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Folder Title:
Energy Bill Signing 10/24/92 [OA 8486]

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EXECUTIVE OFFICE OF THE PRESIDE

22-Oct-1992 06:13pm

TO: (See Below)
FROM: Claire F. Turney
Office of Communications
SUBJECT: Staffed speech

(Ferguson/Grossman)
October 22, 1992
Draft One
ENERGY

PRESIDENTIAL REMARKS: ENERGY BILL SIGNING
OCTOBER 24, 1992
LAFAYETTE, LOUISIANA

~~Good morning~~ ^{AFTERNOON}, everyone. MAURICE

2.20.91

(Acknowledgments)

Holly
Fisher
3233 OMB

Almost two years ago, my Administration proposed a National Energy Strategy -- a blueprint to make our country safer and more secure. Our strategy was based on a simple premise: that the greatest single energy resource America possesses is the wisdom and enterprise of its citizens.

The last two years have seen much hard work, many hundreds of hours of hard study and negotiation. Our efforts have now borne fruit. This morning I will sign the Energy Policy Act of 1992.

Jim
Murray OMB
3183

Teresa
2000

Together with the more than 90 administrative initiatives my administration was able to undertake on its own, the Energy Policy Act will increase domestic energy production, reduce our

substantially

reliance on foreign energy sources, promote conservation and efficiency, and create American jobs.

over 250 bills
over-act
my period

And we will accomplish these goals not by resorting to the failed methods of government control, but by unleashing the genius of private enterprise.

The Act increases competition in the way electricity is generated and sold -- reducing the strain on family budgets across the country. ~~By the year 2010~~, for example, our reforms
OVER THE NEXT TEN YEARS

Electricity

586-5727
586-6518

will save the average American household ~~\$150~~ ^{# 500} a year in its ~~annual~~ electricity bill.

The Act improves licensing procedures for new nuclear power plants -- guaranteeing that this safe and clean resource helps meet the energy needs of the next century.

Using the power of the market, the Act encourages the development and use of clean-burning alternative fuels -- so that the robust production of energy will go hand-in-hand with a clean environment.

The Act provides much-needed tax relief for our Nation's independent oil and gas producers -- allowing them to keep more of their hard-earned money to reinvest in the production of domestic fossil fuels. From now on, we must produce more of our energy here at home, and import less from abroad. Our national security demands it; future generations deserve it; and now we can ensure that it will be done.

I spent much of my life in the oil business, building a company, meeting a payroll. I saw first-hand how government can help -- and hinder -- the men and women who meet the energy needs of their fellow Americans. I believe that this Act opens a new era, in which government acts not as master but as partner and servant.

My only regret is that I haven't the time to thank all those who deserve to be thanked for the achievement we celebrate on this historic day. Let me simply close by saying that because of

Energy Dept.
faxed this to
Laura Mellilo??
FW

2 OCT 14 A10: 58

DRAFT STATEMENT OF PRESIDENT BUSH
ON SIGNING OF ENERGY POLICY ACT OF 1992

It is not often that even a President of the United States can, without fear of exaggeration, call an occasion "historic". This is an historic occasion. For today I am signing into law the National Energy Policy Act of 1992, and thereby placing America upon a clear path toward a more prosperous, more energy efficient, more environmentally sensitive, and more economically secure future.

Soon after I took office I directed my Secretary of Energy, Admiral James Watkins, to prepare a comprehensive and balanced National Energy Strategy. I did so because as one who was in the energy business myself I have always understood and appreciated the vital importance of energy to our economy and to our daily lives, and because I knew there were many changes that needed to be made to government policies and programs if we were to take full advantage of the tremendous resources our Nation possesses.

Under Admiral Watkins' leadership, the NES was issued in February 1991, accompanied by proposed legislation to implement some of its core features. The NES was unique because it provided a blueprint for our energy future while ensuring that our environmental and economic goals would also be met. The legislation which I sent to Congress did more than just deal with energy. By its fundamental nature it affected the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act and

several other of our more complex statutes. The passage of such a complex bill is remarkable.

