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MARKUP OF H.R. 4471, THE GASOLINE REGULATIONS ACT OF 2012; AND

H.R. 4480, THE STRATEGIC ENERGY PRODUCTION ACT OF 2012

WEDNESDAY, MAY 16, 2012

House of Representatives,

Committee on Energy and Commerce,

Washington, D.C.

The committee met, pursuant to call, at 3:05 p.m., in Room 2123, Rayburn House Office Building, Hon. Fred Upton [chairman of the committee] presiding.

Present: Representatives Upton, Barton, Whitfield, Pitts, Burgess, Gingrey, Scalise, Olson, Gardner, Kinzinger, Waxman, Dingell, Engel, Schakowsky, Butterfield, Barrow and Christensen.

Staff Present: Michael Beckerman, Deputy Staff Director; Mike Bloomquist, General Counsel; Anita Bradley, Senior Policy Advisor to Chairman Emeritus; Maryam Brown, Chief Counsel, Energy and Power; Allison Busbee, Legislative Clerk; Peter Kielty,

Associate Counsel; Heidi King, Chief Economist; Ben Lieberman, Counsel, Energy & Power; Mary Neumayr, Senior Energy Counsel; Jeff Baran, Minority Senior Counsel; Jen Berenholz, Minority Chief Clerk; Jacqueline Cohen, Minority Counsel; Greg Dotson, Minority Energy and Environment Staff Director; Elizabeth Letter, Minority Assistant Press Secretary; and Roger Sherman, Minority Chief Counsel.

Mr. Whitfield. [Presiding.] The committee will come to order. Good afternoon, and welcome to those interested in today's markup.

Today we do begin to mark up of two pieces of legislation. One is H.R. 4471, the Gasoline Regulations Act of 2012. And the reason that we have this act, we all, first of all, are delighted the gasoline prices are going down, but there has been a plethora of regulations coming out of EPA, and with this legislation, we simply are asking that an interagency task force be formed to thoroughly analyze the impact that these regulations may have on gasoline prices.

The second piece of legislation, is H.R. 4480, the Strategic Energy Production Act of 2012. As you know, the Strategic Petroleum Reserve initially was established to be used in emergencies. And the last time that it was used, I think some 70 million barrels were taken out. They were never replaced. And this legislation would require that upon the first drawdown from the Strategic Petroleum Reserve, the Secretary of Energy, in consultation with the Secretaries of Agricultural, Interior, and Defense, must at least develop a plan to increase the percentage of Federal lands leased for oil and gas exploration, development, and production. And of course, that plan, it would be required that it would be consistent with a National energy policy to meet present and future energy needs of the United States.

We recognize that these pieces of legislation are not going to be dramatic and changing things immediately, and as I said, we are glad gasoline prices are coming down, but we think it is imperative to look at regulations that may have an impact on increasing gasoline prices. And so I would urge all Members to support these two pieces of legislation and would yield back the balance of my time. And at this time, I would like to recognize the ranking member of the Energy and Commerce Committee, Mr. Waxman of California, for his opening statement.

[The prepared statement of Mr. Mr. Whitfield follows:]

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Mr. Waxman. Thank you, very much, Mr. Chairman.

Today we mark up two bills that contain the Republican response to gasoline prices. Chairman Whitfield told us all we need to know about these bills at the subcommittee markup. He said, quote, "there is nothing in our legislation, that would in and of itself, reduce gasoline prices," end quote.

Well, we won't find any credible experts who would disagree with this assessment. Every expert on our hearings on gas prices, including the Republican's own witnesses, told us that gasoline prices are driven by world oil prices. World oil prices have spiked with raising global demand, tensions in the Middle East, and tight supplies. Nothing in these bills will affect world oil prices.

Republicans have two responses to high gasoline prices: First, they propose drilling for more oil. Yet every economist and oil market expert tells us that this will have no meaningful impact on world oil prices. And the best example of this is just to look north to Canada. Canadians drill plenty of oil. They are energy independent. They even export oil to us, but their gasoline prices go up and down in sync with ours because both are driven by world oil prices.

The experts at the CBO, Congressional Budget Office, agree. A recent report on energy security says that policies to reduce oil consumption, such as fuel efficiency requirements, would be,

quote, "more effective at reducing the vulnerability of consumers to disruptions than policies designed to increase the domestic production of oil," end quote.

Republicans also say they can lower gasoline prices by blocking environmental regulations that protect Americans from dangerous air pollution. No one should be fooled by this argument. 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.

The premise of this legislation before us today is that high gas prices are caused by EPA regulations that haven't even been proposed. Well, that is a complete fantasy. That would be for me to say that the reason the gasoline prices have gone down in recent days is because of the Democratic alternative proposal, which has not yet been introduced. I think that would be laughable.

Americans want clean air and less fuel-thirsty cars. They don't want this committee to use high gasoline prices as an excuse for blocking regulations to reduce toxic emissions from oil refineries. They don't want to us block clean fuel regulations that auto companies need to make cleaner, more efficient vehicles. But that is exactly what this legislation would do.

