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NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
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## NATURAL GAS TAX CREDIT

### DOLE AMENDMENT TO EXTEND SECTION 29 CREDIT: "COMMON SENSE INVESTMENT FOR ENERGY SECURITY, FOR THE ENVIRONMENT, FOR SAFETY"

ONCE AGAIN I WANT TO REMIND MY COLLEAGUES OF THE REASON I AM PROPOSING TO EXTEND THE PRODUCTION TAX CREDIT FOR NON-CONVENTIONAL FUELS.

SOME WILL TELL YOU A GAS "GLUT" EXISTS. IT MAY HAVE, BUT IT DOESN'T TODAY. I ASK UNANIMOUS CONSENT THAT A MEMORANDUM FROM THE ADMINISTRATOR OF THE ENERGY INFORMATION AGENCY TO THE DEPUTY SECRETARY OF ENERGY APPEAR AT THIS POINT IN THE RECORD.

THIS MEMORANDUM, DATED SEPTEMBER 16, 1992 CLEARLY POINTS OUT THAT RESERVES OF NATURAL GAS ARE SHRINKING AND SPOT MARKET PRICES FOR NATURAL GAS HAVE STRENGTHENED SINCE FEBRUARY WHEN INFLATION ADJUSTED PRICES FOR NATURAL GAS WERE THE LOWEST SINCE 1976. SO FIRST, FOR MY COLLEAGUES FROM PRODUCING STATES, THIS ISN'T A MOVE TO FLOOD AN OTHERWISE FLOODED MARKET.

SECOND, FOR MY COLLEAGUES CHIEFLY CONCERNED ABOUT THE ENVIRONMENT, LET ME REMIND YOU OF WHAT WE HAVE ALREADY ACCOMPLISHED IN ENVIRONMENTAL PROTECTION. THE CLEAN AIR ACT AMENDMENTS OF 1990 CONTAINED A PROVISION REQUIRING CENTRALLY-FUELED FLEETS OF VEHICLES TO SWITCH TO CLEAN BURNING ALTERNATIVE FUELS. WE ALL KNOW NATURAL GAS WAS THE FUEL FAVORED IN THAT PROVISION. AND, WHEN THE SENATE PASSED THE ENERGY BILL EARLIER THIS YEAR, WE EXPANDED THE NUMBER OF CITIES COVERED BY THAT REQUIREMENT. IN ADDITION, WE INCLUDED TAX INCENTIVES FOR PURCHASING NATURAL GAS VEHICLES AND FOR THE INSTALLATION OF COMPRESSED NATURAL GAS FUELING PUMPS.

WE HAVE CREATED A HUGE MARKET FOR NATURAL GAS IN TRANSPORTATION -- A MARKET WHICH IS VIRTUALLY ZERO TODAY. WHERE DO MY COLLEAGUES PROPOSE TO FIND THE NATURAL GAS FOR THIS MARKET. WE WOULD BE DERELICT IN OUR DUTIES IF WE DIDN'T CONSIDER SUPPLY. PART WILL COME FROM SECTION 29 RESERVES CREATED BY THIS AMENDMENT.

SAFETY IS AN ISSUE. METHANE PRODUCED FROM COAL SEAMS REDUCES THE CHANCE OF DEVASTATING EXPLOSIONS AT COAL MINES AND EVEN IN OUR NATION'S THOUSANDS OF LANDFILLS. WITHOUT SECTION 29, THIS GAS WILL BE SIMPLY VENTED INTO THE ATMOSPHERE.

THOSE OF YOU PROPOSING TO REDUCE GREENHOUSE GASES HAVE A PERFECT OPPORTUNITY HERE. WE CAN SEND THIS GAS DOWN THE PIPELINE TO OUR CONSUMERS, TO BURN IN OUR NEWLY MANDATED CLEAN BURNING VEHICLES, OR YOU CAN ALLOW THESE GREENHOUSE GASSES TO BE VENTED.

AS I HAVE SAID ON SEVERAL OCCASIONS IN THE PAST, GAS PRODUCED FROM SECTION 29 WILL BE ABSOLUTELY ESSENTIAL TO MEET OUR NEAR TERM FUTURE NEEDS. THIS IS ONE TIME THE CONGRESS CAN ACTUALLY ACT TO PREVENT A DISASTER FROM OCCURRING, INSTEAD OF ACTING AFTER A PROBLEM HAS ARISEN AND DEVISING A SOLUTION WHICH MAKES THE PROBLEM WORSE.

THIS AMENDMENT HAS BEEN STREAMLINED -- NO LONGER WILL THE GIANT WELLS RECEIVE EXCESSIVE BENEFIT. IT HAS BEEN TAILORED TO HELP RECOVER THE INVESTMENT SO MORE RESERVES CAN BE FOUND.

I URGE ALL OF MY COLLEAGUES TO MAKE A COMMON SENSE INVESTMENT FOR ENERGY SECURITY, FOR THE ENVIRONMENT, FOR SAFETY.

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