CLEAN ENERGY TECHNOLOGY MANUFACTURING AND EXPORT ASSISTANCE ACT OF 2010

JULY 27, 2010.—Ordered to be printed

Mr. WAXMAN, from the Committee on Energy and Commerce, submitted the following

REPORT
together with

DISSENTING VIEWS

[To accompany H.R. 5156]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 5156) to provide for the establishment of a Clean Energy Technology Manufacturing and Export Assistance Fund to assist United States businesses with exporting clean energy technology products and services, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

Amendment .............................................................................................................. 2
Purpose and Summary ............................................................................................ 3
Background and Need for Legislation ................................................................... 3
Legislative History .................................................................................................. 5
Committee Consideration ....................................................................................... 5
Committee Votes ..................................................................................................... 5
Committee Oversight Findings and Recommendations ........................................ 7
New Budget Authority, Entitlement Authority, and Tax Expenditures ............. 7
Statement of General Performance Goals and Objectives ............................... 7
Constitutional Authority Statement ...................................................................... 7
Earmarks and Tax and Tariff Benefits ................................................................. 7
Federal Advisory Committee Statement ............................................................. 7
Applicability of Law to Legislative Branch ........................................................... 7
Federal Mandates Statement .................................................................................. 7
Committee Cost Estimate ....................................................................................... 7
Congressional Budget Office Cost Estimate ......................................................... 8
The amendment is as follows:

AMENDMENT

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Clean Energy Technology Manufacturing and Export Assistance Act of 2010".

SEC. 2. CLEAN ENERGY TECHNOLOGY MANUFACTURING AND EXPORT ASSISTANCE FUND.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "clean energy technology" means a technology related to the production, use, transmission, storage, control, or conservation of energy that will contribute to a stabilization of atmospheric greenhouse gas concentrations through reduction, avoidance, or sequestration of energy-related emissions and—

(A) reduce the need for additional energy supplies by using existing energy supplies with greater efficiency or by transmitting, distributing, or transporting energy with greater effectiveness through the infrastructure of the United States; or

(B) diversify the sources of energy supply of the United States to strengthen energy security and to increase supplies with a favorable balance of environmental effects if the entire technology system is considered; and

(2) the term "Secretary" means the Secretary of Commerce.

(b) ESTABLISHMENT.—The Secretary shall establish a Clean Energy Technology Manufacturing and Export Assistance Fund, to be administered through the International Trade Administration. The Secretary shall administer the Fund to promote policies that will reduce production costs and encourage innovation, investment, and productivity in the clean energy technology sector, and implement a national clean energy technology export strategy. The purpose of the Fund is to ensure that United States clean energy technology firms, including clean energy technology parts suppliers and engineering and design firms, have the information and assistance they need to be competitive and create clean energy technology sector jobs in the United States.

(c) ASSISTANCE.—The Secretary, consistent with the National Export Initiative, shall provide information, tools, and other assistance to United States businesses to promote clean energy technology manufacturing and facilitate the export of clean energy technology products and services. Such assistance shall include—

(1) developing critical analysis of policies to reduce production costs and promote innovation, investment, and productivity in the clean energy technology sector;

(2) helping educate companies about how to tailor their activities to specific markets with respect to their product slate, financing, marketing, assembly, and logistics;

(3) helping United States companies learn about the export process and export opportunities in foreign markets;

(4) helping United States companies to navigate foreign markets; and

(5) helping United States companies provide input regarding clean energy technology manufacturing and trade policy developments and trade promotion.

(d) REPORTS TO CONGRESS.—

(1) Not later than 180 days after the date of enactment of this Act, the Secretary shall transmit to the Congress a report indicating how the funds provided under this section will be used to—

(A) focus on small and medium-sized United States businesses;

(B) encourage the creation and maintenance of the greatest number of clean energy technology jobs in the United States; and

(C) encourage the domestic production of clean energy technology products and services, including materials, components, equipment, parts, and supplies related in any way to the product or service.

