

SUSTAINABLE ENERGY INSTITUTE FORUM:

Democratic Presidential Candidates' Views on Energy Policy

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Georgetown University Law Center

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Event Transcript

HITE: Good evening. My name is Kristen Hite. I'm representing the Environmental Law Forum and the Georgetown International Environmental Law Review. On behalf of our organizations and Georgetown University we would like to extend a warm welcome to all of our panelists and are delighted to have everybody today. Thank you for coming. At this time I would like to introduce Dan Moss who is a Senior Fellow at the Sustainable Energy Institute. He also serves as the director of research at Numark Associates, an energy environmental consulting firm here in Washington, D.C. He's going to present the rest of the panel.

MOSS: Thank you. Welcome. Again my name is Dan Moss and on behalf of the Sustainable Energy Institute I would like to welcome you to our forum today on the energy policies of the various Democratic presidential candidates. This is actually going to be the first of two such forums. The second will be held in the spring with a representative of the Democratic nominee, as well as a representative of the Bush administration. As you can imagine we knew weeks ago that our timing would be exceptional and that we would time it just so the climatic moment of the debate over the Senate energy bill would occur like five hours ago. So it remains to be seen what will happen over the next few days obviously but the timing is pretty interesting to say the least. Just a couple quick remarks about SEI. SEI is a non-profit, non-partisan educational

institute that seeks to educate and inform the public about different policy options for leading us to a national sustainable energy future. And along those lines I just want to thank in terms of organizing today, I want to thank the really hard work of several of my colleagues, Marcus King, Paloma Sarria, Ryan Tuggle, Joel Pattison, . . . and also just for being gracious hosts and allowing us the space Georgetown Environmental Law Forum and the Georgetown International Environmental Law Review. We invited all the candidates to take part tonight. Representatives of five of them are here. In addition, we have statements from the other four. In terms of the format what's going to happen is I'm going to introduce our moderator in a minute or two. He in turn will introduce each of the speakers. The speakers will then speak for about five to seven minutes on their respective candidate's energy policies. Our moderator, Bob Simon, will then lead a discussion of two or three prime energy themes before we go to the questions and answers from our audience. While Mr. Simon is discussing our themes we encourage you to fill out the question forms as you should have been handed as you came in. Those will be collected during Mr. Simon's presentation and then we will turn to those after Mr. Simon is done. We've adopted this format because we feel that it will allow us to cover as many questions as possible. Finally, I believe it's a great opportunity because I think this is the first time several of these folks have met on stage so it's a good opportunity. And we would just like to welcome you or encourage you join us for the wine and cheese reception which will immediately follow this at around 7:00. So with that I would just like to turn it over to our moderator Bob Simon. We are very, very fortunate to have Mr. Simon. He is the Democratic staff director of the Senate Energy Committee and given what's happened over the last couple of years he has probably

spent more time working on energy issues and energy policy and energy legislation than probably everyone in this room combined. His background is quite impressive. Most recently he was one of the primary shepherds of the legislation which passed the Senate 88-11 last year. He also has a Ph.D. in chemistry from MIT. He worked for seven years at the National Academy of Science, four years at the Department of Energy. He has been with the Senate Energy Committee since 1996 with a brief stint in Senator Bingaman's personal office and he has been the staff director for the Democrats on the Senate Energy Committee since 1999. So with that I would like to welcome and introduce Mr. Simon.

SIMON: Thank you very much. It's a wonderful thing to be here with you all and this is a very interesting and intriguing forum that we are going to have tonight. I would like to start off by introducing each of the panelists and saying a little bit about them. I'll go from this end of the table to that. When we come to calling upon them I think you mentioned the order in which they will speak is randomly selected so we're not playing favorites with anyone here. But in between my introductions of them and when I call on the first speaker, I will make a few comments in a very general form about energy policy and energy policy challenges we face that may sort of stimulate some of their comments as well as help tee up some questions later on in the program.

Let me start over here with Harvey Wasserman who is representing the campaign of Dennis Kucinich for president. He is both a commentator and a spokesman for the Kucinich campaign. He has published a number of books including one called *The Last Energy War*, *The Battles Over Utility Deregulation*, another one called *Harvesting Wind*

Energy, A Guide to Local Owned Wind and a third one entitled *Energy War, Reports from the Front* . He is a celebrated activist, a long-time Ohio businessman, and he is from Ohio. He has a wife and five daughters there at home.

