AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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Pull Pork From Energy Bill!

During the second session of the 108th Congress, the Senate will likely revisit and attempt to pass H.R. 6, the Energy Policy Act. While the legislation does contain a few provisions that will increase the United States' supply of affordable energy, most of the 10-year, $32 billion energy package is a hodgepodge of corporate giveaways and special interest provisions.

Because the Energy Policy Act is loaded with at least 50 tax breaks costing as much as $23 billion over 10 years, which is nearly three times the energy tax package that President Bush proposed, Americans for Tax Reform (ATR) strongly opposes the bill as written.

Three years ago, the Republican Congress started to craft a comprehensive National Energy Policy that would reduce the United States' dependence on foreign oil and provide abundant supplies of affordable energy to American consumers and producers. However, H.R. 6 does not meet these goals.

Instead of encouraging new affordable energy supplies, Democrats continue to insist on powering the country with windmills and ethanol. Therefore, Republicans were forced to drop a proposal to drill for oil in a mere 2,000 acres of Alaska and initiatives to allow for offshore natural gas exploration.

The bill does include a few positive policy advances. These include allowing utilities to tap capital from outside the industry and cutting the red tape that currently entangles companies drilling for natural gas on federal lands. Additionally, the bill gives the Federal Energy Regulatory Commission the authority to intervene in controversies over where to site transmission lines, as well as to oversee the writing of new electricity reliability standards. Moreover, it grants liability protection to the oxygenate MTBE, which is slated to become the next victim of the tort bar. **Nonetheless, these few advancements do not come close to the special interest goodies that were included in the final compromise.**

A few of the special interest give a ways include:

- $20 billion for a 3,500-mile pipeline from Alaska to the lower 48 states, including a $20 million worker-training program for pipeline workers;
- $2 billion—double its past subsidy—for ethanol production in the Corn Belt;
- $800 million for a loan to build a coal gasification plant in Minnesota; and
- $220 million for an environmental learning center in Iowa.

These pork barrel projects are nothing more than costly endeavors that are a danger to the economy and the taxpayer.

It is long past time for Congress to pass a National Energy Policy. However, H.R. 6, the Energy Policy Act, falls far short of the goals outlined by President Bush to promote continuing abundant supplies of affordable energy to American consumers and producers. **Instead of working to pass the current energy bill Congress should go back to the drawing board and craft a National Energy Policy that truly provides affordable energy to American consumers and producers.**