(2) Not later than January 1, 2015, the Secretary shall transmit to the Congress a report assessing the extent to which the program established under this section—
(A) has been successful in developing critical analysis of policies to reduce production costs and promote innovation, investment, and productivity in the clean energy technology sector;
(B) has been successful in increasing the competitiveness of United States clean energy technology firms in emerging markets;
(C) has been successful in assisting United States businesses, specifically small and medium-sized firms, with exporting clean energy technology products and services;
(D) has been successful in creating jobs directly related to the clean energy technology sector in the United States, including specific information as to the nature, location, and duration of those jobs and the methodology used by the Secretary to compile such information;
(E) has been successful in helping United States companies provide input regarding clean energy technology manufacturing and trade policy developments and trade promotion; and
(F) should be continued.

(e) AUTHORIZATION OF APPROPRIATIONS.—
(1) IN GENERAL.—There are authorized to be appropriated to the Secretary for carrying out this section $15,000,000 for each of the fiscal years 2011 through 2015.
(2) LIMITATION.—No assistance provided using funds appropriated pursuant to this section shall be provided in the form of a monetary grant.

PURPOSE AND SUMMARY

H.R. 5156, the “Clean Energy Technology Manufacturing and Export Assistance Act of 2010”, was introduced by Reps. Doris O. Matsui (D–CA), Bobby L. Rush (D–IL), John D. Dingell (D–MI), and Anna G. Eshoo (D–CA) on April 27, 2010. H.R. 5156 establishes a fund administered by the International Trade Administration (ITA) to assist United States businesses with manufacturing and exporting clean energy technology products and services.

The purpose of H.R. 5156 is to ensure that clean energy technology firms, including parts suppliers and engineering and design firms, have the information and assistance they need to be competitive domestically and globally and create jobs in the United States. The fund would be used to promote policies that reduce production costs and encourage innovation, investment, and productivity, as well as to implement a national clean energy technology export strategy.

Under H.R. 5156, United States businesses would be given information, tools, and other assistance to promote clean energy technology manufacturing in the United States, and facilitate the export of clean energy technology products and services. The Secretary of Commerce would report to Congress within the first six months regarding use of funds, and after five years to assess the program’s success in certain areas and whether it should be continued.

BACKGROUND AND NEED FOR LEGISLATION

In 2007, the green technology industry in the United States generated more than 9 million jobs and revenue of about $1 trillion, according to one estimate.1 On March 4, 2008, the AFL–CIO Executive Council stated that “[i]nvestments must be used to identify,
develop and capture cutting-edge technologies and to manufacture and build these technologies here for domestic use and export.”

Despite widespread recognition of the importance of exports for our economy, the United States is still behind many of our international competitors, particularly in exports of clean energy technology. According to the International Trade Administration, in 2008 United States exports of goods and services in the environmental technology sector amounted to $43.8 billion. With a non-United States market for environmental technology goods and services of $494 billion in 2008, this means that the United States had less than 9% of the non-U.S. market. A Senate study found that in 2008 Germany was the largest exporter of environmental goods, accounting for 16% of the global market. Germany was followed by China, with 13% of global environmental goods exports, and then by Japan and the United States, each with 9% of such exports.

In order to increase our share of the global market for clean energy technology, the United States needs to increase and improve our manufacturing at home, and give United States businesses the assistance they need to enter into, or increase their participation in, the global export market. Only a very small percentage of United States companies export. Of the companies that do export, the majority sell only to one market. As the world continues to increase its use of clean energy technologies, the global market for such technologies will also increase. As the President said on March 19, 2009, “[W]e can make the investments that would allow us to become the world’s leading exporter of renewable energy... We can let the jobs of tomorrow be created abroad, or we can create those jobs right here in America and lay the foundation for lasting prosperity.”