I must admit there were times when I doubted that this legislation--so comprehensive in scope and bold in content--would make it through the Congress. History was against us. That history showed that big energy bills were enacted by Congress only in times of crisis. The Persian Gulf War certainly provided a sense of urgency to the initial Congressional deliberations on our legislation. But happily, the war ended quickly in a great triumph for our United Nations alliance. Less happily, energy policy faded from the headlines. Our efforts to get Congress to act, however, did not fade. We persevered and with the support of leading members of the energy committees in the Congress, sound energy legislation was finally enacted by overwhelming margins in both Houses.

There is so much that is good for America in this new law. Competition in the way electricity is generated and sold will be increased, thus lowering prices while at the same time ensuring adequate supplies. Reforms to government licensing of new nuclear power plants will help to preserve this option--which now supplies one-fifth of our electric power--for the future. Our near total dependence upon petroleum to fuel cars and trucks will begin to disappear because of the provisions in the bill to encourage the development and use of clean burning alternative fuels. Research and development on a host of exciting new energy

technologies--including advanced clean coal, natural gas, renewables and conservation--will be greatly increased. America's independent oil and natural gas producers will be allowed to keep more of their hard earned money for re-investing in the production of domestic fossil fuels, so we will produce more here and import less from abroad. Finally, this bill will upgrade post-secondary math and science education for low-income and first generation college students so they will have a better opportunity to contribute to their country and thereby enrich their lives as well as ours.

These are some of the highlights of this legislation. The chief highlight, however, is this: in all of these great and worthy endeavors, government will serve as the partner of private enterprise, not as its master. This approach will allow our Nation to reap the benefits of the greatest single energy resource we possess--the entrepreneurial spirit of free men and women.

This new energy policy now takes its rightful place alongside our initiatives in clean air, trade, and other areas that together form a solid basis for my Agenda for American Renewal. This agenda will enable us to double the growth of our economy over the next decade, and achieve the world's first trillion dollar economy.

I do not have the time here to thank all of the people who

deserve to be thanked and recognized for the achievement we are celebrating today. I will simply close by saying that because of their hard work, faith and devotion over the past three years Americans will be able to live in a stronger country and a cleaner environment, and enjoy a brighter future.

Thank you.

PREVIOUS RHETORIC ON THE ENERGY BILL

28 Weekly Comp. Pres. Doc. 1090

Q. Mr. President, I agree that we are leaders in the environment. But if reelected, what incentives would you devise to aid our country in reducing our overconsumption of the energy resources?

The President. We've got an energy bill before the Congress right now that does that, encourages alternative use of fuels. We have sound environmental practice on offshore. We've got -- in this bill, I mean, all -- from lighting -- kinds of new light bulbs that really save an enormous amount of energy to alternative uses of fuel. We've got a good program. It's hung up in the United States Congress right now. But I would press forward on that energy bill and try to move forward.

Let me say this as a word of caution, though. We are more and more dependent on foreign oil. It was about a year and a half ago when the Persian Gulf situation got fired up, that it was predicted oil would go to \$ 80 a barrel overseas. And I don't know if you saw what Saddam Hussein said the other day. He said, the biggest mistake he made is when he first moved into Kuwait that he didn't move into Saudi Arabia. You want to project something that would just shoot these gasoline prices right off the scoreboard, try that one on.

28 Weekly Comp. Pres. Doc. 1090

So what we've got to do, it seems to me, is to try to become less dependent on foreign oil for security reasons, and that means alternate sources. I may get into a big fight here, but I believe that nuclear power can be used safely, and it's clean-burning -- I believe clean. I believe that we ought to facilitate that rather than turn our back on that.

But it does concern me that we're becoming more dependent on foreign oil, and yet, I think the answer is conservation and alternative sources. That's in our energy bill.

Q. Mr. President -- and I assume that you are -- what do you think about the oil that we've got to send out for incineration?

The President. What you've got to send out for incineration? Help me, I'm not a technologist, but what I see here I like in terms -- refining it.

