



Rocky Mountain News

URL: http://www.rockymountainnews.com/drmn/business/article/0,1299,DRMN_4_2439457,00.html

House OKs energy bill

GOP proposal gives \$16 billion in breaks to oil, gas producers

By Gargi Chakrabarty, Rocky Mountain News
November 19, 2003

After months of debate, the \$23 billion energy bill passed the House of Representatives on Tuesday, paving the way for the Senate to vote later this week - even as opponents called it crony capitalism.

The bill, drafted by Republicans, gives \$16 billion in tax breaks and subsidies to oil and gas producers - a provision that could create thousands of jobs in Colorado, said U.S. Rep. Bob Beauprez, R-Lafayette. Beauprez, who returned from a trip to Iraq early Tuesday morning, was instrumental in adding last-minute changes to the bill that are aimed at speeding up natural gas drilling in the Rockies.

"What it provides Colorado is enormous incentive to create jobs and affordable, sustainable energy to consumers," Beauprez said. "This is very good news for Colorado and should be well-received. There are people talking against the bill, but I don't know how they are explaining their position."

Opponents, however, say the majority of the bill's provisions directly benefit the large corporations that made large campaign contributions to the Bush administration. The exemption of the energy industry from portions of the Safe Drinking Water Act would enormously benefit Halliburton - a company with close ties to the Bush administration, Democratic presidential candidate Gov. Howard Dean of Vermont said in a statement.

"The energy bill released by the Republican leadership is a perfect example of crony capitalism at its worst - and is just another example of how our political system serves the interests of those who fund the election process," Dean said. "This bill is based on a policy written in the vice president's office by corporate lobbyists, contributors and insiders like Ken Lay. There is little wonder that the biggest winners in this bill are companies like Halliburton."

For instance, the Southern Co. - another beneficiary that owns utilities and is often criticized for its polluting plants - made huge contributions to Bush's campaign, said **Howard Geller of the Southwest Energy Efficiency Project**. "This bill will do far more to hurt consumers and the environment than to benefit them," Gellar said. "There will be contamination of water because of this bill. And the air we breathe will become dirtier."

Republicans, who are aware of the backlash from environmental groups and Democrats, are bracing for the Senate voting expected later this week. Democrats could either filibuster or stall the voting by making long speeches, they said. Or the bill could be put to a vote, if the administration manages to garner at least 60 votes in the Senate.

But whatever the outcome, the energy bill is a consumer bill more than anything else, said Jim Sims, who runs the Golden-based Western Business Roundtable and worked with Vice President Dick Cheney's office to draft the energy bill. "Right now, consumers are getting jammed on

natural gas prices because supplies have been constrained," Sims said. "By encouraging greater domestic supply, we are going to see a lowering of prices. It's true there's a lot for energy producers, but the real key is to reduce dependence on foreign oil and create jobs."

The bill calls for the Bureau of Land Management to process drilling permits on federal land within 30 days. At present, the bureau takes more than 137 days, on average. The bill also provides tax credits for clean coal research and unconventional energy development that would benefit Colorado in the long term, Sims said.

"Colorado will gain disproportionately more than many other states in terms of job gains because energy is such a significant sector of the economy," he said. "I believe we'll see tens of thousands of jobs in the next five to 10 years if this bill passes the Senate."

chakrabartyg@RockyMountainNews.com or 303-892-2976

Copyright 2003, Rocky Mountain News. All Rights Reserved.