Even worse, one of the bills before us, contains the Latta

amendment, a proposal that would cut the heart out of the Clean Air Act. It would overturn a unanimous Supreme Court decision from 2001 and repeal a 40-year-old law that says the goal of the Clean Air Act is to achieve air quality that is safe for Americans to breathe.

While we can't control crude oil prices in the world market, we can follow CBO's advice and act to insulate ourselves from crude oil price fluctuations, and that is what exactly the President is trying to do. The best way to save money at the pump is to drive right by it.

The Obama administration has issued strong new rules so that every year, new vehicles will go even further between fill ups. This puts money back in the consumer's pockets, and I think as energy efficiency since 1980 reduced the cost per mile driven by over 25 percent, this has been the big boost to the U.S., and we ought to continue along that path.

Unlike increasing efficiency, producing more oil here won't protect consumers from gasoline prices. Oil production in the U.S. is the highest it has been in 8 years. The Obama administration is not shutting down drilling. Instead of supporting the President's initiatives to help consumers, the Republican-controlled House has done everything possible to frustrate them. This House has passed partisan legislation to prevent the administration from cutting tailpipe emissions. Their budget will decimate the funding for clean energy.

Today's bills aren't really about lowering gasoline prices. They just use high gasoline prices as yet another rationale for advancing a profoundly anti-environmental agenda.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Waxman follows:]

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The Chairman. [Presiding.] At this time, I recognize the gentleman from Pennsylvania, Mr. Pitts, for 5 minutes for an opening statement.

Mr. Pitts. I thank the chairman, and thank you for scheduling this markup on H.R. 4471, the Gasoline Regulations Act of 2012, and on H.R. 4480, the Strategic Energy Production Act of 2012.

I have taken countless meetings with my constituents where their number one concern is complying with the ever-expanding regulations coming out of the EPA. And these are small businesses. And instead of hiring new people, or investing in new equipment, they are forced to sacrifice many precious hours and resources in complying with EPA regulations, many of which may have no actual effect on environmental protection.

These compliance costs then bleed into the production cost and, thus, raising the overall price of energy for the consumer. And that is who gets hurt by these regulations.

When it was discovered that an EPA administrator for the South Central United States stated that their general philosophy was to randomly pick out companies, and quote, "crucify them," end quote, in order to achieve their goals, the EPA essentially declared energy producers to be the enemy. The EPA is supposed to be analyzing the cost and the impacts of their actions and what those impacts will have on an industry. But instead, they seem to

be content picking winners and losers in the energy market and making it very difficult to bring down energy costs nationwide.

So we need to get government out of the way of progress and, instead, allow America to become more energy independent, and that is the thrust, and I urge support of H.R. 4471, and H.R. 4480.

I yield back.

[The prepared statement of Mr. Pitt follows:]

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The Chairman. Thank you, Mr. Pitt.

At this time, I recognize the gentleman from New York, Mr. Engel, for a 3-minute opening statement.

Mr. Engel. Thank you, Mr. Chairman.

Today we are marking up two bills that my Republican colleagues say will reduce gas prices. But as with the Violence Against Women Reauthorization Act on the floor today, there is a disconnect between what our Republican colleagues say their legislation will do and what it actually does.

Take the inaptly named Gasoline Regulations Act. This bill has nothing to do with gasoline regulations and will do nothing to reduce the price of gas. Instead, it is just another attack by the majority on the Clean Air Act. It subordinates the health and safety of ordinary Americans in favor of the perilous policy of widespread deregulation that nearly brought our economy to its knees in 2008.

In a different era, Congress passed the Clean Air Act with strong bipartisan support. That was 1970. Democrats and Republicans agreed that to adequately protect public health, the EPA must set air quality standards based on the best available science. Then when it comes meeting those standards, costs and feasibility are fully considered.

In the 42 years since then, the EPA has worked to let people know if the air is safe to breathe and to motivate improvements

when it is not. The aggregate emissions of criteria air pollutants has decreased by 71 percent while gross domestic product has increased by 210 percent. The current Republican majority wants to fundamentally alter the successful formula; instead of basing our health standards on science, they want to base them on economics. But just as a doctor does not diagnose a patient based on the cost of treatment, EPA should not determine whether the air is safe to breathe based on how much it costs to reduce pollution. Quite simply, the public has a right to know when the air they are breathing is harmful.

So how will the Gasoline Regulations Act impact gas prices? The answer is it won't. But it will increase smog, promote asthma attacks and create more harmful health impacts for people with lung and heart disease. The Republican majority has misnamed this bill to find a problem that it can claim to solve with its dangerous philosophy of widespread deregulation.

I urge my colleagues to have a no vote, and I think that we can better use our time in putting our heads together and making sure that the air that we breathe and the water that we drink and all other things are clean and pure and not to cut corners at health's expense because we claim we want to save a few bucks.

And with that, I yield back, Mr. Chairman.

