May 30, 2001

President George W. Bush
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Bush:

One of the most salient issues on our campuses today is forging responsible citizenship in an increasingly global community. It is clear to us as college and university presidents that meeting American economic interests within this context demands a comprehensive and long-term view of energy policy.

Having the highest per capita energy consumption of any major nation of the world is an indicator of waste, not productivity. Simply extracting more fossil fuels from the earth and burning them in power plants and automobiles not only continues our inefficient use of resources, but it jeopardizes our national, economic and environmental security. Unstable regions of the world provide more than half of our oil and our national security is put at risk when we must defend these supplies. Our economy is threatened by spiking fuel prices and our deteriorating balance of payments. Our health, local air quality and the global climate system are seriously compromised by an excessive over-reliance on fossil fuels.

Outside of the United States, significant changes in energy patterns have been initiated with positive outcomes for public health, the environment and the economy. Britain has converted from its reliance on coal to the use of cleaner natural gas. The world leader in the fastest growing source of electricity, wind technology (formerly dominated by the U.S.), is now Denmark, producing 13% of its electricity this way. Germany and Spain now equal or exceed U.S. wind production. Energy efficient appliances and vehicles have decreased the per capita demand for fossil fuels in Europe and Japan to nearly half of our own.

America created the super efficient gas turbines now dominating the electricity market, but has fallen behind other nations in fuel cell technology for autos and buildings, hybrid-electric vehicle design, solar energy and efficient appliances. Instead of defending nineteenth century industries using 1950s coal and oil based technologies, we have an
President George W. Bush
May 30, 2001
Page 2

opportunity to lead the world into the twenty-first century with new technologies developed in the United States. This requires that we shift away from, not toward, traditional uses of coal and oil.

Energy and environment are valued at our educational institutions as frameworks for a wealth of learning opportunities. These are not simply academic subjects. We are also motivated by a desire to reduce energy costs, increase energy reliability for our campuses, hospitals and research laboratories, and to minimize impacts on the environment. When we use business models such as life cycle costing, our decision-making strongly favors energy conservation, increased efficiency, distributed generation and a growing use of renewable energy.

Both large and small U.S. companies share with our colleges and universities a recognition of the strategic value of embracing new thinking about energy. Innovations from our university laboratories and those of leading corporations are increasingly focused on processes and products that reduce energy use and minimize impacts to the environment. Change is certainly possible with a clear vision and commitment to the future. But government leadership is needed to promote renewable and other innovative energy supply technologies, to develop policies for using fossil fuels more efficiently and responsibly and to employ conservation measures now, so that we can leave a sustainable legacy to future generations.

As leaders of academic institutions, we are constantly challenged to conserve the old and valuable while at the same time nurturing the innovative. We believe that the time is right for a transformation to a truly innovative energy policy. Among our faculty, students and staff, we have the intellectual resources, the enthusiasm and the experience to help craft an approach to energy and environment issues that is based on excellent science and technology and on sound economic and policy principles. We stand ready to commit our intellectual resources to assist government under your leadership in developing solutions to some of the most critical challenges our students and our nation will face this century.

Sincerely,

John DiBiaggio
President
Tufts University
Obtained and made public by the Natural Resources Defense Council, May 2002
Vincent De Sanctis, President
Warren County Comm. College
Washington, NJ

Doug Orr, President
Warren Wilson College, Asheville, NC

Diana Chapm Walsh, President,
Wellesley College, Wellesley, MA

Jairo T. Lascarro, Dean
School of Engineering
Turabo University, Gurabo, Puerto Rico

Obtained and made public by the Natural Resources Defense Council, May 2002
June 1, 2001

The Honorable Ted Strickland  
United States House of Representatives  
Washington, DC 20515  

Dear Representative Strickland:  

Thank you for your letter to the Vice President of May 15, 2001, regarding the report by the National Energy Policy Development Group (NEPDG). I have taken the liberty of forwarding your letter to the NEPDG and the Department of Energy for review. We look forward to working with you and your colleagues on responsible energy policies in the weeks and months ahead.

