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Senate passes '02 energy bill a second time

By Richard Simon
Los Angeles Times

WASHINGTON — The Senate yesterday found an unusual way to overcome differences that have stymied the passage of energy legislation: It went back to the bill passed last year and passed it again.

The surprise action moved Congress a significant step closer to final agreement on a White House priority — the first overhaul of the nation's energy policy in a decade. President Bush has pressed Congress to send him a bill, calling it vital to economic growth and national security.

The Senate vote cleared the way for negotiations on a compromise measure with the House, which passed its version of an energy bill in April.

"In our fondest dreams, we never thought we'd be able to pass a Democratic bill in a Republican Congress," said Senate Minority Leader Tom Daschle, D-S.D.

Sen. Pete Domenici, R-N.M., who as chairman of the Senate Energy and Natural Resources Committee spent months drafting a bill, only to see it scrapped, said, "I guess you wonder why I'm smiling."

"I'll be rewriting (the) bill," he said, noting that he will preside over negotiations. "We're in the majority. We'll write a completely different bill with a lot more production, a lot more nuclear and other kinds of energy."

Energy legislation died last year when the GOP-controlled House and the Democratic Senate came to loggerheads. But both chambers this year are dominated by Republicans, who are eager to deliver on one of Bush's domestic priorities.

As an inducement to many Democrats, as well as many Republicans, a final bill is virtually certain to include a measure, popular in farm states, to double the amount of corn-based ethanol added to the nation's gasoline supply.

The decision by the Republican majority to toss out a GOP-drafted bill and substitute a measure approved when the chamber was under Democratic control came as a surprise. But it broke a partisan impasse that, with the Senate poised to recess for the summer, threatened to carry the energy debate over until fall and possibly jeopardize passage of the bill.
The bill was approved 84-14, although both Washington state senators Democrats Patty Murray and Maria Cantwell voted against it. Two Democratic presidential contenders, John Kerry of Massachusetts and Joe Lieberman of Connecticut, did not vote.

Cantwell complained that the bill didn't address the price manipulation of energy markets.

"In the last year we learned that Enron stomped on consumers, deceived investors, and laughed at us all," she said. "With no new consumer protections in this energy bill, energy companies still get the last laugh."

The decision to pass last year's bill again was the result of a deal brokered by Daschle and his Republican counterpart, Majority Leader Bill Frist of Tennessee.

Responding to GOP accusations that Democrats were slowing the energy debate in its 18th day yesterday Daschle told Frist: "If our Republican colleagues really wanted to get a bill, what would have been wrong with taking a bill that 88 of us voted for last year?"

Frist responded: "Let's do it."

Republicans met privately and, with the blessing of the White House, accepted the offer.

Last year's nearly 1,000-page Senate bill includes many of the same provisions as the bill drafted this year. It would provide federal loan guarantees to spur construction of a $20 billion pipeline to carry Alaska natural gas to the Lower 48. It would offer close to $15 billion in tax incentives, roughly evenly divided between conservation and production measures. And it would extend a cap on the nuclear industry's liability in accidents, a provision designed to remove an obstacle to expansion of nuclear power.

But last year's bill also does not include a number of provisions that were part of the scrapped GOP-drafted bill. Among these: federal loan guarantees to spur building of more nuclear-power plants, Bush's $1 billion-plus plan to speed up development of cars that run on pollution-free hydrogen fuel cells, and an inventory of offshore oil and natural-gas reserves. Domenici is expected to add many of those provisions during negotiations with the House.

Unlike the House bill, the Senate measure eschews Bush's goal of opening Alaska's Arctic National Wildlife Refuge to oil and gas drilling. That provision is not expected to be in a final bill.

Neither bill includes tougher vehicle miles-per-gallon standards sought by environmentalists.

Legislators from both parties saw benefits to pulling last year's bill off the shelf.

Although Domenici vowed to rewrite the bill, Daschle said Democrats are in a strong position going into negotiations with a Democratic measure.
Some senators agreed to the substitution only after receiving commitments that they would have a vote this year on their energy-related proposals, including a measure by Lieberman and Sen. John McCain, R-Ariz., that is designed to cut emissions of carbon dioxide and the other greenhouse gases that contribute to global warming.

Environmental groups, which did not like last year's bill, did not like it any better yesterday, contending that it fell short of the goal of substantially reducing U.S. dependence on foreign oil.

"Last year's failure of a bill didn't deserve a second chance," said Katherine Morrison, staff attorney of the Public Interest Research Group.

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