[The prepared statement of Mr. Engel follows:]

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The Chairman. The chair would recognize the gentleman from Texas for an opening statement, Mr. Barton.

Mr. Barton. Thank you, Mr. Chairman. I will be brief. So it is 3 minutes, is it --

The Chairman. You can have 5.

Mr. Barton. Okay, well, I may, hopefully, I will give back some time; 3 is good; 5 is good, whatever.

Mr. Barton. We will wait until you get the clock fixed. All right.

Mr. Chairman, I want to thank you, the full committee chairman and also thank Subcommittee Chairman Whitfield for bringing the markup, H.R. 4471, and H.R. 4480. We have unlimited, almost unlimited supplies of energy in America. If we only decide to develop those resources.

Your first bill, the H.R. 4471, would require a cessation of any new regulations until certain studies were done to make sure that there was not a negative economic impact if those regulations went into place. I am proud to say that at subcommittee, you and Subcommittee Chairman Whitfield accepted an amendment adding to the study a review of how use of natural gas for transportation purposes would impact the price of gasoline, and I appreciate the support on that.

As we all know, energy prices, especially in oil, are set on the world market, and while the prices are coming down somewhat

right now, if the United States does not aggressively develop its resource base in oil, especially oil shale with the hydraulic fracturing, they are going to go -- those prices quite probably will go back up.

I think it is interesting to note that in March of this year, Mr. Chairman, the great State of North Dakota surpassed Alaska as the number two oil-producing State in the United States. Five years ago, North Dakota produced less than 200,000 barrels per day; I think 144,000 barrels per day. In March of this year, they produced over half a million barrels of oil per day, surpassing Alaska.

The number one State is Texas, which is producing 1.7 million, and that 1.7 million per month for Texas is an on upward trend also. This is almost totally as a consequence of the use of hydraulic fracturing for oil shale in addition to the hydraulic fracturing that we have been doing for natural gas formations for the last 10 or 15 years.

So if we use our technology, Mr. Chairman, and if we are willing to use the resource base that our good Lord has provided the United States of America, we can produce more energy in America, and we can bring energy prices, including gasoline prices down. So the first act does that, at least requires a study.

The second bill that you are going to mark up dealing with the Strategic Petroleum Reserve, offered by our good friend and new committee member from Colorado simply states that if you take

oil out of the Strategic Petroleum Reserve, we have got to lease Federal lands that have the potential to put that much oil back into the Strategic Petroleum Reserve. I think that is a good commonsense approach, and I hope that H.R. 4480 passes, as I also hope that H.R., I believe, 4417 also passes. So with that -- 4471.

With that, Mr. Chairman, I yield back and thank you for your leadership.

[The prepared statement of Mr. Barton follows:]

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The Chairman. The gentleman yields back.

The chair would recognizes the gentlelady from Illinois, Ms. Schakowsky.

Ms. Schakowsky. Thank you, I strongly oppose H.R. 4471, the Gasoline Regulations Act, and H.R. 4480, the Strategic Energy Production Act.

Despite claims of the majority, these bills would do nothing to make gasoline more affordable. Instead, they would eliminate longstanding protections for human health and public lands. H.R. 4471 would radically change Clean Air Act requirements affecting public health.

The EPA always considers costs and feasibility in determining how to meet air quality standards, but this bill would require the EPA to consider costs as the determining factor in any air safety regulation. According to the American Heart Association, American Lung Association, the American Public Health Association, the American Thoracic Society, the Asthma and Allergy Foundation of America, the National Association of City and County Health Officials, and the Trust for American's Health, passage of H.R. 4471 will mean, quote, "more smog, more childhood asthma attacks, and other health impacts for people with lung and heart disease," end quote.

Equally concerning is the fact that the bill would do nothing to reduce the cost of gasoline. EPA Assistant Administrator Gina

McCarthy testified before the subcommittee that H.R. 4471, quote, "does not address the reasons for the recent increase in the price of gasoline," end quote.

Mr. Whitfield himself said of the same bill, quote, "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," unquote.

H.R. 4480 would open up almost an acre of public land for each barrel of oil dispensed from the Strategic Petroleum Reserve. Beyond the negative public health and environmental impacts, this legislation would make it more difficult for the SPR to operate effectively. The Department of Energy, Deputy Assistant Secretary Chris Smith testified that the bill would, quote, "make it more difficult for the SPR to achieve its mission to respond promptly to supply interruptions with emergency crude oil," end quote.

The expansion of domestic drilling authorized in this bill will do nothing to reduce gas prices here at home. The global price of oil is determined by OPEC, which, in 2010, held over 80 percent of the world's crude oil reserves. Any slight increase in domestic production resulting from this bill can and likely would be offset by a reduction in supply from OPEC and thus, the price of gasoline would not be impacted. These bills will not help to make gasoline more affordable. They will leave the health of our people, our air, our water, and our public lands more vulnerable to irreversible damage.

And I yield back my time.

[The prepared statement of Ms. Schakowsky follows:]

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The Chairman. The gentlelady yields back.

