

## American Energy & Infrastructure Jobs Act (H.R. 7)

Posted by Speaker Boehner's Press Office on November 17, 2011

In the coming weeks, House Republicans will formally introduce the *American Energy & Infrastructure Jobs Act* (set to be H.R. 7), which would link new American energy production to high-priority infrastructure projects. Instead of more 'stimulus' spending or wasteful earmarks, the bill would permanently remove government barriers to American energy production and use the revenues to repair and improve America's roads and bridges – both of which support long-term job growth. Republicans expect to move the bill through the House before the end of the year.

### **Energy Reforms to Create Jobs, Lower Costs Generate Revenue for Infrastructure**

The *American Energy Infrastructure Jobs Act* is the latest measure in the House GOP American Energy Initiative, an ongoing effort to support job creation and lower energy prices for families and businesses by allowing increased production of American-made energy. This measure would help create millions of new American jobs by eliminating some of the unnecessary government barriers that prevent our country from utilizing its vast energy resources, and also provide a new revenue stream for infrastructure repair and improvement. Specifically, the *American Energy Infrastructure Jobs Act* includes:

- The *Energy Security and Transportation Jobs Act*, introduced by Rep. Steve Stivers (R-OH), which would lift President Obama's drilling ban on new offshore areas by requiring the administration to lease offshore areas estimated to contain the most oil and natural gas resources.
- The *Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security Act* ("PIONEERS" Act), introduced by Rep. Doug Lamborn (R-CA), which would set clear rules for the development of U.S. oil shale resources and promote shale technology research and development.
- The *Alaskan Energy for American Jobs Act*, introduced by Chairman Doc Hastings (R-WA) and Rep. Don Young (R-AK), which would open less than three percent of ANWR's 19 million acres in the North Slope, an area that was specifically set aside by Congress and President Jimmy Carter, for oil and natural gas development.

### **Funding High-Priority, Job-Creating Infrastructure Projects With Less Bureaucracy No Earmarks**

Rather than relying on 'stimulus' spending, higher taxes and short-term gimmicks, the *American Energy Infrastructure Jobs Act* would build on the natural link between energy production and infrastructure. The measure provides responsible infrastructure funding for the next five years, and links new energy revenue from production of American energy to the Highway Trust Fund. Specifically, the bill would:

- **Fund High-Priority Projects.** The bill would remove federal requirements that currently force states to spend highway money on non-highway activities, helping to ensure that our nation's highways and bridges are repaired and properly maintained and that federal dollars are spent on our most critical infrastructure needs.
- **Speed Up Bureaucratic Approvals.** The bill would speed up bureaucratic approvals and streamline the project delivery process – the real hurdles delaying improvements to highways, bridges, and other projects – with reforms like concurrent review that will cut the project review and permitting process in half.
- **Eliminate Needless Programs.** The bill would eliminate and consolidate nearly 70 surface transportation programs that are either duplicative or not in the federal interest.
- **Embrace More Private-Sector Involvement.** The bill would reform financing programs to increase private sector involvement in infrastructure.
- **Enhance Safety Programs.** The bill would strengthen safety programs and gives states more flexibility to develop innovative safety initiatives that save lives.
- **Include No Earmarks.** Like every bill passed through the House since the American people entrusted Republicans with a majority, this one will have no earmarks in it.

## House GOP Marries Domestic Energy to Transportation Funds

By [Todd Zwillich](#) | 11/17/2011 – 4:15 pm

House Republicans unveiled the outlines of a transportation authorization bill Thursday, relying on controversial methods of paying for highways that are already arousing the ire of Democrats.

The GOP plan pays for highways by expanding domestic energy production in three areas: offshore oil drilling on the Outer Continental Shelf, oil shale, and drilling in the Arctic National Wildlife Refuge, otherwise known as ANWR.

In addition to domestic energy, the plan also calls for reforms and cuts in infrastructure programs. It eliminates so-called “transportation enhancements” that states now must fund out of federal highway dollars.

