

**Statement of Rep. Henry A. Waxman**  
**March 5, 2003**

Today, the Committee begins consideration of an energy bill in the 108<sup>th</sup> Congress. Based on legislation circulated on Friday, the Committee's starting point appears to be where we left off in the last Congress.

As I have said many times, an energy bill based on President Bush's energy policy would be a great policy for the 1950's, but it is not a policy for today.

In fact, the legislation that was circulated last Friday not only fails to reflect the energy needs of the 21<sup>st</sup> century, it fails to reflect even the most dramatic events in the energy sector that have occurred since the House finished consideration of an energy bill in August 2001.

I'd like to briefly mention some of these important issues.

The collapse of Enron was one of the more dramatic illustrations of the dangers of inadequate government oversight of the energy industry. But examples of abuses in the gas and electricity sectors are rampant.

Back in early 2001, many of us from California believed that energy markets were being manipulated to price gouge western families. It has recently been revealed that our worst suspicions were true. Unfortunately, the Committee has never held a hearing on these abuses.

For example, El Paso was recently found to have withheld pipeline capacity in order to increase gas prices in California. Additionally, energy traders from Dynegy, El Paso Corporation, American Electric Power and Williams Company have all been involved with providing false information on gas trades which could have had major price impacts on consumers.

Most recently, transcripts from Reliant Energy revealed a coordinated strategy to shut down power plants in order to drive up electricity prices. Cynically, Reliant decided to wage a campaign to blame the Clean Air Act for the power plant shut downs.

We must address the corruption in this industry in order to protect consumers and shareholders. We must also look seriously at this industry's practices in order to protect the environment.

No longer can the Administration turn a blind eye to the serious threat of global warming. They are out of step with the rest of the world, the American people, and even many in industry. British Prime Minister Tony Blair recently announced the British government's intention to cut greenhouse gas emissions by 60 percent. And even Exxon-Mobil has issued an endorsement of mandatory reporting of greenhouse gases. Although

the Senate has done considerable bipartisan work on climate change, this Committee has never held a hearing on the Senate's extensive legislative work.

Finally, I'd like to mention several issues that came up in the energy conference last year that have never been considered in the Committee.

The Senate proposed a provision to place a moratorium on EPA regulation of the practice of hydraulic fracturing. Hydraulic fracturing can involve injecting diesel fuel into sources of drinking water in order to enhance natural gas production. The Committee certainly should examine this before legislating on this issue.

The majority also proposed protecting MTBE producers from liability for polluting groundwater and drinking water. This issue is highly contentious and has also never been examined by the Committee.

Mr. Chairman, I hope the Committee can work together in a collegial, bipartisan fashion on this legislation. To that end, I hope the Committee can examine these critical energy issues through additional hearings and investigations. We have an obligation to responsibly address the energy problems facing the nation.