

**American Rivers \* Defenders of Wildlife \* Environmental Defense \*  
Friends of the Earth \* Greenpeace USA \* National Environmental Trust \*  
National Wildlife Federation \* Natural Resources Defense Council \*  
Oil & Gas Accountability Project \* Physicians for Social Responsibility \*  
Public Citizen \* Sierra Club \* The Wilderness Society \*  
U.S. Public Interest Research Group \* Union of Concerned Scientists**

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Dear Member of the Senate Energy and Natural Resources Committee:

America deserves a safe, clean, affordable energy future. It's time to develop an energy policy that advances America's energy security, curbs greenhouse gas emissions that cause global warming, and curtails our dependence on dirty and unreliable energy sources. We can reduce our reliance on oil, address global warming, and secure our energy future by using America's technological know-how to develop newer, cleaner sources of energy, such as solar and wind, and by making our cars, homes, and appliances more energy efficient.

Unfortunately, the legislation that the Energy and Natural Resources Committee is voting on this week would take our nation's energy policy backwards, not forwards, threatening national security and failing to address the critical problem of global warming. **We urge you to oppose this and any other legislation that takes us backwards.**

The misguided policy choices in the bill are striking. At a time when oil prices are skyrocketing and our national security is threatened by our dependence on oil, this bill contains no meaningful oil savings provisions. While America is sacrificing to prevent Iraq, Iran, and North Korea from acquiring weapons of mass destruction, this bill authorizes programs that would increase the risk of nuclear proliferation and further subsidize the nuclear industry. With consumers concerned about manipulation of energy prices, this legislation does not go far enough to protect electricity consumers from market manipulation and price gouging. With energy use accounting for 80 percent of U.S. greenhouse gas emissions, U.S. industry should innovate and provide global technology leadership that benefits the economy and the environment. At a time when Congress is faced with stark fiscal choices, billions of taxpayer dollars are being squandered in additional subsidies to mature industries such as the oil, coal, gas, and nuclear industries. The bill also fails to harness the potential for diversifying our energy supply to include homegrown renewable energy sources. With salmon and other fish stocks barely hanging on for survival, the bill undercuts requirements for fish passage at hydropower dams. Finally, the legislation threatens the existing moratorium on offshore oil and gas drilling in sensitive coastal and marine areas.

We urge you to promote a meaningful energy security agenda focused on oil-saving efficiency measures, diversification to clean renewable energy sources, and strengthened protections for electricity consumers. Please support amendments to energy legislation that will do the following:

**Increase fuel economy.** Passenger vehicles remain one of the largest oil consuming sectors of our economy despite currently available technology that could reduce their oil consumption by one-third by 2020. To curb our dependence, America must reduce its overall oil consumption. The quickest, cheapest way to do this is to dramatically increase the fuel economy of cars and light trucks. In addition, simply requiring that replacement tires are as fuel efficient as original vehicle tires would save more than 270,000 barrels of oil per day by 2010. Not only does the Senate bill fail to increase vehicle fuel economy, but it would make it even more difficult for the Transportation Department to raise fuel economy than under current law by adding new criteria they must consider for any future increases in fuel economy. In addition, the bill extends a loophole that will increase our gasoline consumption by 6 billion to 11 billion gallons by giving auto manufacturers credit for fuel efficiency by producing vehicles that are capable of running on an alternative fuel (ethanol) although they virtually never do. **We urge you to support amendments to strike this harmful language from the bill.**

**Reduce oil consumption.** America is too dependent on oil. This dependence threatens national security and the environment. There are many opportunities to reduce oil consumption in transportation, buildings, and industry. In addition to the huge gains that can be made by increasing the fuel economy of passenger vehicles, large oil savings can be obtained by improving air traffic management, reducing heavy truck idling, weatherizing oil-heated homes, and adopting more efficient industrial processes. **We urge you to support amendments to require significant oil savings of at least one million barrels per day within a decade.**

