposed, wait until then. But in the meantime, you have seen it coming and industry has seen it coming, and they have tried to do something to react.

They say look, just give us some kind of feasibility study so we can at least have an impact that is included in the process if they go to proposal. Let's see what it is going to do to the economy. Let's see what it is going to do to kill jobs. Make them have to include that in. And what is wrong with having some kind of report that would be required to show the impact on jobs? You know, when President Obama ran, he said he was going to be the most transparent President ever. I guess he figured people would just forget about that 4 years later.

You know, people are going to hold him accountable to that. And this is part of that. Let's be transparent. If you are going to put radical regulators in place, which this President has done, then let's

at least be transparent about what the impacts are of the rules that they are implementing that are so radical that are killing jobs. And the job creators are telling us what is going on. They know what is going on. They see when a rule is initiated, they see what it is going to do. They see the cost.

Mr. Rush. Will the gentleman yield?

Mr. Scalise. I will be happy to yield.

Mr. Rush. It seems as though my friends on the other side, they are moving far and far, and much farther away from what my amendment is designed to do. My amendment, and let me try to bring it back to center, because right now what we have been listening to is explanations that don't explain, solutions --

Mr. Scalise. I apologize. I am about to run out of time. I oppose your amendment because your amendment actually allows a single member of the committee to circumvent the analysis. And we ought to have that analysis. That is all I am saying. Because these initiated proposals are just as devastating as the proposal itself. I yield back the balance of my time.

Mr. Whitfield. The gentleman's time has expired. For what purpose does the gentleman from Massachusetts seek recognition?

Mr. Markey. Strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Markey. Thank you, Mr. Chairman. And I rise in support of the Rush amendment. You know, let's just stop for a second and let's give credit to President Bush for lowering gasoline prices in 2008.

It was a brilliant plan. And he obviously had to involve his appointee to the Securities and Exchange Commission, his appointee to the Commodities Futures Trading Commission, to the Department of Treasury, Department of Housing, instructing all of them to ignore all of the warning signs of an imminent financial collapse in the United States. And that was really quite a brilliant strategy to lower gasoline prices, to send us into the most cataclysmic economic catastrophe since the Great Depression. And as a consequence, of course, oil consumption in the United States just plummeted.

We were able to actually, and congratulations, President Bush, spread this recession across the entire planet so oil consumption across the planet plummeted as well. And as a consequence, lower gasoline prices were available at the pump. And that is quite a brilliant strategy. And President Bush deserves full credit for that. People just don't give him the credit for it. It is a very impressive economic strategy to lower gasoline prices to every single person on the planet. And, you know, and I know that it had the full cooperation of the majority because we never actually heard a dissenting word during those 8 years that he was President. So you deserve a lot of the credit, too, for that absolutely, catastrophically bad economic catastrophe which was created.

Now we reach the point of what is going on right now and what does the majority want to do in order to deal with this issue? Well, you have a chance, of course, with the Keystone pipeline. You can say we want to keep the oil here in the United States. But the Republican

majority almost unanimously says, no, we don't want to keep the oil here in the United States. We want that oil to come right through the pipeline, right across American land, endangering the environment for all 1,500 miles in its route, and then allow it to go to Port Arthur, Texas, which is where its final destination is, this oil from Canada, and then allow it to be exported from a tax-free zone in Port Arthur, Texas.

Mr. Whitfield. Would the gentleman yield?

Mr. Markey. No, let me conclude. Now, let me just tell you something. You want some big numbers here? And again, it is a very impressive plan, and you deserve credit for it. In the fourth quarter of last year, here is a crazy number, 73 percent of the gasoline produced in refineries in Port Arthur, Texas, in the Houston area, was exported. Seventy-three percent of the gasoline was exported that came out of Port Arthur. And you want know where it went to? It went to China and it went to Latin America. So I think this is a fact that the American people should know, that the majority actually supports drilling for oil in the United States, sending it to Port Arthur, Texas, and then just having it sent off to China and to Latin America. Now, does that have an impact on the price of gasoline, on the price of oil in our country? Oh, yeah, you bet it does. And congratulations on that as well. Because obviously what American companies are trying to do is capture the world price for gasoline and for oil, which, by the way, is $15 a barrel higher than it is if they had to sell it in the United States. And if I was an oil man, or I was a supporter of

oil men, I would want to get that extra $15 for the oil companies. I wouldn't want the lower price here in the United States because that would mean that I was not profiting as much as an oil company executive using this tax-free Port Arthur, get it out of America and make that extra $15 on the world price of oil, especially since it is oil that we drilled for, that is oil companies here in the United States.

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[11:05 a.m.]

Mr. Markey. So we could be having a hearing on that. Obviously, I think that would be central to what it is that the American people are very concerned about, which is that the price of gasoline is related to how much oil we drill for here in the United States that we keep in the United States.

And I think the American people are increasingly angry that last year, the number one export of the United States in any category was the refined products that we are now selling around the world rather than keeping them here in the United States.

So, you know, it would be great if this hearing was a springboard to really having a discussion as to what is causing the rise in gasoline prices in the United States. I am just afraid that that would be inconsistent with the agenda of the oil companies that want to the use Port Arthur, Texas, as their export springboard to massive profits.

I yield back the balance of my time.

Mr. Whitfield. Is there any other discussion on the Rush amendment?

Seeing no one else seeking recognition to further discuss the Rush amendment, at this time we will vote on the Rush amendment.

All of those in favor shall signify by saying aye. Opposed, no.

Mr. Rush. Mr. Chairman, roll call.

Mr. Whitfield. The gentleman requests a roll call vote.

The clerk will call the roll.

The Clerk. Mr. Sullivan?

Mr. Sullivan. No.

The Clerk. Mr. Sullivan votes no.

Mr. Shimkus?

Mr. Shimkus. No.

The Clerk. Mr. Shimkus votes no.

Mr. Walden?

[No response.]

The Clerk. Mr. Terry?

Mr. Terry. No.

The Clerk. Mr. Terry votes no.

Mr. Burgess?

[No response.]

The Clerk. Mr. Bilbray?

[No response.]

The Clerk. Mr. Scalise?

Mr. Scalise. No.

The Clerk. Mr. Scalise votes no.

Mrs. McMorris Rodgers?

Mrs. McMorris Rodgers. No.

The Clerk. Mrs. McMorris Rodgers votes no.

Mr. Olson?

Mr. Olson. No.

The Clerk. Mr. Olson votes no.

Mr. McKinley?

Mr. McKinley. No.

The Clerk. Mr. McKinley votes no.

Mr. Gardner?

Mr. Gardner. No.

The Clerk. Mr. Gardner votes no.

Mr. Pompeo?

Mr. Pompeo. No.

The Clerk. Mr. Pompeo votes no.

Mr. Griffith?

Mr. Griffith. No.

The Clerk. Mr. Griffith votes no.

Mr. Barton?

Mr. Barton. No.

The Clerk. Mr. Barton votes no.

