

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.