



Legislative Bulletin.....September 18, 2014

Contents:

H.R. 2 – American Energy Solutions for Lower Costs and More American Jobs Act

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(Rep. Terry, R-NE)**

Order of Business: H.R. 2 is scheduled for consideration as early as Thursday, September 18, 2014, under a closed [rule \(H. Res. 727\)](#) that provides two hours of debate equally divided and controlled by the chair and ranking minority member of the Committee on Natural Resources or their respective designees.

Summary of Titles and Congressional Action: [H.R. 2](#) is a package of legislation designed to remove Federal Government obstacles to the production of domestic energy and to ensure the reliable transport of that energy to businesses, consumers, and other end-users. The bill consists of several previously passed bills. Below is a summary of titles and House action:

➤ **Division A – Energy and Commerce**

▪ **Title I – Modernizing Infrastructure**

- Subtitle A – **Northern Route Approval** contains text from H.R. 3 (Rep. Terry, R-NE) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 241-175 on May 22, 2013. The title waives the requirement that the Keystone XL pipeline project receive a Presidential permit, thereby approving the pipeline’s construction. The pipeline’s route shall include the Nebraska reroute evaluated in the Final Evaluation Report issued by the Nebraska Department of Environmental Quality in January 2013 and approved by the Nebraska governor. H.R. 3 is also part of the RSC JOBS Act, Title XV of H.R. 4304 (Rep. Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).
- Subtitle B – **Natural Gas Pipeline Permitting Reform** contains text from H.R. 1900 (Rep. Pompeo, R-KS) ([RSC Legislative Bulletin](#)) that passed

the House by a [vote](#) of 252-165 on November 21, 2013. The title directs the Federal Energy Regulatory Commission (FERC) to approve or deny the application for natural gas pipeline projects within 12 months after the application is submitted. The legislation directs the agency responsible for issuing any license, permit, or approval required under law, in connection with a “prefiled project,” to approve or deny the issuance of the license, permit, or approval within 90 days after FERC issues its final environmental document relating to the project.

- Subtitle C – **North American Energy Infrastructure** contains text from H.R. 3301 (Rep. Upton, R-MI) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 238-173 on June, 24, 2014. The title would change permitting requirements for pipelines and other energy infrastructure at international borders by eliminating the requirement of sponsors of such infrastructure to obtain a Presidential permit. The bill prohibits any person from constructing, connecting, operating, or maintaining an oil or natural gas pipeline or electric transmission facility at the national boundary of the United States for the import or export of oil, natural gas, or electricity to or from Canada or Mexico without obtaining a certificate of crossing.
- Title II – Maintaining Diverse Electricity Generation and Affordability
 - Subtitle A – **Energy Consumers Relief** contains text from H.R.1582 (Rep. Cassidy, R-LA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 232-181 on August 1, 2013. The title prohibits the Environmental Protection Agency (EPA) from issuing final rules that have an estimated cost (direct and indirect) of more than \$1 billion if the Secretary of Energy determines the rule will cause significant adverse effects to the economy.
 - Subtitle B – **Electricity Security and Affordability** contains text from H.R. 3826 (Rep. Whitfield, R-KY) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 229-183 on March 6, 2014. The legislation prohibits the Administrator of the Environmental Protection Agency (EPA) from establishing performance emissions standards of any greenhouse gas from new sources that are fossil fuel-fired electric power plants unless certain conditions are met. The EPA has been exercising this authority under the Clean Air Act. When setting these standards for new power plants, the EPA is required to separate coal and natural gas into different categories. Additionally, the EPA is prohibited from setting a standard unless that standard has already been achieved on average for at least one continuous 12-month period by at least six units within that particular category.
 - Subtitle C – **Report on Energy and Water Savings Potential from Thermal Insulation** contains text from H.R. 4801 (Rep. Kinzinger, R-IL)

([RSC Legislative Bulletin](#)) that passed the House by voice vote on June 23, 2014. The title requires the Secretary of Energy to prepare a report, within one year of enactment, on the effects that thermal insulation has on both energy consumption and systems for providing potable water in federal buildings.

- Title III – Unleashing Energy Diplomacy

- Title III contains text from H.R. 6 (Rep. Gardner, R-CO) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 266-150 on June 25, 2014. The title amends the Natural Gas Act of 1938 by directing the Department of Energy to issue a decision on an application for the authorization to export natural gas within 90 days after the enactment of the Act or after the end of the comment period for that decision. The bill mandates that the applicant for authorization to export Liquid Natural Gas (LNG) must publicly disclose the specific destination or destinations of the authorized LNG export.