Next up as we come across the table is Tim Profeta, he is representing the Joe Lieberman for president campaign. Tim has served as environmental counsel for Senator Joe Lieberman for the last three years. He is appearing this evening in his personal capacity. He is not appearing as a representative of the United States Senate. Tim has assisted Senator Lieberman in his work as a member of the Committee on Environment and Public Works and has been an advocate within the Senate for climate change issues, in the Environment Committee Subcommittee on Clean Air, Wet Lands and Climate Change. Prior to joining Mr. Lieberman's office he has served as an associate for the law firm of Swidler, Berlin, Sheriff and Friedman and also has been a lecturing fellow for his alma mater Duke University School of Law.

Immediately to my right here is David Hayes who is representing the John Kerry for president campaign. He is co-chair of the energy and environmental policy advisory group for the Kerry campaign. He has served previously as Deputy Secretary of the Interior in the second Clinton administration and is currently chair of the environmental department at the law firm of Latham and Watkins. In his time at Interior David played a lead role in conservation and habitat restoration efforts, as well as addressing many energy related issues since the Department of Interior has managed responsibility over energy resources located on U.S. public lands. He has also served on the boards of a

number of organizations including American Rivers . . . and the National Heritage Institute.

Immediately to his right and your life is Bill Frymoyer who is the representing the Dick Gephardt for president campaign. Bill is the director of public policy at the National Environmental Trust and he is serving as a spokesperson for the Gephardt campaign. He has been a senior policy advisory on energy, environmental science and technology issues to Congressman Gephardt during the period of 1999-2002. He has worked to provide alternative solutions to the current administration's energy development strategies and in his background he has a master's degree from the School of Advanced International Studies at Johns Hopkins.

And at the other far end of the table is Curtis Pree, who is representing the Rev. Al Sharpton for president campaign. He is a long time lobbyist and consultant here in Washington, D.C. Curtis has served as a government relations representative for the American Public Power Association where he has certainly worked to develop coalitions and grass roots organizations as well as lobbying Congress on renewable energy and appropriations and on other matters. He most recently served as president of Covenant Eco Net Inc. with interests in telecommunications, electronics, technology and financial seminar education. He ran for Mayor of the District in 1994 and was press secretary to Congressional Black Caucus Southern Bus Tour to promote the Clinton Gore presidential ticket in 1992. So welcome to them all.

If we could lower the lights a little bit I would like to just run through a few brief points about what I'll call politics of energy policy. One of the truisms about energy policy many people when they are running for president they say America needs an energy policy. By default you always seem to have an energy policy and perhaps a good introduction to tonight's program is to talk a little bit about the default energy policy that the country has had for the past several years. One key element of that default energy policy that has been in place for I would say for the last ten or twenty years over a series of administrations is an increasing reliance on market forces to set energy prices and determine technology paths. During the 1970s a number of laws were enacted that tried to create federal price mechanisms of one kind or another or allocation schemes for energy. They didn't have a very successful track record. And beginning in the late 70s we saw this general social compact that we would try to a greater extent to let market forces operate here recognizing that energy markets are hardly free markets and that a strong role for regulation is needed. A second pillar of our default energy policy in this country is an increasing reliance on foreign sources for the oil that fuels our transportation sector. The United States is a mature producing province. We got started in drilling for oil and gas in this country long before many other countries have and a lot of the easy oil has been found. And it's simply a fact of the political universe that there has been general opposition to lowering oil demands through either regulation or higher taxes. That shouldn't be so, but that is a significant obstacle that will face any energy policy that people try to put in place intentionally as opposed to putting into place by default.