Mr. Upton?

The Chairman. No.

The Clerk. Mr. Upton votes no.

Mr. Rush?

Mr. Rush. Aye.

The Clerk. Mr. Rush votes aye.

Ms. Castor?

[No response.]

The Clerk. Mr. Sarbanes?

Mr. Sarbanes. Aye.

The Clerk. Mr. Sarbanes votes aye.

Mr. Dingell?

[No response.]

The Clerk. Mr. Markey?

Mr. Markey. Aye.

The Clerk. Mr. Markey votes aye.

Mr. Engel?

[No response.]

The Clerk. Mr. Green?

Mr. Green. Aye.

The Clerk. Mr. Green votes aye.

Mrs. Capps?

[No response.]

The Clerk. Mr. Doyle?

Mr. Doyle. Aye.

The Clerk. Mr. Doyle votes aye.

Mr. Gonzalez?

[No response.]

The Clerk. Mr. Waxman?

Mr. Waxman. Aye.

The Clerk. Mr. Waxman votes aye.

Chairman Whitfield?

Mr. Whitfield. No.

The Clerk. Chairman Whitfield votes no.

Mr. Whitfield. Does anyone else seek recognition to vote? The gentleman from Oregon.

Mr. Walden. No.

The Clerk. Mr. Walden votes no.

Mr. Whitfield. The gentleman from Texas?

Dr. Burgess. Votes no.

The Clerk. Mr. Burgess votes no.

Mr. Whitfield. Anyone else seek recognition? The gentleman from California?

Mr. Bilbray. No.

The Clerk. Mr. Bilbray votes no.

Mr. Whitfield. Anyone else seek recognition?

Will the clerk report the result, please.

The Clerk. Mr. Chairman, on that vote there were six ayes, 16 nays.

Mr. Whitfield. On that vote six ayes and 16 nays, so the amendment is rejected.

Are there other amendments? For what purpose does the gentleman from Texas seek recognition?

Mr. Barton. Mr. Chairman, I have what I hope is a noncontroversial amendment at the desk.

Mr. Whitfield. The clerk will report the amendment.

Mr. Barton. It is Barton O 2 X M L.

The Clerk. Amendment to the amendment in the nature of a substitute offered by Mr. Barton of Texas.

[The amendment of Mr. Barton follows:]

******** INSERT 2-1 ********

Mr. Barton. Mr. Chairman, I ask unanimous consent that the amendment be distributed and the amendment be considered as read.

Mr. Whitfield. Without objection, the amendment is considered as read.

The gentleman from Texas is recognized for 5 minutes to explain his amendment.

Mr. Barton. Mr. Chairman, I don't think it will take 5 minutes. This amendment is very straightforward. It simply says if we are going to conduct a study of gasoline and diesel fuels, we should also take a look at natural gas.

In most parts of the country, diesel and gasoline prices are $4 and upwards, over $4. Where natural gas is available as a transportation fuel, it is selling under $1.50; in some parts of the country I am told it is as low as $1.25 per equivalent gallon.

As we all know, natural gas is a very clean burning fuel. It is our most abundant domestic resource. Wellhead prices of natural gas last week fell below $2 a thousand cubic feet. And to put that in perspective, within the last 6 or 7 years, they have been over $12. In fact, in some parts of the country as high as $14-15 per 1,000 cubic feet.

Mr. Sullivan of Oklahoma has a very comprehensive natural gas bill. For a number of reasons, it is not germane to this particular bill, but this amendment has been shown to the Parliamentarian and to members of the staff on this committee and it is germane. It is very straightforward. If we are going to look and review gasoline and

diesel fuel, it is my belief we should review natural gas also, and that is what this amendment does.

So I would ask support on both sides of the aisle, and would be happy to answer questions, or if there are none, I would be happy to yield back, Mr. Chairman.

Mr. Whitfield. Does anyone seek recognition?

Mr. Waxman. Mr. Chairman.

Mr. Whitfield. For what purpose does the gentleman from California seek recognition?

Mr. Waxman. Mr. Chairman, I move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Waxman. Mr. Chairman and my colleagues, if it wasn't crystal clear to everyone that this bill is not about gasoline prices, this amendment confirms it. This amendment focuses on natural gas, not gasoline or oil. And natural gas prices, unlike gasoline prices, are at historic lows.

Second, the amendment makes an unworkable bill even worse. The underlying bill creates a new bureaucracy to conduct an impossible report using data that doesn't exist to analyze regulations that have not even been proposed. That is bad enough, this amendment adds to the new bureaucracy's tasks.

This amendment is also unnecessary. Every major proposed and final rule is already accompanied by a detailed regulatory impact statement which thoroughly analyzes the costs and benefits of the proposed or final rule using sophisticated economic models. This

amendment broadens the underlying redundant requirements. I think that is a waste of taxpayer dollars.

This amendment also suggests that the Obama administration is somehow placing undue burdens on natural gas production leading to price increases. That is flat out wrong. In case anyone here missed it, natural gas production in the United States is booming. We have been the world's largest producer of natural gas since 2009. And since natural gas prices, unlike oil, are not set on a world market, record production here means lower prices. In fact, natural gas prices hit a record low last week with futures prices dropping below $2 per thousand cubic feet for the first time in a decade. Prices are so low, in fact, that the natural gas leader, Chesapeake Energy, is trying to avoid bankruptcy.

On Friday, President Obama announced a new task force to help coordinate oversight of natural gas activities across Federal agencies. This is yet another indication of the administration's strong support for natural gas, among other energy resources.

This amendment is based on a false premise, that the administration is somehow threatening to over-regulate natural gas production, and it is burdensome and unnecessary. I don't see the purpose for this amendment, and so I am going to vote against it.

Mr. Barton. Would the gentleman yield?

Mr. Waxman. I yield to the gentleman.

Mr. Barton. I really didn't think it was possible to oppose this amendment; but I stand corrected. Most of what you just said would

be a reason to support it -- record low prices, price set by the market. To somehow convolutedly turn that around as a reason to oppose it shows the dexterity of whoever wrote those talking points for you. So I am disappointed that you are going to oppose it.

I yield back.

Mr. Waxman. Let me ask the gentleman, isn't the whole purpose of this bill to stop certain EPA regulations to presumably hold down gasoline prices? How will that affect natural gas prices?

Mr. Barton. I would yield to the chairman of the subcommittee who is the author of the bill, but my understanding is the purpose of this bill is to conduct an analysis of the supply of gasoline and diesel and the marketing and distribution of it in the country, and have the President appoint a group primarily of his cabinet secretaries to do the study, which would seem to me fairly innocuous. And certainly providing more information to the public and to the marketplace would tend to be a good thing, not a bad thing.

Mr. Waxman. Well, we just defeated the Rush amendment which would have waited until these regulations were actually being proposed before we have this task force do this evaluation. What do you think the task force is going to look at in the natural gas area that would lower gasoline prices?

