



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### Statement of U.S. Senator Max Baucus United States Senate Finance Committee Markup “Energy Policy Tax Incentives Act of 2005”

(WASHINGTON, D.C.) U.S. Senator Max Baucus submitted the following statement for the record during the Finance Committee’s markup of the *Energy Policy Tax Incentives Act of 2005*. The statement follows:

“Mr. Chairman, thank you for scheduling this markup. Energy is critical to our nation’s economy and security. Today, however, we import three-fifths of the oil that we consume. Our continuing dependence on foreign oil increasingly threatens our vital national interests.

The world’s demand for oil is growing at a record pace. Experts expect the world’s oil consumption to grow by 60 percent in the next 25 years. Today, OPEC is pumping close to full capacity, but refined products — especially diesel — remain scarce.

The price of oil has soared to more than \$55 a barrel. The price of gas at the pump is a daily reminder of the scarcity of energy. These increasing energy prices stifle our economic growth.

And our dependence on imported oil makes our country more vulnerable to terrorism. Without warning, a single act of terrorism could disrupt the flow of oil to our nation, and could send gas prices to more than \$3 a gallon.

We can and must reduce our dependence on foreign oil. While we cannot do so overnight, we can do more to provide reliable energy from domestic sources. The energy tax incentives included in the proposal before us today take significant steps in the right direction.

The tax provisions before us today differ from those contained in this year’s House bill. The House bill heavily favors conventional sources of energy, such as oil, gas, and electricity. The House bill also ignores the important contributions of conservation efforts, improved energy efficiency, and expanded use of alternative-fuel vehicles.

The Chairman’s mark provides a more balanced approach. It provides tax incentives needed to support and develop renewable energy sources. In Judith Gap, Montana, wind whips across the wheat plains. Wind is a great and promising resource in Montana. But future development of wind projects needs support, like that provided in the Chairman’s mark.

The bill before us today also rewards energy conservation and efficiency, and encourages the use of clean-fuel vehicles and technologies. These incentives are environmentally responsible. They reduce pollution. And they improve people’s health.

In addition, the Chairman's mark recognizes the value of coal and oil to our economy. The mark provides tax incentives for cleaner-burning coal and much-needed expansion of refinery capacity.

The lack of refinery capacity is driving the price of oil up. And our lack of domestic capacity increases our vulnerabilities. A new refinery has not been built in the U.S. since 1976. The Chairman's mark allows expensing of costs to develop additional refinery capacity domestically.

The Chairman's mark would make meaningful progress toward energy independence. It is a balanced product. I encourage my colleagues to support this legislation.

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