



**Energy and Commerce
Committee**

**112th Congress, 2nd Session
Second Quarter**

Rep. Fred Upton (R-MI), Chairman
July 2012

TO: Republican Members, Committee on Energy and Commerce
CC: Speaker Boehner, Majority Leader Cantor, Majority Whip McCarthy,
Conference Chairman Hensarling, and Policy Committee Chairman Price
FROM: Fred Upton, Chairman, Committee on Energy and Commerce
DATE: July 2012
RE: Second Quarter Report, Second Session of the 112th Congress

In late January, we gathered for an Energy and Commerce Committee Republican Member retreat and planning session. On the heels of a tremendously productive and successful year (read about our work in the first session of the 112th Congress [here](#)), we met as a team to map out the year ahead.

Together, we identified more than a dozen specific legislative initiatives we intended to pursue. Because this is an even-numbered year, we knew the legislative calendar would be compressed. But our commitment to advancing common-sense solutions was as strong as ever, and I am proud of the legislative priorities we developed together to chart our course for the year.

With the first half of the year now complete, and three-fourths of the 112th Congress now in the rearview mirror, it seems like a fitting time to revisit the goals we set forth a few short months ago. I am pleased to report to you that we have made significant progress on the legislative initiatives we identified at the beginning of the year, and work is underway to complete them all.

As we have done for quite some time, we grouped our 2012 legislative goals under broad themes that guide virtually every hearing we hold or bill we consider: Supporting job creation and economic growth; Standing up for taxpayers, reducing the size and scope of government; and Protecting individuals families, and communities. Let's look first at all that we have accomplished in those categories from our January "to do list" in the first six months of the year.

Supporting Job Creation and Economic Growth

First on our list of job-creating policies is **spectrum reform**. Led by Communications and Technology Subcommittee Chairman Greg Walden, our team spent much of the first session holding hearings, listening to stakeholders, and preparing legislation to free up additional spectrum to support the build-out of the next generation of wireless broadband networks. In the first quarter of 2012, we pushed that legislation over the finish line as part of the Middle Class Tax Relief and Job Creation Act.

Our spectrum reform is a win for taxpayers, a win for consumers, and a win for the economy as well. According to recent studies, investment in next-generation wireless broadband could produce an estimated 300,000 jobs or more. Our reforms will make spectrum available to help that investment happen. Read more about spectrum reform in our [First Quarter Report](#).

And our work on spectrum is not done yet. In the second quarter, Chairman Walden and the subcommittee's Ranking Member established a bipartisan Federal Spectrum Working Group to examine how the federal government can use the nation's airwaves more efficiently. Their goal is to build on the momentum of legislation enacted this year that improved commercial spectrum allocations through incentive auctions and reformed the Commercial Spectrum Enhancement Act.

Next on our list is another engine for job creation: **FDA reform**. The Food and Drug Administration is responsible for reviewing and approving a host of new medical advancements – both pharmaceuticals and devices – that are constantly improving outcomes and treatment opportunities for patients. Unfortunately, FDA's process has been marked by a lack of predictability and unnecessary delays in recent years. The result is that America was poised to lose its global leadership in drug and device innovation, which could mean a loss of both jobs and treatments to foreign competitors.

The medical device industry is responsible for more than 2 million jobs, and the biopharmaceutical industry for more than 4 million. Yet as we learned through our hearings and investigations into the current drug and device approval process, our leadership position is at risk because of needless regulatory roadblocks. For example, we found that for low to moderate risk medical devices, navigating the FDA's bureaucratic labyrinth took companies up to two years longer than in Europe.

After Health Subcommittee Chairman Joe Pitts spearheaded more than a year of hearings, received public input from patients and innovators, and engaged in bipartisan collaboration, the Energy and Commerce Committee reported out FDA reform legislation on May 10, 2012. The bill was approved unanimously by a vote of 46-0. It was quickly advanced through the full House of Representatives, after which we joined with our colleagues in the Senate to produce a final, bipartisan, bicameral agreement. That measure, the Food and Drug Administration Safety and Innovation Act, was approved unanimously by voice vote in the House on June 20, 2012. The bill was signed into law on July 9, 2012.

A third job-creating policy that our committee has championed throughout the 112th Congress is the **Keystone XL pipeline**. We can all be confident in knowing that we have done everything we can to see this pro-jobs, pro-energy project cross the finish line; unfortunately, President Obama and some Democrats in Congress have used every excuse in the book to block its construction. In fact, I – and probably many of you – have become convinced that this pipeline will not be built under this president's watch.