House Speaker John Boehner (R-OH), flanked by several House GOP committee chairmen, teased the [five-year bill](#) for reporters but offered few specifics. The bill seeks to expand domestic energy production and also streamline and deregulate federally funded infrastructure projects. It’s part of an effort to both fund highway construction and stretch scarce federal dollars further.

Some specifics of the bill were [first reported](#) Wednesday evening by Transportation Nation.

Republicans leaders want to use expanded energy production to try and match Senate Democrats’ on highway funding, according to lawmakers familiar with the plan. Senate Democrats have offered a 2-year, \$54 billion package for the Highway Trust Fund. That would suggest Republicans’ Highway bill could run as high as \$130 billion over five years, though the number could drop significantly if streamlining and deregulation cut the cost of doing projects.

“Our bill links job-creating energy production and infrastructure together,” Boehner said at Thursday press briefing.

But Democrats were quick to lash out at the plan, even though it still exists only in outline form and has no price tag attached.

“They’re not serious,” said Rep. Nick Rahall, the senior Democrat on the [House Transportation and Infrastructure Committee](#). He was referring to drilling in ANWR, a perennial partisan flashpoint in Congress and the epitome of 2008’s Republican refrain, “Drill, baby, drill”.

“Why would they talk about something that they know is going to raise the wrath and anger of our side,” Rahall said. “We’ve been through this before.”

Hearings are set to begin Friday, when the [House Committee on Natural Resources](#) is scheduled to hold a hearing entitled “[ANWR: Jobs, Energy and Deficit Reduction](#).”

Republicans are stressing the first two. Boehner late last week railed against President Obama's decision to delay construction of the Keystone XL oil sands pipeline, saying it would prevent the creation of 20,000 jobs. Natural Resources Committee Chairman Rep. Doc Hastings (R-WA) Thursday said ANWR's North Slope could hold as many as 10.5 billion barrels of oil.

Still, politics aside, revenue is the big question. Democrats were quick to point out that expansions in offshore drilling royalties would only net \$1 billion to \$2 billion over ten years. And it dwarfs on-land drilling or shale production.

The bill is also, in large measure, the Republicans' answer to President Obama's election-year push for direct infrastructure spending as a vehicle for job creation. Democrats have spent more than a month applying political pressure to Republicans, pitting infrastructure projects and other popular programs against GOP opposition to tax increases on the wealthy. Boehner cast the bill in economic—and political—terms.

"We don't need more short-term stimulus gimmicks," he said. He decried "meddling and micromanaging our economy."

Boehner and other Republicans aren't talking about where they intend to get the money to pay for the bill. "They're not all available today," Boehner said, when asked about pay-fors for the plan. Boehner said he hopes to see the plan pass out of the House by the end of the year.

## House transportation plan tied to controversial revenue sources

November 17, 2011

By Stephen Lee Davis An emerging House proposal for a multi-year transportation bill, highlighted at a press conference today by Speaker John Boehner, is already raising strong concerns due to the stated intent to fund the massive shortfall in gas tax revenues for transportation through controversial increases in oil drilling and speculative energy exploration.

It's encouraging to hear House leaders say they intend to move forward with adopting a multiyear investment plan for transportation infrastructure that moves away from a 30 percent cut and toward full funding. But attaching the transportation bill to deeply contentious drilling proposals could lead to partisan gridlock and sidetrack long overdue transportation legislation — a stark contrast to the transportation bill marked up in the Senate just last week with a unanimous bipartisan vote.

While the Speaker's press conference this morning was very short on details about the length or price of the bill, they did make it clear that their intent is to try and cover the shortfall in the Highway Trust Fund through expanded oil drilling and exploration. That plan would certainly face immediate opposition from Democrats and moderates in the House and Senate.

There are serious questions, however about the amount of funding that could be raised over the next five years through this approach. As Sen. James Inhofe — the Republican co-sponsor of the Senate's bipartisan bill — has noted, it is unlikely drilling-related revenues would come close to closing the existing transportation funding gap, and would not be available for several years. (New oil drilling could bring in perhaps a billion dollars over the life of the energy bills, and not for several years, according to recent scoring by the Congressional Budget Office. The shortfall is well over \$50 billion over the life of this bill.)