Again, thank you for your letter. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Nancy P. Dom  
Assistant to the Vice President for Legislative Affairs
June 4, 2001

Secretary Spencer Abraham
United States Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Secretary Abraham:

Enclosed you will find a copy of a letter from Representative Ted Strickland regarding the National Energy Policy Development Group's Report.

Thank you for your consideration.

Sincerely,

Nancy P. Born
Assistant to the Vice President for Legislative Affairs

Obtained and made public by the Natural Resources Defense Council, May 2002
June 4, 2001

TUFTS UNIVERSITY
Tufts Institute of the Environment

Department of Energy
Secretary Spencer Abraham
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Abraham,

In an unusual collective action, the presidents of 41 colleges and universities have sent a letter on national energy policy to President George W. Bush. Citing the need for "a comprehensive and long-term view of energy," the presidents call for making energy conservation a higher priority, while underscoring their concern for this country's "excessive over-reliance on fossil fuels" and its reluctance to embrace and develop energy-saving technology.

The full text of the letter, list of signatories and press release are enclosed. We encourage you to consider carefully the message from the college and university presidents. If you wish additional information, please feel free to call us at the Tufts Institute for the Environment 617.627.3645.

Sincerely,

William R. Moomaw, Ph.D., Director

Ann B. Rappaport, Ph.D., Steering Committee

Sarah Hammond Creighton, Project Manager

Medford, Massachusetts 02155
(617) 627-3645

Fax: (617) 627-6645

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Obtained and made public by the Natural Resources Defense Council, May 2002
Education Leaders Write President Bush on Energy Policy

University Presidents Ask Administration to Reconsider Fossil-Fuel Strategy

Medford/Somerville, MA - The presidents of 42 colleges and universities today weighed in on the national energy debate by writing to President Bush, urging the president to re-think his administration's energy initiatives.

Citing the need for "a comprehensive and long-term view of energy," the presidents called for making energy conservation a higher priority, while underscoring their concern for this country's "excessive over-reliance on fossil fuels" and its reluctance to embrace and develop energy-saving technology.

The letter comes one week after the Bush Administration unveiled its energy plan, featuring a new focus on energy production and a review or modification of federal restrictions that stand in the way of oil and gas leasing across public lands.

John DiBiaggio, president of Tufts University and an environmental leader among educators, initiated the letter. It has been signed by presidents of colleges and universities across the country, including: David Baltimore, president of the California Institute of Technology; Diana Chapman Walsh, president of Wellesley College; Nan Keohane, president of Duke University; Nancy S. Dye, president of Oberlin; William Chace, president of Emory University; William D. Adams, president of Colby College; and Joan Leitzel, president of the University of New Hampshire.

They cited the United States' excessive consumption of energy. "Having the highest per-capita energy consumption of any major nation of the world is an indicator of waste, not productivity," they stated in the letter. "Simply extracting more fossil fuels from the earth and burning them in power plants and automobiles not only continues our inefficient use of resources, but it jeopardizes our national, economic and environmental security."

In their correspondence, the presidents indicated that national security is put at risk because the U.S. is so dependent on unstable regions of the world that provide more than half of its oil. "Our economy is threatened by spiking fuel prices and our deteriorating balance of payments. Our health, local air quality and the global climate system are seriously compromised by an excessive over-reliance on fossil fuels," they wrote.

Other nations are assuming leadership roles in advancing energy patterns having benefits for public health, the environment and the economy. "Britain has converted from its reliance on coal to the use of cleaner natural gas. The world leader in the fastest growing source of electricity, wind technology—formerly
dominated by the U.S.—is now Denmark, producing 13 percent of its electricity this way. Germany and Spain now equal or exceed U.S. wind production. Energy efficient appliances and vehicles have decreased the per-capita demand for fossil fuels in Europe and Japan to nearly half of our own," the presidents' letter stated.

While praising the U.S. for its development of the super-efficient gas turbines now dominating the electricity market, the presidents charged that the United States "has fallen behind other nations" in fuel-cell technology for autos and buildings, hybrid-electric vehicle design, solar energy and efficient appliances.

"Instead of defending 19th century industries using 1950s coal and oil-based technologies, we have an opportunity to lead the world into the twenty-first century with new technologies developed in the United States. This requires that we shift away from, not toward, traditional uses of coal and oil," they urged.