And to just give a sort of graphic representation of where our oil consumption is coming from and where it's driven by if you look up on the chart here you will see a green line at the bottom which represents our domestic oil production. It's been in decline pretty much since 1970. And of course even if we opened the Arctic national wildlife refuge, but no Democratic campaign seems to have taken that position, it would hardly matter in the long term trend. At the same time we see is a sort of an inexorable increase in the black line, which is total oil demand. And if you wonder what is causing this inexorable increase in total oil demand in our economy you can see the blue line beneath it is what is pushing up the black line and that is growth in oil demand in our transportation sector. So that clearly is an important feature of the current energy dilemma and policy. Another part of our energy policy by default is a shift over the last 20 years to low sulfur coal and natural gas as the preferred fuels for generating electricity. We haven't ordered a new nuclear power plant in a couple decades and when people try to put up a plant to generate more electricity generally their first option is to go looking for somebody to put up a natural gas plant. And if you look at this somewhat busy chart it will show projections, the past and the future, the past being to the left of the vertical line and the projected future for where we are getting our electricity. As you can see, petroleum, the ride line on the bottom, we've basically backed petroleum out of the generation of electricity. You can see the blue line, nuclear, the lower blue line, nuclear, itself has sort of hit a limit. Unfortunately the renewables line which is the yellow line, doesn't seem to be showing much growth. The coal line continues to grow some but shows signs of tapering off and that's due to clean air considerations. And so the default that is left to take up the demand is natural gas. And you see this green line depicting

future projections of natural gas use in electricity generation growing by leaps and bounds. And that is simply because nobody can figure out when they do the projections how else we will get the electricity using the current policy portfolio. The only problem is we don't have enough natural gas in this country to meet the green line. It is an unsustainable from the point of view of domestic production of natural gas. Which leads to the question where will the gas come from. Will it come from overseas and is that a good policy choice. So that is one of the key dilemmas we face in energy policy.

And of course another part of our default energy policy in this country is what you can only characterize as an inconsistent and under-funded approach to energy research and development. If you look at the numbers there is little real growth over the last decade in research and development on energy and here is a chart that shows sort of percentage changes in the budgets of three agencies. The blue line at the top which has grown by leaps and bounds is the budget of the National Institutes of Health, normalized to 1990. The black line in the middle which shows some growth is the budget in real terms for the National Science Foundation which shows some growth. The red line at the bottom which has seen its share of decline and is struggling to get back in real terms to where it even was in 1990 is the research budget for the Department of Energy. So it shows that there is a tremendous disparity in treatment in research and development spending in the United States between health, general science and energy with energy always seeming to come in dead last.

And finally a key part of our energy policy is tax incentives of one kind or another. Tax incentives for diversifying sources of production of electricity are a staple of

our code. There is for example a tax credit for producing energy from wind and solar and other renewable sources of energy. But these tax incentives are often mismatched to the requirements of actually building a project. It is often the cases that these tax incentives are extended for 18 months at a time whereas the actual time that you need to put together a significant energy project is on the order of several years. A tax credit that comes and goes every 18 months and is unpredictable is not going to stimulate much interest in the private sector because by the time they get around to building the project they have no idea if the tax credit will still be there. There are I think some desirable long term goals for U.S. energy policy as seen by Democrats in the Senate. And they are rather general and perhaps our speakers will address some of them in their statements tonight. Obviously we need to have adequate and affordable supplies from a variety of sources, renewable as well as traditional sources. We need to improve the efficiency and productivity of energy use including the productivity of our electric transmission system and the efficiency of energy use in industry, vehicles, appliances and buildings. And finally we need to keep important policy goals such as protection of the environment and global climate in mind as we sort through energy policy choices. Energy policy is not an area in and of itself. It is an area that is inextricably bound up with other kinds of policy choices that we make. And the fact that it is one common observation is that energy policy and climate policy seem to be at opposite sides of the same coin. Things that you might do and action that you take in one area can have very profound affects in the others. So it's a good idea to probably do both with your eyes open. So that's sort of a brief run through of some of the key issues that have dominated energy policy discussions certainly as I have heard them in the Senate over the past few years and with

that sort of as an introduction and sort of teeing up of issues in general let me talk to our speakers. So our first speaker chosen by random lot will be Harvey Wasserman from the Dennis Kucinich campaign. Each speaker will be allotted seven minutes to make a statement. We will go through all of them and then we'll do questions. And I will inform our speakers that we have our timer who will put up his fist and signal to you when you've come to the end of your seven minutes and I hope that that is all that will be needed. So with that, Harvey why don't you start.

