

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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September 29, 2015

TO THE MEMBERS OF THE ENERGY AND COMMERCE COMMITTEE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports the substitute amendment expected to be offered by Chairman Upton to H.R. 8, the "North American Energy Security and Infrastructure Act of 2015."

America's energy landscape has changed dramatically over the last decade and it is crucial that federal energy policy reflect these changes in order to maximize and prolong the benefits this energy renaissance is producing. This legislation addresses many important energy policy issues in a serious and thoughtful manner, representing the product of dozens of hearings over several years. While we believe some improvements could be made to the bill to promote greater energy efficiency, we support its overall impact as a net positive.

Due to the tremendous increases in the production of oil and natural gas over the past decade, no policy area requires more updating than trade policy surrounding both energy sources. The Committee has already taken significant steps to update crude oil export policy in favorably reporting H.R. 702 and H.R. 8 represents an important first step in addressing natural gas by ensuring prompt decisions from the Department of Energy on license applications for the exportation of LNG. America's tremendous natural gas resources enable exports, and the economic benefits they generate domestically, without impacting prices or threatening U.S. energy security.

U.S. natural gas exports would have a pronounced impact on the global market geopolitical calculus of most nations in Europe and Asia even if they would not be direct recipients of U.S. gas. As global demand continues to increase, the risk that exports controlled by central governments may be utilized as an extension of that country's geopolitical goals has increased. Any additional supply entering the market places downward price pressure on traded natural gas, undermining the potential influence exporting states may exert on their constrained customers.

Additionally, the Chamber supports the changes H.R.8 makes to the Federal Building Efficiency mandates created in the Energy Independence and Security Act of 2007. Eight years of implementing this provision, which requires the elimination of fossil fuel-derived energy in federal buildings, has demonstrated a litany of unintended consequences. Not only has the country's natural gas resource base nearly doubled, making this clean, economic, and

increasingly abundant fuel a preferred energy source, but large efficiency improvements in federal installations have been halted owing to even minor reliance on fossil fuels. Combined heat and power continues to push the envelope of using energy more efficiently while limiting energy waste and the existing mandates prevents its utilization on the biggest projects where it could yield the most gains.

We also support this legislation's focus on improving energy security and ensuring this issue is central to energy policy development within the executive branch. The U.S. Chamber's Institute for 21st Century Energy began quantifying U.S. energy security in 2011 with its annual publication of the *U.S. Energy Security Risk Index* to quantify the nation's energy security compared to the past and future. Understanding how a myriad of variables across the entire energy economy impact energy security is crucial to determining which policies should be changed and the corresponding impacts of proposed policy changes. Requiring the agencies that develop and implement federal energy policy to better integrate energy security implications into the process is an important strategic step.

We appreciate the Committee's foresight and leadership on these important issues and look forward to working with the Committee to improve the bill further. On the whole, this legislation takes some critically important steps towards securing the country's energy future and we urge support for Chairman Upton's substitute amendment as well as the favorable reporting of H.R. 8, the "North American Energy Security and Infrastructure Act of 2015."

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being the most prominent parts.

R. Bruce Josten