Mr. Barton. If the gentleman would yield, I would hope that the task force, if we include the Barton amendment, would look at ways to incentivize or encourage more use of natural gas as a transportation fuel, for all of the reasons that you just indicated.

Mr. Waxman. Well, they are doing pretty well, so why do you need government incentives for natural gas to be more productive when they are already the most productive they have been in decades? The market seems to be working pretty well.

Mr. Barton. The market is working wonderfully well on the production side. But as you well know, on the infrastructure side, the distribution and the retail side, some cost and fixed cost of infrastructure make it more difficult, I won't say impossible, to break into the retail. That would be something that the task force could take a look at.

Mr. Waxman. Yes, and they could come up with recommendations, and then we would have to pass legislation. I don't think we need a task force. And I don't think it ought to be in this bill. I don't think that it harms the bill. It doesn't make the bill any better.

Mr. Whitfield. The time of the gentleman has expired. I would like to recognize myself to speak on this amendment.

It was my understanding initially that the gentleman from Texas was going to introduce this amendment and then withdraw it, so I haven't thought this through completely. But the purpose of this legislation was to examine the cumulative impact of three specific EPA initiatives on gasoline prices. The tier 3, the new and revised performance emission standards applicable to refineries, petroleum refineries, and the new ozone standards.

I know that the gentleman and many others do support legislation that would provide incentives to increase the use of natural gas for

transportation purposes. And the thing that I am a little bit concerned about with the gentleman's amendment, although I certainly understand his wanting to do it, is that we were focused on gasoline prices. The vast majority of natural gas is used to produce electricity. And while some use is being generated toward or focused toward transportation, that is not the way the majority of it is being used today.

I keep thinking about the assault on coal. Every time EPA turns around, they are after coal. And there is one study, one regulation that we are looking at in this legislation, and it is the ozone ambient air quality which has a direct impact on coal. If the gentleman is going to broaden this to include natural gas, I mean, there would be all of the reason in the world, and I would have my difficulty for my constituents not to include coal.

While I understand the gentleman's goal here and his genuine interest in doing this, I do know we have separate legislation that has been introduced to expand the use of natural gas for transportation purposes, but I would just ask the gentleman, since I thought it was going to be withdrawn, would the gentleman consider withdrawing it?

Mr. Barton. Would the gentleman yield?

Mr. Whitfield. I yield to the gentleman from Texas.

Mr. Barton. Mr. Chairman, I have three or four amendments. This is the only one I intended to put in the bill because I thought it was noncontroversial. I have another that I am going to withdraw, or maybe not even offer. I have several I am not going to offer but

talk about, maybe in full committee. This one, because of the innocuousness of it, I had an indication from the full committee chairman that this would be acceptable. Since we are doing a study, I think it is important to put natural gas into the dialogue because it is currently a transportation fuel and it would alleviate pressure on the gasoline and diesel markets if the infrastructure was in place so it was more readily available to the general public.

Mr. Rush. Would the gentleman yield?

Mr. Barton. I want to apologize to the subcommittee chairman if he was of the opinion that I had intended to offer and withdraw. With amendment number 2, that is the case; but that is not the case with this one.

Mr. Whitfield. I yield to the gentleman from Illinois.

Mr. Rush. Mr. Chairman, this bill is less than meaningful anyway, and it really doesn't have any affect on the price of gasoline. It is a bill that I think of as being nothing but congressional goulash, so why don't we just add this amendment to the bill. I just think why not look at the prices of okra or prices of something else. It is really has about as much meaning to the essence of the bill and the reduction of prices at the pump, so let's load it up. It's goulash.

Mr. Whitfield. Reclaiming my time, you call it congressional goulash. Let me just say this. It was my understanding it was going to be withdrawn. I am now been told that the gentleman from Texas did have a discussion with the chairman of the full committee, Mr. Upton. I am going to say this: because of the immense pressure on coal and

because of the difficulty that I would have doing this and not doing something about coal, the other committee members can do whatever they want to, but if we have to have a vote on this amendment, I am going to have to vote "no" personally. Other members can do what they have to do.

Mr. Waxman. Mr. Chairman, could I ask unanimous consent that the gentleman from Texas' amendments be modified to include coal as well?

Mr. Barton. It is okay by me.

Mr. Waxman. He says it is okay by him.

Mr. Rush. Would the gentleman also include nuclear?

Mr. Waxman. Anybody want broccoli?

Mr. Bilbray. Mr. Chairman, I move to strike the last word.

Mr. Waxman. Mr. Chairman, I have a pending unanimous consent request, that the Barton amendment include coal as well.

Mr. Whitfield. Let me just say this: I am going to object to it myself because we are talking about transportation here. As much as I want to protect coal, I object to that.

Mr. Bilbray. Mr. Chairman, strike the last word.

Mr. Whitfield. Mr. Bilbray is recognized for 5 minutes.

Mr. Bilbray. Mr. Chairman, sadly, this should be an issue where we can start agreeing. The issue that is before us on this bill is the price of gasoline and how it is affecting consumers. Can Democrats and Republicans both agree that our goal is to reduce the monopoly that gasoline has on transportation fuels for the automobile options?

This is where coal, in all fairness, does not have the potential

of giving the consumers an opportunity to break the monopoly.

Natural gas --

Mr. Waxman. Would the gentleman yield? That is not a correct statement. There is liquefied coal.

Mr. Bilbray. Excuse me. The fact is, within the decade, the option that is available to the consumer within the foreseeable future is natural gas slowly phasing in and replacing a dependency on traditional gasoline. I think the gentleman from Massachusetts will agree with me on the fact that we have not done enough to give the consumer the opportunity to choose between one fuel mix or the other.

Let me challenge any of you here, because I think you know if you saw the renewable fuel article about those who walk the walk, this member was recognized as one of the top 10 on renewable fuels, even though of my problems with ethanol. I am very proud of my fight on algae fuel.

But the fact is within the decade, if we want to give the consumer the ability not to have to buy gasoline, the best option is to maximize the opportunity that is created with a situation where 85 percent of the single family homes in urban areas are plumbed now with natural gas. Natural gas is not only the cleanest fuel out there of the fossil fuel, it is so clean, it is cleaner than propane which is legal under OSHA to be used interior. It is that clean. But it is the only fuel supply that is going to be available with enough BTUs within the decade to do anything like impact the price of gasoline by reducing demand. It is the only one.

This is someplace that Republicans and Democrats should be able to agree on. And sadly, instead of us talking about providing the consumer the opportunity to be able to take the natural gas that runs through their water heater and bridge the 3-foot gap between the car parked in the garage and the water heater in the garage, instead of us talking about developing the capability of the consumer saying I am not going to go to the gas station tomorrow, tonight I am going to fill up my tank with natural gas. We spend half a billion on thin film technology that is a big scandal.

I am not saying we don't make mistakes, but the greatest mistake we have made on both sides of the aisle is denying the fact that natural gas is the only option, both from environmental and economic, it is the only place where we are going to find the BTUs within the decade to be able to give the consumer the option not to be dependent on traditional gasoline.