Many of the signers of the letter to President Bush have initiated programs aimed at energy conservation and protecting the environment at their own institutions. Three years ago, Tufts University launched the Tufts Climate Initiative involving a series of steps designed to meet or beat the emission standards set by the landmark Kyoto Protocol on global warming. For instance, one dormitory now features energy upgrades and showers heated by solar power; another dorm features solar energy panels that generate electricity. All of these measures reduce energy costs to the university.

Oberlin College has a new environmental studies center that incorporates energy efficiency, solar electricity, low-impact materials and waste-water recycling. Meanwhile, Wellesley College, Clark University and others have a co-generation facility that captures waste heat.

The university and college presidents concluded their letter to President Bush by calling for a transformation to a truly innovative energy policy.

"We stand ready to commit our intellectual resources to assist government under your leadership in developing solutions to some of the most critical challenges our students and our nation will face this century," they said.

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Obtained and made public by the Natural Resources Defense Council, May 2002
• The NCSL policy also calls for "coal gasification to be seriously considered as an alternative to the use of coal in a conventional manner".
• The NCSL policy states that "no federal policy having implications for land development or management should be adopted without accommodating the laws and policies of affected states".

**Nuclear Energy**

NCSL conditionally supports the NEPD Group's recommendation that nuclear energy be a component of a national energy policy assuming that various concerns can be resolved.

• NCSL's National Energy Policy states, "Assuming concerns regarding plant safety, and the transportation, storage and disposal of nuclear waste can be resolved, nuclear power may be an option of a national energy plan. A federal government program for the long-term treatment and disposal of high-level radioactive waste, funded by the generators of the waste, should be pursued with the highest priority given to eliminating generation and transportation of waste and to the safety and technical suitability of storage or disposal sites. Such a program should be developed in full consultation with all of the affected states. The nuclear power plant licensing process for future plant construction must be improved to ensure both public input and timely decisions, and federally standardized nuclear power plant designs should be established.
• However, NCSL's National Energy Policy calls for the establishment of a federal government program for the long-term treatment and disposal of high-level radioactive waste, funded by the generators of the waste. Priority should be given to eliminating generation and transportation waste and to the safety and technical suitability of storage or disposal sites. Such a program should be developed in full consultation with all of the affected states.
• In addition, NCSL's National Energy Policy supports the recommendation that nuclear decommissioning funds should not be taxed. The NCSL Policy urges "the tax code be updated to ensure that existing decommissioning funds are treated in the manner intended by the tax laws and to reflect new business conditions".

**Renewable Energy**

NCSL conditionally supports the FY 2002 budget amendment for the USDOE's Energy Supply account that would provide $39.2 million in increased support for research and development of renewable energy resources. However, the overall decreases in the USDOE proposed budget are unacceptable given the pressing need to resolve national energy concerns.
• NCSL's National Energy Policy urges "the federal government to institute a long-range, stable Renewable Energy Development Program which identifies and supports development of renewable energy sources from research and development through demonstration projects and commercialization in a cooperative effort among industry, higher education, and national laboratories."
• In addition, NCSL's policy also encourages "federal development of alternative technologies that improve renewable energy efficiencies, cut costs, and assist in
integrating renewable energy into existing energy systems. The U.S. should strive to excel in the use, manufacturing and marketing of renewable energy resources and technologies.

NCSL also supports the NEPD Group’s recommendation that the President direct the Administrator of the USEPA to develop a new renewable energy partnership program to help companies more easily buy renewable energy, as well as receive recognition for the environmental benefits of their purchase, and help consumers by promoting consumer choice programs that increase their knowledge about the environmental benefits of purchasing renewable energy.

NCSL supports the NEPD Group’s recommendation that the President direct the Secretaries of Commerce, State and Energy explore collaborative international basic research and development in energy alternative and energy efficient technologies and explore innovative programs to support the global adoption of these technologies.

• In particular NCSL policy recognizes a need for “a translation and distribution system for international technical and marketing papers on renewable energy.”

In addition, NCSL supports the NEPD Group’s recommendation that the President direct the Secretary of the Treasury to work with Congress on legislation to extend and expand tax credits for electricity produced using wind or biomass.

