

October 15, 2003

## **Pet Projects Flood Energy Bill Before Crucial Wednesday Session**

By **CARL HULSE**

**W**ASHINGTON, Oct. 14 — When a group of senior Republican senators gathered recently to promote their vision of an energy policy, they pushed a very junior party member, Lisa Murkowski of Alaska, to the microphones first to discuss the benefits of a proposed natural gas pipeline from Alaska to the Lower 48.

"It will be the largest project of its kind in the history of the country. Huge," said Ms. Murkowski, whose re-election prospects next year could turn on her ability to claim credit for winning federal aid for the proposed \$20 billion 3,500-mile pipeline.

Ms. Murkowski is not alone among House and the Senate members who have personal stakes in the energy bill. The measure, which Republican leaders hope to break loose on Wednesday, is packed with pet projects, with total spending estimated by Taxpayers for Common Sense at \$60 billion and growing.

"It is just chockablock full of favors to the oil and gas industry," said David Alberswerth, who has been following the sections on public lands for the Wilderness Society.

The authors hope that individual projects and initiatives — a reactor here, a coal plant there, a boost in the use of corn-based ethanol — will help persuade lawmakers to vote for legislation that is encountering growing opposition. Speaker J. Dennis Hastert and the Senate majority leader, Bill Frist, are scheduled to bring together the chief negotiators on Wednesday to try to iron out the sticking points.

The Senate Democratic leader, Tom Daschle, said on Tuesday that he had "warned the leaders in both the Senate and the House that they are precariously close to losing support on our side for energy legislation because of the reckless way with which they've negotiated the bill itself and for many of the provisions that may be included in the end."

But Mr. Daschle, a chief promoter of the plan to aid corn growers by increasing ethanol production, would not say whether he was willing to filibuster the measure if it had objectionable provisions along with the ethanol plan.

Broad measures like the energy bill can present difficult choices for lawmakers who have only an up-or-down vote on a final proposal that can include elements that they do not like coupled with one or two that are extremely dear to their hearts. Republican lawmakers and aides drawing up the plan have made no secret of their strategy to incorporate projects sought by lawmakers to build methodically a majority for the proposal and make certain that they can overcome any filibuster.

Senator Norm Coleman of Minnesota, a Republican considered a crucial vote on energy and

environmental issues, has indicated that he would have a difficult time opposing the bill now that its authors have included an \$800 million loan guarantee for a coal gasification plant to be built in an economically troubled part of his state.

Strong backers of the energy plan are in position to advance their goals, as well. Senator Larry E. Craig, the Idaho Republican who is on the House-Senate conference committee that is writing the measure, is the chief proponent of a proposal to spend more than \$1 billion in Idaho to build a nuclear reactor that could produce hydrogen, as well as electricity.

Representatives of interest groups combing through the measure say it would make available billions of dollars for other research and development and tax breaks for successful energy producers that appear to be ill timed.

"How can we afford these direct subsidies to these robust industries when we have record deficits?" asked Keith Ashdown, the vice president for policy at Taxpayers for Common Sense, who cited potential subsidies for the Alaska pipeline as particularly egregious.

Ms. Murkowski and Senator Ted Stevens, another Alaska Republican, have made the pipeline subsidies a top requirement for their support of the bill, particularly when it appears that the authors will have to drop a plan for oil drilling in the Arctic National Wildlife Refuge, another priority of the Alaska lawmakers. But the pipeline has also become an obstacle in advancing the legislation. Though lawmakers have agreed to require a route that the Alaska lawmakers favor, House members and the White House have balked at a plan to provide the companies that build the line with tax credits if the price of natural gas falls below a certain level.

Senator Pete V. Domenici, the New Mexico Republican who is the Senate leader of the energy talks, said on Tuesday that the tax breaks would not be in the measure, though it would offer loan guarantees to the pipeline builders. Critics have said the tax credits could cost taxpayers billions of dollars if the price of natural gas falls.

Efforts to woo lawmakers with special provisions can backfire. In a push to win the backing of Senator Max Baucus, Democrat of Montana, Republicans writing the bill tried to satisfy his goal of restricting gas drilling on some public land along the eastern front of the Rockies. Mr. Baucus ended up objecting to the language, saying it fell far short of his expectations.

"These provisions," a spokesman for Mr. Baucus said, "are almost worse than having nothing at all."