

Opening Statement of the Honorable Ed Whitfield
Markup of H.R._____, the Strategic Energy Production Act of 2012,
and H.R._____, the Gasoline Regulations Act of 2012.
Subcommittee on Energy and Power
April 16, 2012
(As Prepared for Delivery)

The American people are concerned about high gasoline prices, but they are particularly angry when they learn that their own federal government may be making matters worse. At today's markup, we will consider two bills – the Strategic Energy Production Act and the Gasoline Regulations Act – that go a long way toward ensuring that government becomes part of the solution rather than part of the problem of high gas prices. I urge you all to support both bills.

The president has offered few real answers to the pain at the pump, other than to tell us that we ought to go out and buy a new car with better fuel economy, or maybe try an electric car – assuming of course that we can afford a new vehicle in this tough economy. One other idea the president has put on the table is drawing oil from the Strategic Petroleum Reserve (SPR) in order to try to flood the market and reduce prices.

The president released oil from the SPR once before in June of last year. It only reduced oil prices for a week, and then prices went back up. And the 30 million barrels of oil taken out of the SPR have not yet been replaced. This worries me because the purpose of the SPR is to serve as a stockpile of oil that we as a nation can draw upon in an emergency, such as a major outbreak of hostilities in Iran that may cut off Middle East oil supplies. Any drawdown of the SPR in yet another attempt to reduce prices means less oil on hand should a true emergency come along.

The president's willingness to tap the SPR stands in sharp contrast to his unwillingness to tap a far larger source of domestic oil. Vast energy-rich areas on land and offshore are controlled by the federal government, but only a small percentage has been opened to leasing. The Strategic Energy Production Act creates that chance.

The bill simply requires that if the federal government taps the SPR, then it must also commit to additional leasing of federal lands and offshore areas. It should be a no-brainer that if tapping the SPR makes sense, then tapping more of our nation's vast oil wealth also makes sense.

Another no-brainer at a time of high and rising gasoline prices is to make certain that federal regulatory costs won't add to the future pain at the pump. But instead, the EPA has a number of stringent regulations in the works, including Tier 3 ultra-low sulfur standards for gasoline as well as several global warming regulations for refineries.

But before we agree to a host of new regulatory requirements that may make gasoline production more expensive, we ought to have a better understanding of the cumulative costs to the consumer.

That is what the Gasoline Regulations Act is designed to do. It sets up a multi-agency committee charged with conducting a detailed study of several recent and upcoming regulations. The final report will look at the cost impacts of these rules on each gallon of gasoline and diesel, but will also look at other important factors like the impact on jobs and the possibility of refinery closures.

I might add that this modest bill does not prevent the promulgation of any new rules, but it does say that EPA must take into consideration the cost of setting any new National Ambient Air Quality Standards for ozone. Right now under the *Whitman v. American Trucking Associations* court decision, EPA does not take into account the costs or even feasibility in the setting of new ozone standards, which is just wrong considering the costs on jobs, consumers, and state and local economies associated with any new standard, especially during these difficult economic times.

The bill temporarily delays the finalization of a new ozone rule, as well as the New Source Performance Standards for greenhouse gases for refineries and the Tier 3 ultra-low sulfur standards for gasoline, until after the final report is completed so that those rulemakings can be better informed.

Overall, this bill takes a look-before-you-leap approach to regulating gasoline. I think that anyone struggling with \$75 dollar fill-ups would agree it makes good sense to do just that.

I urge my colleagues to support both of these bills.

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