**Create a renewable electricity standard.** Clean, renewable energy such as wind, geothermal and solar energy is becoming increasingly cost-competitive and can help protect consumers against fluctuating fossil fuel prices. Encouraging the use of renewable energy would reduce air pollution and global warming emissions that threaten public health. We urge you to support a renewable portfolio standard that will increase the percentage of electricity generated from clean renewable sources. The Senate last year passed a readily achievable standard of 10 percent by 2020 that recognized the importance of promoting renewable energy. However, it contained some troubling definitions of renewable energy sources that would have permitted the burning of garbage to count toward the standard. We strongly oppose inclusion of these sources. The Department of Energy's own Energy Information Administration has found that even an ambitious 20 percent by 2020 renewable electricity standard will minimally affect consumer costs. **Please support a renewable electricity standard to save consumers money on their utility bills, benefit farmers, create jobs, spur economic development, and improve our energy security.**

**Protect electricity consumers.** Consumers should not be at the whim of energy giants such as Enron and Dynegy. Instead, they should receive reliable electricity at fair prices. Incentives to reduce energy demand must be retained and strengthened. While market manipulation and price gouging have been front-page news, the current draft of the legislation does not go far enough to protect electricity consumers. **We urge you to**

**support amendments to strike the electricity title and increase consumer protections.**

**Curb global warming.** Increases in atmospheric concentrations of manmade greenhouse gases are contributing to global warming. International scientific bodies and the National Academy of Sciences have confirmed that most of the observed warming of the last 50 years is likely due to the increase of these greenhouse gases. The United States benefits from investments in the research, development, and deployment of clean energy and energy efficiency technologies that can reduce the risks and impacts of climate change and make the U.S. economy more productive, bolster energy security, create jobs, and protect the environment. Unfortunately, the Bush administration's voluntary measures to address global warming, even if implemented fully, would result in an increase of U.S. emissions of greenhouse gases by 14 percent over the next decade – virtually the same rate of increase as in the last decade. We need real reductions in greenhouse gas emissions now. **Please support amendments to curb global warming.**

**Hold polluters accountable for contaminating drinking water.** Polluters, not taxpayers, should pay for the costs of cleaning up their pollution. Unfortunately, an amendment may be added to the Senate energy bill in committee that is designed to exempt renewable fuels, and maybe even MTBE, a gas additive that has polluted drinking water across the country, from federal and state product liability protections. The provision would shift the cost of cleanup (billions of dollars in the case of MTBE) to taxpayers and communities facing groundwater contamination. It also would remove a major incentive for companies to thoroughly test their products, inviting future threats to public health and the environment. Research has already shown that ethanol may inhibit the breakdown of other, more toxic components in gasoline and increase the spread of benzene and other toxics around leaking storage tanks. **We urge you to support amendments offered by Senators Feinstein and Schumer to ensure that oil companies are fully liable for problems caused by fuels and fuel additives.**

**Prevent nuclear proliferation and increased nuclear subsidies.** The Advanced Fuel Cycle Initiative is a \$865 million subsidy to the nuclear industry for reprocessing spent commercial nuclear fuel. According to a DOE report, this program would not obviate the need for a nuclear waste dump. At a time when our nation's security concerns are heightened, it would reverse a long-standing U.S. nuclear non-proliferation policy against reprocessing waste from commercial nuclear reactors and against using plutonium to generate energy for commercial use. **Please support any amendments to strike these costly, damaging provisions.**

**Oppose irresponsible energy development in Indian Country.** The bill undermines the federal government's responsibility to ensure that energy development in Indian country benefits the tribes and protects natural and cultural resources. The bill sets up a process that could remove the application of federal laws, such as the National Environmental Policy Act ("NEPA"), from decisions to lease oil and gas and other energy development projects, as well as site power lines, in Indian country. It includes lands owned by individual Indians that may be scattered among other lands, including