I yield to the gentleman.

Mr. Waxman. In other words, you think we ought to put this amendment in because natural gas offers to transportation a useful alternative for oil; is that correct?

Mr. Bilbray. I think it is the only option that we have to provide alternatives to gasoline that will reduce the price of gasoline.

Mr. Waxman. I am going to reverse my position and support the Barton amendment because natural gas is an important area where we can look to another alternative, and that would lower gasoline prices.

Mr. Bilbray. I appreciate the gentleman from California. Let

us face it, guys, natural gas has been the stepchild. Traditional fossil fuel people haven't adopted it because they have looked at it as a power plant option and not as a transportation element. And the so-called environmental community that has been out there has tainted it because it is not so-called renewable. The fact is that it is clean, it is available and consumers should have access to it. Sadly, over the decades, this member has watched as public agencies have restricted the ability of consumers to get it in their home. I think we should be working together to provide that option.

So I ask that we include this in the motion and we start saying maybe this is the one place where Democrats and Republicans can work together to give consumers options and to clean up the environment, and to reduce the price of gasoline.

I yield back.

Mr. Whitfield. Let me get our procedure straight here in my own mind. You mentioned a motion, Mr. Bilbray. Have you made some sort of motion? Oh, you are supporting the Barton amendment. Okay.

Mr. Barton. Would the chairman yield?

Mr. Whitfield. Yes.

Mr. Barton. Mr. Rush, or you, or Mr. Waxman indicated you wanted to include coal. I said I would not object to coal being included. Then somebody said broccoli and nuclear.

Mr. Whitfield. I object because it is not a transportation fuel.

Mr. Barton. I am a proponent of coal. As you know, there are projects out there that liquefy coal and use it as a transportation

fuel. And they are worthwhile. So I am not opposed if you are not opposed to including coal. But I don't see how we cannot have a discussion on natural gas as a part of the solution of our transportation pricing for gasoline and diesel because one, it is abundant; two, it is low priced; three, it is domestic; and four, it is environmentally clean; and five, it is beginning to have some penetration in certain areas of the country in the marketplace.

Mr. Whitfield. Did I have the time?

Mr. Barton. It is your time, Mr. Chairman.

Mr. Whitfield. The only argument I am making is this: we have high gas prices now. This is a very narrowly focused bill to look at the cumulative impact of three initiations at EPA on gas prices. So I am not, and I don't have much influence over anybody anyway, but I am saying on this amendment, I am going to vote against it because I want a narrow piece of legislation here, and other members will just have to decide how they want to vote.

What purpose does the gentleman from Massachusetts seek recognition?

Mr. Markey. Mr. Chairman, I rise to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Markey. Thank you.

You know, this question of natural gas really goes to the center of the argument in America today, and how we can have a revolution in electricity generation, moving from coal to natural gas, which is already happening at an accelerated pace, how we can move from gasoline

over to indigenously-produced natural gas for a transportation revolution. And let's just step back and look at this from a big, big picture. Since the price of natural gas in China is seven times higher than the United States, since the price of natural gas is four times higher in Europe than in the United States, and since what we are seeing is increasingly higher and higher numbers of companies returning their factories from overseas to plant them right next to this $2 an MCF natural gas because except for labor costs, energy is the single highest cost in the manufacture of plastics, of chemicals, of fertilizers, of steel. Go right down the whole line.

And what is happening is we now have a big competitive advantage if we step back and strategically say we want to have low-priced natural gas in our country. It is domestic. There is no global market unless we create one, by the way. Do we want to create a global market in natural gas? That is the biggest issue we have to decide because there are eight applications that are pending at the Federal Energy Regulatory Commission that would export 20 percent of our natural gas at $2 an MCF. Well, who wouldn't want that around the planet if you are the Chinese.

So right now we are importing these goods from China and other countries because people say we can't compete. Now, what does the oil and natural gas industry want? What does China want? They want us to export the natural gas so they can have our natural materials.

Now, do they sell us all of their precious metals, the rare earths that we can use in renewables? No, they would never give us their rare

earths. They say no, you don't get China's rare earths; but send us your low cost fuels. We would love that because that could keeping the manufacturing over in China or down in Latin America.

So I think it is important for us to have this discussion because I think $2 an MCF is fantastic for American manufacturing. As a matter of fact, of all of the things that could lead to a total revival of American manufacturing, it is the low price of natural gas because that is going to be the fuel of choice and it is also going to be plentiful. So if you want to see a revival, just tell every CEO of a steel company, of a plastics company, of a chemical company, of a fertilizer company, that they could look in $2 or $3 an MCF of natural gas for the next 10-15 years. They would be relocating back here en masse.

Now, what is the plan? The plan is, according to the Energy Information Agency, that if these eight export terminals are, in fact, constructed, there will be at least a 50 percent increase in the cost of natural gas here domestically.

In other words, if you take 20 percent of our supply and you sell it overseas, that is going to lift the price for the remaining supply here in the United States to our fertilizer, chemical, plastics, steel, utility industries. Now how can that be a good idea? Do you think they would do that in Norway? Do you think they would do that in Brazil? Do you think they would do that in Saudi Arabia or the United Arab Emirates? Absolutely not. They would have a plan. They would have a strategy.

So I think it is great that we are raising this issue of natural

gas because I think it goes right to the heart of what we should be talking about. It is the same thing as the Keystone pipeline oil. Keep it here in America. This is American oil for Americans. It is American natural gas for American manufacturers. Low cost, available, plentiful. And by the way, the supply of natural gas went up 9 percent in the first 3 months of this year. It continues to skyrocket. That is great for our country. What we need to do is have a strategic plan to capture it. You want to talk about something that can raise the price of natural gas? You want something that talks about making it hard to convert over from gasoline to natural gas vehicles in the United States, talk about exporting 20 percent of our natural gas. That is the single greatest threat to using natural gas as a substitute for oil in automobiles, in large vehicles in our country. And I just think it is something that if this committee doesn't study it, we are missing the big historic story that is going on in our country right now.

Mr. Whitfield. The time of the gentleman has expired. For what purpose does the gentleman from Illinois seek recognition?

Mr. Shimkus. I move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Shimkus. I am glad to see my friend and colleague, Mr. Engel, show up. I didn't know we were up on Wikipedia, but some of this debate we are having really pertains to a bill that Elliot and I have both offered, and it is the Open Fuel Standard Act, and we are going to have a hearing in my subcommittee on Thursday. The Open Fuel Standard Act of 2011, H.R. 1687, is a bipartisan bill in the House of the United

States Congress, currently in committee, that will require that a certain portion of light passenger vehicles sold in the United States be alternative fueling vehicles capable of running on something other than gasoline.