But this misguided energy obstruction has not stopped our commitment to the pipeline's construction. In fact, supported by our committee's efforts, the House has now voted *six separate times* in this Congress in support of efforts to expedite the Keystone XL pipeline's approval. Rep. Lee Terry has been a driving force behind this effort, offering several sensible approaches to bypass the administration's bureaucratic delays.

As you all know, this project has been estimated to create 20,000 direct jobs between construction of the pipeline and the manufacturing of necessary components. As for energy, it will have the capacity to carry nearly a million barrels of oil each day to American refineries, linking our energy industry to the rich oil sands of our Canadian neighbors. It's a win-win, and there's simply no valid excuse to leave these jobs and energy supplies on the table. That's why our fight isn't over, and we'll keep doing everything we can to move this project forward.

The fourth pro-jobs policy we have promoted this year is our commitment to a smarter approach to **EPA regulations**. We have seen a seemingly interminable spate of regulations issued by President Obama's Environmental Protection Agency, and as we predicted, the high cost and economic uncertainty created by these rules are having a chilling effect on job creators around the country. Leading our efforts to expose the cost and expansiveness of these rules is Energy and Power Subcommittee Chairman Ed Whitfield.

The Energy and Commerce Committee challenged EPA's misguided approach early in the 112th Congress with our Energy Tax Prevention Act to prevent EPA from mistakenly construing the Clean Air Act as a tool for regulating greenhouse gases (GHG). Given the recent court ruling that failed to rein in the activist agency, the need for this type of common-sense legislation is now more important than ever. Scrutinizing EPA's efforts to transform the Clean Air Act into a GHG regulatory juggernaut has been a top priority, with several hearings in the first half of this year.

Likewise, we continue to propose legislative solutions to stop the agency from costly overreach. For example, Rep. David McKinley proposed a sensible, bipartisan approach to ensure states can safely manage the recycling and disposal of coal ash – an important alternative to the administration's heavy-handed efforts to misclassify these products as hazardous waste, imperiling their ability to be recycled and driving up both construction and electricity prices in the process. This is an ongoing priority to say the least, because one of the most important things we can do for job creation is to ensure the federal government is not creating unnecessary barriers to growth.

A fifth important pro-jobs and pro-growth policy that emerged from the Energy and Commerce Committee in the first half of the year is our support for **American manufacturing**. Commerce, Manufacturing, and Trade Subcommittee Chairman Mary Bono Mack has prioritized manufacturing from the beginning of the 112th Congress with a commitment to making "Made in America" matter again. Building on a series of hearings and a jobs and innovation forum examining these critical issues,

Our Accomplishments Supporting Job Creation and Economic Growth

- Spectrum Reform
- FDA Reform
- Voting to Speed Approval of the Keystone XL Pipeline
- Addressing EPA Regulations
- Supporting American Manufacturing
- Advancing an "All of the Above" Energy Strategy: Hydropower

her subcommittee – and the full committee –recently advanced bipartisan legislation designed to improve American competitiveness in the manufacturing sector.

Rep. Adam Kinzinger co-authored H.R. 5865, the American Manufacturing Competitiveness Act, to focus federal attention on improving manufacturing conditions in the United States. The bill establishes a public-private American Manufacturing Competitiveness Board to advise the president on manufacturing issues and conduct a rigorous analysis of the manufacturing sector. The Board will also develop and submit to the president a national manufacturing competitiveness strategy, which will help eliminate red tape, encourage investment, and create more American manufacturing jobs.

A sixth job-creating policy championed in our committee in the second quarter is our effort to promote a meaningful “all-of-the-above” energy strategy that includes **hydropower to support jobs and affordable energy**. Hydropower is the largest renewable electricity source in the U.S., with the potential to create 700,000 jobs by 2025.

Rep. Cathy McMorris Rodgers authored on our side of the aisle the bipartisan Hydropower Regulatory Efficiency Act, H.R. 5892. The bill will help facilitate the development of new hydropower projects across the United States by reducing red tape and streamlining the permitting process. H.R. 5892 passed the House with unanimous support.