Q. Well, the oil that fails our test that we do on the field, we send that out for incineration to Kansas, to a facility, the RCRA facility that burns it off.

The President. I'm sorry, I hate to say this. Yes, I'm President, but I don't know enough about the technology to know whether that's good or bad.

28 Weekly Comp. Pres. Doc. 968

Energy Bill

The President. And I agree. I mean, I think farmers are not only environmentalists but conservationists. I think that's very, very important. I think we have to do it.

Incidentally, I would like to make a pitch for our energy bill that passed the Congress the other day, which does have some good, sound conservation in it, but also it balances out the need for this country to grow. I don't want to shift the subject away from your question, but in all these fields -- and this gets back to this young man's question -- in all these fields there's a question of philosophy on a lot of this stuff.

On our energy approach, we're trying to keep growth going through more energy sources and through conservation. Some would have you just do nothing on the former part of it, and I'm in a big fight, although it's not in this bill, on the ANWR, the Alaskan Wildlife Refuge. I am absolutely convinced that you can have prudent development, as we did in Prudhoe Bay of that. And yet I'm in a big row with the environmentalists because they say, "Well, you say you're for the environment; how come you're for ANWR?" I'm saying ANWR can be developed without decimating the environment or the species there, in this case caribou or whatever else it is.

So I just cite that because it is something in my job that you have to keep balancing, just as this guy's question was how do you balance the national security from domestic. Here's one: How do you balance domestic growth, families need to make a living, are hopefully becoming less dependent on foreign oil, for a lot of reasons, and balance that with the environmental needs. And you've raised this more specific question. We've just got to keep that ethic going, and I think we can. I think we can do better on it.

Getting thrown out of here?

Q. Sir, we could sit here and talk all day long and probably all week long. We just appreciate it so much your coming to Fresno and listening to our concerns. We wish you the best of luck in the near future.

The President. Let me say -- thank you, Lou, very much. Let me just make this observation that you can't help but feel when you're here. We're talking about agriculture; we're talking about chemicals; we're talking about wetlands; we're talking about economic growth; we're talking about national security. These are all big issues. But I wish that Barbara Bush had been out here, the Silver Fox we call her, because I think she would sense the feeling of community and of family that we sensed when we lived in a climate not unlike this in West Texas for 12 years and long before I got wrapped up in the political world.

THE WHITE HOUSE

WASHINGTON

October 9, 1992

10/09/92 P12:41

MEMORANDUM FOR PHILLIP D. BRADY

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Statement on the Energy Bill

A draft presidential statement on the energy bill is attached.

I would appreciate very much your staffing it with comments returned to my office as soon as possible.

Thank you very much.

Attachment

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 9, 1992

STATEMENT BY THE PRESS SECRETARY

The President was pleased to note that Congress has approved H.R. 776, the National Energy Security Act. This is a balanced and comprehensive energy bill that enacts into law key elements of the President's National Energy Strategy (NES), which he announced on February 20, 1991.

In combination with the more than 90 administrative initiatives contained in the NES, this bill will increase domestic energy production, reduce our dependence on imports, promote conservation and efficiency, and create American jobs. H.R. 776, combined with the broader NES will reduce oil imports by approximately 4.7 million barrels per day by the year 2000 and will result in substantial consumer cost savings. The Nation's electricity bill, for example, will be reduced by as much as \$17.6 billion (in 1990 dollars) in the year 2010. That translates into an average saving of about \$150 (in 1990 dollars) in each household's annual electricity bill in 2010.

Furthermore, as part of the NES, this bill will increase the production and use of clean renewable energy, foster new energy technologies, and diversify the fuels we use for transportation. It will encourage Americans to commute to work by using public transit and vanpools, and will reward investment in energy conservation by homeowners, businesses, and industry. In addition, the alternative fuels provisions of the bill will help wean our Nation away from energy imported from unstable regions of the world -- a primary objective of the President's Strategy.

H.R. 776 provides much-needed alternative minimum tax (AMT) relief for independent oil and gas producers. AMT relief is a critically important part of the President's overall program to improve the health of our domestic oil and gas industry. These provisions will provide more than \$1 billion of relief for independent producers over the next five years.

