

**Statement of
Rep. Henry A. Waxman
June 27, 2002**

Today we begin the final step in establishing a new energy policy for the nation. This policy is important to families and businesses. It will have a major impact on the environment. And it is vital to our national interest in reducing our dependence on oil.

To plan our energy future, we need to understand our energy past. Our past experiences teach us important lessons that we ignore at our peril.

We now know that electricity markets need vigorous government supervision. Lax regulation can lead to rampant price gouging, as California experienced during its crisis. Laissez faire policies -- such as those some of my colleagues may advocate in this conference -- may line the pockets of energy executives like Ken Lay and Jeffrey Skilling, but they also lead to bankrupt companies, employee lay-offs, and impoverished shareholders.

We also know that we can no longer afford to treat energy conservation as a personal virtue. The terrorist attacks of September 11 and the current unrest in the Middle East are proof that improving our energy efficiency is a national imperative.

And we should know by now that we must address the threat of global warming. The fires raging in the West are just the latest signal of the crisis we will face. We cannot afford to continue to ignore the damage our energy policies are doing to the environment.

Unfortunately, the House bill fails miserably on all of these points.

There are no protections for consumers in the House bill from market manipulation and corporate misconduct.

The House bill does not meaningfully address energy efficiency or renewable energy. There is no consideration whatsoever of climate change. In fact, the House bill would actually increase our dependence on oil by subsidizing the oil industry and decreasing the fuel economy of vehicles.

And the House bill even makes our nation more vulnerable to terrorism by facilitating nuclear fuel reprocessing. This grossly misguided policy would make dangerous nuclear materials like plutonium more accessible to terrorists.

In short, the House bill is an embarrassment as an energy policy.

My staff has prepared a detailed section-by-section analysis of the House bill, which I would like to distribute to members and introduce into the record. This analysis shows that H.R. 4 is not a coherent national energy policy. Instead, it's a collection of giveaways to large energy industry campaign contributors.

Corporate energy interests gave tens of millions of dollars in campaign contributions in the last election. Fortunately for them, H.R. 4 generously gave them \$34 billion of taxpayer dollars in tax breaks and subsidies. If you view the campaign contributions as a form of “investment” in the legislative process, the “rate of return” on this investment is an astounding 47,700%.

Here’s one example among many described in the report: section 6231 of H.R. 4 would allow the Secretary of the Interior to suspend the term of existing subsalt leases, which would benefit Houston-based Anadarko Petroleum Corporation. It's worth noting that Anadarko alone invested over \$448,000 in the 2000 election cycle.

One reason the House energy bill is so tilted toward special interests is that it is a reflection of the White House energy policy. That policy, as we know now, was forged in secret meetings with big energy companies which contributed millions to President Bush and Vice President Cheney. The GAO has even had to take the unprecedented step of suing the White House in order to find out who the White House met with and what was the purpose of these meetings.

I believe that as we go forward, we need to develop legislation that benefits the American people, not just huge energy companies and their CEOs. For example, this legislation must reduce demand through energy efficiency and increase supply with renewable energy. It is also critical that we stop market manipulations and prevent a repeat of the terrible price gouging that occurred in the West. And yet, in the House, we have not held the first hearing on the market manipulations -- even though so many members have requested hearings.

I am glad that we have finally begun this energy conference. I hope that we can work together to produce legislation that truly benefits America.