



October 23, 2013

The Honorable Fred Upton
United States House of Representatives
2183 Rayburn House Office Building
Washington, DC 20515

The Honorable Gene Green
United States House of Representatives
2470 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Upton and Green:

On behalf of the 362,000-member National Taxpayers Union (NTU), I write in support of H.R. 3301, your North American Energy Infrastructure Act. This legislation would streamline the archaic cross-border permitting process for energy facilities that stretch across the borders we share with Mexico and Canada. These reforms would result in increased investment in our energy infrastructure, bringing with it much-needed jobs and consumer choice.

Under the current regulatory regime, proposed oil or natural gas pipelines and electrical transmission lines require a Presidential Permit, obtained via the Secretary of State and administered under a series of ad hoc Executive Orders. Projects can languish in regulatory limbo for years on end and the rules governing the process are far from clear, leading to disputes regarding modifications and permitting requirements. Indeed, as the permitting process for the Keystone XL pipeline drags on, it would appear that the rules can even change mid-stream. In general, markets function more efficiently with a reasonable degree of certainty, in order to anticipate where resources should be allocated. This is doubly true for the giant infrastructure projects H.R. 3301 addresses. The planning, personnel, and capital all depend on a transparent, predictable, and consistent regulatory environment.

As an August 16 report from the Congressional Research Service explains, the convoluted Presidential permitting process only exists in the vacuum of a lack of regulatory oversight on the part of Congress. The Constitution's Article 1, Section 8 clearly grants to Congress the authority to "regulate Commerce with foreign Nations." The North American Free Trade Agreement with Canada and Mexico also provides an incentive to remove obstacles that impede the free flow of energy and energy products with our neighbors.

H.R. 3301 would implement a consolidated and standardized approval process for all cross-border energy facilities. It does so by determining a specific agency to consider each type of project, setting a deadline of 120 days for approval, clarifying that existing projects do not require further approvals for simple modifications, and eliminating redundant requirements for natural gas pipelines. This modernized approach would help remove the costly regulatory hurdles that stand between consumers and low-cost energy options, spurring job-growth in an essential sector of our economy.

NTU is pleased to endorse the North American Energy Infrastructure Act; our members urge all Representatives to co-sponsor this legislation and work toward its enactment.

Sincerely,

Nan Swift
Federal Affairs Manager