

# Congress of the United States

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For more information, contact:  
Phil Schiliro/Karen Lightfoot at 225-5051

## **New Report on House Energy Bill Reveals Huge Taxpayer Subsidies to Energy Industries**

Washington, D.C. -- Rep. Henry A. Waxman (D-CA) today released a new report that provides a detailed analysis of the House energy bill (H.R. 4).

H.R. 4 has been strongly endorsed by the Bush Administration. In his radio address on Saturday, the President said, "The House has passed my agenda for energy independence. Now I urge the Senate to act." The report released by Rep. Waxman shows, however, that the bill is mainly an assemblage of tax breaks and subsidies to energy companies that were major campaign contributors during the 2000 election. The total value of the tax breaks and subsidies in H.R. 4 is almost \$34 billion.

"The legislation demonstrates that Enron's business model still works in Washington," said Rep. Waxman. "If the campaign contributions are viewed as a form of 'investment' in the legislative process, the 'rate of return' received by the energy industry is an astounding 47,700%."

Rep. Edward J. Markey (D-MA), like Rep. Waxman a senior Democrat on the House Energy and Commerce Committee, commented, "Rep. Waxman has given the Administration's energy plan an honest audit, and it is not a pretty picture. The Administration's plan is rife with hidden subsidies for producers and phantom benefits for conservation and renewables. It is so tilted to industry it looks like the Titanic just before it went down."

The oil and gas industry was the biggest campaign contributor within the energy sector in the 2000 election cycle, giving over \$33 million. The report shows that the oil and gas industry is also the biggest winner in H.R. 4, receiving \$19.5 billion in tax breaks and government subsidies, as well as permission to drill in the last untouched arctic wilderness, the Arctic National Wildlife Refuge.

The report shows that the coal industry, nuclear industry, and electric utilities would also receive billions of dollars in tax breaks and subsidies, while the auto industry would receive valuable regulatory breaks, such as a weakening of the current fuel economy standards for automobiles and SUVs.

The report's analysis debunks the claim that H.R. 4 is a balanced approach to the nation's energy problems. The detailed examination in the report shows that H.R. 4 invests heavily in coal, oil and gas, and nuclear energy, while many of the provisions in H.R. 4 aimed at conservation and renewable energy are weak or ineffectual, and some are even counter-productive.

The report is available on the website of the minority staff of the Committee on Government Reform at [www.house.gov/reform/min](http://www.house.gov/reform/min).