Standing Up for Taxpayers, Reducing the Size and Scope of Government

We began the 112th Congress by keeping our pledge to the American people that we would work to **repeal and replace Obamacare**, and it’s a commitment we upheld with another important vote on the House floor this week. In truth, our efforts to wipe this unpopular, unworkable, and unaffordable law from the books transcends the prisms through which we view its individual policies. It could just as easily have been reflected above in our efforts to *support job creation and economic growth* or later in our discussion of efforts to *protect individuals, families, and communities*. Because Obamacare infringed on so many aspects of our economy and individual lives and liberties, repealing it will benefit our nation in all of these ways.

However, it is this law’s effect on our economy and the federal budget in this time of continued high unemployment and economic uncertainty that adds an even greater sense of urgency to repeal. Just last week, the latest unemployment report from the U.S. Department of Labor confirmed what we are seeing and hearing in our districts across the country: the modest levels of job creation are not nearly enough to get our economy back to firing on all cylinders, and job creators are still stuck on the sidelines because of costly government policies that will make it harder for them to grow and add new jobs.

President Obama and the Democrats controlling the Senate continue to defend this controversial law, but standing with the American people, we have voted more than 30 times to repeal, defund, and dismantle parts of Obamacare. The vote we cast this week is especially consequential following the surprising and deeply disappointing Supreme Court decision to uphold the law as a massive tax increase. But as Chief Justice Roberts wrote, “It

is not [the court's] job to protect the people from the consequences of their political choices." In other words, as elected officials, it is *our* job to stand up for our constituents and effect change through the legislative process. This law was created by Congress when Democrats advanced it on a strictly partisan vote, and we are committed to striking it down so we can start over by listening to the American people.

The Energy and Commerce Committee has played a significant role in the repeal effort, voting to eliminate a series of unaccountable slush funds in the law and significantly narrowing its reach through our budget reconciliation recommendations, which will help to avert devastating cuts to our nation's armed forces and replace the blunt instrument of across-the-board cuts included in the Budget Control Act with a more thoughtful approach that protects taxpayers by targeting those programs we can least afford for reduction or elimination.

That effort contributed to a second committee priority, **eliminating wasteful spending**. Our record on this point is a strong one: Our work in the first session produced more than \$100 billion in savings, and we matched that level again this year with a package of budget reconciliation recommendations to avert the automatic sequester scheduled to kick in at the end of this year. Unless we enact these thoughtful savings provisions, the sequester will cut discretionary spending and Medicare provider payments indiscriminately without making needed structural reforms to entitlements.

On April 25, 2012, we did our part to prevent that outcome by advancing a package of recommended reductions that will achieve more than \$114 billion in savings over the next decade and exceed the budget resolution instructions to our committee by more than \$15 billion. Specifically, our recommendations included repeal of key Obamacare provisions including the Prevention and Public Health Fund, the unlimited spending authority to fund state exchanges, and the CO-OP program; we proposed common-sense solutions for the Medicaid program including a repeal of the onerous Maintenance of Effort mandate, repeal of bonus payments made to states simply for increasing enrollment through weakened program integrity, and restoring the provider tax threshold to its level prior to October 1, 2011; and finally, we once again moved forward with comprehensive medical liability reform to address one of the most significant cost drivers in our nation's health care system.

To protect taxpayers, our committee has worked not only to cut existing spending that we cannot afford but also to prevent wasteful government spending in the future. This is our goal with the **No More Solyndras Act**, which I am introducing alongside Oversight and Investigations Subcommittee Chairman Cliff Stearns, who has ably overseen our investigation into this stunning gamble of taxpayer dollars on a company that the administration's own experts had warned was "not ready for primetime" and destined for collapse.

By now, we all know the story of Solyndra. We know the company had applied for a loan guarantee under the previous administration, but that it's application was remanded for further review and deemed unfit for a government-backed loan at the time, in January

2009. We also know that, almost immediately after President Obama took office, some of his top lieutenants restarted the company's loan application, this time putting it on a fast track. Just two months after the president's inauguration, Solyndra was the first recipient of a DOE loan guarantee under the stimulus. Approximately two and a half years later, the company filed for bankruptcy and its offices were raided by the FBI. What happened in the intervening months – what government actions were taken that allowed not only the initial gamble, but a decision to double-down and put taxpayers at the back of the line – has been the focus of our 18-month investigation, culminating now in a legislative solution to ensure it never happens again.