The open fuel standard does not dictate what types of vehicles are to be sold, only that an increasing percentage of passenger car fleet sold in the United States be capable of running on nonpetroleum sources, whether it be natural gas, electric, alcohol fuel, hydrogen, or biodiesel, with a catchall provision for any other sustainable technologies. This bill is intended by its sponsors, Mr. Engel and I, to ensure that new vehicles enable fuel competition so as to reduce the strategic importance of oil to the United States.

So I just use this opportunity to thank Elliot for joining. This is the right debate. I don't know if it is the right bill, but it is the right debate. There is a good group of bipartisan sponsor on the bill, and I want to thank him for that.

I yield to my colleague, Mr. Engel.

Mr. Engel. I thank my friend from Illinois. I certainly would concur with everything that he said.

You know, we generally, unfortunately, in my opinion, get bogged down into partisan squabbles in every bill that comes up and every amendment that comes up, and I think what the American people really demand from us is putting our heads together and doing the job and trying to do things that make sense. And what Mr. Shimkus has just mentioned is something he and I have tried to do in a very bipartisan fashion

because this isn't a partisan issue at all.

I simply got the idea a number of years ago when I was in Brazil. Our vehicle went into a gasoline station, and I saw people there have choices to have ethanol, methanol, any kind of gasoline-based fuels. I thought, gee, the competition brings down prices, and why don't we have the same thing in the United States. The problem, of course, is the cars that we manufacture only run on gasoline, by and large. That doesn't make any sense. When we further looked into it, we saw it would cost $100 or even less to have each car manufactured in the United States be a flex fuel car. To me that was a no-brainer. We tried to get it into the massive energy bill that we passed, that passed this House. It didn't go anywhere after that. But we couldn't do it. Special interest objected to it.

The bottom line is, and I thank Mr. Shimkus for bringing it up, it just makes good, common sense to do that. We haven't restricted it to gasoline or any kind of particular fuel. We left it open to say any kind, anything that would help diversify and give people choices is what we ought to do. So I would urge my colleagues, and I agree with Mr. Shimkus, I don't know if this bill is the proper vehicle, but we have both pledged to bring this up each and every time we can because it makes sense for policy for America. So whether this is the bill or not the bill doesn't really matter. It is that we should act, and we should act quickly.

I will yield back to Mr. Shimkus.

Mr. Shimkus. Again, I want to thank Mr. Engel. He carried this

bill way before I became the primary sponsor this cycle. I want to give him credit.

The other thing is, I want to correct the record, my hearing this week is not on that bill, it is on a liability issue that deals with renewable fuels. I wish it was on my bill. It is going to get there, but I don't think it is even under my committee of jurisdiction.

Mr. Whitfield. Any further discussion on the Barton amendment?

All those in favor of the Barton amendment, signify by saying aye. All those opposed, nay.

In the opinion of the chair, the ayes have it, and so the Barton amendment is accepted.

Are there additional amendments to be offered?

Mr. McKinley. I move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. McKinley. I was trying to get the attention of Mr. Markey before he left the room. He comes in here periodically, Mr. Chairman, and talks about preventing, from the Keystone pipeline and others, the sale of petroleum products overseas. Now we are talking today about preventing the sale of natural gas overseas. I just wonder when it is going to be the time he is going to take on coal and preventing coal being shipped overseas. It is the natural progression. If we are consistent in our argument, then I expect to hear coming in one more fire bomb coming out, and we are talking about issues that are going to put our railroad workers out of work, our tankers out of work, our coal miners out of work.

They are struggling all across the coal fields of this country under the burden of the EPA, and to have someone now start pushing closer and closer to banning us from shipping coal overseas, it is the largest export product we have in West Virginia is coal, and I feel a threat coming. It is constantly -- we started with gasoline. Now it is natural gas. And the next obvious evolution of that is going to be attacking us from shipping coal overseas. That has got to stop.

I just wish he had been here so we could have a dialogue, and I apologize. Thank you.

Mr. Whitfield. Thank you, Mr. McKinley. What purpose does the gentleman from Texas seek recognition?

Mr. Green. Mr. Chairman, I move to strike the last word.

Mr. Whitfield. The gentleman is recognized.

Mr. Green. I obviously have some disagreements with my colleague from Massachusetts. My goal in natural gas is our prices are so slow we are shutting in wells in our country right now. We need to have additional uses for it. The chemical industry loves it, but we are also shutting down wells because of the success we have had in our country. What Congressman Markey says is true, we are paying so much less than China. We need to have more utilization of it as a transportation fuel, and even exporting it. Also, I share the same concern about coal.

Our country has had such a balance of trade deficit for decades, why would we not want to export natural gas? I would rather that we export the refined products or the chemicals that we make from natural

gas. But if we can't, we still need to export something that we produce in our own country.

Mr. Whitfield. I agree with the gentleman from Texas that we do have a huge trade deficit that we need to get rid of what we can.

Do we have any other amendments on this substitute amendment?

The question will now occur on the amendment in the nature of a substitute, as amended. All those in favor shall signify by saying aye. All those opposed, no.

I thought you all would vote for this since we had the Barton amendment. The ayes have it, and the amendment is agreed to.

The question now occurs on favorably reporting the Gasoline Regulations Act of 2012, as amended.

All those in favor shall signify by saying aye. All those opposed, no.

The ayes have it. The committee print is favorably reported.

Mr. Rush. Roll call, Mr. Chairman.

Mr. Whitfield. A roll call vote has been requested.

The Clerk will call the roll.

The Clerk. Mr. Sullivan?

[No response.]

The Clerk. Mr. Shimkus?

Mr. Shimkus. Yes.

The Clerk. Mr. Shimkus votes aye.

Mr. Walden?

Mr. Walden. Yes.

The Clerk. Mr. Walden votes aye.

Mr. Terry?

Mr. Terry. Aye.

The Clerk. Mr. Terry votes aye.

Mr. Burgess?

[No response.]

The Clerk. Mr. Bilbray?

Mr. Bilbray. Aye.

The Clerk. Mr. Bilbray votes aye.

Mr. Scalise?

Mr. Scalise. Aye.

The Clerk. Mr. Scalise votes aye.

Mrs. McMorris Rodgers?

Mrs. McMorris Rodgers. Aye.

The Clerk. Mrs. McMorris Rodgers votes aye.

Mr. Olson?

Mr. Olson. Aye.

The Clerk. Mr. Olson votes aye.

Mr. McKinley?

Mr. McKinley. Aye.

The Clerk. Mr. McKinley votes aye.

Mr. Gardner?

Mr. Gardner. Aye.

The Clerk. Mr. Gardner votes aye.

Mr. Pompeo?

[No response.]

The Clerk. Mr. Griffith?

Mr. Griffith. Aye.

The Clerk. Mr. Griffith votes aye.

Mr. Barton?

Mr. Barton. Aye.

The Clerk. Mr. Barton votes aye.

Mr. Upton?

The Chairman. Aye.

The Clerk. Mr. Upton votes aye.

Mr. Rush?

Mr. Rush. No.

The Clerk. Mr. Rush votes no.

Ms. Castor?

Ms. Castor. No.