In his response, Sen. Inhofe made it clear that expecting new oil drilling revenues to pay for an immediate multi-year transportation bill isn't a realistic funding solution for this bill.

“While Speaker Boehner's idea may be a long-term revenue source for transportation infrastructure,” Inhofe said, “we need to focus on the immediate problem of how we will fund a multi-year highway bill. ... If this is how the House is able to move the bill forward then I applaud them. But we need money now for transportation; we can't afford to wait.”

Calling the transportation bill an “important Republican jobs initiative”, Rep. John L. Mica (R-FL), chairman of the House Transportation and Infrastructure Committee, offered his priorities for authorization in a statement:

“It is my hope to mark up in the coming weeks a solid blueprint for the future of America's transportation that will do the following: significantly streamline the process for projects by cutting red tape and unnecessary federal paperwork; consolidate duplicative federal transportation programs; provide flexibility, authority and responsibility to states and local

governments to move transportation projects forward; and increase the ability to leverage financial resources and encourage more private sector participation in building infrastructure.”

Transportation for America has long advocated for the idea of tying the bill to an “oil fee” in the past. Our proposal was quite different, though, designed to ensure that any additional revenue from a fee on oil would increase the efficiency of the transportation system and help give people expanded options that can reduce the nation’s oil dependency. This idea received majority support from the public in a poll of ours, and two-thirds of those polled supported if it came with a cut in the tax at the pump.

Because details of the bill have not been released, it’s unknown whether any new revenue would be applied to a sound investment strategy. We look forward to an opportunity to review the draft legislation and will continue to work with transportation leaders in the House and Senate to see that a bill gets enacted as soon as possible.

The American Energy & Infrastructure Jobs Act will be H.R 7, a number reserved for one of the Speaker’s bills, when it moves sometime before the end of the year, according to the timeline presented today.

# THE HILL



## House GOP bill would tie infrastructure spending to energy production

By Russell Berman and Ben Geman - 11/03/11 07:28 PM ET

House Republicans plan to pass a bill by year's end that would tie new infrastructure funding to federal revenue generated from an expansion of domestic energy production, Speaker John Boehner (R-Ohio) announced Thursday.

Dubbing it the "opposite of stimulus," Boehner said the new energy production plan would provide "a new devoted revenue stream" that could pay for the kind of infrastructure spending that President Obama is demanding as part of his jobs package.



The GOP has long pushed for more American oil and gas production as a way of reducing the nation's dependence on foreign energy sources, and the Speaker's plan could help Republicans rebut Democratic claims that they are ignoring crumbling roads and bridges across the country.

Boehner said the legislation would include reforms to the federal infrastructure funding process, speeding up approvals and ensuring that taxpayer money is going to "real projects."

"This is, I think, the opposite of stimulus, by linking infrastructure to energy reform and permanently removing barriers to job growth instead of just spending money on short-term fixes," the Speaker told reporters in a rare roundtable briefing in his office. "The president says he wants more money for infrastructure and he says he supports more American-made energy, so I hope he will work with us on this."

House GOP bill would tie infrastructure spending to energy production - The Hill's E2-W... Page 2 of 3

"This is a new devoted revenue stream," he added. "As American-made energy production increases, so too does the revenue from infrastructure projects."

Boehner said the bill would be introduced in the next couple of weeks, once the details are finalized. Aides said the House committees of jurisdiction would set the revenue levels in the bill and decide what areas to open for drilling.

The Speaker had initially floated the idea in a speech to the Economic Club of Washington in September. He made the announcement Thursday, hours before the Senate blocked competing Democratic and Republican infrastructure bills.

The Democratic bill, modeled on an element of Obama's job proposal, included \$50 billion in infrastructure spending and \$10 billion to seed a new infrastructure bank.

Republicans have condemned the proposal as more failed stimulus spending, and have warned that creating an infrastructure bank could lead to the kind of problems seen in the federal mortgage lenders Fannie Mae and Freddie Mac.

The House and Senate have been working on a long-term reauthorization of a surface transportation bill, which could form the basis of Boehner's plan. Republicans have already called for specific process reforms to infrastructure funding, such as eliminating a requirement that states set aside 10 percent of federal surface transportation funds for "museums, education and preservation."

