TOP TEN

TAXPAYERS FOR COMMON $ENSE ACTION

Worst provisions in the $85 Billion Conference Energy Bill

10. **OCS inventory:** Government sources estimate that a full inventory of America's Outer Continental Shelf would cost the government billions of dollars. Inventories are a normal business expense that should be borne by private industry, not the general public.

9. **Advanced Fuel Cycle Initiative:** The conference report authorizes $580 million for this program to reprocess nuclear waste, which would reverse the Ford administration's non-proliferation policies. What's more, it wouldn't even solve the nation's nuclear waste problems; reprocessing also creates radioactive waste.

8. **Clean Coal:** Clean Coal has been criticized time and again by the GAO for mishandling taxpayer money. The energy bill rewards Clean Coal's record of shoddy performance by giving the program another $1.8 billion.

7. **Pipeline tax breaks for public utilities:** The provision would give utilities a better tax treatment on their natural gas pipelines, thereby increasing shareholder earnings in the short-term – and since their rates are already set, they do not have to pass on these cost-savings to consumers. This means that utility shareholders get a windfall profit, and taxpayers get stuck paying the bill. This tax break will cost taxpayers $1.02 billion over ten years.

6. **The Healy clean coal plant loan guarantee:** Taxpayers paid $117 million to make a coal power plant in Healy, Alaska, into a "clean coal" facility in the 1980's, and now the plant is too expensive to operate. For the low price of $80 million, Healy is offering to change it right back to the way it was.

5. **Idaho nuclear reactor:** The bill would authorize $1.25 billion for the construction of a new nuclear plant in Idaho that would also produce hydrogen. While billed as a boon to the "hydrogen economy," this is nothing more than an old-fashioned giveaway to the nuclear industry.

4. **Nuclear production tax credit:** The bill includes a 1.8 cent/kWh production tax credit for new nuclear plants that will cost taxpayers up to $6 billion.

3. **Royalty holidays for oil and gas producers in the Gulf of Mexico:** The President has made it crystal clear: with oil at $60 a barrel, companies don't need incentives to explore for new sources – they already have all the incentive they need.

2. **Irradiated Petroleum:** In the late hours on Monday, the conference committee added to the bill a $250,000 study for "cold cracking" – that is, irradiating petroleum as a way of refining it. None of the conferees had ever heard of "cold cracking" before, yet most voted for it anyway. There is no reason why oil companies, now reaping billions in profits this year, should not bear the costs of researching this impractical program themselves.

And the most wasteful provision...

1. **The Ultra-Deepwater Slush Fund:** This provision, added after the deadline at Monday's marathon conference session, will spend $1.55 billion, including $550 million in guaranteed money, to a new fund designed to benefit the Texas Energy Center in Sugar Land.

We urge you to oppose final passage of H.R. 6, the $85 billion energy bill.

For more information, check out TCS's Energy Bill Watch page at http://www.taxpayer.net, or contact Evan Berger at (202) 546-8500 x111.