• NCSL commends the President for extending the present 1.7 cents per kilowatt hour tax credit for electricity produced from wind and biomass; expands eligible biomass sources to include forest-related sources, agricultural sources, and certain urban sources; and allows a credit for electricity produced from biomass co-fired with coal.

NCSL supports the NEPD Group’s recommendation that the President direct the Secretary of Treasury to work with Congress on legislation to provide a new 15 percent tax credit for residential solar energy property, up to a maximum credit of $2,000.

• NCSL also urges the administration to support and continue the previous administration’s "Million Solar Roofs" initiative that to date has exceeded expectations of ultimately installing one million solar roofs in the U.S.

NCSL supports the NEPD Group’s recommendation that the President direct the Secretaries of the Interior and Energy to work with Congress on legislation to increase funding for research into alternative and renewable energy resources, including wind, solar, geothermal, and biomass. However, NCSL believes general funds should be appropriated for this purpose.

NCSL supports the NEPD Group’s recommendation that research and development efforts be focused on integrating current programs regarding hydrogen, fuel cells, and distributed energy.

• NCSL urges the federal government to propose increased funding for these types of technologies that hold promise for our nation’s future energy needs.
Energy Infrastructure & Electric Transmission Infrastructure

NCSL supports the NEPD Group's recommendation that the President direct the Secretary of Energy to work with the Federal Energy Regulatory Commission (FERC) to improve the reliability of the interstate transmission system and to develop legislation providing for enforcement by a self-regulated organization subject to FERC oversight. NCSL believes any federal efforts to relieve transmission constraint problems at the interstate level will ultimately help states and regions as they address their individual intrastate transmission constraint concerns.

- However, NCSL strongly opposes any expansion of FERC authority to include intrastate transmission jurisdiction.
- It also opposes the exercise of federal eminent domain in addressing transmission constraint problems, especially in areas that are clearly intrastate in nature. Such action on the part of FERC would be a direct preemption of state authority.

NCSL strongly opposes the NEPD Group's recommendation that the President direct the Secretary of Energy, in consultation with appropriate federal agencies and state and local government officials, to develop legislation to grant authority to obtain rights-of-way for electricity transmission lines, with the goal of creating a reliable national transmission grid. Although NCSL understands the need to improve and increase the electricity transmission infrastructure to reduce constraints and improve reliability of the system, states have jurisdictional authority over retail, intrastate transmission lines. There are sound reasons for this authority being placed at the state level, namely to afford citizens the ability to participate in the determination of the numbers and locations of transmission lines. NCSL understands that the infrastructure needs to be bolstered, but it believes states are already addressing that challenge individually and regionally. The federal government should allow states to continue to work together to solve their energy concerns.

- Any expansion of federal authority that would remove intrastate retail transmission jurisdiction from states would be a direct preemption of state authority and would be vigorously opposed by NCSL.

Natural Gas Pipeline Infrastructure

The NEPD Group's recommendation argues that because similar authority already exists for natural gas pipelines in recognition of their role in interstate commerce, that the federal government should be authorized to obtain the same authority over the electric transmission grid. NCSL disagrees with this argument. FERC has had eminent domain authority to site the construction of natural gas pipelines for decades, yet presently, there is a pressing need to increase and improve the natural gas pipeline infrastructure. If FERC has not met the needs of the natural gas pipeline system with eminent domain authority, NCSL questions why the federal government is proposing to provide the FERC with the same authority over the electric transmission grid?

NCSL supports the NEPD Group's recommendation that the President support legislation to improve the safety of natural gas pipelines, protect the environment, strengthen emergency preparedness and inspections and bolster enforcement.
• NCSL supports federal efforts to improve the safety of the natural gas pipeline system, however, states should have the right to set more stringent requirements on pipelines and the federal government should support a more prominent role for states in regulating pipeline safety in partnership with the federal government.

**Northeast Heating Oil Reserve**

NCSL supports the President's budget proposal to provide $8 million to maintain the two-million-barrel Northeast Heating Oil Reserve. NCSL's National Energy Policy urges the federal government to examine the feasibility of and where feasible promote statewide or regional minimum storage level requirements for heating oil for states dependent on this fuel.

