



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

November 30, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8 - North American Energy Security and Infrastructure Act of 2015

(Rep. Upton, R-MI)

The Administration is committed to taking responsible steps to modernize the Nation's energy infrastructure in a way that addresses climate change, promotes clean energy and energy efficiency, drives innovation, and ensures a cleaner, more stable environment for future generations. The Administration strongly opposes H.R. 8 because it would undermine already successful initiatives designed to modernize the Nation's energy infrastructure and increase our energy efficiency.

Increased energy efficiency offers savings on energy bills, provides opportunities for more jobs, and improves industrial competitiveness. H.R. 8 would stifle the Nation's move toward energy efficiency by severely hampering the Department of Energy's (DOE) ability to provide technical support for building code development and State implementation. In addition, the bill would undercut DOE's ability to enforce its appliance standards and would weaken section 433 of the Energy Independence and Security Act of 2007, which requires a reduction in fossil fuel-generated energy in Federal buildings.

H.R. 8 includes a provision regarding certain operational characteristics in capacity markets operated by Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). The Federal Energy Regulatory Commission (FERC) and RTOs and ISOs are already well positioned, especially as technologies change over time, to ensure that capacity market structures adequately provide for the procurement of sufficient capacity to efficiently and reliably fulfill the resource-adequacy function that these markets are intended to perform.

H.R. 8 includes new, unnecessary provisions that would broaden FERC's authority to impose deadlines on other Federal agencies reviewing the environmental implications of natural gas pipeline applications. H.R. 8 also would unnecessarily curtail DOE's ability to fully consider whether natural gas export projects are consistent with the public interest.

Further, H.R. 8 would undermine the current hydropower licensing regulatory process in place under the Federal Power Act that works to minimize negative impacts associated with the siting of hydropower projects, including negative impacts on safety, fish and wildlife, water quality and conservation, and a range of additional natural resources and cultural values. Among the ways that H.R. 8 would undermine this process would be by creating a new exemption from licensing that would undercut bedrock environmental statutes, including the Clean Water Act, the National Environmental Policy Act, and the Endangered Species Act.

Finally, H.R. 8 presents certain constitutional concerns. Sections 1104 and 3004 would impermissibly interfere with the President's authorities with regard to the conduct of diplomacy and in some cases diplomatic communications, and sections 1109 and 1201 raise concerns under

the Recommendations Clause.

If the President were presented with H.R 8, his senior advisors would recommend that he veto the bill.

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