America’s way of life is dependent on stable, affordable, reliable energy. Fortunately, increasing domestic oil and gas supplies, improving energy efficiency, investing in innovations, and enhancing the environment are all possible with the right policy choices. The Energy Project and the National Transportation Policy Project each embrace long-term visions for the nation: U.S. energy strategy that improves competitiveness, national security, and sustainability; as well as advanced surface transportation and well-planned mass transit that reduces emissions while creating a vibrant economy.

The Energy and Infrastructure Program has two major projects:

The Energy Project strives to unify the nation around a new era in energy. Its task forces are focused on everything from nuclear power to climate remediation technology, from renewable energy assessments to innovation promotion. The project’s flagship activity is the Strategic Energy Policy Initiative, which launched in 2011 and is supported by a board comprising executives from companies like ExxonMobil, top advocates from organizations like the Natural Resources Defense Council, economists, technology experts, labor leaders, and experts from past Republican and Democratic administrations. The initiative is focused on a fundamental reassessment of America’s energy goals and policies. It will release a major report in 2013.

The National Transportation Policy Project is creating a dynamic and enduring strategy for the future of federal surface transportation policy. The goal is to develop proposals for transportation reforms that introduce the value of outcomes, performance, and accountability in national transportation policy. Whether it’s mass transit, well-planned highways, or new infrastructure innovations, transportation policy presents one of the nation’s best opportunities to really have an effect on the U.S. economy and energy consumption.
Energy Project Accomplishments

Fine-Tuning The Planet
The Energy Project’s Task Force on Climate Remediation Research released a national strategy calling for a federal effort to explore the effectiveness, feasibility, and consequences of climate remediation technologies. This 18-month-long effort was very politically challenging: Many fear futuristic-sounding theories will hijack the more important discussion of reducing emissions. The task force emphasized that remediation is no substitute for emission reductions—but some new ideas might offer temporary relief or help to reduce climate change itself. What we don’t want, says task force co-chair Dr. Jane Long, is to reach a climactic tipping point in which we are unable or unprepared to do something about it.

Life On The Grid
The Energy Project’s report, Environmental Regulation and Electric System Reliability, tackled the importance of maintaining electric power reliability without risking public health or the environment in a difficult market—one with reduced or flattened demand, low natural gas prices, and new regulations. The project worked with the National Association of Regulatory Utility Commissioners and Northeast States for Coordinated Air Use Management as well as nearly 60 energy experts; it also assembled an Initiative on Delivering Electric System Reliability and Clean Technology to improve electric reliability while transitioning to cleaner electricity.

Going Nuclear
The Energy Project launched its Nuclear Power Initiative—co-chaired by former Senator Pete Domenici and former Department of Energy Assistant Secretary for Nuclear Energy Warren “Pete” Miller. The project hosted two workshops in 2011 to explore “Lessons Learned from the Disaster at Japan’s Fukushima Daiichi Plant” and “Effective Approaches for U.S. Nonproliferation Policy.” The initiative continues to host public workshops on policy options aimed at ensuring that nuclear energy remains a safe, reliable source of low-carbon electricity and that the U.S. maintains technological and diplomatic leadership on international nuclear issues.

How Clean Is Clean?
At the request of the U.S. Senate Energy and Natural Resources Committee, the Energy Project analyzed the president’s proposed Clean Energy Standard (CES). A CES requires utilities to hold a certain percentage of their energy-generation portfolios in green fuels. The analysis found that both nuclear- and renewable-energy generation could see significant growth under the president’s plan, that the president’s CES target is likely to be more expensive than earlier proposals, and that regional disparities may be difficult to avoid under a single standard.

Renewable Report Card
While most energy analysts are looking at ways to improve the efficiency of renewable energy, the Energy Project is looking at ways to improve the efficiency of renewable energy tax incentives. With the release of a staff issue brief, Reassessing Renewable Energy Subsidies, the Energy Project highlighted the significant opportunities to make existing renewable-energy tax incentives more effective—both fiscally and environmentally. The brief also marked the kick-off of a deeper examination of energy taxes and subsidies for 2012.

