

# Reject the American Energy and Infrastructure Act (H.R. 7)

Republican leadership is hijacking a must-pass bill in order to advance an extreme agenda. Faced with a \$75 billion gap in the transportation reauthorization bill, they are pushing the so-called American Energy and Infrastructure Act (H.R. 7). The bill vastly expands irresponsible oil drilling, and as a ploy says the revenues will be used to fund transportation. If enacted, H.R. 7 would, at best, produce *less than 1 percent* of the revenue needed to fund the transportation bill. This proposal would *not* create jobs. Rather, it would kill a transportation bill—the one true jobs bill Congress could pass this year—even though there is a bipartisan approach moving through the Senate. Here is a look at the trio of damaging bills H.R. 7 will ultimately contain:

## **H.R. 3407: ALASKAN ENERGY FOR AMERICAN JOBS ACT:**

### **Requires Drilling in the Arctic National Wildlife Refuge**

H.R. 3407 would mandate oil and gas drilling on the Arctic National Wildlife Refuge's 1.5 million acre Coastal Plain for the very first time. This pristine and delicate environment, which is home to nearly 200 wildlife species, including polar bears, musk oxen, and caribou, is simply too special to sacrifice to oil and gas development. Further, revenues from drilling in the Arctic Refuge are highly speculative—even the rosiest projections would barely make a dent in the amount needed to fund the transportation bill.

### **Limits Consideration of Environmental Impacts**

This Act would exempt a large part of the drilling in the Arctic Refuge from the environmental review and public participation provisions of the National Environmental Policy Act (NEPA)—our nation's charter for environmental protection—and impose severe limitations on NEPA review for the remainder.

### **Restricts Judicial Review**

H.R. 3407 would restrict judicial review by requiring plaintiffs to meet a "clear and convincing" standard of proof when challenging the Secretary of the Interior's decisions regarding drilling. This standard of proof is different, and more difficult to satisfy, than the standard normally imposed in these situations. As such, it would significantly limit the traditional check placed on the executive branch by the judiciary.

### **Irreparably Damages the Coastal Plain's Wildlife and Wilderness Characteristics**

H.R. 3407 would limit the authority currently available under the Endangered Species Act (ESA) and the National Wildlife Refuge System Administration Act to close certain areas in the Arctic Refuge to drilling in order to protect wildlife and habitat.

## **H.R. 3408: PROTECTING INVESTMENT IN OIL SHALE THE NEXT GENERATION OF ENVIRONMENTAL, ENERGY, AND RESOURCE SECURITY ACT:**

### **Mandates Oil Shale Development on Millions of Acres in the West**

H.R. 3408 would allow the Secretary of the Interior to reduce royalties, fees, bonus, or other payments on oil shale development. It would also force the Secretary to open millions of acres of federal lands in the west to oil shale development. The process of oil shale extraction, which is akin to squeezing oil out of solid rock, incurs substantial environmental impacts for air, climate,

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For more information on:

**H.R. 3407** and its impacts on the Arctic Refuge, please contact **Chuck Clusen** at (202) 289-2412 or [cclusen@nrdc.org](mailto:cclusen@nrdc.org)

**H.R. 3408** and its impacts on oil shale development, please contact **Bobby McEnaney** at (202) 289-2429 or [bmcenaney@nrdc.org](mailto:bmcenaney@nrdc.org)

**H.R. 3410** and its impacts on offshore drilling, please contact **Elly Pepper** at (202) 289-2193 or [epepper@nrdc.org](mailto:epepper@nrdc.org)

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land, wildlife, and water resources, while also requiring enormous amounts of energy to heat the oil shale, basically defeating the whole purpose of developing a new energy source. Further, oil shale development is shortsighted from an economic standpoint since it has never proven to be commercially viable, despite over a century of concerted efforts. Even the most optimistic industry projections do not foresee an economically viable oil shale industry for decades to come.

### Shuts Down Judicial Review

Under H.R. 3408, Bush-era oil shale rules that are currently being revised because of glaring deficiencies, would now be declared sufficient to satisfy a number of environmental laws, including the Federal Land Policy and Management Act, the Energy Policy Act, the ESA, and NEPA. As such, this bill would essentially shut down judicial review under these statutes.

## H.R. 3410: ENERGY SECURITY AND TRANSPORTATION JOBS ACT:

### Forces New Drilling in Sensitive Areas

H.R. 3410 would require a doubling of oil drilling over current levels, forcing new drilling off the Atlantic coast—from Maine to Florida, off the California coast, and in the Alaskan Arctic. Moreover, the bill would fast-track this drilling by requiring that these areas be made available in the Proposed Outer Continental Shelf Oil and Gas Leasing Program for 2012-2017, which currently excludes the Atlantic and Pacific Coasts and much of the Arctic.

### Reopens Leases Cancelled in Response to the BP Gulf Oil Disaster

In an effort to employ lessons learned from the BP spill, the administration cancelled lease no. 220 off Virginia in May 2010. In December 2010, the administration announced that lease sales off the East Coast would be delayed as the agency needed to “proceed with caution and focus on creating a more stringent regulatory regime.” H.R. 3410 would force the administration to offer this lease sale, despite the administration’s acknowledgement that it is not prepared to oversee it properly.

### Requires Drilling off Southern California with Limited Environmental Review

H.R. 3410 would mandate lease sales off Southern California by 2014, despite the fact that President Obama excluded this area from his Proposed Outer Continental Shelf Oil and Gas Leasing Program for 2012-2017. Further, by exempting these lease sales from a key provision of the Coastal Zone Management Act, H.R. 3410 would prevent the state of California from weighing in on these sales. H.R. 3410 also exempts these leases from some of NEPA’s most critical requirements, thereby significantly limiting environmental review of the drilling, and restricts public participation in the NEPA process by allowing only 20 days for public comment.

### Mandates Drilling in Alaska’s Bristol Bay

To conserve one of America’s national treasures, in 2010, President Obama, pursuant to his authority under the Outer Continental Shelf Lands Act, imposed a moratorium on oil and gas leasing in Alaska’s Bristol Bay to run through 2017. However, H.R. 3410 would mandate a lease sale in this pristine environment, threatening the world’s largest sockeye salmon fishery and the jobs that depend on it.

### Repeals the Current Moratorium and Mandates Three Lease Sales in the Eastern Gulf before 2016

H.R. 3410 would repeal the current legislative moratorium on oil and gas leasing in the Eastern Gulf that is contained in the Gulf of Mexico Energy Security Act. Moreover, the bill would mandate three lease sales in the Eastern Gulf—all of which would occur before 2016 and could lie near Florida.

### Forces Revenue Sharing

Oil and gas resources on the outer continental shelf are owned by the American people, and the revenues they generate belong to all Americans. However, H.R. 3410 would send a cut of the income generated from selling our nation’s ocean resources directly to states to use for *any purpose*, with no accountability to the federal taxpayer. Worse, revenue sharing serves as an inducement to states to support harmful drilling, regardless of the consequences.

Taking the unprecedented step of connecting oil drilling to highway funding would undermine what our country truly needs—balanced transportation policy and a forward-looking, innovative energy policy. The House should be working on a thoughtful transportation policy that could actually become law—not playing games by adding misguided and destructive measures to the already delayed transportation bill. Please ask your Members of Congress to oppose the so-called American Energy and Infrastructure Act (H.R. 7).

