

to residents during storms and makes our system vulnerable and costly to repair.

While I appreciate the recognition of the vulnerability of the Insular Areas energy supply to natural disasters, in H.R. 4, I remain opposed to the bill as a whole because of its over-reliance on energy production at the expense of pristine areas of our environment, as well as large tax breaks it provides to energy companies who are enjoying record profits. I hope that we can provide this relief to my district and others through another legislative vehicle.

H.R. 4 also leaves rural America behind. I ask that the attached statement from the National Rural Electric Cooperatives Association be included in the RECORD.

Mr. Chairman, this is not the way to secure America's future, I urge my colleagues to oppose both this "figleaf" amendment and H.R. 4.

#### SECURING AMERICA'S FUTURE ENERGY ACT OF 2001

SPEECH OF

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 1, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Mr. STARK. Mr. Chairman, H.R. 4 does very little to help the average U.S. consumers who need to put fuel in their cars to get to work, or who need to cool their homes in the summertime. It does even less for the state of California that has been gouged by energy generators while the Federal Energy Regulatory Commission (FERC)—the federal body responsible for regulating the transmission and sale of wholesale electricity—has sat idle. The bill does however provide an enormous windfall for some of the planet's greatest polluters seeking to make even bigger profits at the expense of the U.S. taxpayer, and at the expense of a cleaner environment. This bill is too expensive, spending nearly \$37 billion in new tax breaks without providing offsets, and it dips further into the Medicare and Social Security Trust Funds which Members of both sides of the aisle have agreed to protect.

The nuclear power industry alone will receive \$2.7 billion in tax breaks and spending subsidies on what amounts to nothing more than pork barrel spending. \$1.9 billion of this tax break, originally reserved for state-regulated utilities with nuclear assets, will now be conferred to unregulated private nuclear entities seeking to increase their profit margin.

Although the General Accounting Office (GAO) has reported waste and mismanagement of the \$2.4 billion Clean Coal Technology Program (CCTP), this Congress wants to squander another \$3.3 billion in tax benefits for a very similar program. Add this to the various research and development tax breaks in the bill and the coal industry will see a \$6 billion Christmas gift in August.

The biggest beneficiaries of the energy bill are the oil and gas industries, which will receive \$24 billion in tax breaks. The oil and gas

industries are experiencing a period of tremendous profits. Instead of regulating these industries to ensure that they don't take advantage of flawed de-regulated electricity states such as California, we are giving them further tax breaks to increase profits without imposing any additional federal oversight. This bill rewards the Texas oil producers for gouging California's electricity consumers but does nothing to guarantee that the price gouging will cease.

This bill further rewards companies with a particularly egregious provision that allows royalty-free oil drilling on federal lands. Currently, oil companies pay royalty fees to the federal government on the oil derived from the Outer Continental Shelf (OCS). However, H.R. 4 will change that. The bill provides royalty relief to major oil and gas companies seeking new leases on the Outer Continental Shelf in the Gulf of Mexico. Under the royalty exemption, the Interior Secretary would be required to give as much as 52.5 million barrels of oil royalty-free, costing Americans at least \$7.4 billion that the government would have received in those fees. Although proponents of this provision will tell you that it will encourage domestic oil exploration, there is no evidence that these companies would suspend drilling in the Gulf without such relief. This provision is nothing more than another handout to an industry that gets more than its fair share of tax relief.

Finally, this bill doesn't do nearly enough to protect our environment. We have an opportunity to slow domestic fuel consumption, increase conservation and improve our environment by increasing the corporate average fuel economy (CAFE) standards. The CAFE program dictates the average miles per gallon (mpg) that passenger cars and light-duty trucks sold in the United States must meet. Unfortunately, the "compromise" that was reached on the CAFE standards was nothing more than an insincere fig leaf.

The compromise calls for five billion gallons in gasoline savings over a six-year period. While this might sound like a genuine attempt to decrease fuel consumption, it translates to a mere six days worth of oil consumption for the U.S. To achieve that would require an increase in the fuel economy of cars and trucks of only about 1 mile per gallon—an increase that, considering how far fuel economy has fallen in recent years due to increased sales of SUVs and pickups, would improve efficiency only to the level we achieved in the early 1980's. The National Academy of Sciences just this week reported that fuel economy improvements could further reduce U.S. dependence on foreign oil. Our fuel economy standards should reflect a developed nation, leading in technological advances in the 21st century. But the meager CAFE increase proposed in H.R. 4 reflects a nation unwilling—not unable—to provide global leadership for fossil fuel conservation and a cleaner environment.