The President extends congratulations to the Chairman of the Senate Energy and Natural Resources Committee, Bennett Johnston of Louisiana and to the Ranking Republican, Malcolm Wallop of Wyoming and to Representatives John Dingell of Michigan and Norm Lent of New York, the Chairman and Ranking Republican of the House Energy and Commerce Committee.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/21/92 ACTION/CONCURRENCE/COMMENT DUE BY: 5:00pm 10/22/92

ENROLLED BILL H.R. 776 - ENERGY POLICY ACT OF 1992

SUBJECT: AND SIGNING STATEMENT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MULLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTWILER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZOELICK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CLERK	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BROMLEY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			DELAND		<input checked="" type="checkbox"/>

REMARKS:

Please provide your comments on the attached directly to this office NO LATER THAN 5:00pm THURSDAY, OCT. 22, 1992. Thank you.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 21, 1992

10/21 P5:18

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 776 - Energy Policy Act of 1992
Sponsors - Rep. Sharp (D) Indiana and 54 others

Last Day for Action

October 27, 1992 - Tuesday

Purpose

Enhances energy security by requiring increased energy efficiency, removing regulatory barriers to production, and promoting the use of renewable resources and alternative fuels.

Agency Recommendations

Office of Management and Budget	Approval
Department of Energy	Approval (Signing statement attached)
Council of Economic Advisers	Approval
Department of Labor	Approval
National Security Council	Approval
Department of Agriculture	Approval (Informally)
Council on Environmental Quality	Approval (Informally)
Environmental Protection Agency (EPA)	Approval (Informally)
Tennessee Valley Authority	Approval (Informally)
Agency for International Development	No objection
Department of the Interior	No objection (Informally)
Department of Transportation	No objection (Informally)
Department of the Treasury	No objection (Informally)
General Services Administration	No objection (Informally)
National Aeronautics and Space Administration	No objection (Informally)
Nuclear Regulatory Commission	No objection (Informally)
Securities and Exchange Commission	No objection (Informally)
Department of Commerce	No objection (Informally)
Department of Justice	Defers to Energy
Department of Defense	Defers to Energy (Informally)

Department of Health and Human Services	Defers to Energy (Informally)
Department of Housing and Urban Development	No comment (Informally)
Department of State	No comment (Informally)
Department of Veterans Affairs	No comment (Informally)
Office of Personnel Management	No comment (Informally)
Office of Science and Technology Policy	No comment (Informally)
Small Business Administration	No comment (Informally)
Office of the U.S. Trade Representative	No comment (Informally)
Federal Trade Commission	No comment (Informally)
U.S. Postal Service	No comment (Informally)

Discussion

On February 20, 1991, you transmitted the Administration's comprehensive national energy strategy (NES) to Congress. The NES was designed to balance the goals of economic growth and increased energy security, while protecting the environment. Secretary Watkins transmitted NES implementing legislation to Congress on March 4, 1991. Subsequently, the Administration worked to ensure the enactment of energy legislation that would be consistent with the NES. H.R. 776 represents the successful culmination of the Administration's efforts.

Major Provisions of the Enrolled Bill

As proposed in the NES, H.R. 776 will ensure the more efficient use of energy. It will enhance the Nation's energy supply by eliminating regulatory barriers to production. It will also encourage the increased use of renewable and environmentally compatible energy sources. The major provisions of the enrolled bill are described below. A comprehensive section-by-section description of H.R. 776 is provided as an attachment to the Department of Energy's views letter.

Funding. H.R. 776 authorizes appropriations of \$3.4 billion, \$2.4 billion, \$1.1 billion, \$1.0 billion and \$955 million for FYs 1993 through 1997, respectively. These sums are authorized for a wide variety of energy-related activities.