WASSERMAN: Well if the timer would give the V sign about a minute that would be great. First of all I would like to make an energy decision and ask you to turn down the lights a bit if you could and I also want to congratulate all the people who worked so hard on the energy bill to get it blocked today. It was a spectacular breakthrough and we hope it holds. I certainly do and I'm sure Congressman Kucinich does as well. I want to talk really quickly. I want to make sure everyone understands where Dennis is coming from. I had the great opportunity to work with Dennis when he was state senator in Columbus for his two years there we worked together to stop to successfully stop a regional radioactive waste dump that had a major impact on the compact system that slowed down the trucking of nuclear waste into communities all over the country. I'm very proud of that and I was very proud to work with Dennis on that. Dennis, as you know, was Mayor of Cleveland. There was a lot of bad press given but it's very important to understand that what happened in Cleveland when he was Mayor because it impacts directly on the energy picture. Many of you heard that Cleveland was forced into default, the reason it was forced into default when Dennis was Mayor of Cleveland was because the local

utilities and the banks tried to take over the municipal lights system. Cleveland has and had a municipal light system that was set up in 1914 that provided electricity cheaper, safer, cleaner and more reliably to the people of Cleveland and Cleveland Electric Illuminating which morphed into Centerior which is now the infamous First Energy tried to blackmail the City of Cleveland and get rid of its public power system. Dennis successfully defended it. And when Cleveland was forced into default and he was forced out of town basically they jacked up the rates and continued their campaign but Dennis saved the municipal light system and this is something that we see as a model for the electric power system for the United States. The utility system has gone on for about 100 years in this country as a series of regulated monopolies. There was a deal made basically by 1920 that all the states have regulatory commissions to monitor the electric power system. It worked fairly well but along side it were public power systems and the public power systems worked better and continue to work better than the privately owned ones. We are basically in favor of municipal ownership of electric power systems and we feel the deregulation that occurred catastrophically in California and spread to about two dozen other states needs to be reversed. The recent blackout in particular which is being used as an excuse to push this terrible energy bill now, was very much related to deregulation and we believe that the public either should be regulating these monopolies or owning them on a municipal basis. And if you want a real poster child for what should happen with municipal owned electricity take a look at Sacramento, the Sacramento municipal utility district voted to shut its nuclear plant in 1989 and has since gone to renewables with photovoltaic cells, with some investment in wind, with the planting of shade trees to cut down on demand for air conditioning, electricity and a trade-out

program for inefficiency refrigerators and so on. So in terms of the future of electric power we are very much in favor of public power, municipal ownership, decentralization of control and preservation of things like the municipal light system. And when Dennis came back to Cleveland after ten years he was a hero, and deservedly so, because he protected that municipal light system and that is why I support him for president. There are other issues as well that we want to talk about, especially of course the choice now we all face between fossil and nuclear power versus renewables. We are 100 percent for renewables. We believe it's a no brainer here that there is no future for either fossil fuels or nuclear power. As senior advisor to Green Peace USA I'm very aware of the issue of global warming which we oppose and which I think most of the people I would hope in this room understand that it is, yes Virginia there is global warming, it's very real, we have got to stop burning coal, oil and natural gas. They are obsolete fuels. The price of natural gas is about to go through the roof. There is no practical way we are going to continue to generate large quantities of electricity with natural gas mined from the earth. Now we may be able to create bio- fuels that will mimic natural gas but it aint going to happen coming from the ground because the supply is about to fall off a cliff and the prices are about to shoot into space. We all know the problems with coal and oil. Nuclear power, Congressman Kucinich has been a long term opponent, as have I, we feel there is no future for nuclear power whatsoever economically and environmentally or in terms of public health and safety. The idea of trying to revive it is like trying to refloat the Titanic. We have 50 years of proven failure with atomic power. There is absolutely no excuse to try to revive this technology. It's done, it's finished. It would be obsolete if its time had ever come but it's time never came. And we are just about exactly in December will be