The chair would recognize Dr. Burgess for an opening statement.

Dr. Burgess. I thank the chairman for the recognition.

Today, during the opening statements and focusing on legislation that would force the Environmental Protection Agency to actually come clean with the American people about how destructive their barrage of regulations are going to be on almost every facet of American life. Rather than making the population healthier and safer, these EPA regulations will serve to really put additional hardship on people who rely on oil and gas to transport themselves and their families or who buy a product that is made and transported using petroleum products.

For too long, the Environmental Protection Agency has obscured this committee's attempts at getting a full picture as to exactly what they are planning in terms of new regulations over the coming years. Our committee, at least the majority members, usually get, at best, a day notice when the Environmental Protection Agency finally gets around to announcing its rules, which have clearly been in the works for months, if not years.

This lack of transparency should be important to anyone interested in open government, and in fact, it trifles with the President's own words, although sadly not their deeds, in requiring transparency of this administration.

And we will hear over and over again from the other side of the dais how the President has very little control over gas prices. Anyone with even a vague sense of history will be shocked to hear this from the other side when members of this committee and members of the Democratic leadership blamed the two oilmen in the White House directly for higher gas prices in 2008. And they really can't have it both ways on this.

It is clear the administration has used the Strategic Petroleum Reserve for its own political purposes as a way of looking like the administration cares about the American people's struggles with gas prices, without actually really having to do anything.

Releasing oil from the Strategic Petroleum Reserve has no effect on gas prices in the long term, which is why it is only meant to be used when there are significant lapses in the world's oil markets. It is truly only to be available for emergencies. The President has shown over and over again that he cares very little about providing access to the country's own energy reserves, blocking expanded access to drilling on Federal lands, miring domestic production on natural gas with onerous red tape, to appease a political group that he badly needs in his reelection bid.

The American people are waking up to the fact that everything this President does is centered solely around his political preservation, and quite frankly, it is time to move on from that.

I yield back the balance of my time.

[The prepared statement of Dr. Burgess follows:]

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The Chairman. The gentleman yields back.

The chair would recognize the gentleman from North Carolina, Mr. Butterfield.

Mr. Butterfield. Thank you very much, Mr. Chairman.

You know, Mr. Chairman, I really wish we were going to meet tomorrow under better circumstances and with more meaningful pieces of legislation to mark up; legislation that could actually set our country on a path towards an energy policy that is sustainable, clean, and reliable.

Unfortunately, that is not going to be the case. Our colleagues on the other side have instead elected to mark up two bills that would do nothing to solve our country's energy problems or reduce gas prices. The two bills that we will markup tomorrow, are solely being used as political ploys in an attempt to mislead and gain political points, plain and simple.

H.R. 4480, the Strategic Energy Production Act, like its partner legislation, will attempt to delude the American public into believing that the President is withholding the use of a magic wand that can lower gasoline prices and he can do it tomorrow. My Republican colleagues will then have us to believe that if we drill, drill, drill, oil and gas prices will go down.

Strangely, my colleagues forget that U.S. crude oil production is at an 8-year high, and prices are still extremely high. This flawed legislation only creates bureaucracy, endangers

sensitive lands, and compromises our National Security. Instead of working in a bipartisan fashion to bring about a new energy future for our country and address the serious energy issues facing our country, my Republican colleagues instead want to waste time with political games and showmanship.

Mr. Chairman, I ask that my colleagues stop this, and roll up their sleeves and work with us to get to work with their counterparts on the other side to make real and lasting changes to our Nation's energy policy.

Thank you, very much. I yield back.

[The prepared statement of Mr. Butterfield follows:]

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The Chairman. The gentleman yields back.

The chair would recognize the gentleman from Georgia, Dr. Gingrey.

Dr. Gingrey. Mr. Chairman, I want to thank you for calling this markup on two important pieces of legislation that report out of the Energy and Power Subcommittee.

Both bills that we will be considering address an ongoing struggle that hard-working Americans face on a daily basis, the pain they feel at the pump. At a time when Americans are paying on average of \$3.78 a gallon for regular gas, it is imperative that this committee look at the contributing factors influencing the cost, including what impact that Federal regulations have on the price of gas.

H.R. 4471, the Gasoline Regulations Act, does just that, by creating a temporary interagency committee to estimate the impact that FDA regulations have on how much we pay at the pump. H.R. 4471 calls for this temporary committee to report its findings within 210 days, 7 months of enactment. Furthermore, this legislation delays three additional EPA regulations until 6 months after this study is completed.

Mr. Chairman, I am also in support of H.R. 4480, the Strategic Energy Production Act. The Strategic Petroleum Reserve, SPR, contains approximately 700 million barrels of oil. And it was designed to counter a severe supply interruption.

Unfortunately, this current administration has used the SPR as a means to address political crises that could easily be addressed by further domestic production.

This bill is quite simple in design. It states that if the President chooses to draw down the SPR, then the administration must, within 180 days after the drawdown, open up Federal land for oil and gas exploration that is equivalent to what was removed from the SPR.