The enrolled bill includes provisions that will increase Federal revenues by \$8.6 billion over five years (FYs 1993 through 1997). The largest revenue enhancers will prevent tax avoidance on specified partnership transactions and increase the excise tax on ozone-depleting chemicals. Revenue reductions will total \$3.0 billion over the same period, with the largest reduction attributable to alternative minimum tax relief for independent oil and gas producers. (A more detailed summary of the revenue provisions is attached.)

Increased Energy Efficiency. H.R. 776 contains numerous initiatives to improve energy efficiency in industrial, commercial, residential, and public buildings by upgrading building codes and materials specifications. Incentives are provided to encourage public utilities to invest in conservation and energy efficiency measures. Minimum energy efficiency standards and labeling requirements are also established for commercial and industrial equipment, including heating and cooling systems, lamps, and plumbing supplies.

Numerous research, development, and demonstration (RD&D) programs are established in the Department of Energy. They would promote the commercial application of new technologies for increasing energy efficiency and production in the future. These include initiatives on clean coal, alternative fuels, and improved oil and gas recovery techniques.

Enhanced Energy Supply. H.R. 776 increases competition in the way electricity is generated and sold, thus lowering prices while simultaneously ensuring adequate supplies. Amendments to the Public Utility Holding Company Act will allow more small electricity producers to enter the market. Amendments to the Federal Power Act will allow these producers access to transmission facilities.

The enrolled bill also removes barriers to nuclear power production by streamlining the existing nuclear reactor licensing process to allow for a combined construction and operating license. Oil and gas production will benefit from the permanent extension of alternative minimum tax relief for independent oil and gas producers.

Renewable and Environmentally Sustainable Energy Sources. Numerous Federal RD&D initiatives are authorized to accelerate the commercial application and increased export of renewable energy technologies. These include biomass, wind, and geothermal systems. Studies are required on the potential for increasing hydropower production at existing federally-owned or operated dams.

Additional initiatives focus on increasing the use of alternative fuel (e.g. compressed natural gas, electricity, hydrogen, and ethanol) and alternative fuel vehicles (AFVs). Specific AFV purchase requirements are imposed on Federal, State, private, municipal, and energy industry fleets. Federal assistance is authorized for State and local programs to accelerate their use of AFVs. Tax incentives are also provided to encourage the production of ethanol-based alternative fuels.

H.R. 776 will encourage the use of mass transit and vanpools. It will do this by increasing the tax-free limit on employer-provided subsidies for these activities and limiting employer-provided parking subsidies that may be excluded from taxable income.

Other Issues. Two key provisions of the Administration's NES were not included in H.R. 776. The enrolled bill does not expedite licensing procedures for construction of interstate natural gas pipelines. Nor does it authorize the development of the energy resources within the Arctic National Wildlife Refuge.

The Administration, however, succeeded in removing several highly objectionable congressional initiatives that would have been detrimental to the Nation's energy security. These provisions included limitations on oil and gas exploration and production on the Outer Continental Shelf that went far beyond the Administration's leasing moratorium. An expansion of the Federal limitations on State regulation of natural gas production was deleted, as was a mandatory 50 million barrel regional refined petroleum product reserve. In addition, an unnecessary expansion of authority to drawdown the Strategic Petroleum Reserve was substantially cut back to the point where it is no longer objectionable.

Pay-As-You-Go Scoring

H.R. 776 would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. This Office estimates that H.R. 776 will result in a net reduction in the deficit of \$959 million in FY 1993; \$831 million in FY 1994; \$743 million in FY 1995; \$736 million in FY 1996; and \$698 million in FY 1997.

Agency Views

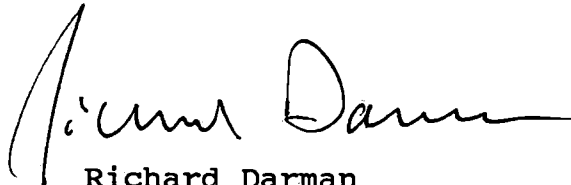
The Department of Energy advises that H.R. 776 "will stimulate energy production, promote energy efficiency, remove regulatory barriers, and promote the use of alternative transportation fuels." Energy concludes that the enactment of H.R. 776 is "a key achievement of this Administration" and accordingly "strongly" recommends approval. Energy has prepared a signing statement which is attached to its views letter. The statement highlights the many important provisions of H.R. 776 and characterizes the enrolled bill as one of the initiatives that form the basis for your Agenda for American Renewal.