Regrettably, my colleagues did not seek a truly bipartisan energy bill that would encourage conservation and renewable energy generation; and contain manipulation of the energy spot market by the electricity generators. Instead, they chose to take a shortsighted approach to help some of their leading campaign contributors at the expense of our environment.

I urge my colleagues to protect the environment, and protect the Social Security and Medicare Trust Funds. Vote no on H.R. 4.

#### SECURING AMERICA'S FUTURE ENERGY ACT OF 2001

SPEECH OF

**HON. PATSY T. MINK**

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 1, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Mrs. MINK of Hawaii. Mr. Chairman, H.R. 4, the so called SAFE Act, that opens the Coastal Plains of the Arctic National Wildlife Refuge (ANWR) to oil drilling, provides mandatory relief for offshore producers in the Gulf of Mexico, and provides tax breaks for oil and gas exploration. Simply put, H.R. 4 increases oil supply instead of researching and developing alternative, renewable energy sources and conservation. This bill includes tax credits and deductions of \$33.5 billion over 10 years with no offsets. Passage of this bill will invade the Medicare surplus. We are on a dangerous path towards the deficit spending that we spent the last 8 years fighting to eliminate it.

ANWR is home to more than 200 species that use the coastal plains as a breeding and migratory habitat. U.S. geological reports are inconclusive as to how much oil will actually be available within the coastal plains, and even if drilling were to begin today, it will be more than a decade before useable oil will be produced. H.R. 4 does not address the fact that oil produced right now on Alaska's North Slope is currently being exported to Japan and Asia. If we are trying to increase supply, why not ban exports on all our oil currently produced in America?

H.R. 4 includes a provision to artificially enhance competitiveness of western federal coal to give lessees the ability to control market prices. Instead of requiring coal prospectors to "diligently develop" coal, H.R. 4 allows federal coal lessees to withhold production at any time without penalty. I wrote this provision that H.R. 4 is striking. Federal coal lessees already produce 33 percent of U.S. coal consumption, this "produce or withhold" option would allow them to drive out competition and spike prices. They could flood the market with coal when they wanted and eliminate their competition or they could withhold production in order to raise prices. This provision gives an unfair advantage to current federal coal lessees and is bad for consumers.

H.R. 4 provides an insufficient amount in grants to develop alternative fuels, including fuel cells, natural gas, hydrogen, propane and ethanol. Ethanol should be a cornerstone of America's energy future. It is a clean burning, renewable, biodegradable fuel that reduces harmful greenhouse gasses when added to gasoline as oxygenate. Ethanol is good for the environment and production is vitally important economic stimulus to our nation's farmers. Ethanol is also critical to American energy security, adding volume to a tight fuel supply and will reduce consumer cost.

There were 5 amendments offered on renewable fuels, but the Rules Committee made every single one of them out of order. This is not the way to help our farmers, our environment, and will not enhance our energy security.

SECURING AMERICA'S FUTURE  
ENERGY ACT OF 2001

SPEECH OF

**HON. KAREN MCCARTHY**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 1, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Ms. MCCARTHY of Missouri. Mr. Chairman, I rise in opposition to H.R. 4, the Securing America's Future Energy (SAFE) Act of 2001. I regret having to take this position because I support the Energy and Commerce Committee provisions of this bill, which were crafted in a bipartisan manner under the leadership of Chairman TAUZIN and Ranking Member DINGELL, as well as the Energy and Air Quality Subcommittee Chairman BARTON and Ranking Member BOUCHER. Working together, the members of the committee created a balanced energy policy that recognizes the importance of conservation and efficiency as well as increased production from traditional sources of energy, while improving our nation's commitment to alternative and renewable energy resources. These efforts produced an excellent first step toward addressing critical national energy supply issues in an environmentally sensitive manner, improving efficiency so as to reduce waste, and ensuring our nation's energy security for future generations.

The product of our committee's bipartisan work was combined with the sections reported by other committees. Instead of having conservation and efficiency as its center, the legislation added millions of dollars of tax benefits for corporations involved with exploration and production and distribution of energy supplies with no guarantees that the savings will be passed on to the American consumer. Several provisions were added which threaten sensitive environmental areas such as the Arctic National Wildlife Refuge (ANWR) and allow the private sector to short circuit important environmental regulations. These provisions fundamentally alter the balance that was needed to increase energy supply and protect the environment.

The process by which the bill was pieced together for floor consideration was also seriously flawed. I worked with my colleagues in the Energy and Commerce Committee, on both sides of the aisle, to include important provisions that will improve the energy efficiency of the federal government through a streamlining of the Federal Energy Management Program (FEMP), saving taxpayers millions of dollars for years to come.