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2 AFL-CIO, Executive Council Statement, Greening the Economy (Mar. 4, 2008).
3 International Trade Administration, Environmental Technologies Industries, FY 2010 Industry Assessment. As the International Trade Administration has pointed out, and as illustrated in footnote 1 above, there is no standardized definition for the environmental technologies industry. See International Trade Administration, Environmental Technologies Industries, FY 2010 Industry Assessment. The ITA’s definition of the sector does not precisely match the definition of clean energy technology under H.R. 5156. However, the ITA is one of the main sources of data available that assesses the U.S. market share in this area. See also Senator Ron Wyden, Major Opportunities and Challenges to U.S. Exports of Environmental Goods (Dec. 9, 2009) (noting the absence of a clear internally accepted definition of environmental goods and services, and pointing to the limitations of available data) and Senator Ron Wyden, U.S. Trade in Environmental Goods (May 20, 2010) (asserting that the numbers reflecting total U.S. exports of environmental goods are much smaller than previously estimated).

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7 House Committee on Energy and Commerce, Subcommittee on Commerce, Trade, and Consumer Protection, Testimony of Principal Deputy Assistant Secretary for Manufacturing and Services Mary Saunders, Hearing on H.R. 4678, the “Foreign Manufacturers Legal Accountability Act” and H.R. 5156, the “Clean Energy Technology Manufacturing and Export Assistance Act,” 111th Cong. (June 16, 2010) (indicating that, according to The Economist, only 4% of all U.S. companies export); Trade Promotion Coordinating Committee, 2008 National Export Strategy, The New Global Main Street (Oct. 2008) (indicating that less than 1% of U.S. businesses export).
9 See, e.g., International Trade Administration, FY 2010 Industry Assessment, Energy Industries (indicating that the world’s consumption of energy is projected to increase 50% from 2005 to 2030 and stating that this increase in consumption coupled with the impact of climate change will fuel the market for energy efficient services and technologies).
10 The White House, Remarks by the President at the Edison Electric Vehicle Technical Center (Mar. 19, 2009).
LEGISLATIVE HISTORY

H.R. 5156, the “Clean Energy Technology Manufacturing and Export Assistance Act of 2010”, was introduced by Reps. Matsui (D–CA), Rush (D–IL), Dingell (D–MI), and Eshoo (D–CA) on April 27, 2010, and referred to the Committee on Foreign Affairs, with an additional referral to the Committee on Energy and Commerce. H.R. 5156 was referred to the Subcommittee on Commerce, Trade, and Consumer Protection on April 28, 2010, and the Subcommittee held a legislative hearing on June 16, 2010. Prior to the bill’s introduction, the Subcommittee held two related oversight hearings on export promotion generally and trade in green technology.11

COMMITTEE CONSIDERATION

On June 30, 2010, the Subcommittee on Commerce, Trade, and Consumer Protection met in open markup session to consider H.R. 5156. The Subcommittee forwarded H.R. 5156, amended, favorably to the full Committee by a voice vote. During consideration, the Subcommittee agreed to an amendment in the nature of a substitute that changed the definition of “clean energy technology”, clarified the bill’s original intent that the fund created by the bill is not a grant-making program, and added language concerning domestic job creation and small businesses.

On July 21, 2010, the Committee on Energy and Commerce met in open markup session and considered H.R. 5156 as approved by the Subcommittee. No amendments were adopted during the consideration of the bill. Subsequently, the full Committee ordered H.R. 5156 favorably reported to the House, as amended by the Subcommittee, by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list each record vote on the motion to report legislation and amendments thereto. A motion by Mr. Waxman ordering H.R. 5156 reported to the House, as amended, was approved by a voice vote. The following is the recorded vote taken during Committee consideration, including the names of those members voting for and against:

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**COMMITTEE ON ENERGY AND COMMERCE – 111TH CONGRESS**

**ROLL CALL VOTE # 178**

**BILL:** H.R. 5156, “Clean Energy Technology Manufacturing and Export Assistance Act of 2010”.

**AMENDMENT:** An amendment to H.R. 5156 by Mr. Griffith, # 1, adding at the end of the bill a new section stating that the provisions of the Act shall be suspended and do not apply if this Act will have a negative net effect on the national budget deficit of the United States.