The Department of Justice defers to the Department of Energy with regard to the approval of H.R. 776. Justice, however, raises constitutional concerns with certain provisions of the enrolled bill. These concerns are fully described in Justice's letter. Justice has attached to its views letter language addressing its concerns which it recommends be included in a signing statement. Energy revised its signing statement to include the Justice language.

Conclusion and Recommendations

We join Energy and other interested agencies in recommending approval of H.R. 776, which passed the House by a vote of 363 to 60 and the Senate by a voice vote.

The revised Energy signing statement has been reviewed and approved by Justice, Interior, Treasury, EPA, Commerce, Labor, the Office of the White House Counsel, and this Office.

A handwritten signature in cursive script, appearing to read "Richard Darman".

Richard Darman
Director

Enclosures

STATEMENT BY THE PRESIDENT

It is not often that even a President of the United States can, without fear of exaggeration, call an occasion "historic." This is an historic occasion. For today I am signing into law H.R. 776, the "Energy Policy Act of 1992." My action today will place America upon a clear path toward a more prosperous, energy efficient, environmentally sensitive, and economically secure future.

Soon after I took office I directed the Secretary of Energy, Admiral James Watkins, to prepare a comprehensive and balanced National Energy Strategy. I did so because, as one who was in the energy business myself, I have always understood and appreciated the vital importance of energy to our economy and to our daily lives. I also knew there were many changes that needed to be made to government policies and programs if we were to take full advantage of the tremendous resources our Nation possesses.

Under Admiral Watkins' leadership, the NES was issued in February 1991. Proposed legislation to implement some of its core features was sent to Congress on March 4, 1991. The NES was unique because it provided a blueprint for our energy future while ensuring that our environmental and economic goals would also be met. The accompanying legislation did more than just deal with energy. By its fundamental nature it affected the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, and several other of our more complex statutes. The passage of such a multifaceted bill is remarkable.

I must admit there were times when I doubted that this legislation -- so comprehensive in scope and bold in content -- would make it through the Congress. History was against us. That history showed that big energy bills were enacted only in times of crisis. The Persian Gulf War certainly provided a sense of urgency to the initial congressional deliberations on our legislation. But happily, the war ended quickly in a great triumph for our United Nations alliance. Less happily, energy policy faded from the headlines. Our efforts to get Congress to act, however, did not fade. We persevered and, with the support of leading members of the congressional energy committees, sound energy legislation was finally enacted by overwhelming margins in both Houses.

There is so much that is good for America in this new law. It contains a landmark provision furthering competition in the way electricity is generated and sold, thus lowering prices while at the same time ensuring adequate supplies. Reforms to government licensing of new nuclear power plants will help to preserve this option -- which now supplies one-fifth of our electric power -- for the future. Our near total dependence upon petroleum to fuel cars and trucks will begin to disappear because of the provisions to encourage the development and use of clean burning alternative fuels. Research and development on a host of exciting new energy technologies -- including advanced clean coal, natural gas, renewables, and conservation -- will be greatly increased. America's independent oil and natural gas

producers will be allowed to keep more of their hard earned money for re-investing in the production of domestic fossil fuels, so we will produce more here and import less from abroad. Finally, this bill will upgrade post-secondary math and science education for low-income and first generation college students so that they will have a better opportunity to contribute to their country and thereby enrich their lives as well as ours.

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I do not have the time here to thank all of the people who deserve to be thanked and recognized for the achievement we are celebrating today. I will simply say that because of their hard work, faith, and devotion over the past three years Americans will be able to live in a stronger country and a cleaner environment, and enjoy a brighter future.

Several portions of the Act raise constitutional issues and must be construed in a way that avoids those issues.

