

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

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. HOOLEY. Mr. Chairman, I have to admit I'm a little surprised the Administration has proposed an inadequate proposal to address our long-term energy needs. After all, both the President and Vice President have extensive experience in the energy sector. Quite frankly, I'd think they'd be a little more creative in their vision of America's future.

After all, a national energy policy is supposed to be predicated on the assumption that we need to increase supplies to mitigate demand. And to some degree, the Administration's plan is geared toward that end. However, given their experience in the energy sector, we ought to expect that.

But the cold hard fact is that the Administration sees drilling and mining as our only way to address our predicament. Personally, I disagree with the Vice President—conservation isn't a personal virtue. It's not only a proven method to increase energy supplies, but the costs to the taxpayer to fund research in this field is a drop in bucket compared to the huge taxpayer-funded subsidies this legislation bestows on traditional industries.

Unfortunately, instead of debating a reasonable and prudent legislation, we have forfeited that option. Instead of making tough choices, we have before us a bill that too heavily focuses on oil, coal, and nuclear energy. This Administration simply isn't worried about giving equal consideration to promoting and encouraging energy efficiency, renewable energy, and conservation.

That's unfortunate for a variety of reasons. Not only does it defy common sense, but it defies a Department of Energy report issued last November demonstrating increased efficiency and renewable energy can meet 60 percent of the nation's need for new electric power plants over the next 20 years. Yet the recommendations in the report are nowhere to be found in this legislation.

Moreover, this bill grants billions in new tax breaks for the oil and coal industries—all of this in the wake of record profits for industry and record-high energy bills for consumers. Why are we providing "royalty relief" to the oil industry when, as the Wall Street Journal recently reported, the industry currently has more money than it can manage to spend? Why do they need royalty relief when they are making billions of dollars in profits from oil that is pumped from public lands and are more financially stable than ever before?

Finally, in this bill is a provision that authorizes oil production in the Arctic National Wildlife Refuge (ANWR). According to proponents of this provision, we need to drill in ANWR as a solution to our energy crisis.

Unfortunately, facts are stubborn, and the truth is we could have done more to lower our dependence on foreign oil by passing the Boehlert/Markey amendment that would have increased fuel efficiency in SUV's than we could ever get from pumping every drop of oil from the coastal plain in ANWR. For a bill designed to reduce our reliance on foreign oil, it seems strange to me that the sponsors of this bill would object to raising gas mileage standards. Doing so is not only completely feasible, but once completely implemented this step would reduce our oil consumption by hundreds

of millions of barrels a year. But the amendment failed and again we regress.

As such, I urge my colleagues to vote against this bill and let's work to create a comprehensive energy bill that is truly one for the 21st Century.

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

SPEECH OF

**HON. J.C. WATTS, JR.**

OF OKLAHOMA

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. WATTS. Mr. Chairman, the House of Representatives today is considering a comprehensive energy strategy to provide clean, affordable and available energy to all Americans. The president has put forth a sound initiative to meet our energy needs after eight years of neglect by the previous Administration. The House today is considering a forward-looking plan that confronts the energy crunch head-on and offers real solutions to our energy shortage, volatile prices and our dependence on foreign oil.

The Securing America's Future Energy (SAFE) Act is a balanced approach of conservation and production. It is good for the economy, as it will create jobs. It's no wonder the AFL-CIO and Teamsters' unions have thrown their support to our ideas. They, like many working Americans, know the value and importance of domestic energy production.

The SAFE Act helps modernize our aging energy infrastructure. In California, which has faced some of the most severe energy shortages in the country this year, they went without a new power plant for nearly twenty years. Playing catch-up should not be considered an energy strategy. We need 38,000 miles of new natural gas pipelines to move enough fuel to supply our energy needs. The SAFE Act will look ahead to the future and plan for the energy needs of today and tomorrow.

We should not wait for another crisis to formulate an energy plan. The time is now to correct the mistakes of the past and lay down sensible groundwork for the future. Reliable, affordable and environmentally clean energy should be first and foremost on our agenda. I urge the House to pass the SAFE Act.

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

SPEECH OF

**HON. GERALD D. KLECZKA**

OF WISCONSIN

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. KLECZKA. Mr. Chairman, only a few short months ago, the members of this House passed, one of the largest tax cuts in over a decade. Now here we are again, debating an energy bill that is as fiscally irresponsible. Just two days ago, the U.S. Treasury announced that it will be forced to borrow \$51 billion to pay for the tax rebate checks, instead of paying down the debt as previously planned. The New York Times also cited the Bush Administration as saying that the surplus for this fiscal year could fall by \$120 billion below the January estimate. No matter how we slice it, the fact remains that the U.S. Government simply doesn't have enough surplus funds to pay for the recently passed tax cut as well as the tax breaks contained in H.R. 4.

Furthermore, H.R. 4 does little to solve America's long-term energy challenges. Its primary focus is on developing non-renewable fuel sources, such as oil, natural gas, and coal, with a lesser emphasis on energy conservation and renewables. H.R. 4 gives over \$33 billion to energy companies in the form of tax breaks, all at taxpayer expense. About two-thirds of this tax break goes to oil and gas companies whose profits are at all-time record highs and some of whom have so much surplus cash they haven't yet figured out how to spend it all.

From 1999 to 2000, profits for the five largest U.S. oil companies rose 146%, from \$16 billion to \$40 billion. Exxon-Mobil reported yearly profits of \$17.7 billion. A July 30, 2001, Wall Street Journal article reported that, "Royal Dutch/Shell Oil said it was pumping out about \$1.5 million in profit an hour and sitting on more than \$11 billion in the bank." Even personal salaries for energy executives have skyrocketed. Yearly compensation for executives at the largest energy companies selling power to California rose an average of 253%, with one top executive collecting over \$100 million alone. With unprecedented increases in oil company profits, the industry clearly does not need financial assistance from Uncle Sam.

Not only is H.R. 4 fiscally unsound, but its provisions allowing drilling in the Arctic National Wildlife Refuge (ANWR) reflect an utter disregard for the preservation of America's last remaining untouched wilderness. ANWR is a pristine region, teeming with a wide variety of plant and animal species. To believe that we could drill in ANWR without causing irreversible environmental damage is, at best, overly optimistic. As recently as last month, a corroded pipeline in an Alaskan oil field erupted, causing 420 gallons of crude oil to spill onto Alaskan tundra. This spill is but one of many that have occurred in the 95% of Alaska's North Slope that has already been opened to oil development.

According to the U.S. Geological Survey, ANWR contains about 3.2 to 5.2 billion barrels of economically recoverable crude oil. Since the U.S. consumes about 19 million barrels of oil daily, or almost 7 billion barrels of oil annually, even with drilling at top efficiency, the coastal plain would only supply about 2% of America's oil demand. Additionally, if the total amount of oil in this area could be extracted all at once and the ANWR oil was used as the primary oil supply for the U.S., it would only last about 6 to 8 months. Destroying our environmental treasures in search of a quick fix to our energy needs is not the right course of action.