

ENERGY BILL DISASTER

Republican Energy Bill Is a Special Interest Giveaway That Will Not Reduce Gas Prices And Hurts the Environment

As gas prices surge over \$2 per gallon, 34 percent of Americans now blame Bush and the Republicans, according to a March ABC News/Washington Post poll. So, Bush and Republicans are scrambling to use the crisis to push through their right-wing agenda while giving the appearance of doing something. In March, the Senate enacted one of Bush's key energy proposals: opening ANWR to oil drilling. Now, Bush claims that passing the energy bill is the next step. The House is currently considering an energy bill that is nearly identical to a measure that passed the House in 2003 but failed in the Senate. This energy bill is a staggering special interest giveaway that hurts the environment and does nothing to reduce gas prices.

Republican Energy Bill Is a Special-Interest Giveaway

House Republican Energy Bill Is a Tax Giveaway to Big Energy Companies. According to the Washington Post, “The House this week will consider \$8 billion in tax breaks targeted to the energy industry at a time when some of those companies are enjoying soaring profits from high consumer prices. The vast majority of the tax breaks would benefit companies that produce and supply traditional forms of energy, with a large portion going to the oil and natural gas sector... Environmentalists are outraged, saying the bill provides giveaways to big energy companies, such as ExxonMobil Corp., whose 2004 profits set a record.” [Washington Post, 4/19/05]

Energy Bill Includes MTBE Waiver Supported by Tom DeLay and Energy Industry. According to the New York Times, “If oil and chemical companies have their way, a majority of [MTBE] lawsuits... will be thrown out by Congress as part of the energy bill backed by the Bush administration. The bill... includes a waiver that would protect the chemical makers, which are some of the biggest oil giants in the United States, from all MTBE liability lawsuits filed since September 2003. The House majority leader, Tom DeLay, and Representative Joe L. Barton, who heads the Energy and Commerce Committee, are staunch supporters of the waiver. Both are Republicans from Texas, where more than a dozen MTBE manufacturers are based.” [New York Times, 4/15/05]

MTBE Is a Dangerous Chemical That Is Seeping into Our Water Supplies. MTBE is used in gasoline to reduce carbon monoxide emissions from cars. MTBE dissolves easily in water and does not readily cling to soil, so it moves rapidly into the ground—making it likely to seep into water supplies. Its powerful turpentine-like taste and odor makes water undrinkable.

Contamination usually results from leaks in at gasoline stations. [New York Times, 4/15/05]

MTBE Waiver is Top Priority for the Oil Refining Industry. According to Lawrence J. Goldstein, president of the Petroleum Industry Research Foundation, “The MTBE waiver issue is Priority 1, 2 and 3 for the refining industry. Without it they aren't going to get behind the energy bill.” [NYT, 4/15/05]

Energy Bill Would Benefit Bush Fundraisers. According to the Washington Post, the 2004 Republican energy bill, nearly identical to the current one, provided billions of dollars in benefits to companies run by at least 22 executives and their spouses who were either “Pioneers” or “Rangers,” as well as to the clients of at least 15 lobbyists and their spouses who have achieved similar status as fundraisers. The energy bill provides industry tax breaks worth \$23.5 billion over 10 years aimed at increasing domestic oil and gas production, and \$5.4 billion in subsidies and loan guarantees. [Washington Post, 11/24/03]

Energy Bill Is Payoff for Campaign Contributions

Joe Barton, House Energy Committee Chairman And a Close DeLay Associate, Received \$1.8 Million in Campaign Contributions from Energy Industry. Rep. Joe Barton (R-TX) is chair of the Energy and Commerce Committee, which recently passed the energy bill. According to the Washington Post, “If Barton gets his way and succeeds in passing this year’s energy bill, there is little doubt that the oil and gas, coal, and nuclear industries will have much to celebrate... Barton and President Bush... have dipped heavily into the same rich pool of campaign contributions from corporate and trade associations, according to a review of campaign finance and lobbying records. Since 1997, oil, gas, electricity, nuclear, coal and chemical companies have contributed \$1.84 million to Barton, more than to any other House member.” [Washington Post, 4/14/05]

