

KEY VOTE ALERT!

March 8, 2012

TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly urges you to vote for S. 1813, "Moving Ahead for Progress in the 21st Century" (MAP-21), which would reauthorize surface transportation legislation and maintain funding levels for highways and transit. Moreover, the Chamber strongly supports several amendments that would enhance this bill, and strongly opposes several other provisions and amendments that would weaken it.

Investment in transportation has proven to grow jobs, and the need for Congress to act on transportation infrastructure is unequivocal. It is time for the Senate to pass the highway and public transportation reauthorization bill. In a letter dated February 8, 2012, to the Members of the United States Senate, the Chamber stated this measure would take several positive steps toward policy reform, maintain federal investment levels, and expand the ability to more effectively leverage scarce resources.

The Chamber strongly supports several amendments expected to be considered that would strengthen the underlying legislation, including amendments offered by:

- Sen. Hoeven that would undo President Obama's rejection of the vital Keystone XL project. The Hoeven amendment would be an important step toward approval of the proposed 1,600-mile Keystone XL pipeline, which would deliver more than 700,000 barrels of oil per day from Alberta, Canada, through Cushing, Oklahoma, to Gulf Coast refineries. The \$7 billion project is expected to create more than 20,000 jobs during the manufacturing and construction phases of the project. The pipeline would also reduce the need for foreign oil imports from less stable regions of the world. In addition, Keystone XL would provide much-needed supply distribution infrastructure for American domestic energy producers in the Upper Northwest/Bakken region and in the Southwest.
- Sen. Collins that includes the text of S. 1392, the "EPA Regulatory Relief Act." The Collins amendment would provide much-needed relief to manufacturers, who face a host of excessive and unmanageable costs to comply with EPA's flawed and unachievable "Boiler MACT" suite of rules. A study by the Council on Industrial Boiler Owners shows



U.S. Chamber of Commerce
Congressional & Public Affairs
1615 H Street, NW
Washington, DC 20062

202-463-5600

that just one of the rules making up the Boiler MACT package would require more than \$15 billion in capital and place more than 240,000 jobs at risk. The Collins amendment would stay the Boiler MACT rules, provide the agency with more time to develop a new proposal but require finalization in 15 months, extend the compliance time frame from three to five years, and clarify that certain non-hazardous materials should be listed as fuels. S. 1392 has enjoyed broad, bipartisan support since its introduction. It is time for the Senate to do its part and finally ensure that the Boiler MACT rules are achievable and affordable for manufacturers.

- Sen. Landrieu that includes the text of S. 1400, the “Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economy of the Gulf Coast Act of 2011” (RESTORE Act).” The Landrieu amendment would redirect a portion of the civil penalties collected from the Deepwater Horizon oil spill to Gulf Coast restoration. The RESTORE Act is a common sense and bipartisan approach to a difficult situation that has impacted the entire Gulf region.
- Sen. Stabenow that would extend expiring energy tax provisions. Immediate action on these provisions is vital to ensure projects can be undertaken. While these provisions should ultimately sunset after these industries and markets have reached maturity, Congress simply must act now to extend these energy provisions. Further, we strongly urge Congress to act swiftly to extend all other expired tax provisions.
- Sen. Vitter that would expand Outer Continental Shelf (OCS) energy exploration by mandating that the Obama administration move forward with the existing Department of Interior 2010-2015 lease plan in the 2013-2018 time period.

The Chamber strongly opposes several amendments that would weaken and impair this urgently needed legislation, including amendments offered by:

- Sen. DeMint, which would “devolve” transportation programs to the states, and Sen. Portman, which would allow states to opt-out of federal transportation programs. Federal transportation policy, programs and resources need to support U.S. global competitiveness, international trade, interstate commerce, interstate passenger travel and national defense, which are all compelling national interests. There is a compelling need for a strong federal role in transportation; without it, there is no guarantee that states would prioritize transportation investments that support national interests over more localized needs.
- Sen. Bingaman that would penalize states by adjusting formulas downward for engaging in certain kinds of public-private partnership arrangements. The Bingaman amendment would have a chilling effect on public-private partnerships by targeting a broad spectrum of possible innovative financing mechanisms currently working in the states, and ones yet to be created. With limited resources to adequately address pressing infrastructure needs, there is no prudent rationale for limiting the experimentation and ingenuity of different approaches to fund and deliver transportation projects.

- Sen. Corker that would reduce authorizations and obligation limitations contained in S. 1813. The Corker amendment would result in job losses as well as delays or cancellations of transportation projects. The Chamber believes Congress and the Administration should do more to establish a road map for a sustainable transportation revenue model in the long term, but in the near term, funding levels should be maintained at current levels at a minimum.
- Sen. Wyden that would bar exports of petroleum that would pass through the Keystone XL pipeline, or any product refined from such crude. First, the Wyden amendment is unnecessary. Virtually all of the crude that would travel through the Keystone XL pipeline would be refined at American refineries by American workers. Congress should support – not hamper – these American energy workers. Second, such a law would violate commitments the United States has undertaken as a member of the World Trade Organization (WTO). In fact, the United States recently challenged China’s export restraints on certain raw materials at the WTO, and the United States won a clear victory in the case. Restricting the re-export of crude or refined product from Keystone XL would violate the same WTO rules. Furthermore, imposing domestic material sourcing requirements upon this privately-funded initiative would limit potential project bidders, increase construction costs, and undermine the overall competition and efficiency of the contracting process.
- Sen. Sherrod Brown that would impose new and unnecessary “Buy America” contracting preferences. Current law already mandates significant broad-based domestic sourcing requirements for federal agency procurement and grant authorities. Moreover, federally-funded transportation programs currently have the most onerous “Buy America” requirements across all agencies. In addition to the existing government-wide “Buy America” mandates, current law specifically imposes more stringent domestic sourcing requirements on the High-Speed Intercity Passenger Rail Program, Amtrak, and the Northeast Corridor Improvement Program. The Brown amendment would result only in delaying the implementation of new job-creating projects, particularly for the transportation industry hard hit by the recession.

The Chamber applauds the Senate for considering several amendments that would address important energy issues. However these amendments are only first steps toward a rational energy policy. In addition to the pipeline, OCS and energy tax incentive provisions expected to be voted on, the Chamber strongly encourages the Senate to focus in the near term on legislation that expands the development of **all** domestic energy sources, including oil, natural gas, coal, nuclear, and renewable and conservation.

While the Chamber strongly supports the underlying legislation, we have significant concerns with provisions in the Finance Committee component of the bill that would change existing law regarding reverse Morris trust transactions. Current law recognizes that these transactions benefit companies, their shareholders and their employees. Changes to current law would deter companies from undertaking such transactions and prevent them from more efficiently streamlining their operations.

The Chamber has concerns with the pension funding reform provisions included in the Finance Committee component of the bill. While we appreciate the Senate's work to address this important issue, the Chamber believes the provisions included in this legislation could be further enhanced and much improved. The Chamber looks forward to working with Congress to more fully address the pension funding reform issue.

In addition, the Chamber strongly supports waiving any budget points of order against S. 1813. A budget point of order is unnecessary. Additionally, a budget point of order would require a dramatic decrease in the overall size of the bill, far below current levels of funding for highway and transit programs, with major consequences including significant job losses.

Passing surface transportation reauthorization legislation is a specific action Congress and the Administration can take right now to support job growth and economic productivity without adding to the deficit. **The Chamber strongly supports S. 1813. The Chamber may include votes on, or in relation to, S. 1813—including votes on amendments and budget points of order—in our annual *How They Voted* scorecard.**

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