**DISPOSITION:** NOT AGREED TO by a roll call vote of 15 yeas to 30 nays.

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07/21/2010
COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Regarding compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 5156 would result in no new budget authority, entitlement authority, or tax expenditures or revenues.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the constitutional authority for H.R. 5156 is provided under Article I, section 8, clauses 3 and 18 of the Constitution of the United States.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 5156 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives.

FEDERAL ADVISORY COMMITTEE STATEMENT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., section 5(b).

APPLICABILITY OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to terms and conditions of employment or access to public services and accommodations. This bill does not relate to employment or access to public services and accommodations.

FEDERAL MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104-4) requires a statement whether the provisions of the reported bill include unfunded mandates. In compliance with this requirement the Committee adopts as its own the estimates on H.R. 5156 prepared by the Congressional Budget Office and included herein.

COMMITTEE COST ESTIMATE

Regarding compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requiring an estimate and
a comparison by the Committee of the costs that would be incurred in carrying out H.R. 5156, the Committee adopts as its own the cost estimate on H.R. 5156 prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 5156 from the Director of the Congressional Budget Office:

JULY 27, 2010.

Hon. HENRY A. WAXMAN,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5156, the Clean Energy Technology Manufacturing and Export Assistance Act of 2010.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susan Willie.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 5156—Clean Energy Technology Manufacturing and Export Assistance Act of 2010

Summary: H.R. 5156 would establish a program at the International Trade Administration (ITA) to promote the manufacture and export of new energy technologies.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5156 would cost $67 million over the 2011–2015 period. Enacting H.R. 5156 would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 5156 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 5156 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

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Basis of estimate: For this estimate, CBO assumes that the bill will be enacted near the end of 2010, that the authorized amounts
will be appropriated each year, and that spending will follow historical patterns for similar programs.

H.R. 5156 would establish a new program to promote the manufacture and export of technology by U.S. companies that would reduce energy-related emissions and reduce the need for additional energy supplies or diversify the sources of energy used in the United States. Under the bill, the ITA would be authorized to provide assistance that would include helping domestic companies navigate foreign markets and educating manufacturers of such technology about the export process and how to tailor their activities to specific markets.

H.R. 5156 would authorize appropriations of $15 million per year over the 2011–2015 period. Based on historical spending patterns for similar programs, CBO estimates that implementing the provisions of H.R. 5156 would cost $67 million over the 2011–2015 period to provide the authorized assistance as authorized and to meet the bill’s reporting requirements. Enacting H.R. 5156 would not affect direct spending or revenues.

Pay-As-You-Go considerations: None.

Intergovernmental and private-sector impact: H.R. 5156 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.


Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section designates the short title of this Act as the “Clean Energy Technology Manufacturing and Export Assistance Act of 2010”.

Section 2. Clean Energy Technology Manufacturing and Export Assistance Fund

For purposes of this section, “clean energy technology” is defined as a technology related to the production, use, transmission, storage, control, or conservation of energy that will contribute to a stabilization of atmospheric greenhouse gas concentrations through reduction, avoidance, or sequestration of energy-related emissions. In order to meet the definition, such technology also must reduce the need for additional energy supplies by using existing energy supplies with greater efficiency or by transmitting, distributing, or transporting energy with greater effectiveness through the infrastructure of the United States, or must diversify the sources of energy supply of the United States to strengthen energy security and to increase supplies with a favorable balance of environmental effects if the entire technology is considered. The term “Secretary” for purposes of this section means the Secretary of Commerce.

