



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

February 14, 2012
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 7 – American Energy and Infrastructure Jobs Act of 2012 (Rep. Mica, R-Florida, and Rep. Duncan, R-Tennessee)

The Administration strongly opposes the Rules Committee Print of H.R. 7, which includes H.R. 3408, the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security (PIONEERS Act) and H.R. 3813, the Securing Annuities for Federal Employees Act of 2012. H.R. 7 does not reflect the historically bipartisan nature of the Transportation and Infrastructure Committee. The Administration has serious concerns with provisions in the bill that would make America's roads, rails, and transit systems less safe, reduce the transportation options available to America's traveling public, short circuit local decision-making, and turn back the clock on environmental and labor protections.

This bill would reduce safety throughout the Nation's transportation system by failing to make necessary investments in roads and bridges, limiting funding to State and local governments for highway safety, and repealing requirements that help ensure the safe handling of hazardous materials by railroads. The bill also fails to adequately improve transit safety in accordance with recommendations of the National Transportation Safety Board and legislation submitted by the Administration in December 2009.

H.R. 7 eliminates programs that ensure the Nation's metropolitan areas have sufficient resources to provide multiple transportation options to help reduce congestion. H.R. 7 also eliminates a thirty-year legacy of dedicated transit funding from the Highway Trust Fund. The bill allocates Federal funding for transit in a manner that undermines local decision making regarding the operation of local transit systems. This bill also reduces authorized funding levels for Amtrak and loosens the requirements on loan programs, putting taxpayer dollars at risk. In addition, the bill inappropriately targets funding towards systems that carry only a small number of the Nation's bus passengers. Finally, while the Administration appreciates that the bill does not contain earmarks, H.R. 7 eliminates funding for a number of discretionary grant programs, missing an opportunity to promote competition and innovation.

H.R. 7 would also significantly weaken environmental protections for transportation projects and undermine civic engagement in the decision-making process. The bill includes arbitrary timelines that deem an environmental and substantive review satisfactory regardless of a project's complexity and impact. The bill also limits judicial recourse of parties affected by transportation projects in a manner that undermines well-established judicial principles.

The Administration is committed to promoting safe and responsible domestic oil and gas production as part of a broad energy strategy that will protect consumers and reduce the Nation's dependence on foreign oil. Unfortunately, the bill includes pay-fors that open up pristine natural habitats not suitable for resource extraction and undermine prudent development of the Nation's oil and natural gas resources by opening the Arctic National Wildlife Refuge to industrial

development, mandating lease sales in new offshore areas with no Secretarial discretion for determining which areas are appropriate and safe for such exploration and development, and preempting a Bureau of Land Management environmental impact statement on oil shale extraction. Further, this bill seeks to circumvent a longstanding process for determining whether cross-border pipelines are in the national interest by mandating the permitting of the Keystone XL pipeline project despite the fact that the pipeline route has yet to be identified and there is no complete assessment of its potential impacts, including impacts on health and safety, the economy, foreign policy, energy security, and the environment.

The Administration is committed to working on a bipartisan basis on a surface transportation reauthorization bill that provides the necessary funding to modernize the Nation's surface transportation infrastructure, increase transportation options, maintain and create good paying jobs, and ensure lasting economic competitiveness. Because this bill jeopardizes safety, weakens environmental and labor protections, and fails to make the investments needed to strengthen the Nation's roads, bridges, rail, and transit systems, the President's senior advisors would recommend that he veto this legislation.

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