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Industry Seeking Rewards From G.O.P.-Led Congress

By KATHARINE Q. SEELYE

WASHINGTON, Dec. 2 — A few weeks ago, officials of the American Petroleum Institute met in Denver to discuss their chief goal for the new Congress: an energy bill that would open up public lands in the Rocky Mountain West to further oil and gas exploration.

At that meeting, the oil executives decided among other things to undertake a multimillion-dollar advertising campaign to convince voters in five Western states that new exploration in the Rockies would bolster their local economies while inflicting minimal damage on the environment. The campaign is timed to start early in the new year, just as Congress convenes with Republicans in control of both houses and eager to take up an energy bill.

Around the country, businesses and industries that donated millions of dollars to elect Republicans are mapping out strategies to take advantage of the party's sweep in Washington. The White House was already sympathetic to business concerns, but with all of Congress now under Republican control, industry's expectations are higher.

On Tuesday, for example, several power industry representatives are meeting here under the banner of the Edison Electric Institute, the lobby for electric utilities, to discuss the new lay of the land and what they may be able to achieve.

A checklist of goals for the "extractive" industries — oil, gas, mining and timber — begins with a comprehensive energy bill. Provisions pushed by those industries and others would include \$34 billion in tax incentives for an array of projects: to promote exploration and expansion, develop new technologies, increase the use of ethanol in gasoline, build a natural-gas pipeline in Alaska and limit the liability of the nuclear power industry in case of catastrophic accidents.

Those industries are also seeking broad regulatory relief. For example, Jack Gerard, president of the National Mining Association, which represents coal and mineral interests, said his group wanted the process of acquiring permits for exploration on public lands to be streamlined. At present, Mr. Gerard said, it can take a company 10 years after finding a mineral to turn the location into an operating mine. That, he said, has forced many mining operations out of the country.

Common to the relief that all industries seek is a loosening of various regulations that they say hinder growth in the name of protecting air, water, endangered species and wetlands. The new Republican control of the two Senate committees that deal with environmental matters — Environment and Public Works, and Energy and Natural Resources — is sure to bring a more sympathetic hearing for that quest than it received under the Democrats.

William L. Kovacs, vice president for environment, technology and regulatory affairs at the United States Chamber of Commerce, predicted that the Republican control would mean first the adoption of

President Bush's energy policy, including oil exploration in the Arctic National Wildlife Refuge.

"There's no one who can hold things up," Mr. Kovacs said. "The Democrats have lost their biggest weapons to stop Bush: oversight and subpoena authority."

Environmentalists are sounding the alarm. "We're really in big trouble," said one, Senator James M. Jeffords. Mr. Jeffords, a Vermont independent, is losing the chairmanship of the Environment and Public Works Committee, and as a result has had to drop subpoenas he was preparing for documents concerning the administration's recent easing of clean-air regulations on aging industrial plants.

Phil Clapp, president of the National Environmental Trust, said industry was eager to take advantage of this period of Republican control.

"The president raised \$140 million in corporate funds," Mr. Clapp said, "and he has a lot of debts to pay to campaign contributors. A lot of those debts will be in the form of weakening environmental regulations."

Scott McClellan, a White House spokesman, discussed the administration's approach in conciliatory terms. "The president believes economic growth and environmental protection can go hand in hand," Mr. McClellan said, "and it doesn't have to be a zero-sum game."

Privately, White House officials say they realize that the newly strengthened Republicans in Congress and their business allies may be inclined to overreach. While the White House shares industry's regulatory philosophy and many of its specific goals, officials there say moves perceived as aggressively anti-environmental might make the president appear to be a captive of business. That could hurt him when he seeks re-election in 2004.

In an effort to skirt confrontation, the administration has often preferred the quieter route of regulatory rather than legislative change.

Already in this lull between the end of the 107th Congress and the beginning of the 108th on Jan. 7, the White House has made two important changes through administrative rule-making, both of which pleased the industries involved. One allows aging coal-fired plants and other factories to modernize without necessarily having to install expensive antipollution devices. The other gives local managers more discretion to approve logging and other commercial activities in the nation's 155 national forests.

The new Republican chairmen overseeing environmental matters in the Senate are vigorous advocates of business interests and are set to reverse the priorities of the current chairmen.

Senator James M. Inhofe of Oklahoma, a former real estate developer, will lead Environment and Public Works. Mr. Inhofe, an advocate for oil and gas interests, is skeptical of global warming, is hostile to the Environmental Protection Agency (which he has called a "Gestapo bureaucracy") and once compared Carol M. Browner, who headed the agency under President Bill Clinton, to Tokyo Rose.

A spokeswoman for Mr. Inhofe said he was not giving interviews for now. But in a brief statement issued in response to a reporter's query, the senator wrote that his immediate priority was to improve the nation's infrastructure and that he would try to direct money to highway and water projects.

He also said he wanted to "examine how current environmental laws are enforced and implemented." Such language suggests to environmentalists that Mr. Inhofe will join the administration's efforts to

weaken the National Environmental Policy Act of 1969, which requires environmental impact statements for many industrial activities and is regarded by business as burdensome.

Mr. Inhofe also said he wanted to "create fiscally responsible policies that are based on sound science and cost-benefit analyses." Environmentalists say this is code for not spending money on environmental projects. Mr. Inhofe was the only senator to vote in 2000 against a \$7.8 billion project to restore the Everglades, legislation that he likened to throwing money out the window.

As for the Energy and Natural Resources Committee, one New Mexican, Senator Pete V. Domenici, will assume the leadership from another, Senator Jeff Bingaman. Mr. Domenici is perhaps the Senate's most vigorous proponent of nuclear power and, as a new shepherd for any energy bill, will have priorities that include building support for that industry.

But for all the change the new chairmen represent, it is not clear that industry will accomplish its goals.

Angela Logomasini, director of risk and environmental policy at the Competitive Enterprise Institute, which promotes free-market solutions to economic and environmental problems, said that while the change in control signaled "a slight shift to the right," the Republicans still did not have enough votes to push through their agenda on their own.

Other Republicans on Senator Inhofe's committee, including Lincoln Chafee of Rhode Island, John W. Warner of Virginia and Arlen Specter of Pennsylvania, often vote with Democrats on environmental matters. In fact, Mr. Chafee so often sides with Democrats on those issues that White House officials worry they could drive him out of the Republican Party if they are not careful.

Senator Inhofe is clearly mindful of Mr. Chafee's standing. In his written statement to a reporter, Mr. Inhofe said one priority was the Chafee Underground Storage Tank Bill, which would provide money to clean up leaks at toxic waste sites.