



American Gas Association

MEMORANDUM

March 22, 2001

To: Joe Kelliber

Fr: Darrell Henry

Re: AGA Energy Policy Principles.

I'm sure you may already have this information, but here again are the AGA energy policy principles and additional background for your consideration as you work on the Energy Task Force policy recommendations. We had a good meeting this morning with Joe McMonigle and offered any assistance that AGA or the new coalition, which has been formed to support the development of a comprehensive national energy policy, could provide. I will follow up with you shortly on these recommendations and your efforts for the task force.

c: Rick Shelby

**RECOMMENDED NATURAL GAS UTILITY PROVISIONS
FOR INCLUSION IN
NATIONAL ENERGY POLICY LEGISLATION**

Goals:

To decrease America's dependence on foreign oil to fifty percent of oil consumption by the year 2010 by conserving energy resources, improving energy efficiencies, increasing domestic energy supplies, and enhancing the use of renewable energy resources.

To accommodate and facilitate development of an expanded direct use natural gas market for residential, commercial, and industrial consumers, which would benefit the nation through increased economic and energy efficiency, enhanced energy security resulting from reduced dependence on imported oil, and improved environmental quality as a result of lower emissions of CO₂ and pollutants.

Key Legislative Components of the Bill

TITLE I—PROVISIONS TO ENHANCE THE USE OF DOMESTIC ENERGY RESOURCES.

Section 101. National Academy of Sciences Study of Exploration and Production.

Direct the National Academy of Sciences to perform a cost-benefit analysis with respect to utilizing the domestic natural gas resource base to reduce oil-import dependence and to assess the role of new technological developments in the exploration and production process. In making its cost-benefit analysis, NAS must include new exploration and production technologies as a part of the algorithm tested to determine the net benefits of providing access to additional domestic gas resources.

TITLE II—PROVISIONS TO FACILITATE RENEWAL AND EXPANSION OF DOMESTIC ENERGY INFRASTRUCTURE.

Section 201. Office of National Energy Policy.

(a) Create, within the Executive Office of the President, an Office of National Energy Policy, which will be directed to coordinate and expedite actions of executive-branch agencies and independent agencies to implement national energy policy as expeditiously as possible. The Office shall be directed to coordinate and expedite the actions of these agencies to reduce dependence on foreign oil to fifty percent of consumption, to conserve energy resources, to improve energy efficiencies, to increase domestic energy supplies, to increase energy infrastructure to meet America's energy needs, and to enhance the use of renewable resources. The Office will be empowered to work with relevant state agencies to achieve these goals and shall specifically address state concerns with respect to federal impediments to achieving these goals as well as encouraging solutions to state impediments to achieving these goals.

(b) The Office will be empowered to coordinate and expedite decision-making on permitting processes for development of the pipeline and gas distribution infrastructure necessary to sustain projected natural gas demand in the year 2010. The Office shall be empowered to issue, by rule or order, binding deadlines for completion of required agency actions and to provide that failure to act within the deadlines specified shall be deemed to be approval of the pending application.

(c) The Office will be empowered to enter into consultations with officials of Canada and Mexico with regard to energy issues of mutual concern.

Section 202. Report by Office of National Energy Policy.

Direct the Office of National Energy Policy, within 6 months, to prepare and deliver to the President and Congress a report assessing existing impediments to development of the domestic energy infrastructure necessary to sustain projected energy demand in the year 2010. The report shall include, among other things, an identification of those impediments that may be overcome by federal administrative action and those impediments that require legislative action.

Section 203. Interagency Working Group on Natural Gas.

Establish, within the Office of National Energy Policy, an Interagency Working Group on Natural Gas to produce a biannual report setting forth a policy and strategy relating to expanding natural gas usage. The Working Group will consult with cognizant state agencies to receive their views with respect to such a strategy.

Section 204. Interagency Task Force on Exploration and Production on Federal Lands.

Establish, within the Office of National Energy Policy, an Interagency and Intergovernmental Task Force on Energy and Federal Lands to streamline regulation of exploration and production on federal lands (including federal waters and the Outer Continental Shelf), while protecting the environment.

The task force shall, within 6 months, prepare and deliver a report to the President and Congress assessing existing impediments to development of the domestic natural gas resource base on federal lands. The report shall include, among other things, an identification of those impediments that may be overcome by federal administrative action and those impediments that require legislative action.

Section 205. Interagency Agreement on Energy Infrastructure.

Direct the Federal Energy Regulatory Commission and all other federal agencies involved in the environmental review of interstate pipeline applications to enter into an interagency agreement to expedite processing of applications, including deadlines for each agency to complete its required actions. Failure of an agency to complete its review by the deadline shall be deemed to be assent to the project.