We thank you for this opportunity to share with you our support and concerns regarding various elements of the administration's National Energy Policy recommendations. As we stated, our comments directly reflect the principles of NCSL's National Energy policy and its Energy Regionalism policy. We remain available to work with you and your administration on energy concerns. As indicated above, we are the only state and local organization of elected officials with a comprehensive national energy policy which enables us to work with you immediately. NCSL is committed to bipartisan cooperation in finding the best public policy solutions for our nation. We hope our views are useful and we look forward to continuing this dialogue in the future. Please do not hesitate to contact Eileen Doherty of our Washington, D.C. office at (202) 624-8687 or eileen.doherty@ncsl.org if you have questions or concerns.

Sincerely,

Jim Costa  
California State Senate  
President, NCSL

Steve Saland  
New York State Senate  
President-elect, NCSL

Clifton Below  
New Hampshire State Senate  
Chair, NCSL Energy and Transportation Committee

Cc: Vice President Dick Cheney  
Secretary Spencer Abraham  
Mr. Ruben Barrales

28224
NATIONAL CONFERENCE OF STATE LEGISLATURES
The Forum for America's Ideas

AFI ENERGY AND TRANSPORTATION COMMITTEE

NATIONAL ENERGY
(Joint Policy with AFI Environment Committee)

The National Conference of State Legislatures urges the federal government to
develop, implement and maintain an expansive, integrated, environmentally-
sensitive and cost-effective national energy policy.

The primary goals of a national energy policy should be to develop a
comprehensive energy conservation strategy, provide for the most efficient use
of energy, to promote reliable sources of domestic energy supplies and to
develop and promote the use of alternative, renewable energy sources. A
national energy policy should ensure adequate supplies of affordably priced
energy. A national energy policy should ensure the use of energy in an efficient
and environmentally-sound manner so that the needs of our citizens, economy
and national security interests are met. Energy independence must be a goal of
the United States. A balanced mix of energy sources is essential to the security
and the future economic growth of the United States. It is also imperative that a
national energy policy account for the effect of the use of each fuel source on the
environment.

Principles

Those principles which NCSL believes ought to guide the development and
implementation of a national energy policy include:

Obtained and made public by the Natural Resources Defense Council, May 2002
• Promotion of the most efficient and economical use of all energy resources.
• Promotion of energy conservation and efficiency and the development and use of alternative and renewable energy supplies.
• Promotion and provision of incentives for the development and optimal use of all energy resources and new facility infrastructure.
• Assurance that various domestic energy sources are continually developed, maintained and stored to prevent supply emergencies and to preserve the nation's energy independence.
• Consideration and assessment of environmental costs and benefits for all energy resources, fuels and technologies in rendering legislative, regulatory and market decisions regarding energy production and use.
• Provision of an affordable energy supply for all citizens.
• Examine the feasibility of and where feasible promote state-wide or regional minimum storage level requirements for heating oil for states dependent on this fuel.
• Specification and balancing of clear lines of local, state and federal regulatory authority.
• Development of both short- and long-term strategies to provide adequate energy supplies, efficient utilization of those supplies and optimum cost effectiveness.
• Promotion of the education of school-age children regarding energy resources, consumption and production and regarding environmental protection, safety and risks in energy production.
• Assurance of expanded energy research and development and broadening of the citizenry's access to energy-related information.
• Assurance of participation of state and local officials in the development and implementation of a national energy plan and strategy.
• Avoidance of mandates, particularly unfunded mandates, upon state and local governments in developing a national energy policy.
• Avoidance of pre-emptive federal laws.
Implementation

NCSL believes development of a national energy strategy should have at least these six components:

(1) an assessment and forecast of our nation's energy future and its impacts;
(2) an evaluation and ranking of short and long-term energy options available to the nation;
(3) an evaluation of possible energy futures which provide greater benefits to our citizens;
(4) development of recommendations for energy options and energy futures that the nation should pursue, with the establishment of national targets or goals;
(5) evaluation and recommendation of implementation mechanisms including, but not limited to, incentives, technical assistance, educational programs, regulatory standards or guidelines to achieve the targets or goals; and
(6) coordination of federal and state components, responsibilities, and authority.

