

Rep. Jeb Hensarling (R-TX), Chairman Russ Vought, Executive Director

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H.R. 6052—Amendments to the Saving Energy Through Public Transportation Act

H.R. 6052, the Saving Energy Through Public Transportation Act (sponsored by Rep. James Oberstar, D-MN), is scheduled to be considered on the House floor on Thursday, June 26, 2008, subject to a structured rule (<u>H.Res. 1304</u>), making in order the five amendments summarized below, each debatable for 10 minutes.

The rule waives all points of order against consideration of the bill, except those regarding PAYGO and earmarks, waives all points of order against the bill itself—except the PAYGO rule—and allows the Chair to postpone consideration of the legislation at any time during its consideration. The rule allows one motion to recommit with or without instructions.

NOTE: The rule also provides that it will be in order at any time on the legislative day of Thursday, June 26, 2008, for the Speaker to entertain motions that the House suspend the rules relating to a measure concerning the:

- --Commodity Exchange Act and energy markets (an anti-oil-investors bill); and
- --Issuance of oil and gas leases on federal lands or waters (a "use-it-or-lose-it" bill).

<u>Note</u>: The summaries below are based on RSC staff review of *actual amendment text* and thus differ from what's on the Rules Committee website. For a summary of the underlying bill, see a separate RSC document released yesterday.

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AMENDMENTS MADE IN ORDER UNDER THE RULE

1. Oberstar (D-MN): This amendment would:

- Add a finding that public transportation stakeholders should engage local communities in promoting the importance of using public transportation;
- ➤ Clarify that intercity bus service and acquiring facilities or equipment to improve fuel efficiency are eligible activities under the bill;
- Allow grants to be used to avoid fare increases and/or reductions in service that would otherwise occur because of high fuel or maintenance costs;
- Allow grants to be used to acquire clean fuel or alternative fuel vehicle-related equipment or facilities to improve fuel efficiency;

- Authorize \$1 million in FY2009 for the Transportation Secretary to carry out a national consumer awareness program to educate the public on the environmental, energy, and economic benefits of public transportation alternatives to the single-occupancy vehicle; and
- Make a variety of clarifying and technical changes.
- **2. Davis** (**R-VA**)/ *McGovern* (*D-MA*): This amendment would authorize increasing the federal employee public transportation fringe benefit so it is equal to the maximum limit of the federal employee parking fringe benefit (currently capped at \$175 per month in 26 U.S.C. 132 (f)(2)). According to CBO, the average amount that federal employees currently receive for transit benefits nationwide is nearly \$90 per month.
- 3. Mahoney (D-FL): This amendment would provide a small exception to the controversial Section 526 of the Energy Independence and Security Act (regarding procurement and acquisition of alternative fuels) by exempting contracts for generally available fuels that are not predominantly produced from nonconventional petroleum sources, if the contract does not require the contractor to provide alternative fuels, the purpose of the contract is not to obtain an alternative fuel, and the contract does not provide incentives for a refinery upgrade or expansion to allow a refinery to use or increase its use of fuel from a nonconventional petroleum source.

<u>NOTE</u>: Rep. Hensarling and Rep. Mike Conaway (R-TX) have a stand-alone bill, <u>H.R. 5656</u>, to completely repeal Section 526. H.R. 5656 is currently the object of a leadership-driven discharge petition (offered by Rep. Randy Kuhl of New York) and has been the language used for previous question votes and motions to recommit.

Some conservatives may feel that the Mahoney amendment still leaves in place the thrust of Section 526 and thus would still discourage American energy production and investment, while encouraging energy procurement from Venezuela, Nigeria, and the Middle East.

Section 526 of the recently enacted energy law states in its entirety:

No Federal agency shall enter into a contract for procurement of an alternative or synthetic fuel, including a fuel produced from nonconventional petroleum sources, for any mobility-related use, other than for research or testing, unless the contract specifies that the lifecycle greenhouse gas emissions associated with the production and combustion of the fuel supplied under the contract must, on an ongoing basis, be less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources.

Though short, this section, which raises concerns over national security, economic security, and bureaucratic uncertainty, has powerful and harmful implications. It affects all federal agencies and could harm the markets for a variety of energy products, from oil shale and ethanol to tar sands and coal-to-liquids.

Section 526 was added by Speaker Nancy Pelosi (D-CA) and Rep. Henry Waxman (D-CA) largely to stifle the Defense Department's plans to buy coal-based (or "coal-to-liquids") jet fuels, which environmentalists contend will ultimately produce more greenhouse gas emissions than would traditional petroleum—a contention that is uncertain at best and that does not account for

ongoing improvements in carbon-capture technologies. Plus, no one can come up with a workable definition for "lifecycle greenhouse gas emissions."

Furthermore, Canada is currently the largest U.S. oil supplier. It sent 1.8 million barrels per day of crude oil and 500,000 barrels per day of refined products to the United States in 2006, according to the Canadian Government. About half of Canadian crude is derived from oil sands, with sands production forecast to reach about 3 million barrels per day in 2015. Section 526 could choke this flow of fuel from one of our nation's most reliable allies and economic partners. Oil producers, the Air Force, the Canadian Government, and the Center for Unconventional Fuels have all called for the repeal of Section 526.

- **4. Reichert (R-WA):** This amendment would apply the 100% federal share for end-of-line fixed guideway stations to park-and-ride lots that serve fixed route commuter bus routes of more than 20 miles in length.
- **5.** *Hodes* (*D-NH*): This amendment would allow grants to be used by states to establish or expand commuter matching services to provide commuters with information about alternatives to single occupancy vehicle use.