The No More Solyndras Act phases out the loan guarantee program that brought about the Solyndra debacle and several other losing bets for the government. Under the bill, DOE is prohibited from issuing any loan guarantees for applications submitted after December 31, 2011, putting an end to this chapter of government venture capitalism. For loan guarantee applications currently under review, in which significant investments may already have been made based on the existence of the program, the bill institutes important new safeguards to protect taxpayers. These include greater transparency, requirements for collaboration with the Department of Treasury, and strong prohibitions on any subordination of U.S. taxpayer dollars to other financing.

Our efforts to protect taxpayers include a fourth element on which we have made progress in the last quarter, the drive to **eliminate waste, fraud, and abuse in the Medicare program**. On June 8, the Oversight and Investigations Subcommittee held a hearing on "Medicare Contractors' Efforts to Fight Fraud – Moving Beyond 'Pay and Chase'." During the hearing, the HHS Regional Inspector General for Evaluation and Inspections expressed concerns about CMS' oversight of its benefit integrity contractors and the effectiveness of the contractors themselves.

The committee learned that these contractors identify only a small percentage of estimated fraud. Of what is identified, only a small percentage of that is collected. In 2007, antifraud contractors referred \$835 million in overpayments to claim processors for repayment. Of the \$835 million referred only 7 percent, or \$55 million, was collected. On a bipartisan basis, the committee is delving more deeply into Medicare fraud prevention efforts by specifically targeting these contractors for more information about their efforts to prevent, detect, and recover fraudulent payments.

A fifth committee priority that falls under our efforts to protect taxpayers and reduce the size and scope of government is our ongoing push for **FCC process reform**. Communications and Technology Subcommittee Chairman Walden has championed this

Our Accomplishments Standing Up for Taxpayers, Reducing the Size and Scope of Government

- Working to Repeal and Replace Obamacare
- Eliminating Wasteful Spending
- Producing a No More Solyndras Act
- Rooting Out Waste, Fraud, and Abuse in Medicare
- FCC Process Reform

type of good-government reform, working to ensure more transparency, predictability, and fairness in the commission's operations.

On March 27, 2012, the House approved H.R. 3309, the Federal Communications Commission Process Reform Act. Introduced by Reps. Walden and Kinzinger, the bill promotes job creation by ensuring regulatory benefits outweigh the costs and improves FCC operations with sensible process reforms, such as requiring the commission to establish and disclose internal procedures for certain matters, establish shot clocks for predictability in its decision making, and improving efficiency with reform to sunshine rules.

This was followed on May 30, 2012, by the House's approval of H.R. 3310, Rep. Steve Scalise's Federal Communications Commission Consolidated Reporting Act. The legislation consolidates eight separate, congressionally mandated reports on the communications industry into a single comprehensive report with a focus on intermodal competition, deploying communications capabilities to un-served communities, eliminating regulatory barriers, and empowering small businesses.

Protecting Individuals, Families, and Communities

As detailed in our first quarter report, several of our subcommittees have engaged in the effort to **assess cybersecurity threats and responses**. The foremost goal is to ensure that any eventual government response to cyber-threats will help, rather than hinder, the effort to secure our critical infrastructure and other mechanisms that could be vulnerable to cyber-attack. To that end, three of our members were appointed to serve on the House Cybersecurity Task Force, and Communications and Technology Subcommittee Chairman Walden established an internal, bipartisan cybersecurity working group to scrutinize these issues more carefully. We have much more work ahead to understand and respond to this ever-changing frontier of modern infrastructure threats. But given our broad-based expertise over the range of critical infrastructure elements, our committee is well suited to take on this challenge.

A second area in which our committee is working to protect vital national interests is our work on **nuclear safety and oversight**. The Environment and the Economy Subcommittee, led by Chairman John Shimkus, has been at the forefront of our efforts to hold the Nuclear Regulatory Commission, as well as the Department of Energy, responsible for fulfilling their duties under the law. Our team has engaged in rigorous oversight of the agency throughout the 112th Congress, with continued efforts particularly evident in the last three months to get answers as the tumultuous chairmanship of Gregory Jaczko came to an end.