Energy At Home
The Energy Project’s Task Force on Ensuring Stable Natural Gas Markets released a report encouraging development of domestic natural gas, with environmental safeguards, and urging state public-utility regulators and industry to use longer-term supply contracts to foster greater price stability. Articles touting the report appeared in The New York Times, Time, and POLITICO, among others. BPC also hosted a Hill briefing with U.S. House Natural Gas Caucus co-chairs Representatives Tim Murphy (R-PA) and Dan Boren (D-OK). Then, in July, the National Association of Regulatory Utility Commissioners adopted a resolution to “urge state regulators to give serious consideration to the task force’s recommendations.”
Media Highlights

“Boosting U.S. oil and gas production is critical in the near term and medium term, bringing jobs, revenue and a reduction of imports and our trade deficit. But support is also growing for finding a means to fund long-term alternatives to oil. These include infrastructure investments for the electrification of transportation and for natural gas and propane as substitutes for heavy-duty vehicles. Such alternatives can help insulate us from future high oil prices while creating a vibrant new economic sector.”

— Energy Project co-chairs former Senator Byron Dorgan and former Senate Majority Leader Trent Lott, POLITICO

“Microsoft founder Bill Gates is urging senior lawmakers to buck the current zeal for budget cutting and boost federal investment in clean-energy research and development. Gates—joined by a number of private-sector titans—took to Capitol Hill on Tuesday to argue that a far more muscular role is needed to expand innovation. Their group, called the American Energy Innovation Council, wants to boost … anemic federal investments in a sector vital to U.S. economic competitiveness, security and other goals.”

— The Hill

Looking Ahead

In 2012, the Energy Project will:

★ Develop a comprehensive U.S. energy strategy with practical policy recommendations that address the nation's near and longer-term energy challenges.

★ Examine how the shale gas boom impacts the energy system and explore ways to expand natural gas use to improve the economic and environmental performance of our energy system.

★ Develop policy recommendations to assure U.S. electric system reliability and a smooth transition to cleaner electricity.

★ Continue to support a strong federal role in energy research and development and innovation policy, and identify barriers to investing in and deploying new technologies in the energy sector.
National Transportation Policy Project Accomplishments

Mapping The Route

In 2011, National Transportation Policy Project (NTPP) released an update of its 2009 report, Performance Driven: A New Vision for U.S. Transportation Policy, to present new solutions with the nation’s severe fiscal constraints in mind. The 2011 update, Performance Driven: Achieving Wiser Investment in Transportation, created a reality-based template to encourage smart fiscal decisions in transportation. NTPP released Strengthening Connections Between Transportation Investments and Economic Growth, which emphasized that transportation infrastructure investments should demonstrate long-term benefits—both in terms of economic growth and job creation. Rather than simply providing temporary construction jobs, transportation policy should enhance communities, access to workplaces, and long-term economic returns.

Merging Lanes

NTPP was deeply influenced by the work of BPC’s Debt Reduction Task Force. Between the Domenici-Rivlin report and NTPP’s consistent focus on ensuring that transportation economics makes sense, BPC has been the leader in pointing out the urgency of fundamental reform in national transportation policies as one solution to annual deficits and a growing national debt. Despite scarce investment resources for transportation infrastructure, investing in transportation is critical to economic renewal and fiscal sustainability.

- Throughout 2011, these ideas gained greater currency in the policy debate and on the President’s Council on Jobs and Competitiveness.
- NTPP’s advocacy of these reform principles had an influence on Congress, which moved closer to developing surface transportation legislation.
- It was evident during two 2011 NTPP-organized workshops that NTPP principles have had an impact on key participants in the debate over national transportation policy and legislation. NTPP has played an important role in changing the language and thinking about this national policy issue.

“If things are worth having, they are worth paying for. That includes infrastructure and transportation infrastructure.”

— Senator Tom Carper (D-DE)
Media Highlights

“The Bipartisan Policy Center has, for five years now, housed the National Transportation Policy Project, which is a bipartisan, private-sector effort devoted toward better transportation policy and infrastructure. I was lucky enough to participate in this. We need to really reinvent our transportation infrastructure funding programs.”

— President of the American Action Forum Douglas Holtz-Eakin speaking at a National Journal panel

“Fortunately, there’s no shortage of think tanks dreaming up ways to improve the way funding gets doled out. In June, the Bipartisan Policy Center released a proposal to consolidate the 108 federal transportation programs into 10 and to focus more clearly on five goals: economic growth, connectivity, metro access, energy security and safety. The logic here is fairly straightforward: If Congress is going to have fewer transportation dollars to play with in the years ahead—and unless politicians want to hike the gas tax, that looks inevitable—then it’s a good idea to make sure those dollars aren’t wasted. And there’s a lot of room for improvement there.”