NCSL believes that a national energy policy should consider energy sources based on the following criteria first: lowest cost, cost benefit analysis, revenue loss, cost to consumers, reliability and environmental or other impacts. Energy policy alternatives that would improve our energy security without imposing significant new costs, while balancing the need for environmental protection, should be implemented. NCSL strongly supports a coordinated effort between state and federal government in producing a national energy policy. In the development of a national energy policy, the federal government should consult closely with state legislatures, devise mechanisms to bring state legislatures into the energy decision-making process as full participants on a continuing basis, and ensure the inclusion of representatives of the legislative branch of state government in all state-federal working groups dealing with energy policy.

Conservation and Energy Efficiency

Increased energy efficiency can decrease U.S. reliance on imported oil, reduce the environmental impacts of fossil fuels, reduce the long-term operating costs of
U.S. industries thus improving their competitiveness, slow the depletion of our finite fossil fuels and extend the time we have to make the transition to new and innovative energy technologies.

NCSL supports a national energy policy that promotes energy efficiency in a variety of ways including both setting and strengthening policies as technologies improve while recognizing the significance of economic costs on various segments of the population including rural areas:

- Corporate Average Fuel Economy Standards for automobiles and light duty trucks, including sport utility vehicles and minivans;
- energy efficiency provisions in model building codes (including lighting efficiency standards and weatherization);
- "Whole-building" and life cycle costing approaches to construction and retrofitting that integrate energy efficiency technologies and practices;
- home appliance and heating and cooling unit efficiency standards;
- waste recycling and reduction standards for industrial manufacturing;
- standards for conservation in electrical production and supply including cogeneration;
- use of alternative energy; and
- a national transportation policy that emphasizes various modes of transportation, including passenger rail and transit, and promotes energy efficiency.

Government Support for Energy Efficient Products and Industries

NCSL supports incentives for consumers to purchase energy efficient products. The federal government should continue to establish incentives for energy efficient fleet procurement industries and manufacturers of energy efficient products. The federal government should continue to encourage the use of innovative financing technologies to increase energy efficiency in buildings such as performance contracting and long-term leasing and purchase agreements for energy efficient products.
Government's Participatory Role

Federal and state governments' leadership role in the purchase and use of new energy efficient technologies and products should be expanded, and all government-owned buildings should make use of economical energy conservation programs, demonstrating state of the art efficiencies whenever possible.

Renewable Energy

Renewable energy sources include, but are not limited to, geothermal, hydropower, biomass, wind, photovoltaics and solar. NCSL believes that recognizing this spectrum of resources, the federal government should institute a long-range, stable Renewable Energy Development Program which identifies and supports development of renewable energy sources from research and development through demonstration projects and commercialization in a cooperative effort among industry, higher education, and national laboratories.

Federal restructuring legislation should not preempt state authority to provide incentives for the purchase of renewable energy.

Energy Emergency Preparedness

The federal government should support and enhance energy emergency preparedness in order to reduce the potential impact of petroleum supply disruptions. Initial efforts should focus on strategies to reduce the nation's dependence on foreign oil to avoid future emergencies. Such programs must give consideration to existing state laws and programs, and state and local officials should be included in the federal planning process.

The national energy emergency preparedness program shall include the following principles: voluntary conservation is preferred to mandatory measures wherever possible; any mandatory response should be phased in, beginning with the least stringent measures, with gasoline rationing reserved for only the most
severe shortage; and to minimize undue hardships on states and regions heavily dependent on motor vehicle transportation, rationing allotments and allocation plans should be based on state and regional needs and strategies rather than on national averages. Priority shall be given to home heating needs including home heating oil and propane, provided homes are adequately insulated.

To ensure that the country has sufficient, affordable supplies of energy, NCSL believes changes need to be made at the national level to encourage the more efficient use of energy to reduce U.S. reliance on foreign oil. Federal investments in energy efficiency research and technology have and will continue to ensure that less energy is consumed without a loss in comfort or productivity. Also, federal investments in new energy technologies such as fuel cells and hybrid generators can create technology and manufacturing jobs. Both energy efficiency and research in developing alternative energy technologies should figure significantly in a national energy policy.