Various provisions of the Act must be interpreted consistent with the Appointments Clause of the Constitution, which requires that authority under Federal law be exercised only by officers of the United States, and not by private organizations and State officials. Accordingly, these provisions must be construed to give such organizations and officials an advisory role only, reserving for properly appointed Federal officers the exercise of Federal authority.

For example, certain provisions added by Title I of the Act, including sections 101, 121, and 123, purport to require the Secretaries of Housing and Urban Development, Agriculture, and Energy to amend Federal standards or testing procedures to "conform to" or "be consistent with" standards or procedures to be established in the future by private organizations. Consistent with the Appointments Clause, the Secretaries should, when exercising their responsibilities under these provisions, reserve for themselves the final decision whether or to what extent to adopt these standards or procedures. In particular, the Title I provisions must be interpreted as authorizing, but not requiring, the Secretaries to change Federal standards or procedures in response to changes promulgated by the private organizations specified in Title I.

Similarly, the effectiveness of exemptions for wholesale generators and foreign utility companies under provisions of the

Public Utility Holding Company Act of 1935 (as added by sections 711 and 715 of this Act) purports to depend on the consent of every State commission having jurisdiction over the relevant utility company. Section 2407(c)(1) of the Act purports to condition the Federal Energy Regulatory Commission's granting of certain licensing exemptions on the licensee's compliance with terms and conditions set down by Alaska's fish and wildlife agency. In administering these provisions, the Federal Energy Regulatory Commission should, while requiring that notice be given to the relevant State commissions and agency and while taking into account the views of such commissions and agency, reserve for itself the final decision regarding the exemptions.

Section 1306(c) of the Atomic Energy Act of 1954 (as added by section 901 of this Act) requires that all "books, accounts, financial records, reports, files, papers, and other property belonging to or in use by the [United States Uranium Enrichment] Corporation" be made available to the Comptroller General at his request. Similarly, section 2605 (1)(3) of the Act authorizes the Indian Energy Resource Commission to "secure directly from any Federal agency such information as may be necessary to enable the Commission to carry out its duties." Such information will be made available to the Comptroller General and the Commission to the extent permitted by law, including Executive privilege.

Under section 1312(b) and (c) of the Atomic Energy Act (as added by section 901 of this Act), the Enrichment Corporation is subject to Federal environmental laws and to the Occupational

Safety and Health Act. To avoid constitutional problems, I will construe these provisions not to authorize litigation in court between the Corporation and other Federal agencies while the Corporation is a wholly owned government corporation.

Section 1315 of the Atomic Energy Act (as also added by section 901 of this Act) provides that the President shall appoint a Transition Manager, who shall exercise the powers of the Corporation until a quorum of the Board of Directors has been "appointed and confirmed." I will interpret this provision not to interfere with my authority under Article II, section 2 of the Constitution to make recess appointments of members of the Board of Directors.

Sections 1211(a) and 1332(a) of the Act purport to direct the Secretary of Energy to enter into agreements with the Administrator of the Agency for International Development and other agency heads. If these officers are unable to reach such agreements, they must send their competing versions of proposed agreements to the President, who shall within 90 days determine which version shall be in effect. I will interpret these provisions consistent with my inherent constitutional authority as head of the Executive branch to supervise my subordinates in the exercise of their duties, including my authority to settle disputes that occur between those officials through other means.

Sections 1332(g)(3) and 1608(g)(3) of this Act direct the Secretary of Energy to "consult with government officials" and other persons in certain foreign countries regarding technology

transfer programs. Section 3020(c) and (d) of the Act purport to direct the course and objectives of negotiations concerning the establishment of a Consultative Commission of Western Hemisphere Energy and Environment and to require that the Commission include representatives of legislative bodies, presumably including the Congress. Under the Constitution, it is the President, not the Congress, who articulates the foreign policy goals of the Nation, who decides whether and when to negotiate agreements with foreign nations or otherwise consult with them, and who represents the United States in international bodies. I will, therefore, construe these provisions merely to express the sense of the Congress with respect to the matters to which they refer.