Section 2 also establishes a Clean Energy Technology Manufacturing and Export Assistance Fund, to be administered through International Trade Administration (ITA) of the U.S. Department
The fund is to be used to promote policies that will reduce production costs and encourage innovation, investment, and productivity in the clean energy technology sector, and to implement a national clean energy technology export strategy. It also is to be used to ensure that domestic clean energy technology firms, including clean energy technology parts suppliers and engineering and design firms, have the information and assistance they need to be competitive and create clean energy technology sector jobs in the United States. By helping businesses improve their manufacturing within the United States and understand how to sell their goods abroad, the Committee expects that this section will maintain or increase jobs within the United States and reduce the country's overall trade deficit, particularly the trade deficit in clean energy technology.

Section 2(c) requires the Secretary, consistent with the National Export Initiative (E.O. 13534), to provide information, tools, and other assistance to United States businesses to promote clean energy technology manufacturing and facilitate the export of clean energy technology products and services. The assistance must include developing critical analysis of policies to reduce production costs and promote innovation, investment, and productivity in the clean energy technology sector; helping educate companies about how to tailor their activities to specific markets with respect to their product slate, financing, marketing, assembly, and logistics; helping United States companies learn about the export process and export opportunities; helping United States companies navigate foreign markets; and helping United States companies provide input regarding clean energy technology manufacturing and trade policy developments and trade promotion. If the United States is going to be a leader in clean energy technology manufacturing and exports, domestic businesses can use more assistance manufacturing their goods here and learning how to sell them abroad. The Committee expects that strong domestic demand and a robust manufacturing sector will lead to economies of scale and lower costs, which will then provide a strong foundation for exports.

The section requires two reports to Congress. First, the Secretary of Commerce must report to Congress within six months of enactment as to how the provided funds will be used to focus on small- and medium-sized United States businesses, encourage the creation and maintenance of the greatest number of clean energy technology jobs in the United States, and encourage the domestic production of clean energy technology products and services, including materials, components, equipment, parts, and supplies related in any way to the product or service.

Second, the Secretary must report to Congress by January 1, 2015, regarding the extent to which the program established under this section has been successful in certain matters, and whether the program should be continued.

Finally, this section authorizes $15 million a year for five years for the Secretary of Commerce to implement this section. It makes clear that no assistance provided using any funds appropriated pursuant to the section shall be provided in the form of a monetary grant. The Committee is aware that ITA currently has programs that address clean energy technology, both directly and indirectly.
It is the intention of the Committee that the funds be used for activities above and beyond those in which ITA is already engaged.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 5156, as reported, does not make any changes in existing law.
DISSENTING VIEWS

We, the undersigned Members of the Committee on Energy and Commerce, oppose the passage of H.R. 5156, the Clean Energy Technology Manufacturing and Export Assistance Act of 2010, and submit the following comments to express our concerns regarding this legislation.

H.R. 5156 would create a five year, $75 million assistance fund within the Department of Commerce International Trade Administration (ITA). This fund is unnecessary, as the ITA already has the authority to initiate such a program and ample funds to do so, as the President's fiscal year 2011 budget requested an increase of 20 percent, up to $534 million.

During the Committee on Energy and Commerce Full Committee markup held on July 21, 2010, Mr. Griffith offered a deficit neutrality amendment, but the amendment failed 30–15. The amendment would have prevented the bill from taking effect if it would have a negative net effect on the national budget deficit. The amendment was a simple way to ensure that the legislation was deficit neutral. The federal budget deficit was $1.4 trillion in FY 2010. Congress needs to address runaway spending, and the $75 million assistance fund is a good place to start.

If we truly want to help U.S. businesses export their goods, we can easily do so by passing the free trade agreements that we have reached with Panama, Colombia, and South Korea. Recent studies estimate that exports of agricultural and manufacturing goods would increase by billions of dollars a year after the implementation of these free trade agreements—a much bigger boost to exports than would be achieved with an additional dollop of funds for ITA, and at a lower cost to the U.S. Treasury.

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