Our oversight has spanned a range of issues, but perhaps the most significant challenge facing our nuclear industry is the need for a permanent repository for spent nuclear fuel. Nuclear power is an important component of our "all-of-the-above" energy strategy, which is why Congress acted to establish Yucca Mountain as the national repository. Billions of dollars and decades of research and technical expertise later, this administration's efforts to shut down Yucca Mountain leave us without a clear path forward. This is unacceptable,

which is why our committee has been so active in holding the administration accountable and seeking solutions that will improve both NRC operations and our nation's prospects for long-term spent fuel storage.

Continuing this theme, the Environment and the Economy Subcommittee has maintained its important role in **chemical plant security** by working to improve the existing Chemical Facility Anti-Terrorism Standards (CFATS) program. Serious management and operational flaws in the program were exposed after the leak of an internal report, leading the subcommittee to exert new pressure on the Department of Homeland Security to get its house in order.

While the subcommittee has been supportive of efforts to maintain this existing program, without cumbersome new requirements that could distract from the core security initiatives underway, it has also worked collaboratively with other committees to ensure Congress gets answers about the agency's failure to get this important program up and running. This includes an important new study to take lessons from the security protocols currently in place at port facilities and use them to improve chemical plant security throughout the nation.

As our committee's work has shown time and again, in the 21st century our efforts to keep Americans secure extends beyond physical facilities into cyberspace. One of the uncharted challenges of this new era is how best to ensure **online privacy** without compromising the fundamental characteristics that make the Internet so successful. To take on that challenge, Rep. Mary Bono Mack has established her Commerce, Manufacturing, and Trade Subcommittee as the front line for assessing online obstacles and opportunities to ensure privacy and make sure any federal intervention is carefully conceived to avoid unintended consequences.

A critical part of our effort to preserve the best elements of the Internet while protecting individual interests is our committee's work to prevent any sort of heavy-handed international governance changes. To that end, Chairman Bono Mack introduced H. Con. Res. 127, with the bipartisan support of our committee's membership and leaders, expressing the Sense of Congress that the Internet should remain free from international regulation and that the United States should continue its commitment to the current "multi-stakeholder" model of governance. The proposal would reject international proposals, expected to be discussed at the December World Conference on International Telecommunications in Dubai, to treat the Internet like an old-fashioned telephone service.

An additional committee priority that we established

Our Accomplishments Protecting Individuals, Families, and Communities

- Assessing Cybersecurity Threats and Responses
- Nuclear Safety and Oversight
- Guarding Chemical Plant Security
- Protecting Online Privacy
- Good Government: Electronic Data Reporting

in January and have made important progress toward achieving is a simple **good government solution for electronic data reporting**. It comes as a surprise to many that EPA is still requiring multiple copies of paper manifests to track every movement of hazardous waste, from the generator through the transporter and to final disposal. EPA also requires these same manifests to be sent, via postal mail, back to the original waste generator and the state regulator to be kept on file. This is an incredibly inefficient system for both the government and the private sector; moreover, it makes up-to-the-minute information on hazardous waste much more difficult to access.

With bipartisan agreement that this outdated system is serving no one well, the committee is preparing to move forward with a sensible solution that will bring hazardous waste manifests into the 21st century through electronic reporting. This sort of good-government solution is just the tip of the iceberg when it comes to opportunities to make government operate more efficiently, something we will continue to prioritize in the coming months and years together.

Achieving Our Goals – And Much More

With such a packed agenda at the beginning of the year, it may have seemed like we would have time for little else. But our track record over the last year and a half proves how capable this team is, and we lived up to that record these last few months, managing vital oversight responsibilities, producing legislative accomplishments, and examining critical issues of the day.

An important accomplishment for our committee is the **motor vehicle safety** provisions included in the recently enacted highway bill. Commerce, Manufacturing, and Trade Subcommittee Chairman Mary Bono Mack convened a hearing in March to examine various reform proposals that had been offered for the National Highway Traffic Safety Administration (NHTSA). That hearing informed our committee's position going into the highway bill conference committee negotiations and solidified our leadership role in developing reforms that would strengthen vehicle safety without imposing unnecessary federal regulatory burdens and costs.

In this new law, we worked to simplify compliance with certain federal regulations, give more flexibility for NHTSA and manufacturers to publicize emerging safety features, repeal outdated reporting requirements, and strengthen NHTSA's authority to deal with unsafe imports without imposing unnecessarily sweeping new rules. These are just a few of the dozens of provisions we negotiated in an effort to avert potentially costly new mandates while making important changes to ensure NHTSA operates effectively and efficiently.