Section 3021(a) of the Act directs agencies to expend ten percent of the amounts obligated for certain contracts under the Act with organizations that may be defined on the basis of race, ethnicity, or gender. A grant of Federal money or benefits based solely on the recipient's race, ethnicity, or gender is presumptively unconstitutional under the equal protection standards of the Constitution. I will construe these provisions consistently with the demands of the Constitution and, in particular, construe them so as not to allow the expenditure of monies solely on the basis of race, ethnicity, or gender.

Finally, several provisions of the Act purport to require officers of the Executive branch to submit reports and plans to Congress containing recommendations for legislative action. I will construe these provisions in light of my constitutional duty

and authority to recommend to Congress such legislative measures as I judge necessary and expedient. Several other provisions of the Act require Executive agencies to submit certain reports "to the President and the Congress." I will interpret these not to encroach upon my constitutional authority to supervise and guide my subordinates in the execution of their duties, including the review of their proposed communications to Congress.

**ENERGY REVENUE PROVISIONS
(FYs - DOLLARS IN MILLIONS)**

ENERGY-RELATED PROVISIONS	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1993-1997</u>
Limit Exclusion For Employer-Provided Parking To \$155/Month	10	24	24	25	26	109
Increase Excise Tax On Ozone-Depleting Chemicals	94	282	383	399	333	1491
Uranium Enrichment Decommissioning Fund	141	144	149	153	158	745
Net Abandoned Mine Land Reclamation Fee Extension/Coal Miners Retiree Health Benefits				228	251	479
Use Of Excess Black Lung Funds	5	8	8	8	8	37
Coal Company Premiums and Pension Transfers	218	300	250	173	166	1107
COMPLIANCE MEASURES						
Require Reporting of Seller-Financed Mortgage Tax ID #.	122	108	115	122	129	596
Prevent Tax Avoidance On Partnership Transactions	392	805	640	453	457	2747
The Alexander Estate Tax Treatment Information Reporting of Property Tax Real Estate Deals	3	3	3	10	30	49
Classification By Corporations As Stock or Indebtedness	2	25	26	27	29	109
Increase Withholding On Gambling To 28%	4	13	15	19	25	76
Increase Backup Withholding From 20% to 31%	88	4	5	5	5	107
Disallow Travel Expenses When Away From Home For More Than 1 year	400	100	100	100	100	800
SUBTOTAL	<u>18</u>	<u>31</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>152</u>
	1497	1847	1751	1756	1753	8604
REVENUE REDUCING PROVISIONS						
Raise Transit Fare Subsidy To \$60/Month Exclusion For Conservation Subsidies By Utilities	-5	-14	-15	-17	-19	-70
Deduction For Clean Fuel Vehicles and Property	-49	-102	-143	-176	-188	-658
1.5 Cent per KWH Production Credit For Wind (1/1/94) and Biomass	-15	-47	-63	-64	-72	-261
AMT Relief Independent Oil and Gas	0	-5	-16	-30	-48	-99
Permanent Extension Of Business Energy Credits	-148	-269	-235	-233	-243	-1128
Reduce Tax Rate On Nuclear Decommissioning Funds	-40	-49	-58	-63	-69	-279
Tax Credit For Biomass and Coal Gasification Facilities - Section 29	0	-13	-24	-31	-39	-107
Tax Exempt Bonds For Environmental Improvements To Hydro electric Plants	-5	-8	-25	-36	-36	-110
Pro-Rata Exemption For Ethanol	-1	-2	-3	-4	-4	-14
Trans Alaska Pipeline System	0	0	-12	-20	-20	-52
Increase Withholding Exemption For Gambling Winnings to \$5000	0	0	0	0	0	0
Coal Miners Health Premium Offset	-12	-1	-1	-1	-1	-16
SUBTOTAL	<u>0</u>	<u>-56</u>	<u>-36</u>	<u>-35</u>	<u>-35</u>	<u>-162</u>
	-275	-566	-631	-710	-774	-2956
TOTAL (Effect on deficit)	-1222	-1281	-1120	-1046	-979	-5648