I find it to be disappointing that production on Federal lands has already decreased 11 percent on President Obama's watch. This important bill reverses this course. Whenever the administration wishes to open up the SPR when the true need does not exist.

Mr. Chairman, I believe that both bills under consideration during this markup are important steps in looking at the economic hardship facing our constituents due to the high price of gasoline. So I urge my colleagues on both sides, please, support H.R. 4471, and H.R. 4480 and I yield back.

[The prepared statement of Dr. Gingrey follows:]

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The Chairman. The gentleman yields back.

The chair recognizes the distinguished gentlemen from the great State of Michigan, Mr. Dingell, for an opening statement.

Mr. Dingell. Mr. Chairman, I thank you for your courtesy, and I appreciate your kindness to me.

Like my colleagues on the committee, I remain concerned with the rising cost of gasoline. Gas is now about \$3.79 in my district in southeast Michigan. However, I do not believe that the two bills that we have before us today are going to do anything to address these prices at the pump and to help consumers.

Furthermore, I am also concerned that the supporters of these bills do not fully understand what the bills would or would not do and what their unintended consequences might be.

At the Energy and Power Subcommittee markup last month, I noted that none of the rules or regulations to be studied by the new interagency committee created in the Gasoline Regulations Act have even been proposed by EPA. As my colleagues should know, when an agency like EPA does propose a rule, other agencies and departments already have the opportunity to submit comments during the interagency review process. This legislation would create a new level of bureaucracy that will waste money and further slow down the existing review process without adding anything to the result.

The sponsor of the bill also acknowledged that his legislation will do nothing to lower gasoline prices. If we truly are concerned about high gasoline prices, why are we not then doing something that we know will address them? This legislation in my view, is a wonderful misuse of the committee's time, when we should instead be crafting legislation to address prices before the summer travel season begins.

The Strategic Energy Petroleum Act causes me still greater concern. At the subcommittee markup, the majority staff confirmed that the wildlife refuge areas and other public lands would be eligible for oil and gas exploration should this become law. That includes the National wildlife refuge -- the Arctic National Wildlife Refuge and areas in the Great Lakes, the Florida Everglades, the Mississippi River and the Rocky Mountains. It could also include the Arlington National Cemetery, Indian reservations or military installations, such as Fort Benning, where I served in World War II.

Land management policies have been put in place to benefit the people of the country. Hunters, outdoorsmen, conservationists, and persons concerned about migratory birds and wildlife habitat. As an outdoorsman, hunter, and conservationist myself, I find it hard to support a blank check that would allow for drilling in these extremely sensitive areas.

I think my colleagues and I would be better served using our time for other purposes, and I would hope that we would do so.

Mr. Chairman, I thank you for your courtesy to me.

[The prepared statement of Mr. Dingell follows:]

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The Chairman. Thank you.

The chair would recognize the gentleman from Colorado, Mr. Gardner, for an opening statement.

Mr. Gardner. Thank you, Mr. Chairman, for the opportunity to speak on my bill, H.R. 4480, the Strategic Energy Production Act.

We have an opportunity here today and in the coming weeks with this bill to educate the public about what exactly is going on when it comes to our energy policy. The majority of Americans, I believe, would be surprised to learn that our government doesn't have a mechanism in place to immediately address supply shortages, apart from tapping into our reserves, should there be a severe natural disaster or supply disruption.

Sadly, our world isn't getting any safer, and the likelihood that our reserves will need to be tapped only grows. If such a tragedy does occur, isn't it prudent to ensure that we have the ability to quickly find way to explore and drill for resources available right here in our own country?

Mr. Chairman, this bill is simple. It says that if the President decides to draw down oil from the Strategic Petroleum Reserve, a plan must be put in place to increase leases on Federal lands so more production can occur, thus reducing future reliance on our emergency reserves and ultimately foreign oil. If our Nation is forced to deal with the supply shortage though no fault of our own, we should do everything in our power to address it and

prepare ourselves for a future occurrence. We should not simply rely on a politically expedient action to bring down gas prices during an election year. It is not responsible, and it is not lasting. It is a quick political fix to a long-term problem. Multiple witnesses have stated before this committee, that increasing supply will impact price, including the Secretary of Energy. I also want to reiterate that this bill does nothing to impede the President's ability to tap the Strategic Petroleum Reserve. Should the President believe there is a situation that warrants drawing down our reserves, this bill will not stand in his way.

I would, however, remind the administration of the reasons we are tapping the reserves in the first place; a supply shortage. And what should we do as a long-term solution to address that? Allow more access to Federal land.

Further, nothing in this bill changes current law with regard to where a company can drill or where a company cannot drill. If an area is off limits drilling today, it is off limits drilling tomorrow under this bill. My colleagues on the other side might suggest that this bill will require drilling in areas that have not been drilled in before, but that is simply incorrect. That is not the case.

With only 3 percent of all public land now leased for oil and gas production, we have an incredible opportunity to responsibly utilize the vast resources on our Federal lands.