We created an innovative funding mechanism called the Federal Energy Bank to establish a fund that would help federal agencies invest in more efficient technologies and renew-

able resources, recouping the savings for reinvestment later on. We also included incentives for production from renewable energy facilities through revisions to the Renewable Energy Production Incentive (REPI).

When H.R. 4 was presented for floor consideration the Energy Bank provision, which was unanimously approved by committee, was missing, with no explanation of why other than that the Office of Management and Budget had concerns about the provision that had not been raised during the three previous versions of the legislation as it was developed in committee. After learning that those concerns could be addressed with minor revisions, I offered an amendment to clarify the language for the floor, but it was not made in order by the rule. As the details of the legislation came to light, it was determined that other important provisions contained in the Energy and Commerce Committee bill were removed without consultation with committee members. Mr. Speaker, legislation of this magnitude deserves complete and thorough review and the rush to get the measure to the floor should not supersede the good bipartisan work that was performed in committee and thwart the public policy gains that were made.

Increasing the fuel efficiency of passenger vehicles and light trucks holds the greatest potential to reduce consumption of fossil fuels and emissions of harmful global greenhouse gases, but the implications on the industry and jobs requires a delicate balance on how we best approach this problem. The Energy and Commerce Committee took a first step toward addressing improved fuel efficiency through the requirement that the National Highway Traffic Safety Administration (NHTSA) take steps to decrease petroleum fuel consumption of new vehicles manufactured between 2004 and 2010 by five billion gallons than otherwise would have occurred. Because the rulemaking process under existing law has been stalled for the past six years we have lost the opportunity to approach increasing fuel efficiency at a reasonable pace. We should continue to work to increase the fuel efficiency of all vehicles. The automakers have indicated repeatedly that they have the existing technology to increase the fuel economy of their products and plan to implement those improvements in the near future. Making these changes to improve automotive fuel efficiency and actually affecting the number of these vehicles sold is a different matter. Whether for safety, convenience or performance reasons, Americans' buying habits have trended strongly toward larger sport utility vehicles (SUVs) and light trucks. The public supports improved fuel economy, but balanced with the desire to have vehicles that meet their transportation needs.

The Energy and Commerce Committee provisions also call for a report that will examine alternatives to the current CAFÉ standard policy and requirements for each manufacturer to comply with these standards for vehicles it makes. The National Research Council report suggests alternative means by which we could achieve greater success at improving fuel efficiency such as a system of tradeable credits to augment the current CAFÉ requirement and eliminating the differentiation between foreign and domestic fleets. We should continue the effort to examine how best to accomplish this over the next several months and come back to this issue once we have learned more about the economic effects of the suggestions

that have been included in the report. Mr. Speaker, we must follow through on our commitment to make the provisions of this bill the first step to increase the fuel efficiency of all vehicles, not the last.

When considered as a whole, H.R. 4, is an incomplete solution to our nation's energy needs which will harm the environment we are charged with protecting. I cannot support such an unbalanced and shortsighted energy strategy, and I urge my colleagues to oppose this bill.

SECURING AMERICA'S FUTURE  
ENERGY ACT OF 2001

SPEECH OF

**HON. JAMES A. LEACH**

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 1, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill. (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Mr. LEACH. Mr. Chairman, I rise in strong opposition to the amendment.

There is a great deal at stake in this controversy.

First is the damage that will be done to the environment by air pollution if the most populous state in the union is given an exemption from the oxygenate requirement under the reformulated gasoline program.

Second is the setback which will be given to our efforts to become more energy self-sufficient if this waiver is granted.

Third is the blow such a waiver will deal to the Midwest economy.

Any rational national energy policy must include the development and usage of alternative sources of fuel—from wind to water, sun to corn and beans—need to be explored, cultivated and implemented more rigorously. This amendment would move our energy policy in precisely the opposite direction.

From a Midwest view ethanol production provides a much-needed boost for the rural Midwestern economy. The USDA has determined ethanol production adds 25 to 30 cents to the price of a bushel of corn, and, according to a Midwestern Governor's Conference report, adds \$4.5 billion to farm revenue annually, creates 195,200 jobs, brings in \$450 million in state tax revenues, improves our balance of trade by \$2 billion, and saves the federal Treasury \$3.6 billion annually.

Promoting the use of ethanol in reformulated gasoline makes good sense environmentally, geostrategically and economically.

Again, I urge a no vote on this amendment.

SECURING AMERICA'S FUTURE  
ENERGY ACT OF 2001

SPEECH OF

**HON. DARLENE HOOLEY**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 1, 2001*

The House in Committee of the Whole House on the State of the Union had under