

Terrible Energy Bill Passes House Once Again; Tell the Senate "No Way!"

Despite failing to pass into law the anti-consumer, anti-environment energy bill in the past two sessions of Congress, the U.S. House of Representatives once again passed its version of this bill (H.R. 6, "The Energy Policy Act of 2005") by a vote of 249 to 183 on April 25.

The newest version of the House energy bill contains more of the same bad policies that support the fossil fuel and nuclear industries, including more than \$22 billion in subsidies and tax breaks. It also contains new harmful provisions, while offering even fewer policies that would promote renewable energy, energy efficiency, and conservation.

The most important measure to reduce our dependence on foreign oil would be to improve fuel economy standards. Yet, the bill actually makes it more difficult to set higher standards. A modest amendment offered by Reps. Sherwood Boehlert (R-N.Y.) and Edward Markey (D-Mass.) to improve fuel efficiency from the current 25 miles per gallon to 33 miles per gallon failed.

Some of the worst provisions in the House energy bill include:

~ Repealing the Public Utility Holding Company Act (PUHCA), a vital protection for consumers of electricity, which will lead to massive consolidation in the electric and natural gas utility sector and skyrocketing utility bills;

~ Limiting the ability of states to have adequate jurisdiction over the permitting and siting of liquefied natural gas (LNG) facilities, which are extremely volatile and dangerous;

~ Giving a liability waiver to the producers of MTBE, a gasoline oxygenate and known groundwater polluter, shifting the

DID YOU KNOW...?

The Power of the Public Utility Holding Company Act

So long, PUHCA? After 70 years of protecting utility consumers (and the economy) from massive monopolies, utility bankruptcies and excessive utility rates, PUHCA is repealed in the energy bill voted out by the House. Only the Senate can now save this vital consumer protection law. Write your U.S. Senators and ask them to save PUHCA!

cost of cleanup to taxpayers, and providing \$2 billion in taxpayer subsidies to MTBE producers like ExxonMobil and ChevronTexaco for "MTBE Transition Assistance";

~ Authorizing \$6.1 billion in subsidies and tax breaks, as well as other incentives such as Price-Anderson reauthorization and research and construction of two new nuclear power plants; and

~ Allowing drilling in the Arctic National Wildlife Refuge, which will destroy pristine wilderness for a mere six-month supply of oil.

Thank or rebuke your Representative on his/her vote on H.R. 6 (see how your Representative voted at <http://clerk.house.gov/evs/2005/roll132.xml>).

The Senate is now negotiating its version of the energy bill. Call your senators and urge them to oppose any legislation even remotely similar to the House energy bill. (Call your Senators via the U.S. Capitol Switchboard at 202-224-3121.)

Hundreds Gather to Debate New Reactor in Illinois

On April 19, the U.S. Nuclear Regulatory Commission hosted a public meeting at Clinton Junior High School in

Clinton, Ill., to discuss its environmental review of a proposed new reactor at Exelon's Clinton site in central Illinois. More than 300 people attended, and about 50 spoke out on the reactor plan. A slight majority of those commenting were opposed to building a new reactor.

Public Citizen has filed a legal intervention in the licensing process against permit applicant Exelon, the country's largest nuclear operator. The intervention centers on Exelon's failure to consider the potential for a combination of renewable energy and conservation measures to also meet the project's goals; according to the Union of Concerned Scientists, Illinois has the technical potential to produce eight times its current energy usage through renewable energy technologies.

But that's not the only problem with the proposal, according to Brendan Hoffman, Public Citizen's organizer on nuclear energy, who was at the meeting. "This environmental impact statement fails to consider many important factors, such as the additional waste that will be produced, security concerns, and even whether additional power is needed in Illinois," he said.

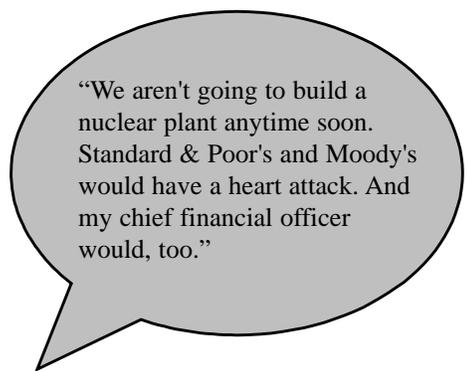
Members of the Bloomington-based groups No New Nukes and the Student Environmental Action Coalition of Illinois State University were also in attendance to oppose new reactors. For more information, visit <http://clinton.nonewnukes.org> or www.citizen.org/cmep/clinton.

