



THE COMMITTEE ON ENERGY AND COMMERCE

INTERNAL MEMORANDUM

April 12, 2012

TO: Members, Subcommittee on Energy and Power

FROM: Committee Staff

RE: Subcommittee Markup of H.R. ___, the “Gasoline Regulations Act of 2012,” and H.R. ___, the “Strategic Energy Production Act of 2012”

The Subcommittee on Energy and Power has scheduled a markup beginning on Monday, April 16, 2012. The markup agenda will cover H.R. ___, the “Gasoline Regulations Act of 2012” and H.R. ___, the “Strategic Energy Production Act of 2012.” On Monday, April 16, the Subcommittee will convene at 4:00 p.m. in 2123 Rayburn House Office Building for opening statements only. It will reconvene on Tuesday, April 17, at 10:00 a.m. in 2123 Rayburn House Office Building.

Members must submit any amendments they may have two hours before they are offered during the markup. Members may submit amendments by email to: peter.kielty@mail.house.gov. Any information with respect to an amendment’s parliamentary standing (e.g., its germaneness) should be submitted at this time as well.

I. H.R. ___, THE GASOLINE REGULATIONS ACT OF 2012

A discussion draft of H.R. ___, the “Gasoline Regulation Act of 2012” was released on March 21, 2012. On March 28, 2012, the Subcommittee on Energy and Power held a legislative hearing on the proposed legislation. H.R. ___, the “Gasoline Regulation Act of 2012” would:

- Establish a temporary interagency committee, chaired by the Secretary of Energy, to estimate the cumulative impacts of certain EPA rulemakings and actions on gasoline and diesel fuel prices, jobs, the economy, as well as other cumulative costs and cumulative benefits, and submit a final report to Congress within 210 days after enactment.
- Defer until at least 6 months after submission of the final report the following new regulations: (i) Tier 3 motor vehicle emission and fuel standards; (ii) new or revised performance or emissions standards applicable to petroleum refineries; and (iii) new ozone standards.
- Require EPA consider cost and feasibility in setting new ozone standards.

H.R. ___, the “Gasoline Regulations Act of 2012” includes the following sections:

Section 1: Section 1 provides the short title of “Gasoline Regulations Act of 2012.”

Section 2: Section 2 establishes an interagency committee (the “Committee”) for the cumulative analysis of rules that impact gasoline and diesel fuel prices. Section 2(b) provides that the Committee will be chaired by the Secretary of Energy, and will include the Secretaries of Transportation, Commerce, Labor, and Treasury; the Administrator of the Environmental Protection Agency; the Chairman of the United States International Trade Commission; and the Administrator of the Energy Information Administration. The Committee will terminate 60 days after submitting a final report.

Section 3: Section 3 describes the analyses that the Committee will conduct for the years 2016 and 2020, including estimates of increases in gasoline and diesel fuel prices, capital investments, global economic competitiveness, other cumulative cost and cumulative benefit impacts, and jobs. The Committee will also provide a discussion of the cumulative impact of the covered rules and actions on consumers, small businesses; regional economies; State, local, and tribal governments; low-income communities; public health; and local and industry-specific labor markets.

Section 3 also identifies the covered rules and actions that are to be analyzed. These covered rules and actions include EPA’s Tier 3 Motor Vehicle Emission and Fuel Standards, new or revised standards of performance or emission standards under section 111 or 112 of the Clean Air Act applicable to petroleum refineries, new Renewable Fuels Program rules, the 2008 National Ambient Air Quality Standards for Ozone and any subsequent rule revising or supplementing those standards, and Greenhouse Gas permitting under the Prevention of Significant Deterioration and Title V programs.

Section 4: Section 4 requires a preliminary report be made public and submitted to Congress not later than 90 days after enactment. Public comments are to be accepted on the preliminary report for 60 days. The final report is then due by 60 days after the close of the public comment period.

Section 5: Section 5 defers until at least 6 months after submission of the final report the following new rules: EPA’s Tier 3 Motor Vehicle Emission and Fuel Standards, new or revised standards of performance or emission standards under section 111 or 112 of the Clean Air Act applicable to petroleum refineries, and any new rule revising or supplementing the National Ambient Air Quality Standards for Ozone issued in 2008.

Section 6: Section 6 requires that revisions to any National Ambient Air Quality Standards for Ozone shall take into account feasibility and cost.

The Majority anticipates an Amendment in the Nature of a Substitute (AINS) will be offered to H.R. ___, the “Gasoline Regulations Act of 2012.” The AINS (i) revises Section 2(b)

to add the Secretary of Agriculture, acting through the Chief Economist, to the members of the interagency committee; (ii) revises Section 3(b)(1)(E) to strike “increased” and replace it with “changes in;” and (iii) revises Section 5 to clarify that the section does not affect the finalization of any rule other than the rules described in Section 5(a).

II. H.R. __, THE STRATEGIC ENERGY PRODUCTION ACT OF 2012

A discussion draft of H.R. __, the “Strategic Energy Production Act of 2012” was released on March 23, 2012. On March 28, 2012, the Subcommittee on Energy and Power held a legislative hearing on the proposed legislation. H.R. __, the “Strategic Energy Production Act of 2012” would:

- Require that upon the first drawdown from the Strategic Petroleum Reserve (SPR), the Secretary of Energy (in consultation with the Secretaries of Agriculture, Interior, and Defense) must develop a plan to increase the percentage of Federal lands leased for oil and gas exploration, development, and production.
- Require that the plan (i) be consistent with a national energy policy to meet present and future energy needs of the U.S.; (ii) promote the interests of consumers through the provision of an adequate and reliable supply of domestic transportation fuels at the lowest reasonable cost; and (iii) not result in the percentage of Federal lands leased to exceed 10 percent or include lands managed under the National Park System or National Wilderness Preservation System.

H.R. __, the “Strategic Energy Production Act of 2012” includes the following sections:

Section 1: Section 1 provides the short title of “Strategic Energy Production Act of 2012.”

Section 2: Section 2 amends the Energy Policy and Conservation Act to require the Secretary of Energy upon the first drawdown from the SPR to develop a plan to increase the percentage of Federal lands under the jurisdiction of the Secretary of Agriculture, Secretary of Energy, Secretary of the Interior, and Secretary of Defense leased for oil and gas exploration, development and production.

Section 2 also requires that the plan developed by the Secretary: (1) be consistent with a national energy policy to meet present and future energy needs of the U.S., consistent with economic goals, and (2) promote the interests of consumers through the provision of an adequate and reliable supply of domestic transportation fuels at the lowest reasonable cost.

Section 2 also provides that the plan shall not result in the percentage of Federal lands leased to exceed 10 percent or include lands managed under the National Park System or National Wilderness Preservation System.

Section 2 requires the Secretary of Energy to consult with the Secretary of Agriculture, Secretary

of Energy, Secretary of the Interior, and Secretary of Defense in development of the plan and requires these Secretaries to comply with the plan.

III. STAFF CONTACTS

If you have any questions regarding the “Gasoline Regulations Act of 2012,” please contact Ben Lieberman or Mary Neumayr at (202) 225-2927, and if you have any questions regarding the “Strategic Energy Production Act of 2012,” please contact Garrett Golding at (202) 225-2927.