

**HERITAGE
ACTION**
FOR AMERICA



**AMERICANS FOR
PROSPERITY**



AEA
AMERICAN
ENERGY ALLIANCE



THE
AMERICAN
CONSERVATIVE
UNION

AMERICAN COMMITMENT

 **FreedomWorks**

C O U N C I L F O R
 **CITIZENS
AGAINST
GOVERNMENT
WASTE**

Dear Senator:

We are writing to urge you to vote “no” on the Energy Savings and Industrial Competitiveness Act of 2014 (S.2262). Touted as a non-controversial, “everybody wins” energy bill, the reality is the legislation dramatically oversteps the role of the federal government and wastes taxpayer money in a number of ways. Specifically, S.2262:

- **Is not as voluntary as it seems.** The legislation says the building certification programs for state governments and tribes are voluntary; however, the bill authorizes \$200 million of taxpayer money to “incentivize and assist” states and tribal groups to meet allegedly voluntary building codes. The taxpayer did not volunteer to help states and tribes pay for efficiency improvements. And let’s not be fooled. Today’s federal voluntary programs often become tomorrow’s mandates.
- **Promotes corporate welfare.** The bill purports to improve transparency, direction, and collaboration in DOE’s Advanced Manufacturing Office (AMO), which provides grants to companies to improve manufacturing efficiency. Taxpayers provided tens of millions of dollars to automotive and chemical companies that have huge market capitalizations and, in some cases, spend more than a billion dollars on research and development. Congress should provide some real direction by eliminating this egregious corporate welfare program.
- **Duplicates federal and state programs.** Taxpayers have already funneled billions of dollars to similar initiatives, and plenty of state programs exist to promote efficiency. The stimulus law allocated \$32 billion for energy efficiency and retrofits, which included billions for weatherization projects, worker-training programs, and federal, state, and tribal building-efficiency improvements. On top of that, the Department of Energy (DOE) provides a list of more than 4,200 state programs including targeted tax breaks, rebate programs, revolving loans, low-

interest loans and regulations – with most promoting efficiency measures and renewable energy.

- **Forces energy efficiency into the housing finance sector.** The bill forces energy efficiency into the housing finance sector. The legislation effectively subsidizes government-backed mortgage loans under the pretense of energy efficiency and will corrode the housing market by distorting the home appraisal process. The legislation mandates a home's efficiency qualities be used by lenders in determining borrowers' ability to repay loans and appraisers in determining a home's market value. Such distortions will result in over lending and over borrowing; ultimately contributing to a further corrosion of the housing market.
- **Wastes money on unnecessary worker training programs.** The legislation also creates multiple programs and allocates millions of dollars to wasteful workforce training programs. If efficiency is economical and if demand for more energy-efficient buildings and manufacturing processes existed, the private sector would undertake them. Taxpayer-funded workforce training for efficiency is another tried-and-failed part of the stimulus.

Some policymakers and proponents of a federal government energy agenda have lamented that America has not had major energy bills since 2005 and 2007. But what have those bills given the people? A handful of policies that pick winners and losers and promote special interests such as targeted tax breaks, loan guarantees, efficiency regulations for vehicles and appliances, an ethanol mandate – just to name a few. The solution to our energy needs can be found in the free market, which provides for innovation, market-based efficiency, large supplies of energy, jobs and economic growth.

The Energy Savings and Industrial Competitiveness Act is a step in the wrong direction. We strongly urge you to oppose this legislation.

Sincerely,

Michael A. Needham, CEO, Heritage Action for America

Brent Wm. Gardner, Director of Federal Affairs, Americans for Prosperity

Thomas J. Pyle, President, American Energy Alliance

Seton Motley, President, Less Government

Larry Hart, Director of Government Relations, American Conservative Union

Phil Kerpen, President, American Commitment

Matt Kibbe, President, FreedomWorks

Tom Schatz, President, Council for Citizens Against Government Waste