**Crude Oil**

The federal government should promote the environmentally-sound production of domestic energy resources in coordination with the conservation and efficient use of energy resources, and the management of energy imports.

The federal government should promote and encourage domestic production of crude oil in an environmentally sound manner to supply United States consumers with a secure source of petroleum, and provide a stabilizing influence to the world price of crude oil. Since domestic production is declining rapidly, the efficient use and conservation of these resources must be encouraged. Also, the extraction and transportation of crude oil must be done only with full safeguards for the protection of the environment. In this regard, the federal government should consider incentives for domestic exploration, maintenance of stripper wells, but excluding other extractions, and technological research for methods of
enhanced oil and gas recovery that are environmentally safe and in accordance with state policy.

The federal government should ensure that energy resources are utilized in a manner that recovers the most energy value possible while assuring full protection of the environment. Similarly, it should be the strategy of the United States to alleviate oil dependency by funding research and development to perfect alternative fuels, particularly for transportation. The federal government should also increase research and development in the area of new energy generating technologies like fuel cells and hybrid engines. Enhanced oil and gas recovery from known reserves should be promoted in an environmentally sound manner.

The federal government should manage United States imports by diversifying import suppliers, pursuing a Pan American Energy Alliance with Western Hemisphere producing nations, and expanding a dialogue with suppliers worldwide.

Coal

Coal is America's leading fossil fuel in reserve. Coal holds the promise of long-term energy security for this nation. Resources of coal can be properly utilized only if we develop technologies to burn coal more cleanly, and efficiently. Because coal consumption produces carbon dioxide, mercury and other emissions, energy conservation and energy efficiency must be emphasized.

It should be the goal of the United States to provide continued support for the Clean Coal Technology Program, in partnership with the private sector. Research and technology development in clean coal usage should include work in pre-combustion, combustion, post-combustion, and coal conversion areas with desulfurization efforts a top priority. The United States should jointly address transboundary environmental problems with Canada and Mexico. NCSL supports
the acid rain program of the Clean Air Act of 1990 that phases-in reductions in emissions from coal burning power plants.

Since gas generated from coal can be distributed through existing pipeline systems, and since the delivery of coal in a conventional form will require extensive capital investment in plant conversion and rail transportation, coal gasification should be seriously considered as an alternative to the use of coal in a conventional manner.

Mined lands should be reclaimed concurrently and restored to an environmentally appropriate condition. The effects on local infrastructure needs and the costs of prime farmland protection and land reclamation should be considered in the development of a national coal program. Financing of activities under the abandoned mine reclamation fund should be accelerated, and a federal commitment to reclamation should be strengthened. No federal policy having implications for land development or management should be adopted without accommodating the laws and policies of affected states.

Natural Gas

Efficient natural gas turbines can be utilized in many areas with fewer environmental concerns. Natural gas can be developed with very low worker mortality compared to other energy activities.

The United States should encourage domestic production of natural gas in an environmentally sound manner.

Currently, the Office of Pipeline Safety (OPS) regulates the inspections of gas pipelines in the U.S. NCSL believes safety is not being maintained sufficiently given recent explosions in two states. The federal government should adopt legislation that authorizes states to assume a more prominent role in the regulation of pipeline safety. In this way, states in partnership with the federal...
government, will enhance the safety of pipelines and the protection of residents by decreasing the risk of pipeline accidents.

Nuclear

Assuming concerns regarding plant safety, and the transportation, storage and disposal of nuclear waste can be resolved, nuclear power may be an option of a national energy plan.

A federal government program for the long-term treatment and disposal of high-level radioactive waste, funded by the generators of the waste, should be pursued with the highest priority given to eliminating generation and transportation of waste and to the safety and technical suitability of storage or disposal sites. Such a program should be developed in full consultation with all of the affected states. The nuclear power plant licensing process for future plant construction must be improved to ensure both public input and timely decisions, and federally standardized nuclear power plant designs should be established.

It is essential that the Nuclear Regulatory Commission provide strong, centralized, and consistent administration to improve management of the agency, expedite policy formulation, and help bring about needed reforms in licensing and regulation, consistent with the NRC’s primary responsibility of ensuring public health and safety. Meaningful and effective state participation is necessary in public safety planning and transportation of commercial nuclear waste.

