

Statement for the record

Rep. Schakowsky

Amendment DEJA_04 Testimony

House Committee on Rules

June, 19, 2012

Statement on Oil Industry Fee Amendment

Thank you, Mr. Chairman, for the opportunity to testify on my amendment today. I would also like to thank the Energy and Commerce Committee minority staff for working with me on this amendment.

This title (Title II) does nothing to protect consumers from price spikes at the pump or to reduce our country's dependence on oil. Instead, it is a giveaway to the oil industry under the pretense of lowering gasoline prices.

The oil industry doesn't want to reduce the amount of toxic air pollution spewing from its refineries. The oil industry doesn't want to produce cleaner-burning gasoline. The oil industry would rather not construct new refineries that are more efficient and less damaging to the world's climate. Oil industry executives would prefer to pocket all of their billions in annual profits rather than invest any of it in modern, less-polluting technology.

Title II sets up a new interagency bureaucracy to conduct an impossible study of the alleged economic impact of several EPA rules to reduce pollution from refineries and fuels—which haven't even been proposed—using data that doesn't exist. In the meantime, this title blocks EPA from finalizing several air quality protections that the oil industry would prefer go away.

My amendment would ensure that the primary beneficiary of this legislation—the oil industry—would have to foot the bill for its implementation.

Where else is the money going to come from? DOE, which is chairing the interagency committee in charge of the study, will rely on the U.S. Energy Information Administration (EIA) for much of the data analysis envisioned by Title II.

But the majority has been pushing to cut EIA's budget. The Ryan Budget proposed a 2013 budget for EIA that is \$16 million below the President's request.

Opponents of this amendment may argue that EIA won't have to collect any new data or do anything out of the ordinary for Title II. But that's not what EIA says.

EIA told Committee staff that it currently has little capability to conduct state or regional analyses of the potential EPA rules, as required by this title. Even if EIA just conducted a national-level analysis, *"there could be some considerable additional costs for EIA, as contractor expertise and manpower would likely be needed to supplement EIA's staffing."*

Title II says that the interagency committee isn't required to create or purchase data that isn't readily accessible. But EIA examined the different components of the study and concluded that it would have to purchase or collect new data in order to perform the mandated analyses.

EIA also concluded that the scope of the study covers a "*wide area of activity that would be difficult to track much less analyze,*" such as actions by any state, local government, or permitting agency.

In many ways, Title II mandates a study that will be an exercise in futility. The interagency committee is unlikely to produce a credible, defensible analysis of these EPA rules, since they haven't even been proposed.

But if the oil industry really wants this analysis, the least we can do for taxpayers is ask the oil industry to pay for it.

Thank you for your consideration of this important amendment.