Mr. Chairman, we need good policy, not politics. Thank you,
Mr. Chairman.

I yield back my time.

[The prepared statement of Mr. Gardner follows:]

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The Chairman. The chair recognizes the gentleman from Georgia, Mr. Barrow, for 3 minutes.

Mr. Barrow. Thank you, Mr. Chairman.

Mr. Chairman, I am proud to be a cosponsor of H.R. 4471, the Gasoline Regulations Act. The price of gas is among the most important issues to my constituents. It hurts them in the pocketbook and is a drag on the economy as a whole. A recent report indicates that for every penny the price of a gallon of gas goes up, consumer spending power is reduced by a billion dollars over the course of a year. Much of that money ends up going overseas, the people we depend on for oil.

We need a long-term dedicated effort to take advantage of the traditional and renewable resources we have right here at home, and we need to avoid regulatory uncertainty that leads to unnecessary price volatility. This bill ensures that we know all of the economic costs of these regulations before we allow them to proceed. The bill is in three parts. The first part calls for a comprehensive multi-agency report on the impact of EPA regulations on gas prices and supply. The second part provides that new EPA regulations that might threaten gas prices and supply are on hold until that study is complete. And the third part says that the EPA has to consider feasibility and cost when it considers new regulations.

Mr. Chairman, I believe these are small but important parts

of a sustainable and stable energy policy, and I urge my colleague's support for the bill.

With that, I yield back the balance of my time.

[The prepared statement of Mr. Barrow follows:]

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The Chairman. The chair recognizes the gentleman from Louisiana, Mr. Scalise, for an opening statement.

Mr. Scalise. Thank you, Mr. Chairman.

I appreciate you having this hearing and having the markup tomorrow on two bills that our committee needs to pass out to continue to address the energy crisis our country is facing.

I think if you look at where our families are struggling today, not only with the economy, but with the record-high gas prices, which have doubled since President Obama took office, a lot of this is tracked back to the President's own policies; not just the President's policies, but a lot of the radical regulations that are coming out of his agencies, and we need to start reigning that in.

And I think if you look at the legislation that we have before us, it really starts to address a lot of these problems and especially if you look at what happened with the Strategic Petroleum Reserve.

Mr. Chairman, if you go back to last year when President Obama raided SPR, the petroleum reserve, he took 30 million barrels out of the Strategic Petroleum Reserve, roughly about \$3 billion that they got from that sale. They still haven't even replaced it. So our country is less secure because SPR is supposed to be there for National emergencies. The Strategic Petroleum Reserve is not supposed to be a bail-out fund for

President Obama's failed policies, and yet, that is what he has used it for. And he still hasn't replaced the oil he took out last year, so our country is less secure when you have got the leader of Iran threatening to shut off the Strait of Hormuz. That is why SPR is there, not because President Obama shuts down production in America.

Just look at the numbers. If you look at the numbers, according to the President's own energy information administration, production in the Gulf of Mexico is down 22 percent.

Now, the President loves running around saying he is for all of the above. The President says the production has never been higher since he has been President. And of course, it is high in areas that he has no control, like some of these areas where you have got hydraulic fracturing on private lands, and oh, by the way, the President, through his regulators and EPA and DOI, are starting to try to regulate that and shut that down.

And yet, if you look in the areas where the President actually does have control on Federal lands, production is down in the Gulf of Mexico by 22 percent. That is because of the President's policies. You don't hear him giving that speech a lot, but this is his own administration that has these numbers.

If you look at deep-water rigs because of the President's permatorium, and now moratorium, where it is still very hard to get permission to go back to work even if you are following a

higher set of safety guidelines. We tracked about 10 deep-water rigs that have left, not just the Gulf of Mexico but have left the United States. They have gone to foreign countries. Look at some of these countries: Sierra Leone, Australia, Egypt. You have got a billion dollar asset, and there is a major job creator in this country that says, I would rather take my billion dollar asset and 1,000 American jobs that go with it, and move over to Egypt because it is better to do business there than in the United States of America. That is embarrassing, and the President ought to be embarrassed and change the policy, but he won't. And so we have got to continue to take action in this committee like we have, and I applaud the chairman for bringing legislation, not just these two bills, but all of the bills that we brought forward in this committee to address the problem, not only getting our economy back on, getting people back to work, but lowering gas prices at the pump.

With that, I yield back the balance of my time.

[The prepared statement of Mr. Scalise follows:]

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The Chairman. The chair recognizes the gentlelady from the Virgin Islands Ms. Christensen for being patient this entire name.

Dr. Christensen. Thank you, Mr. Chairman.

Mr. Chairman, as others have said, there is hardly a person in this country that is not concerned about or impacted by the high and rising cost of gasoline and petroleum products. While we have gotten some reprieve at the pump over the last month, there is no guarantee and it is unlikely that that would continue.