States must continue to have the right to monitor operating conditions at nuclear power plants, waste storage and disposal facilities, and to exercise regulatory authority where consistent with federal law.

Federal funding should be provided for research in the areas of waste management technologies, nuclear fusion, and plant retrofit and life extension.
Tax Treatment of Decommissioning Funds

State electric industry restructuring initiatives and the emergence of competition in generation supply have two potentially adverse major impacts on decommissioning funds – loss of tax deductibility and taxation of the funds transferred in nuclear plant sale transactions. The tax code should be updated to ensure that existing funds are treated in the manner intended by the tax laws and to reflect new business conditions.

Electricity

The federal government should promote energy efficiency and conservation to lower the demand for electricity. The development of sources of electric energy that are sufficient to meet national needs, secure from external threat, reliable in availability and delivery, safe relative to people and the environment, and efficient for use in homes, businesses, industries, and as an alternative vehicular fuel, should be pursued after aggressive efficiency and conservation programs are implemented.

The electricity sector today is marked by tremendous regional diversity, especially with regard to capacity. Fuel usage also varies widely. Implementation of federal legislation that fails to recognize this diversity inevitably penalizes one region or another. NCSL policy on electric industry restructuring is addressed in separate NCSL policies.

Regulatory Authority

State regulatory bodies are close to consumers, utilities, industries, and concerned for state environmental and economic well being. State regulatory bodies are in the best position to evaluate consumer needs, questions relative to fuel choice, economic development implications, and system reliability.
NCSL strongly supports and urges the continuation of the state legislative oversight for the approval and siting of all major energy conversion facilities, subject to minimum federal standards established only after the fullest consultation with state governments, both executive and legislative branch. State authority over the siting of energy facilities should not be preempted by federal electric restructuring law or any other law.

Research and Development
The cornerstone of a national energy policy should include a broad research and development component. The federal government has already committed substantial research funds for clean coal, nuclear research, basic science and related efforts. These research and development efforts ought to be continued. These efforts, however, should be supplemented with increased incentives and federal funding for research and development projects emphasizing emerging technologies, including, but not limited to, renewable resources, energy conservation, efficient use of energy, alternative fuels, oil and gas recovery, superconductivity, and fuel cell technology. This enhanced long-term research and development capacity should also be designed to encourage private sector participation with federal and state representatives.

Renewable Energy R&D Market Support
Part of the renewable energy resource development program, and critical to its success, is federal development of alternative technologies that improve renewable energy efficiencies, cut costs, and assist in integrating renewable energy into existing energy systems. Also needed is a translation and distribution system for international technical and marketing papers on renewable energy. The U.S. should strive excel in the use, manufacturing and marketing of renewable energy resources and technologies.

Education and Information
It is essential that the nation, including its elementary and secondary school-age children, be made fully aware of energy use and costs, production processes,
alternative energy resources and the impact energy usage has on our environment. NCSL recommends that public and private sector education efforts be initiated, expanded and appropriately funded. These efforts should emphasize that significant economic and environmental benefits can be achieved through increased efficiency and conservation. Also, the federal government should promote both energy conservation education and fund research into conservation technologies. Federal funding of energy conservation programs, including grants to states, should be enhanced.

The federal government and the states should encourage education in schools about the importance of energy efficiency and conservation.

NCSL believes an essential step in formulating a balanced energy policy is to develop the necessary data and employ analytical methods and models to assess the efficiency, productivity costs and risks of the various energy choices available to the nation. NCSL recommends the development of this analytic base by the Department of Energy, with assistance from the Departments of Defense, Treasury and State, and the Office of Management and Budget, in conjunction with the states.

Transportation
National transportation strategies must include public policy initiatives directed at broadening the efficient use of our energy resources. NCSL believes these policy initiatives should include, but not necessarily be limited to, incentives and adequate funding for mass transit, high speed rail, magnetic levitation and other emerging transportation technologies; fuel economy standards; and other market incentives for improving the energy efficiency of automobiles and light trucks; and federal, state, and local procurement policies favoring efficient vehicles. Public-private partnerships should be encouraged.