The Clerk. Ms. Castor votes no.

Mr. Sarbanes?

[No response.]

The Clerk. Mr. Dingell?

[No response.]

The Clerk. Mr. Markey?

[No response.]

The Clerk. Mr. Engel?

Mr. Engel. No.

The Clerk. Mr. Engel votes no.

Mr. Green?

Mr. Green. No.

The Clerk. Mr. Green votes no.

Mrs. Capps?

Mrs. Capps. No.

The Clerk. Mrs. Capps votes no.

Mr. Doyle?

Mr. Doyle. No.

The Clerk. Mr. Doyle votes no.

Mr. Gonzalez?

[No response.]

The Clerk. Mr. Waxman?

[No response.]

The Clerk. Chairman Whitfield?

Mr. Whitfield. Aye.

The Clerk. Chairman Whitfield votes aye.

Mr. Whitfield. Does anyone seek recognition to cast a vote? The gentleman from Texas?

Dr. Burgess. Aye.

The Clerk. Mr. Burgess votes aye.

Mr. Whitfield. The gentleman from Oklahoma?

Mr. Sullivan. Aye.

The Clerk. Mr. Sullivan votes aye.

Mr. Whitfield. The gentleman from Massachusetts?

Mr. Markey. No.

The Clerk. Mr. Markey votes no.

Mr. Whitfield. The gentleman from California?

Mr. Waxman. No.

The Clerk. Mr. Waxman votes no.

Mr. Whitfield. Does anyone else seek recognition to vote?

The Clerk will report the result.

The Clerk. Mr. Chairman, on that vote there were 15 ayes, 8 nays.

Mr. Whitfield. 15 ayes, 8 nays. The ayes have it, and the committee print is favorably reported.

The chair will now call up the Strategic Energy Production Act of 2012 and ask the Clerk to report.

[The bill follows:]

******** INSERT 2-2 ********

The Clerk. Discussion draft to provide for the development of a plan to increase oil and gas exploration, development, and production under oil and gas leases of Federal lands under the jurisdiction of the Secretary of Agriculture, the Secretary of Energy, the Secretary of the Interior, and the Secretary of Defense in response to a drawdown of petroleum reserves from the Strategic Petroleum Reserve.

Mr. Whitfield. Without objection, the first reading of the committee print is dispensed with, and it will be open for amendment at any point.

So ordered.

Are there any bipartisan amendments to this legislation? Are there any other amendments?

Mr. Rush. Mr. Chairman?

Mr. Gardner. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Colorado seek recognition?

Mr. Gardner. I have an amendment at the desk.

Mr. Whitfield. The clerk will report the gentleman's amendment.

The Clerk. Amendment to the discussion draft offered by Mr. Gardner of Colorado.

[The amendment of Mr. Gardner follows:]

******** INSERT 2-3 ********

Mr. Whitfield. The gentleman is recognized for 5 minutes to explain his amendment.

Mr. Gardner. I thank the chairman.

During our legislative hearing on the Strategic Energy Production Act, there was an issue regarding the use of exchanges and whether or not the bill would trigger the requirements under the bill if there was an exchange. So what this amendment does is really get to that issue that was addressed at that 28th of March legislative hearing.

The oil in the Strategic Petroleum Reserve can be used for exchanges, which is similar to a loan. Usually these exchanges are used to alleviate short-term issues and then the oil is replaced. An example of this occurs when a shipping channel may be blocked that is serving a domestic refinery, experiences a blockage, or a pipeline goes out and stops delivering oil to refinery complexes. In such situations, oil from the SPRO can be used to resolve the problem as long as the refinery replaces the oil in the future.

As currently drafted, the Strategic Energy Production Act would direct the development of a plan to expand Federal oil and gas leases in the event of such an exchange or loan of SPRO oil. These situations occur with some frequency and are not at all the same as a SPRO sale, which the President is considering.

This concern was raised by an administration witness and members from the other side during the bill's legislative hearing, and so this amendment addresses the problem by clarifying that a plan for expanded Federal leasing should only occur in the event of a SPRO sale and not

occur in the event of an exchange or loan.

The amendment is simple, it is to the point, and it is an improvement to the underlying legislation. With that, I urge all members to support the amendment, and I yield back the balance of my time.

Mr. Green. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Texas seek recognition?

Mr. Green. I move to strike the last word.

Mr. Whitfield. The gentleman from Texas is recognized for 5 minutes.

Mr. Green. I want to thank my colleague from Colorado for trying to address a concern I have, but the problem is still with the bill and your amendment, I don't know how we can fix it. If there is a drawdown of, say, 50,000 barrels, are you exempting that drawdown for an exchange from the requirements? Let me give the full example.

If the President, no matter who is President, because President Bush did it, President Obama has done it, if they decide to release a million barrels of oil, it is hard to quantify what you have in your bill on how they could then be required to lease space. I want them to lease space no matter what. I don't want to force them to do it, but that, I think, is the problem. I appreciate your correcting some of the issue, but the issue is still getting the Department of Energy involved, and with the Department of Interior, and I think we ought to just push the Interior to lease as much available space as we can

no matter what happens to the Strategic Petroleum Reserve. I appreciate your effort on the amendment to help with the exchanges.

I yield back the balance of my time.

Mr. Whitfield. The gentleman yields back the time. Is there further discussion on the Gardner amendment?

Mr. Rush. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Illinois seek recognition?

Mr. Rush. I don't want to oppose the amendment.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Rush. Thank you, Mr. Chairman.

I don't oppose the amendment, but I still have some concerns about this particular amendment.

Mr. Chairman, at the hearing on this bill, there was extensive testimony from the Department of Energy that the bill would make it harder, if not impossible, to use SPRO to address critical oil shortages. Making it harder to use SPRO could impact our national security and limit our ability to meet our international obligations. Every member of this subcommittee should be concerned about that; yet this amendment does not change that.

During the hearing 2 weeks ago, my colleague from Texas, Mr. Green, made a very good point that the requirements of this bill would apply even to very small exchanges made to keep refineries in operation during shipping channel blockages, just as they apply to larger sales for national security.

Mr. Gardner's amendment addresses one point by exempting exchanges from the requirement, but fails to address the greater concern, this onerous requirement would still apply to sales from the SPRO needed to address a global oil supply disruption. If unrest in the Middle East creates the need for a sale from the SPRO, our national security should not be held up by a bureaucratic planning requirement for land leasing.

Mr. Gardner said yesterday in his opening statement that he does not want to create obstacles to the use of SPRO. Well, Mr. Chairman, if that is true, he should withdraw his amendment. The amendment is only a partial solution, and it will not address our national security needs.

Mr. Chairman, I urge my colleagues to strongly consider what I have said on this amendment and this bill.

Mr. Gardner. Would the gentleman yield?

Mr. Rush. Certainly.

Mr. Gardner. The amendment again simply deals with the exchange issue that was brought up in the March 28 legislative hearing and makes it clear that the plan provisions of the bill only apply when there is a SPRO sale.

