



Oppose Taxpayer-Funded Giveaways in “Energy Bill II”

October 4, 2005

Dear Representative,

Taxpayers for Common Sense Action, a non-partisan budget watchdog organization, strongly urges opposition to the Gasoline for America’s Security Act. This second “energy bill” contains taxpayer-funded handouts that will cost taxpayers billions of dollars but will do nothing to boost America’s energy security.

We are deeply concerned with section 104 of the bill, which creates the Standby Refinery Support Account. This account would be used by the Secretary of Energy to compensate corporations if their refinery construction is delayed. The Secretary can use the account to compensate companies for the **full cost** of delays caused by lawsuits, reduced outputs resulting from federal or state regulations, or lost production during a longer than expected permitting process. This costly provision undermines natural market forces and will transfer tax dollars to multi-billion dollar energy companies who do not need the government’s support.

We also object to section 111, which requires the Secretary of the Interior to sell royalty-in-kind oil at a discount to small refiners. Independent refiners are already reaping record profits; they do not need generous government incentives to refine oil, because sky-high gasoline prices give them all the incentive they need. And with refineries nationwide now running at full capacity, this handout will not lower prices at the pump.

We urge you to oppose this bill, which will add to the nation’s debt load without solving our energy problems. If you have any questions, please contact Evan Berger at (202) 546-8500 x111.

Sincerely,

A handwritten signature in cursive script that reads "Jill Lancelot".

Jill Lancelot
President / Co-Founder