In my district, the U.S. Virgin Islands, where after 45 years in operation, the Hovensa Oil Refinery, and the largest private employer as well as the largest, the only supplier of gasoline in the territory, shut down its operations in February. Gas prices there are as high as \$4.98 in St. Thomas.

But neither of the two Republican energy bills before us today would accomplish their alleged intent to combat high gas prices. We can be assured, however, that they will weaken environmental protection, effectively crippling measures that have stood to provide clean air and water for millions of Americans. It is troubling that instead of working collaboratively to invest in the cleaner renewable forms of energy and find a true solution to our Nation's energy crisis, we continue to consider these do-nothing approaches that only create more Government bureaucracy and hammer away at our most critical environmental and health policies, and they do nothing to create jobs, or build a green

economy.

It was a real eye opener for me in a Ways and Means hearing when there were several Republicans on my panel calling for the renewal of the wind energy tax credit, which is very important to a lot of districts. But they emphasized the large numbers of jobs it would create. I really wondered if I was in the same House of Representatives.

H.R. 4480, the Strategic Energy Production Act, ignores the fact that refinery production in the U.S. is at its highest in many years and far exceeds the decreasing demand, enabling us now to be a major exporter. It further creates confusion and weakens any impact that the opening of the Strategic Reserve could have in a crisis when it was truly needed. And it will not reduce gasoline prices.

As a physician, I am particularly concerned that 4471 would roll back key elements of the Clean Air Act and block the issuance of rules to the detriment of air quality and the health of our citizens, especially our children and elderly. The bill guts the Clean Air Act health-based air quality standards and puts cost concerns above those of the public health. These bills will show no short- or long-term benefit at the pump or to our Nation's economic and physical health.

And I yield back the balance of my time.

[The prepared statement of Dr. Christensen follows:]

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

The Chairman. The gentlelady yields back.

Before I recognize the gentleman from Texas, I am going to ask unanimous consent to submit four letters of support for H.R. 4471, the Gasoline Regulations Act, into the record. Also, ask unanimous consent, to submit one letter of support for H.R. 4480 into the record.

And without objection, so ordered.

[The information follows:]

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

The Chairman. The chair now recognizes the gentleman from Texas for an opening statement for 3 minutes.

Mr. Olson. Thank you, Mr. Chairman, for bringing these two important bills before this committee.

In towns across my home State of Texas and America, in places that most EPA bureaucrats in Washington have never seen, millions of American, 9 million if we only count the oil and gas industry, are working to power our homes and businesses. Their jobs are in danger. The people that provide our higher standard of living, those who locate, process, transport, and burn America's most abundant and affordable fuels, their jobs are being threatened by EPA.

Sadly, the EPA isn't just crushing the fossil fuel industry, they have also set their sights on eliminating jobs in chemical plants, steel factories, and cement factories, and pulp and paper mills, like the mills my father spent his entire professional career working in. They waste taxpayer money on expensive green initiatives and questionable environmental justice campaigns.

EPA has an important role to play in monitoring air and water quality, but today's EPA is abusing its power, picking winners and losers by mandating unachievable and unjustified regulations for people and businesses to comply with.

It is time for EPA to slow down and take into consideration the job impacts of their proposed rules and the damage it will do

to our economy, especially low-income communities. EPA should also consider the true impact of public health, especially the risks and dangers of high energy costs. As experience tells us, low-income and elderly populations are the most vulnerable.

Subcommittee Chairman Whitfield's legislation would allow the EPA to take a step back and conduct a true cost-analysis before issuing burdensome and unachievable rules. I would urge my colleagues on both side of the aisle to consider the benefit of that approach, and support this legislation H.R. 4471.

I yield back the balance of my time.

[The prepared statement of Mr. Olson follows:]

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

The Chairman. The gentleman yields back.

The chair recognizes the gentlemen from Illinois, Mr. Kinzinger, for an opening statement.

Mr. Kinzinger. Thank you, Mr. Chairman.

I want to thank Chairman Whitfield, and Chairman Upton, for making energy security a priority in this Congress and for bringing forward these two important pieces of legislation.

In October, I worked with Mr. Gonzalez to draft the amendment to the TRAIN Act that added new tier-three regulations to the list of rules that needed a cost-benefit analysis. I was pleased to see that amendment adopted, and I am happy we are continuing to push the EPA to slow their efforts to enforce new rules on gasoline. New rules on gasoline production will increase the cost of gas. There is no doubt about that. These rules will be even further below the already low levels mandated in 2004 that sought a 90 percent reduction in sulfur gasoline.

The impacts of these new rules could force refineries in the United States to slash their gasoline production by up to 14 percent, leaving the United States more dependent on foreign sources of oil. This legislation would require the EPA to study the economic cost of new fuel standards, new performance and emission standards, and new ozone standards. Before delivering what would be a devastating blow to the consumer and our economy, the EPA should first provide data to show lowering the sulfur

content will actually achieve a cost-effective real emissions reduction and air-quality health and welfare benefits.