The underlying bill itself in no way, shape, or form prevents, limits, or delays a decision to use or access, drawdown of the SPRO, whether for exchange or sale. The President can decide today, right now, if he wants to access the SPRO or draw down the SPRO.

Under the bill, if it were to pass and be signed into law, the

President could still decide just as quickly if he wants to access and draw down the SPRO. The bill in no way, shape, or form limits the ability to access the SPRO.

Mr. Rush. Reclaiming my time, it seems as though the outcome, the intent of this bill is while the President has that authority to decide, it makes it much more difficult and therefore it would delay the drawdown from the SPRO.

Mr. Gardner. Would the gentleman yield?

Mr. Rush. Sure.

Mr. Gardner. There is no way, shape, or form that the bill delays the accessing of the SPRO. If the concern is Middle East unrest, then I think the merits of the underlying bill go directly to that concern by increasing domestic Federal leases if there is a drawdown from the SPRO. So there is no requirement or reason for the delay if the SPRO is deemed necessary.

Mr. Rush. Reclaiming my time, DOE testified that there would be necessary delay if this bill would be enacted. Is your position that DOE is wrong in terms of their assessment?

Mr. Gardner. I thank the ranking member. I would suggest that the DOE reread the language of the bill. And if there is a delay, it would be purely of their own choosing.

Mr. Rush. Mr. Chairman, I yield back the balance of my time.

Mr. Whitfield. Is there further discussion on the Gardner amendment?

Mr. Dingell. Mr. Chairman?

Mr. Whitfield. For what purpose does the gentleman from Michigan seek recognition?

Mr. Dingell. I would like to ask a few questions of the staff if I might.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Dingell. Thank you, Mr. Chairman.

If a member of the staff down there who is responsible for this would give me their attention, this says that all lands under the jurisdiction of the Secretary of Agriculture, the Secretary of Energy, the Secretary of the Interior and the Secretary of Defense will be subject to leasing and then is excludes specifically the National Park system or the National Wilderness Preservation system; is that correct?

Ms. Brown. Yes.

Mr. Dingell. Okay. Now, let's try and see what other lands this might affect.

The Fish and Wildlife refuges, those would be all opened to this kind of drilling; would they not?

Ms. Brown. Open for consideration to include in the plan, but not necessarily. There would need to be determination.

Mr. Dingell. Just yes or no. They would be subject to opening under this, would they not?

Ms. Brown. Yes.

Mr. Dingell. Now, we have the little problem where we are always trying to see to it that we decide the ultimate fate of the Arctic Wildlife Refuge. Would this open that particular tract of land?

Ms. Brown. Potentially.

Mr. Dingell. Okay. Would it also open, for example, refuge lands that are on the Great Lakes which are currently closed to drilling? Would that include drilling of refuges on the Great Lakes?

Ms. Brown. It is a determination to be made by the Secretary.

Mr. Dingell. So the answer is yes?

Ms. Brown. It could potentially.

Mr. Dingell. Okay. Would it also, for example, affect other areas which are sensitive for one reason or another because of environmental concerns, areas, for example, under rivers or bays, like Puget Sound, or the Chesapeake where we have refuges?

Ms. Brown. That is it a determination to be made by the Secretary in consultation with the other secretaries.

Mr. Dingell. So the answer, again, is yes.

Now, what conditions or protections would this legislation leave for these kinds of sensitive areas? For example, the refuges, there is an organic statute in the refuge system, and there also is a statute which controls drilling in the refuge system. Would this impact how those statutes are working? Can you tell me where in the legislation there would be a prohibition against overriding rules that are imposed on agencies like the Forest Service or the Park Service or the Fish and Wildlife Service in their protection of refuges?

Ms. Brown. Nothing in the legislation changes existing law with respect to land management practices.

Mr. Dingell. Can you show me where that is said specifically in

the legislation?

Ms. Brown. Nothing in the legislation says that it would change it; so as a legal matter, it doesn't change it.

Mr. Dingell. Mr. Chairman, I thank you for your courtesy. I am yielding back 1 minute and 11 seconds.

Mr. Whitfield. Thank you, Mr. Dingell.

Is there further discussion on the Gardner amendment?

If there is no further discussion, the question will now occur on adoption of the Gardner amendment. Those in favor will signify by saying aye. Those opposed, no.

In the opinion of the chair, the ayes have it. The Gardner amendment is adopted.

Are there further amendments to the legislation?

Mr. Rush. Mr. Chairman, I have an amendment at the desk, 057.

Mr. Whitfield. The Clerk will report Rush 057.

The Clerk. Amendment to discussion draft offered by Mr. Rush of Illinois.

[The amendment of Mr. Rush follows:]

******** INSERT 2-4 ********

Mr. Whitfield. The gentleman from Illinois is recognized for 5 minutes to explain his amendment.

Mr. Rush. Thank you, Mr. Chairman.

The whole purpose of this bill before us is supposed to be to provide for relief at the pump that American families are feeling today. That is how this bill is being sold to the American public, so I am offering this simple amendment that will ensure that we are delivering on that promise.

My amendment states that "not later than 90 days after the date of this Act, the administrator of the EIA shall make a determination as to whether the implementation of this Act is projected to lower gasoline prices in the United States within 10 years."

However, if the administrator of the EIA determines that implementation of this Act is not projected to lowering gasoline prices in the U.S. within 10 years, then section 2 of this Act will sunset and will cease to be effective.

RPTS JOHNSON

DCMN ROSEN

[12:04 p.m.]

Mr. Rush. Mr. Chairman, there are many technical concerns in this bill, including the fact that the Department of Interior currently has authority over gas and oil leasing on Federal lands, and the Department of Energy has no expertise in this area. Additionally, as Chris Smith, the deputy assistant secretary for oil and natural gas and the Office of Fossil Energy at the Department of Energy testified, this bill will complicate use of SPRO and potentially reduce its effectiveness. In the subcommittee hearing, Mr. Smith noted that the bill, and I quote, "Would make it more difficult for SPRO to achieve its mission to respond promptly to supply interruptions with emergency crude oil. It would also limit DOE's ability to manage the SPRO on a day-to-day basis, in which releases occasionally are necessary for the routine maintenance and operation of the reserve." Mr. Chairman, while I believe there are serious technical flaws within this bill, my amendment will go directly to the substance of what this bill claims to do. Simply put, if this bill does not reduce the price at the pump for the American families, then the provisions of this bill will not go into effect, nothing more and nothing less.

Mr. Chairman, let this subcommittee put its money where its mouth is so to speak, and ensure the American people that Congress is really, really, really, really working to address their most pressing concerns,

and we are not simply trying to score some vague political points or we are not trying to undermine the present administration. Our constituents put us here to actually solve problems, and not just to point fingers, and not to distract from the issues that are affecting them on a daily basis.

And my amendment will ensure that we are doing just that. So Mr. Chairman, I urge all of my colleagues to support the Rush amendment. With that, I yield back the balance of my time.

