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2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
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July 28, 2005

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
H232 Capitol
Washington, DC 20515-6501

Dear Mr. Speaker:

I wrote to you yesterday about a subtitle that was inserted into the energy bill after the end of the conference. I have since learned more about how the provision was added to the bill.

The provision in question is a 30-page subtitle that creates a \$1.5 billion fund for awards to oil and gas companies and others for a range of research, development, and commercial activities. As my letter pointed out, this provision was never brought before the conferees for a vote, but was added after the conference report was closed for further amendment.

What I have learned is that this provision was discussed and agreed to by the leaders of the House and Senate energy committees: Rep. Joe Barton, the chairman of the House Energy and Commerce Committee; Senator Pete Domenici, the chairman of the Senate Energy Committee; Rep. John Dingell, the ranking member of the House Energy and Commerce Committee; and Senator Jeff Bingaman, the ranking member of the Senate Energy Committee. The provision was not brought before the conference committee for a vote because the language of the provision was not finalized for circulation before the last meeting of the conferees.

I do not question the integrity or motives of Rep. Barton, Senator Domenici, Rep. Dingell, or Senator Bingaman in adding the provision, and I appreciate that there was bipartisan consultation among these committee leaders over the provision. I also understand that breakdowns in process and communication can occur, especially when large bills like the energy legislation are being completed in a compressed period of time.

But while this information helps explain the procedural circumstances and why the provision was not brought before the conferees for a vote, I continue to have grave reservations about the provision. While the oil and gas companies are reporting record profits, American families are being squeezed every time they fill up the tank. Congress should not provide oil and

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gas companies with this egregious and unnecessary \$1.5 billion subsidy, especially in the context of legislation that will raise fuel prices even higher for American families.

Moreover, I continue to have questions about the "consortium" that will be selected under the subtitle to award funds to oil and gas companies and others. As Texas papers reported when the House included a similar provision as part of the House energy bill, the most likely beneficiary is an existing consortium of private companies and research institutions in Sugar Land, Texas.¹

I hope this letter helps clarify my concerns and why I continue to believe that the provision should be deleted from the energy legislation.

Sincerely,



Henry A. Waxman
Ranking Minority Member

¹ *Measure May Bring Energy Money Home: Provision Backed By DeLay Called Needless Big Oil Subsidy*, Houston Chronicle (May 3, 2005).