50 years from the announcement by Dwight Eisenhower of the peaceful atom. It is one of the most catastrophic decisions ever made in any country. It's a trillion dollars down the toilet. We still only get less than 20 percent of our electricity, less than 8 percent of our total energy from nuclear power and we've got to be done with it and finished and move on. Where do we move? We move to renewables. Very clearly we have major breakthroughs in renewables in the past 50 years even in the past five or ten years. There has been a spectacular increase in the efficiency and cost effectiveness of wind power. We know from a recent map done by Stanford University using updated satellite data that there is three times as much potential usable wind power between the Mississippi and the Rockies, enough potential usable wind power between the Mississippi and Rockies to generate three times as much electricity as this country uses. And I know because I'm in the wind business, I'm been working with a gentleman in Southwestern Minnesota who built his own wind farm. We're now at the point where we're having wind power come in at less than, that's V sign, its that two or one, one okay. Wind power is coming in at less than 4 cents a kilowatt hour. These machines are beautiful. They do not kill birds if they are put in the right place and they are the future of energy in this country along with photovoltaic cells with biomass. We're generally in favor of soy diesel and ethanol but corn and soy are not the crops that we should be growing for fuel in the future. The crops we should be growing are switch grass, . . . artichokes and the inevitable four letter word hemp. We also have wave energy, title energy, geothermal energy and of course increased conservation and efficiency. It remains a truism that the cheapest electricity are the megawatts made famous by Emory Levins. We can save electricity and other forms of energy much more cheaply than we can even generate it with renewable means but

that's where the future is. This energy bill that was put forward in secret by the Bush Cheney team is a definition of obsolescence and we hope it goes into the graveyard and gets composted and that a renewable efficiency based future will come as rapidly as possible. Thank you very much.

SIMON: Okay, our second speaker tonight will be Bill Frymoyer representing the Gephardt campaign. Bill.

FRYMOYER: Thanks a lot Bob. Well this is a momentous day. The Senate defeated the special interest turkey. This bill that really should give any serious policy maker indigestion. It's an embarrassment. It's a giveaway to the president's friends in the oil and gas industry. It does indeed reflect the goals of the Bush Cheney energy plan. And they are fairly one-dimensional. It's bad for consumers, it's bad for the environment, it does nothing to move us toward energy independence. We've won the public policy debate for a long time on this. If you look at the edit boards around the country the broad progressive consensus you're going to hear tonight has won. But tonight because of the efforts of Senator Bingaman and Bob Simon, all of our allies in the Senate standing up to the special interest energy juggernaut we've actually started to win the politics. Now you know it was all set up as a pay back you know I'm a little cynical. For a \$135 million in contributions according to responsible government sources to congressional candidates and presidential candidates in 2000, 2002 and '04 the vast majority of that money from resources based industries going to Republican candidates, three-quarters of it in fact, so what do they get for their troubles. It ended up being \$25 billion in tax breaks, even

subtracting out the small portion of the \$5 billion or so that is for renewables, it still was a terrible deal for the country and for our future. And talk about what Mr. Kucinich's person was talking about, nuclear power. Six billion dollars in benefits from nuclear industry in this bill. Thank God it was stopped. Hopefully we won't have a candy store operation, I'm sure they are trying to buy some votes from Senators but our allies are standing firm and there is not a lot of time left in the session. Everybody up here believes there is a better way. It's not too far in fact the Business Week energy plan, I don't know if people saw this in February based on renewables, based on energy independence, moving away from Middle East oil, everything we talk about tonight is very compatible with what Business Week wants. So in terms of national interest as defined by important corporate advocacy entities we'll in alliance here. We want a policy that moves the nation toward energy independence, that weans us from Middle Eastern oil, that enhances rather than undermines national security, that creates a cleaner environment by aggressively encouraging the use of renewables. There is no reason in the world we couldn't go to ten percent of our power generated by renewables by 2020 and in fact I think most of the candidates up here including my boss, my former boss excuse me, believe that it should be 20 percent, should be our national objective by 2020. In terms of creating jobs that's the biggest canard out of the other side. They say their plan creates 800,000 new jobs. Most of those jobs actually were from the natural gas pipeline which most of our folks don't have any objection to, that's a good long term goal but they are never going to build the pipeline with gas prices as they are because nobody wants to subsidize gas prices for Alaska and so it's not competitive for the companies to build the pipeline. And why don't they want to subsidize and get some more gas from Alaska