The bill was signed into law on July 6, 2012, marking another important legislative achievement for our committee. Of course, our work is not solely legislative; oversight has been an essential component of our work throughout the 112th Congress.

Take our investigation into the **Obamacare secret deals and closed-door negotiations** that took place in 2009 and early 2010 to secure passage of the president's controversial

health care law. Several members stepped up to lead that effort, finally bringing some transparency to the process and exposing the policy agreements and advertising support that were traded between this administration and various special interest groups in order to secure passage of Obamacare.

Dr. Michael Burgess, the Vice Chairman of our Health Subcommittee, laid a foundation for this investigation back in 2009 with a Resolution of Inquiry designed to get answers about the White House's secret negotiations with interest groups that were taking place even as Congress was working through the legislative process. Oversight and Investigations Subcommittee Chairman Cliff Stearns and Health Subcommittee Chairman Joe Pitts both played key roles in the investigation, lending the oversight and policy expertise needed to get to the bottom of these deals. And Reps. Marsha Blackburn and Cory Gardner stepped up to delve into the details of our findings and take to the airwaves to give the American people the answers they deserve about how this law was written. Their efforts helped finally shine the spotlight on these backroom deals, with prominent news coverage of our investigation everywhere from the front page of the *New York Times* to the editorial pages of the *Wall Street Journal*.

Another important oversight initiative spearheaded by Chairman Stearns and the Oversight and Investigations Subcommittee, working collaboratively with our Energy and Power team, was a look at **the federal green jobs agenda**. The Oversight and Investigations Subcommittee held a hearing on the topic on June 19, 2012. Just prior to the hearing, the subcommittee released the report, "Where are the Jobs? – The Elusiveness of Job Creation under the Section 1603 Grant Program for Renewable Energy." The report was based on our efforts to get answers about the selection process as well as the total number of jobs created through the Section 1603 Grant Program. Treasury's response to the committee was telling, admitting that "...job creation is not one of the statutory requirements for eligibility and thus it is not a factor in the consideration process."

Following the hearing, we released a staff analysis documenting the failure of these so-called green jobs programs to spur economic growth and job creation. The president continues to advocate significant taxpayer spending in this area as a way to address environmental concerns and create much-needed jobs, but this analysis shows the green jobs experiment has failed to pan out. Incorporating testimony gathered from committee hearings, academic research, and media reports, the analysis describes the administration's efforts as an "unfolding failure," concluding, "It clearly hasn't created many jobs, and when its direct and indirect impacts are taken into account, it may well be costing them."

Part and parcel with the green jobs agenda is the administration's anti-affordable energy environmental initiatives, which were brought into stark relief when comments surfaced from then-Regional Administrator for EPA Region 6 **Al Armendariz discussing his enforcement philosophy** as being based on the notion of arbitrarily crucifying energy industry participants as a way to ensure compliance from others.

The Energy and Power Subcommittee, with particular leadership from our members who represent portions of EPA Region 6 in the south central U.S., demanded answers about

these comments and what they say about the agency's overall approach to enforcement. While we initially secured a commitment from Dr. Armendariz that he would testify before the committee, he abruptly canceled those plans a day before the hearing, opting instead to meet with the Sierra Club at the organization's D.C. office for what apparently was a job interview, with Armendariz joining the organization not long afterwards.

We moved forward with our hearing nonetheless, and heard compelling testimony from actual organizations who have been subjected to EPA's regulatory and enforcement tactics. What we learned further underscores the importance of our efforts to demand a more sensible approach to EPA regulation – one that does not sacrifice jobs or affordable energy, but rather pursues achievable, affordable rules that will support our economic recovery as we continue to improve the quality of our air and environment.

And while we're on the jobs front, the Commerce, Manufacturing, and Trade Subcommittee continued to play a leading role in examining the policies and conditions that affect employment in America. Continuing the subcommittee's important **"Where the Jobs Are"** hearing series, Chairman Bono Mack brought in witnesses to talk about promoting tourism to America and to help answer the question: can American manufacturing thrive again?

That extensive review of manufacturing, in this most recent hearing and others, led to the American Manufacturing Competitiveness Act, discussed earlier in this report. Another bill that moved through the CMT subcommittee is Rep. Gregg Harper's H.R. 5859, which repealed an obsolete reporting requirement that affected both the National Highway Traffic Safety Administration and car dealers. By eliminating this unnecessary reporting requirement, the committee took a small but important step to acknowledge that Congress should be eliminating unnecessary government mandates rather than simply adding new ones.