➤ Division B – Natural Resources

- Subdivision A – **Lowering Gasoline Prices to Fuel and America That Works Act** contains text from H.R. 4899 (Rep. Hastings, R-WA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 229-185 on June 26, 2014. The subdivision seeks to increase U.S. offshore and onshore oil production by streamlining and improving onshore and offshore energy permitting. The bill expands onshore energy production by requiring the Secretary of the Interior to conduct new lease sales in areas identified with the greatest energy potential and prohibits the Secretary of the Interior from taking away leases already sold or from modifying the rules after the leases or contracts have been finalized.
- Subdivision B – **Bureau of Reclamation Conduit Hydropower Development Equity and Jobs Act** contains text from H.R. 1963 (Rep. Daines, R-MT) ([RSC Legislative Bulletin](#)) that passed the House by voice vote on December 3, 2013. The subdivision allows the Secretary of the Interior to enter into certain hydropower generation leases at a location that is governed by the Water Conservative and Utilization Act (WCUA). The legislation allows revenues from the sale of hydropower to be credited to the generating facility.
- Subdivision C – **Central Oregon Jobs and Water Security Act** contains text from H.R. 2640 (Rep. Walden, R-OR) ([RSC Legislative Bulletin](#)) that passed the House by voice vote on October 29, 2014. The subdivision amends the Wild and Scenic Rivers Act to address a 15-mile segment in Crooked, Oregon. The legislation reduces the Wild and Scenic Rivers Act designation to a 14.75 mile segment, and directs any hydropower developer within this segment to analyze development impacts.

- Subdivision D – **State Authority for Hydraulic Fracturing Regulation; EPA Hydraulic Fracturing Research** contains text from H.R. 2728 (Rep. Flores, R-TX) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 235-187 on November 20, 2013. The subdivision prohibits the Department of Interior from enforcing any federal hydraulic fracturing regulations or guidance in any state that has already issued regulations, guidance or requirements for hydraulic fracturing. H.R. 2728 is also part of the RSC JOBS Act, Title XIV of H.R. 4304 (Rep. Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).

- Subdivision E – **Preventing Government Waste and Protecting Coal Mining Jobs in America** contains text from H.R. 2824 (Rep. Bill Johnson, R-OH) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 229 to 192 on March 25, 2014. The legislation amends the underlying 1977 law and requires states to adopt the proposed 2008 rule in their state programs that manage coal waste and stream buffers. The legislation also directs the Secretary to submit a report to Congress regarding the impacts of the rule. Specifically, the report shall include an evaluation of the effectiveness of the rule, an evaluation of any ways in which the rule inhibits energy production, and a description of any proposed changes that should be made to the rule. The legislation includes a prohibition against any regulations relating to stream buffer zones or stream protection before the date that the report mentioned is published. H.R. 2824 is also part of the RSC JOBS Act, Title XVII of H.R. 4304 (Rep. Scalise, R-LA), that is cosponsored by 53 RSC Members. More information about the RSC JOBS Act can be found [here](#).

➤ **Division C – Judiciary**

- Division C contains text from H.R. 2641 (Rep. Marino, R-PA) ([RSC Legislative Bulletin](#)) that passed the House by a [vote](#) of 229 to 179 on March 6, 2014. The division amends the Administrative Procedures Act (APA) to allow for expedited review of construction projects paid for fully or partially with federal funds or that require federal regulatory agencies to grant permits or approval of the projects. The bill specifically expedites the review process established by the National Environmental Policy Act (NEPA).

Additional Information: A title-by-title summary from the Rules Committee can be found [here](#). A list of cosponsors can be found [here](#).

Committee Action: The bill was introduced on September 15, 2014, and was referred to the House Committees on Natural Resources, Energy and Commerce, Transportation and Infrastructure, House Judiciary, and Science, Space, and Technology.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: No Congressional Budget Office cost estimate is available.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: According to the Congressional Budget Office, H.R. 6 (part of H.R. 2’s Division A) would impose a private-sector mandate, as defined in UMRA, on entities seeking Department of Energy approval to export natural gas. The Natural Gas Act requires entities seeking to export natural gas to obtain approval from the Department of Energy. The bill would require that applicants, as a condition for approval, publicly disclose the countries that would receive the exports. According to the Department, fewer than 100 applications have been approved or are pending for export of natural gas as of March 2014. Because the number of applications for export is small and the cost to disclose destination countries is low, the Congressional Budget Office estimates that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

H.R. 2824 (part of H.R. 2’s Division B) would impose additional requirements on states and tribal governments that choose to apply for exclusive jurisdiction—or “primacy”—in regulating surface mining operations within their jurisdiction. However, those requirements would be conditions of participating in a voluntary federal program and thus not mandates as defined in UMRA.

Constitutional Authority: Congress has the power to enact this legislation pursuant to the following: Art. I, Sec. 8, Cl. 3, giving Congress the Power “To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;”

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