"I would expect [the legislation] would include reforms to ensure that infrastructure money is spent on real projects instead of being spent on frivolous projects where that money has sometimes been diverted over the decades for all kinds of purposes," Boehner said, citing funds used for baseball parks and parking garages.

The energy half of Boehner's plan could face immediate Senate hurdles.

Republicans and conservative and oil-state Democrats back large-scale expansions of oil drilling, but the majority of Senate Democrats oppose it.

The GOP-led House passed several bills this year to widen drilling and knock down what advocates call regulatory barriers. That legislation includes measure that would mandate a massive expansion of offshore oil-and-gas leasing, which passed in May on a 243-179 vote, with 21 Democrats in support.

Sen. Robert Menendez (D-N.J.), a liberal offshore-drilling foe, said he did not believe that steering energy revenues into infrastructure would give wider drilling more traction in the upper chamber.

The plan could also face criticism from drilling advocates who have their own ideas about where to direct the money. Sen. Mary Landrieu (D-La.) is a strong supporter of expanded offshore drilling, but argues that coastal states with energy development off their shores should receive a substantial share of leasing and royalty money.

"That drilling would have to have provisions for revenue-sharing for the local counties and host states, including coastal counties and states," Landrieu said in the Capitol on Thursday.

Sen. Lisa Murkowski (Alaska), the top Republican on the Senate Energy and Natural Resources Committee, is also a strong revenue-sharing advocate.

\* House GOP bill would tie infrastructure spending to energy production - The Hill's E2-W... Page 3 of 3

Louisiana and some other Gulf of Mexico states won oil-and-gas revenue-sharing in a 2006 law, ensuring a 37.5 percent cut from certain leases, but the bulk of it does not begin until 2016. Landrieu has said the program should be sped up.

Boehner spokesman Michael Steel said it's too early to say whether coastal revenue-sharing could be part of the package.

"That kind of detail will be worked out with our members and chairmen of the relevant committees in the weeks ahead," he said in an email.

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## **GOP calls for drilling in Arctic Wildlife Refuge to pay for infrastructure**

By Ben Geman - 11/11/11 11:08 AM ET

A proposal from House Republicans to funnel energy development revenues into infrastructure spending calls for a massive expansion of offshore oil-and-gas leasing and opening up the Arctic National Wildlife Refuge to drilling rigs, according to new details unveiled Friday.

The proposal sets up a collision with the Obama administration, which opposes drilling in the Alaskan refuge and is proposing a **far narrower offshore leasing plan**.

House Speaker John Boehner (R-Ohio) has discussed the **GOP leadership plan** to tie energy production to infrastructure projects in broad strokes in recent weeks.

On Friday, Rep. Steve Stivers (R-Ohio) put meat on the bones by announcing a plan that would require lease sales in areas off the Atlantic and Pacific coasts, among other areas, and lift a congressional ban on oil-and-gas leasing that covers most of the eastern Gulf of Mexico.

The plan includes a lease sale off Virginia's coast by mid-2012.

"The U.S. has vast energy resources that are not being developed due to federal government roadblocks. Removing these barriers and allowing expanded American energy production will create long-term job growth, reduce our dependence on foreign oil, and provide much-needed revenue to help pay for vital infrastructure improvements," Stivers said in a statement Friday.

The plan is expected to move through the House in the "coming weeks," his office said.

It would provide states with drilling off their shores a 37.5 percent cut of the revenues, expanding the revenue-sharing program for several other Gulf of Mexico states created in 2006 to other regions.

Separately, House Natural Resources Committee Chairman Doc Hastings (R-Wash.) introduced legislation that authorizes oil-and-gas leasing in Alaska's Arctic National Wildlife Refuge.

The measures stand little chance of clearing the Democratically controlled Senate and would almost certainly be vetoed if they reached President Obama's desk.

But they nonetheless provide House Republicans a way to tout their energy-focused economic plans and offer a way to pay for infrastructure.

Democrats, in contrast, have called for paying for infrastructure projects with higher taxes on the wealthy.

Hastings's committee is holding a hearing on the bills next week.