Building on an already impressive record of legislative accomplishment, Chairman Ed Whitfield and the Energy and Power Subcommittee continued pushing forward **sensible energy solutions** in the second quarter of this year. The subcommittee produced four bills in support of our "all-of-the-above" American Energy Initiative, including the hydropower bill discussed earlier.

In addition, the panel produced H.R. 4273, the Resolving Environmental and Grid Reliability Conflicts Act. On our side of the aisle, Rep. Pete Olson, along with Reps. Lee Terry and Adam Kinzinger, championed the bill to ensure America's power companies are able to comply with DOE emergency orders to maintain grid reliability without facing EPA penalties for violating potentially conflicting environmental laws. This bipartisan legislation makes an important clarification to the Federal Power Act so that utilities will not be forced to violate the law in order to keep the lights on.

Also on the energy front, the subcommittee produced H.R. 4471, Chairman Whitfield's Gasoline Regulations Act, and H.R. 4480, Rep. Cory Gardner's Strategic Energy Production Act. Together, the bills offer sensible solutions in response to high gasoline prices – policies that make sense no matter what the price at the pump. H.R. 4471 addresses the costs of

pending EPA regulations affecting fuel prices, particularly those that hit refineries, while H.R. 4480 promotes long-term domestic energy solutions by requiring that a short-term effort to tap our Strategic Petroleum Reserve is paired with a corresponding increase in the amount of federal lands available for energy exploration.

These bills were eventually folded into the Domestic Energy and Jobs Act, a project of the House Energy Action Team to provide solutions for Americans struggling with high gasoline prices and concerned about continued volatility in the market. The American people know we are just a single natural disaster or global political conflict away from a major oil supply disruption, which is why these legislative solutions are so important today.

Work in Progress: Additional Priorities

While we have accomplished a great deal, much work still lies ahead. Of the priorities we established together in January, there are three in particular that we have not yet checked off our list, and our commitment to these matters remains.

First, we identified **streamlined energy permitting** as a priority. This is not a new topic for us – indeed, a major accomplishment last year was House passage of the Jobs and Energy Permitting Act, Rep. Cory Gardner’s bill to streamline the environmental review-approval-appeal-rejection do-loop that was created by the EPA’s environmental review board. Thanks in large part to the pressure we exerted on this issue, energy exploration on Alaska’s Outer Continental Shelf is poised to finally move forward. But much more work remains to cut through the red tape that has come to characterize the federal energy project review process. I look forward to working with you on broad-based reforms to further improve this process and help unlock America’s vast energy resources.

Another example in which spools of federal red tape are stifling American economic opportunity is in the area of exports. **Export promotion streamlining** is a tall task, but one that I know we are committed to accomplishing. Today, too many federal agencies imposing layers of federal rules are involved when a U.S. company wants to export its goods for sale overseas. Particularly with our emphasis on an American manufacturing resurgence, delving more deeply into the obstacles standing in the way of American exports is an important economic priority for our team.

The final challenge we identified for our committee’s attention is to find a **long-term SGR replacement**. The broken sustainable growth rate formula was put in place as a mechanism to control physician costs in Medicare, but as we all know, it has quite simply failed to achieve that objective in a rational manner. Rather than imposing price controls, we need meaningful, structural changes that bend the cost curve downward. This is a challenge we face throughout our health care system, but one that is particularly acute as Medicare moves toward insolvency. In the interim, we have taken steps to ensure that seniors do not lose access to their physicians because of unsustainable payment cuts – and we have consistently worked to pay for these temporary patches so that we do not exacerbate the fiscal challenges already facing the next generation. Working with the

Committee on Ways and Means, we will continue pursuing innovative new approaches to bring down health care costs while protecting seniors in Medicare.

A Record of Accomplishment

Together we have crossed another milestone, wrapping up the first half of 2012 at the same aggressive pace that we have sustained throughout this busy 112th Congress. Our committee has a great deal to be proud of, with a long record of informative hearings, compelling investigations, and legislative accomplishments. We have moved bills through regular order from a subcommittee hearing through passage on the House floor, and we will continue to do so as long as this Congress is in session. Thank you all for the hard work, expertise, creative ideas, and collaboration. I look forward to much more work together.