— Brad Plumer, The Washington Post

Looking Ahead

In 2012, BPC will build on the work of the National Transportation Policy Project by:

★ Continuing education and advocacy efforts highlighting transportation’s value to the economy and national security.

★ Influencing the debate on new surface-transportation reauthorization legislation, emphasizing performance management, program and institutional reform, and the leveraging of federal funds.
Working with BPC’s Energy Project, several of America’s top business executives formed the American Energy Innovation Council (AEIC) in 2010. Since then, the group has released groundbreaking recommendations focused on creating energy-technology breakthroughs that can power the U.S.—and the world—in this century and beyond.

“We are in critical need of a government commitment to research into new energy technologies that can free us from our dependence on foreign oil and create affordable clean-energy alternatives,” says council member Bill Gates, Microsoft Corporation chairman. The council’s most recent policy plan, Catalyzing American Ingenuity, found that government investments in technology research—integral to U.S. economic competitiveness—are not being made in the energy sector. “The U.S. government spends only one-sixth as much on energy innovation as it does on medical research,” says Gates.

Still, Gates is enthusiastic about energy innovation; he thinks the U.S. could have transportation and electricity systems with zero carbon outputs by 2030. But first, government must provide incentives for applied scientists to pursue clean energy. “It’s fascinating and should be drawing in about ten times more people,” says Gates. “This is fun work!” Council member Jeffrey Immelt, GE Chairman and CEO, agrees: “I’m a free-market capitalist, but energy research really does have a government component. The good news is having energy security, job creation, and an end to global warming is eminently solvable by innovations.”

To this end, AEIC worked with Congress and the administration to boost funding for ARPA-E, a new funding program (modeled on the successful Defense Advanced Research Projects Agency, or DARPA) that supports dozens of key energy innovations, like electricity storage. These efforts successfully led to bipartisan support for $275 million for ARPA-E in 2012. AEIC along with the Bipartisan Policy Center Advocacy Network also helped write legislation in the Senate—the Quadrennial Review Act of 2011—to implement a federal-wide energy review.

Catalyzing American Ingenuity notes that without incentives for long-term energy research, rates of private investment in energy technologies will remain too small: “Government-funded innovation research has improved lives, created jobs, and supported more than a century of U.S. preeminence. As business leaders, we are acutely aware that America’s future success depends on … generating new ideas, technologies, processes, and products—especially when it comes to energy.”

“We are in critical need of a government commitment to research into new energy technologies that can free us from our dependence on foreign oil.”

— AEIC member Bill Gates
“Changing transportation policy in this political and economic environment is extremely difficult,” says BPC Visiting Scholar Emil Frankel. It’s easy to see why: Most people—including policymaking—see transportation and infrastructure as, well, a one-way street, a fiscal loser that can cost taxpayers millions and at best provide temporary construction jobs. “This is bigger than any construction job,” says Frankel, former assistant secretary for transportation policy under George W. Bush. “Infrastructure is the greatest influence on the economy outside of technological innovation.”

Think that’s an exaggeration? Then think about this: How much would the homes in, say, suburban Washington, D.C., be worth if the Metro rail didn’t exist? What if the Woodrow Wilson Bridge didn’t exist? The Wilson Bridge creates micro-economies throughout eastern Maryland. Thousands of federal employees and other members of the D.C. workforce cross the bridge every day. Along the way, they grab a bite to eat, they buy gas, they pick up milk on the way home. And in turn, D.C. urbanites head for the shore to relax, eat crabs, look at vacation homes, and go to the outlet stores. Infrastructure is no one-way street. It is an economic boon.

“Transportation decision makers don’t look at the returns,” says Frankel. “How many people remember how many construction workers built the national highway system? But it changed America! It became a pillar of American economic success over the last half century.”

It’s the difference, he says, between spending and investment. With achievable federal goals, performance, measurement, and accountability, transportation initiatives can create sustainable revenue streams and long-term jobs. Perhaps that’s why, in 2011, BPC’s National Transportation Policy Project work influenced Senate consideration of transportation legislation, eventually contained in a final bill. “Transportation creates a basis for economic growth,” says Frankel. “Smart infrastructure investments are made when times are bad.”