National Parks and refuges, as well as private property. The bill also covers lands owned by Alaska Native corporations. **Please support amendments to strike language in the title that would end applicability of important federal laws in Indian country while also abrogating the federal government's trust responsibility.**

Unfortunately, the Committee has already voted to support harmful provisions that will do the following:

**Threaten sensitive coastal and marine areas off Florida, California, Oregon, Washington, and the entire East Coast that are currently off limits to oil and gas exploration and drilling.** The oil and gas title would direct the Interior Department to inventory the oil and gas resources of the entire Outer Continental Shelf (OCS), including the moratorium areas, using seismic and other exploration technologies. It further requires that the Secretary report to Congress on "impediments" to the development of OCS oil and gas, including the moratoria, laying the groundwork for an attack on the moratoria, as well as on the rights of coastal states and local governments to have a say in offshore development and related onshore industrial development. This section conflicts with the OCS protections initiated by President George Bush Sr. in 1991, which has protected sensitive areas of the OCS around the country from exploration and other oil and gas activities for many years. It would also promote harmful offshore oil development off environmentally sensitive coastal areas in Alaska.

**Endanger public safety and increase nuclear subsidies.** Provision 423 is an unprecedented subsidy worth an estimated \$30 billion in federal loan guarantees to assist the nuclear industry in building 8,400 megawatts of new nuclear generating capacity. Under this provision, the federal government could also purchase power back from these new reactors. This will result in a **double taxation of taxpayers** to support a mature and dangerous industry. Additionally, the bill provides a massive and virtually immeasurable subsidy to the industry by **permanently** extending the Price Anderson Act, which limits the liability of the nuclear industry in the case of a serious accident and leaves the public with no guarantee that they will be adequately compensated.

**Further open our public lands to destructive activities.** The bill contains a number of provisions that would further erode existing environmental protections for the nation's public lands, which provide outstanding recreation opportunities, critical fish and wildlife habitats, and serve as the headwaters for most of the drinking water in the West. Most oil and gas resources on our public lands are already available for oil and gas development, which is proceeding at an unprecedented rate. Nonetheless, the energy bill seeks to further accelerate new development of our lands for oil and gas wells, pipelines, and roads by emphasizing speed at the expense of meaningful public involvement and environmental review of potential damage (Sec. 121, 122, 123). Also at risk are thousands of landowners and ranchers who live and work in the West, but are facing destruction of their private property from the rapid exploitation of federal coalbed methane deposits underlying private lands. In addition, the bill would promote the use of government funds for new and unnecessary studies and research benefiting the oil and gas industry at taxpayer expense (Sec. 112, 124), and cut the royalties generated from oil

and gas development on the nation's public lands (Sec. 103, 104, 106, 107, 109). In these lean fiscal times, we cannot afford to subsidize America's largest corporations at the expense of our national treasures.

**Harm our nation's rivers and leave the public out of the process.** The hydropower title would dramatically undercut more than 80 years of environmental law and policy by placing prohibitively burdensome requirements on fishery and land managing agencies responsible for regulating hydropower dams. By creating at least six new processes, Section 511 makes a complex process more so and grants industry "super-status" in these new proceedings, effectively leaving states, tribes and the public out in the cold. The most grievous provision of Section 511 would reduce the environmental standards for review of hydropower dams on federal lands and would allow dam owners to substitute conditions such as hatcheries in place of agency mandated fish passage facilities. As the President's 2001 Energy Plan noted, hydropower is not an environmentally benign power source. It is ironic that the Federal Energy Regulatory Commission is engaged in a rulemaking that would streamline the licensing process and enhance public participation at a time when Congress is proposing to go in the opposite direction.

Americans deserve a smarter, cleaner energy future. Please support efforts to save consumers money, reduce demand for oil and protect our public health and environment. **Please oppose this and any other legislation that takes us backwards, not forward.**

Sincerely,

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