Sandra Lindberg of Illinois-based No New Nukes speaks at a press conference before the Clinton meeting.



Bush Touts "New" Energy Plan

On April 28, President Bush unveiled his plan to encourage the use of domestic energy sources and to alleviate high gas prices. Among his five new proposals, he plans to offer the nuclear industry yet another break; this time in the form of federal "risk insurance," which would protect the industry in the event that the regulatory process slows down its plans for building new nuclear reactors. Taxpayers already have provided the nuclear industry tens of billions in subsidies since its inception 50 years ago.



QUICK QUOTE:

~ Thomas Capps, chief executive officer and chairman of Dominion, one of three energy companies applying for an early site permit to build a new nuclear reactor.

Bush also proposed more terminals for shipments of liquefied natural gas (LNG). Five receiving terminals currently exist. He urged Congress to pass a law explicitly giving the Federal Energy Regulatory Commission authority to choose sites for new terminals, cutting through the review process and limiting states' jurisdiction. And, Bush proposed building oil refineries on closed military bases as a way to step up production.

Davis Besse Fine is Too Little, Too Late

The NRC has proposed a \$5.45 million fine against FirstEnergy Nuclear Operating Company for safety violations at its Davis-Besse nuclear plant in Oak Harbor, Ohio. Both the NRC and

FirstEnergy are at fault in the mismanagement that allowed severe degradation of the nuclear reactor vessel head to go unnoticed for years until it was finally discovered in March 2002 that a mere three-eighths of an inch of metal cladding was all that contained the hot reactor core, a dire situation that could have easily led to a reactor breach and potential meltdown. "The fine against FirstEnergy is deserved, to be sure, but it does not correct the NRC's troubling emphasis on plant performance and profitability, which inhibited an earlier shut-down and inspection of the troubled plant," said Wenonah Hauter, director of Public Citizen's energy program.

Who's to Blame for High Gas Prices?

As summer approaches, gas prices are once again skyrocketing for consumers, averaging \$2.20 a gallon. Meanwhile, U.S. oil companies are rolling in record profits. ExxonMobil recently announced that it has so much extra cash, it hasn't even figured out how to spend it all.

The five largest oil companies are ExxonMobil, ChevronTexaco, ConocoPhillips, BP and Shell; collectively, they've raked in profits of \$230 billion since 2001. This handful of corporations controls a substantial chunk of the oil and gas market, enabling it to keep gas prices artificially high. Indeed, a 2004 investigation by Congress' research arm, the Government Accountability Office, concluded "that mergers and increased market concentration generally led to higher wholesale gasoline prices in the United States."

Public Citizen is advocating three ways to reduce gas prices:

- ~ Congress and the Justice Department should immediately investigate the link between record oil company profits and high prices for consumers.
- ~ Restore transparency to energy futures markets by re-regulating trading.
- ~ Raise fuel economy standards to 40 miles per gallon by 2015, reducing U.S. oil consumption by 2.3 million barrels a day and saving consumers \$23 billion annually.

"Low-Level" Waste Proposal Advances

On March 31, the NRC moved forward with its efforts to deregulate and release "low-level" radioactive material, by proposing to allow the release of radioactive material into communities through several "limited pathways." These pathways would include the disposal of contaminated metals, concrete, and trash (from licensed NRC facilities) into certain landfills (such as municipal solid waste, industrial, and construction/demolition landfills), the recycling of contaminated concrete into road-bed construction, and the re-use of contaminated tools and equipment. In order to be released, material would have to meet or fall below a dose standard of 1 milirem/year.

While the proposal purports to control this waste, it would in fact legitimize the release of radioactive material, fail to ensure the very dose and "limited pathways" it requires, and fall far short of establishing a clear and consistent regulatory standard.

Although NRC argues that the cost-benefit analysis of this proposed rule is more favorable than other alternatives for controlling slightly radioactive solid material, the question is cost and benefit to whom? Such a release of material will only "benefit" companies who have produced this waste, while "costing" people and local communities.

For more information, please refer to Public Citizen's analysis of this proposal at www.energyactivist.org.

Corporate Corner

\$6.1 billion
 What the nuclear industry received in taxpayer subsidies in the just-passed House energy bill.