

Can Congress solve fuel crisis?

Question: Gasoline and diesel prices are predicted to reach record highs this summer nationwide. Many people involved in farming, trucking and other high consumption businesses will see their livelihoods threatened if that happens. What can Congress do to help alleviate this crisis?



By Senator Max Baucus

The rising price of gas is a causing many folks and businesses hardship all across the country. Those of us in Montana are really feeling the pinch too, right in the pocketbook. The best way for Congress to help out is to pass a common-sense energy bill that would

help provide reliable, affordable energy for all Montanans and Americans.

As you know, an energy bill is currently awaiting action in Congress. The Senate passed its version of an energy bill last year, as did the House. As the top Democrat on the tax-writing Senate Finance Committee, I was appointed to the Energy Bill Conference Committee – the panel tasked with ironing out differences between the House and Senate bills. Unfortunately, Congress was unable to complete the job and pass a final energy bill last year. That’s why the bill is still pending this year.

For the Senate Energy Bill, I teamed up with Senate Finance Committee Chairman Charles Grassley (R-Iowa) to write and pass an energy tax incentive plan. My energy tax plan will provide incentives to increase domestic production of energy, promote conservation efforts and boost alternative sources of energy like wind, solar, biomass and ethanol. I also worked hard to include incentives to help Montana’s rural electric cooperatives. These incentives are all included in the Senate-passed energy bill.

Congress should pass a balanced energy bill that includes incentives for domestic energy production and incentives for new energy technologies and alternative sources of energy so we can create jobs, drop gasoline prices and lessen our dependence on foreign oil. This will help

Montana and the rest of America not only in the short-term but over the long-term, as well.

Provisions of the Baucus Energy Tax Incentives Plan

- Expands and extends tax incentives for renewable energy production, including the wind energy tax credit until 2007, and expanding tax credits to include solar, geothermal and biomass energy.
- Helps rural electric cooperatives adjust to a restructured electricity environment.
- Provides incentives to promote new electricity generation on Indian reservations.
- Provides increased tax write-offs for building natural gas distribution lines.
- Enhances tax incentives for small ethanol producers and provides incentives for use of alternative fuels and use of hybrid/alternative fuel vehicles.
- Provides tax incentives for energy efficient homes and office buildings.
- Provides a tax credit for using agricultural products to produce energy.
- Provides multiple tax incentives to increase domestic oil and gas production and improve delivery of oil and gas.
- Provides incentives for the use of clean coal technologies.

As this Congressional session moves forward, I’m committed to working with members of the energy bill conference committee, Conrad, Denny and the Administration to pass a common-sense energy bill that will provide Montanans and all Americans with reliable, affordable energy.



By Representative Denny Rehberg

Montanans have every right to be angry at rising gasoline prices. Each increase in the cost of fuel at the pump means less money in the pockets of families, more overhead for small businesses, and a heavier burden on lower-income Montanans

who struggle to pay for life’s necessities.

A combination of increased dependence on foreign oil and extreme environmentalism is to blame.

While rising gas prices are keeping pace with our increasing dependence upon foreign sources of petroleum, supplies of foreign oil – over which our government has little or no control – simply cannot keep pace with the increasing demand. At the same time, extreme environmental regula-

By Representative Denny Rehberg (Continued)

tion has both hindered fuel production and blocked efforts to return to a greater reliance on domestic resources. All of this is adding up to a huge energy debt, paid by consumers in the form of lower supplies and higher costs.

The Department of Energy has warned that if we fail to correct our dependence on foreign oil, the problem will only worsen. By 2020, they predict, foreign dependence will rise to 70 percent of our petroleum needs, leaving the U.S. consumers even more at the mercy of the foreign price and supply controls.

We can't just walk away from our traditional sources of energy, because we're not there yet; we have to get realistic and accept that Americans today are more dependent on fossil fuel than five years ago.

Therefore, it is imperative that we develop a long-term energy plan that will provide for the reasonable and responsible development of our domestic sources of petroleum, balanced with conservation and the development of alternative energy. Only with a long-term energy plan can we begin to lessen our dependence on foreign sources, while at the same time find ways to conserve energy, thereby reducing our demand. Only with an energy blueprint for the future can we encourage the development of energy alternatives, such as geothermal, wind, solar and biomass energy.

Twice, and with my help as a member of the Resources Committee, the House of Representatives has approved a common sense, well-rounded energy plan. Twice, our bipartisan energy plan has been met with stiff resistance by the opposition in the Senate, who offer no plan of their own.

All the while, America continues to suffer from a deteriorating energy infrastructure.

Know how many refineries have been built in the U.S. over the last 20 years? None, thanks to our extreme environmental regulations, which have also helped force oil companies to close more than half of their existing U.S. refineries since 1981.

Goofy environmental regulations also compel gas stations to charge higher prices by requiring them to sell special blends of gasoline in various regions of the country. Trouble is, there are about three dozen different blends of gasoline mandated by the government in an effort to satisfy a wide variety of environmental regulations that apply separately to different cities and states across the country.

From regulating upward the costs associated with foreign control of our energy supplies, to hog-tying our efforts to increase domestic dependence, we've allowed the extreme environmental community to successfully dodge common sense, to the detriment of our pocketbooks. I say enough is enough.

That's why I'm going to continue to oppose extreme environmentalism and fight to see both houses of Congress finally approve a balanced energy plan that relieves our country of its price-gouging dependence on foreign energy, encourages conservation and provides incentives for the discovery and development of energy alternatives.

In the meantime, I'm committed to using every common sense legislative option at my disposal to alleviate the strain of high fuel prices on drivers, consumers and businesses.

Senator Conrad Burns did not reply this month.