Americans are fed up with volatility in gasoline prices. While we may not be able to control the price of oil on the global market 100 percent, we can control the cost of regulations on our fuel. Every dollar that is taken out of a taxpayer's pocket due to regulation is a dollar that is not going towards refueling the economy. We need commonsense regulations, and we need to know the impact of regulations on families and businesses before they go into effect.

As we go into the Memorial district work period, we need to remember the additional costs that the EPA is proposing on the American family during the busy driving season. Through the passage of this legislation, this committee will send a strong message that on a bipartisan basis, we are working to lower prices, and work for commonsense regulation.

I also want to quickly speak in support of the Strategic Energy Production Act of 2012.

I want to thank Mr. Gardner for his leadership on this legislation.

With this legislation, we will ensure that the Strategic Petroleum Reserve is mandated for emergencies, and if a situation occurs that requires its use, we are opening Federal lands in the amount equal to the drawdown. We have the resources. We have the workers. And we will be energy secure. I look forward to

tomorrow's debate, and I yield back.

[The prepared statement of Mr. Kinzinger follows:]

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

The Chairman. The gentlemen's time is expired.

I would like to recognize myself for an opening statement, so I will.

American families are facing a cruel double whammy of high gasoline prices in a still struggling economy. Paying \$75 bucks for a fill-up is tough enough on everyone, but especially for the million whose remain unemployed. The public deserves better from the government, and with these two bills, we take critical steps in the right direction on gasoline affordability.

One step is Subcommittee Chairman Whitfield's gasoline regs act, a long overdue effort to assess the cumulative impacts of upcoming EPA measures that may affect gasoline prices.

The other is Rep. Gardner's, Strategic Energy Production Act, which requires the administration to begin unlocking more oil-rich Federal lands in response to any drawdown from the Strategic Petroleum Reserve.

These two commonsense and bipartisan measures deserve everyone's support. There is no question that regs add to the price of gasoline, but just how much is not something that we know for sure. EPA rarely looks at the cumulative impact of its actions, which is of particular significance now that the agency is about to embark on a wave of new measures impacting refineries.

The Gasoline Regulations Act takes a long look-before-you-leap approach on several upcoming Clean Air Act

measures, including tier-three gasoline standards and the imposition of global warming regulations on refiners.

In addition to requiring an interagency study of the impact on gasoline prices, the bill also requires that analysis of other factors, such as the effect on refinery closures, which is of particular interest now that we have seen a number of East Coast refineries potentially shutting their doors.

Some have argued that we should ignore upcoming regulations because they haven't affected gas prices just yet. But I believe that we need to be concerned about gasoline affordability both now and in the future. Just as past mistakes and missed opportunities have contributed to today's high prices, these forthcoming measures from EPA deserve our scrutiny now before they impose unnecessary future costs.

So perhaps the only thing more troublesome than the administration's decision to pile new regulations on gasoline producers is its decision to cut back on oil leasing at a time of high prices in Middle East turmoil. The potential to significantly expand domestic production is undeniable. Increased oil production on State and private lands shows what is possible if we simply unlock the potential of the vast Federal lands in offshore areas that are off limits. The Strategic Energy Production Act would do just that. The bill's logic is clear. If we face enough of an emergency to justify a drawdown of SPR, then we certainly ought to make better use of the Nation's untapped oil

wells.

There are some who claim that more American oil production won't lower prices, but the last time I checked, the law of supply and demand has not been repealed. The American folk people understand full well that increased domestic drilling will lower oil prices. The President acknowledged as much when he tapped the SPR last June. Gasoline prices today are more than double what they were when President Obama took office. They dropped a bit over the last month, but that is hardly an excuse for doing nothing. Granted \$3.75 a gallon is better than \$4 a gallon, or \$4.50, but it is still no bargain. And if we maintain business as usual, we could again be facing record-high prices in the not too distant future.

This is no time for complacency, especially when EPA is poised to move ahead with a train wreck of new regulations and so much of the Nation's oil wells remain off limits. So whether the prices go up or down in the weeks ahead, I remain committed to sensible long-term approaches like those embodied in these two bills.

[The prepared statement of The Chairman follows:]

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

The Chairman. And at this point, are there other further Members asking for an opening statement?

If not, the chair would call up H.R. 4471 and ask the clerk to report.

The Clerk. H.R. 4471, to require analysis of the cumulative impacts of certain rules and actions of the Environmental Protection Agency that impact gasoline, diesel fuel, and natural gas prices, jobs, and the economy and for other purposes.

The Chairman. Without objection, the first reading of the bill is dispensed with and will be open for amendment at any point. So ordered.

[The information follows:]

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The Chairman. For the information of the Members we are now on H.R. 4471. The committee will reconvene tomorrow at 10:00 a.m. and I would remind the members that the chair will give priority recognition to amendments offered on a bipartisan basis. I look forward to seeing all of you, particularly Mr. Bass tomorrow, and without objection, the committee stands in recess.

[Whereupon, at 4:54 p.m., the committee was adjourned, to be reconvened at 10:00 a.m., Thursday, May 17, 2012 .]