Mr. Whitfield. The gentleman yields back the balance of his time. For what purpose does the gentleman from Colorado seek recognition?

Mr. Gardner. Strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Gardner. Thank you, Mr. Chairman. And I oppose the amendment. And I agree that the purpose for all of us being here today is to solve problems. So I thank the gentleman from Illinois for agreeing that that is what we are here to do today. And I think if the President determines that drawing down the SPRO is necessary because of a supply problem, and he wishes to lower the price by increasing supply, then we, indeed, need to solve the problem, and that is the problem of supply. And that is what the bill is intended to do, is to increase supply by making available more leases for energy production.

However, the bill specifies that the plan that will move forward with increasing leases is to be developed 180 days after the date on

which the Secretary executes the drawdown. So within 90 days of the enactment of this Act, there may not be a drawdown, which means there would be no plan put in place to allow for more Federal leases. So the amendment says that 90 days after the date of enactment of this Act to study the implementation of the Act. Well, there is no plan to study 90 days after the implementation of this Act unless within the next 90 days, the President decides to draw down the SPRO. So I believe that this amendment misses the mark, and would oppose it, because, again, 180 days after the drawdown is when the bill is to actually execute its purpose.

Mr. Whitfield. The gentleman yields back his time?

Mr. Gardner. I yield back.

Mr. Whitfield. If there is no further discussion -- for what purpose does the gentleman from California seek recognition?

Mr. Waxman. Thank you very much. Move to strike the last word.

Mr. Whitfield. The gentleman is recognized for 5 minutes.

Mr. Waxman. Which is another way of saying I want to speak in favor of the Rush amendment. It is a welcome attempt to bring some truth in advertising to this legislative exercise. The oil industry and my Republican colleagues would like us to believe that we drill to the last drop and roll back environmental safeguards that gasoline price also fall. And that, of course, is a fantasy, because we are talking about a world global market. Spikes in oil prices come from turmoil in the Middle East or growing demand in China and India.

We know this because this is what the experts tell us, and we have

seen it happen. And we have seen U.S. oil production even at an 8-year high and gasoline prices are still speaking. We know this because this is what other countries experience. And I use the Canadian example, where they are oil independent, they even export oil, and they are still paying the same prices in Canada for gasoline that we are paying. The Republicans argue that the current high gas prices are President Obama's fault because even though U.S. oil production is up overall, slightly more of that production is coming from private lands and slightly less from public lands compared to previous years. The Rush amendment simply requires supporters of this bill to put up or shut up.

If the Energy Information Administration projects that this bill will lower gasoline prices now or in the future, the bill goes into effect as drafted. But if the bill is not projected to lower gasoline prices, the provisions authorizing the Department of Energy to set leasing plans for the Departments of Interior and Defense will not go into effect. So if you are confident this bill will reduce gasoline prices, and I am certainly not confident, I don't believe it, the Republicans who support the bill should have no concerns with this amendment. And I want to join Mr. Rush and my colleagues who support this amendment, and urge all of us, both sides of the aisle, to support the Rush amendment. Yield back the balance of my time.

Mr. Whitfield. The gentleman yields back the balance of his time. If there is no further discussion on the Rush amendment, the question will now occur on adoption of the Rush amendment. Those in

favor shall signify by saying aye. Those opposed shall signify by saying nay. Nay. In the opinion of the chair, the noes have it. The Rush amendment is defeated. The question will now occur on favorably reporting the Strategic Energy Production Act of 2012, as amended. All those in favor shall signify by saying aye. All those opposed, no. In the opinion of the chair, the ayes have it.

Mr. Waxman. Roll call.

Mr. Whitfield. The gentleman has asked for a roll call vote. The clerk will call the roll.

The Clerk. Mr. Sullivan.

[No response.]

The Clerk. Mr. Shimkus?

Mr. Shimkus. Yes.

The Clerk. Mr. Shimkus votes aye.

Mr. Walden?

Mr. Walden. Aye.

The Clerk. Mr. Walden votes aye.

Mr. Terry?

[No response.]

The Clerk. Mr. Burgess?

[No response.]

The Clerk. Mr. Bilbray?

[No response.]

The Clerk. Mr. Scalise?

Mr. Scalise. Aye.

The Clerk. Mr. Scalise votes aye.

Mrs. McMorris Rogers? Mr. Olson? Mr. McKinley?

Mr. McKinley. Aye.

The Clerk. Mr. McKinley votes aye.

Mr. Gardner?

Mr. Gardner. Aye.

The Clerk. Mr. Gardner votes aye.

Mr. Pompeo?

[No response.]

The Clerk. Mr. Griffith?

Mr. Griffith. Aye.

The Clerk. Mr. Griffith votes aye.

Mr. Barton?

[No response.]

The Clerk. Mr. Upton?

The Chairman. Aye.

The Clerk. Mr. Upton votes aye.

Mr. Rush?

Mr. Rush. No.

The Clerk. Mr. Rush votes no.

Ms. Castor?

Ms. Castor. No.

The Clerk. Ms. Castor votes no.

Mr. Sarbanes?

[No response.]

The Clerk. Mr. Dingell?

Mr. Dingell. No.

The Clerk. Mr. Dingell votes no.

Mr. Markey?

Mr. Markey. No.

The Clerk. Mr. Markey votes no.

Mr. Engel?

Mr. Engel. No.

The Clerk. Mr. Engel votes no.

Mr. Green?

[No response.]

The Clerk. Mrs. Capps?

[No response.]

The Clerk. Mr. Doyle?

[No response.]

The Clerk. Mr. Gonzalez?

[No response.]

The Clerk. Mr. Waxman?

Mr. Waxman. No.

The Clerk. Mr. Waxman votes no.

Chairman Whitfield?

Mr. Whitfield. Aye.

The Clerk. Chairman Whitfield votes aye.

Mr. Bilbray. How am I recorded?

The Clerk. Mr. Bilbray is not recorded.

Mr. Bilbray. Bilbray, no.

The Clerk. Mr. Bilbray votes no.

Mr. Whitfield. The gentleman from Oklahoma?

Mr. Sullivan. Yes.

The Clerk. Mr. Sullivan votes aye.

Mr. Whitfield. Does anyone else seek recognition for the purpose of voting? Will the clerk please report the vote?

The Clerk. Mr. Chairman, on that vote, there were nine ayes, seven nays.

Mr. Whitfield. The ayes have it, and the committee print is favorably reported. Without objection, staff is authorized to make technical and conforming changes to the committee prints approved by the subcommittee today. And without objection, I would like to enter into the record some material relating to the Gasoline Regulation Act, letters of support that we neglected to bring forward earlier. And also a letter relating to the Gardner legislation. Without objection, I would simply ask that these be submitted into the record as well. So ordered.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Whitfield. Without objection, the subcommittee now stands adjourned.

[Whereupon, at 12:14 p.m., the subcommittee was adjourned.]