Barton Chose Staffers Close to DeLay and MTBE Producers. According to the Washington Post, “Barton’s key hires since taking the chairmanship are likely to further secure his ties to the energy industry and to the House leadership. Barton picked C.H. “Bud” Albright, chief lobbyist for Reliant Energy Inc., a Houston electricity producer, to be the committee’s chief of staff. Reliant has contributed more than \$160,000 to House Majority Leader Tom DeLay and his leadership political action committees. Albright hired Margaret Caravelli, a lobbyist for producers of MTBE. Barton and DeLay have been the leading defenders of MTBE producers, insisting they be protected from product-defect lawsuits. Kurt Bilas, former senior counsel at Reliant Energy, has been hired as a committee counsel.” [WP, 4/14/05]

Barton Owes Chairmanship to Energy Industry. The Washington Post reported, “In his quest for the chairmanship... A network of former Barton staff members-turned-lobbyists—including Jeffery M. MacKinnon (clients: Reliant Energy, Philip Morris, MCI and at least 36 others), Stephen Sayle (American Chemical Council, AT&T and 19 others) and Stephen Waguespack (Duke Energy, Ford Motor Co. and eight others)—worked the crucial corporate and trade association community on Barton’s behalf.” [Washington Post, 4/14/05]

Republican Energy Bill Will Not Reduce Gas Prices

Former Tom DeLay Aide Admits that Energy Bill Will Not Solve Gas Price Problem, But Only Gives Appearance of Doing Something. According to the Los Angeles Times, “Politically, it doesn’t matter if such provisions deal with the long term, said [Stuart Roy, a Republican strategist and former aide to House Majority Leader Tom DeLay (R-TX)]. ‘The most important thing for policy makers in the current environment of relatively high gas prices and the approaching summer travel months is action.’” [Los Angeles Times, 4/16/05]

Energy Bill Will Hurt the Environment

Republican Energy Bill Is Threat to Environment And Taxpayers. Environmental groups said the 2004 energy bill, nearly identical to the current version, included delays in imposing tougher standards to reduce air pollution in smoggy areas and exempting certain oil and gas activities from the Clean Water and Safe Drinking Water Act. “If you want the environmental community to support your bill, you shouldn’t roll back the Clean Act to produce more asthma attacks and more deaths,” said Aaron Viles, Gulf States field organizer for the U.S. Public Interest Research Group in New Orleans. Keith Ashdown, spokesman for Taxpayers for Common Sense, said that a great deal of the savings is produced by delaying the effective date of many of the tax breaks by a year. [The Times Picayune, 2/18/04]

Input from Energy Industry Mirrors Provisions in Energy Bill

Energy Industry Enjoyed Special Access to Bush Task Force, Meeting With Task Force Officials 118 Times. Although details of the energy task force are not available, some general information on its proceedings has become public. Particularly notable are reports of the energy industry's special involvement in its deliberations. Nine days before President Bush's inauguration, energy industry lobbyists gathered in the American Petroleum Institute's offices to make a "wish list" for the Bush energy plan. The list was forwarded to the Bush energy transition team, and eventually to the energy task force. Task force officials met with 118 energy groups, and only 13 environmental groups, five academics and one consumer group. Numerous energy industry representatives attended the recent GOP Presidential Gala fundraiser and previous reception at the Vice President's Naval Observatory residence. [Newsweek, 5/10/01; NYT, 5/10/01; 5/20/01; USA Today, 5/14/01; ABC News, World News Tonight, 5/22/01; WP, 5/17/01]

Enron's Ken Lay Gave Cheney a Memo that was Integrated Into Energy Plan. During a meeting between then-Enron CEO Kenneth Lay and Cheney in April 2001, Lay gave Cheney a memo that outlined some of Enron's positions on energy, which were similar to elements of Cheney's energy plan. Included in the Enron memo were notes on price caps negative impact on energy markets. "The administration should reject any attempt to re-regulate wholesale power markets by adopting price caps or returning to archaic methods of determining the cost-base of wholesale power," the memo said. "Events in California and in other parts of the country demonstrated that the benefits of competition have yet to be realized and have not yet reached consumers," the memo said. Cheney's energy plan advocated against price caps and calls for a bail out for energy consumers in California. [San Francisco Chronicle, 1/30/02]