from the fields that are already, this is excess gas that comes off of Prudo Bay fields that are already pumping oil, so it's wasted. Why don't we want that? Because Texas energy interests don't want the subsidies. They don't the competition from Alaska. So you know our proposals if you looked at renewables over all the intelligence tells us 1.3 million jobs would be created by 2020 if we aggressively move this nation toward renewable energy policy. EPI, the Economic Policy Institute, a labor-oriented institute, says 1.4 million jobs would be created by 2020 if we move this nation toward a renewable energy policy. I think everybody up here again we're all for restoring the competitiveness of the United States on energy policy. You saw the R&D is going down and guess what Japan and Europe are eating our lunch. Japan controls the majority of the solar market. They are producing technology for the solar market and guess who invented that, the United States did. Europe controls 90 percent of the wind energy generation capabilities. Guess who invented that, we did. Singapore is getting its nation ready to be able to provide hydrogen fuel from its service stations. Now that's down the line 5-6 years but Singapore is way ahead of us in that area. And you know this is going to take government involvement, this is going to take making public policy choices that benefit the general interest, that benefit the consumer, that ensure that consumers can have fair rates over the long term, that modernize our power grid and you know it can't be based completely on deregulation. It absolutely cannot be. In terms of our specific plan, Gephardt has called for Apollo 21 a new Apollo project for the 21st century and it is really is true their approach is the tired old 20th century approach and everybody up here I think shares the goal of moving the nation working together, harnessing our American spirit, our ingenuity, toward achieving real independence. And in terms of our auto technology

proposals Gephardt wants a million hybrid cars by 2020, 100,000 fuel cell vehicles, 2.5 million fuel cell vehicles by 2020, and this is achievable if there is a government industry environmental consumer partnership to make it happen. And you know some people are going to say that CAFE is the way to go on fuel efficiency, that we absolutely of course have to have real national objectives on fuel efficiency. Gephardt would say CAFE hasn't worked, we haven't been able to make progress with that particular formulation. Let's get everybody together, let's get the industry representatives, let's get both auto and energy, let's get consumers activists, let's get the environmental community together and let's have a summit and work through so we can as a nation achieve progress. We have all sorts of details and you can see some of this on residential, on government energy policy, on clean coal technology, on coastal drilling moratorium, on moving the nation toward more creativity on natural gas and just a couple of things on electricity policy to close out here. You know we need to modernize our nation's antiquated grid. We can do this with new digital technologies that will allow the power to be distributed more efficiently, that can avoid the catastrophic accident like we saw in August and then you know keep pace as a digital society. We don't need 19th century technology running our energy policy. I really appreciate this opportunity. I also need to say that I'm speaking in my private capacity as volunteer for Gephardt, these are not the views of National Environmental Trust, my day employer.

SIMON: Our next speaker will Curtis Pree from the Rev. Al Sharpton campaign. Curtis.

PREE: Thank you. Good evening everyone. I'm delighted to be here. It's been quite a

while since I've been involved in renewable energy community. For six years I lobbied for the American Public Power Association and so our first speaker representing Kucinich and I we definitely agree on a number of things and certainly I remember as we were lobbying back in the '90s that we were appreciative of Kucinich's placing his entire career in the public power community and so while I am here for Rev Sharpton I certainly want to make sure that I tell our Kucinich representative that as we develop our policy it will definitely be reflective of some of the things that he stated this evening. In developing that policy the encouragement of greater conservation and investment in renewable energies will be a major cornerstone of that policy. In addition we believe that increased investment in energy efficiency, our buildings, our cars, our appliances is a critical investment, but as we talk about creating a comprehensive energy policy it's very important that all the stakeholders are at the table. You know we are still trying to find out who was in the back room with Cheney as they discussed the energy policy of America and we had so many things that have occurred that I think a lot of folks forgot about that discussion. And so while today may be a small victory we must understand that as we talk about legislation and the way it is dealt with that we will be dealing with a number of these issues next year and in the next session, and so it's a victory that we definitely cannot sit back and sleep on because all the special interests that were here this time will come with greater dollars and bigger bags of pennies and so we want definitely to be prepared for that. But as we talk about energy policy I want to touch on some of the provisions that were in this bill that we believe certainly have to be dealt with. For example, the repeal of PUCA, we believe we can ill afford to have another Enron and so as we talk about the repeal of PUCA we believe that an avalanche of mergers may be

created and that were dominant energy firms as well as the gouging of prices, so any grounds for repealing PUCA definitely has to take into consideration the consumer and discourage price gouging. The omission of a Senate-approved plan to require large utilities to steadily increase their use of energy from clean renewable sources such as wind and solar power is a major setback towards improving their quality and so that's a very important aspect and one of the things we're very happy that this legislation has been defeated. In addition, as we talk about the blackouts, any comprehensive package must have reliability standards. In this bill there was a national mandatory utility reliability standard which we believed would help ensure that the industry participants would be governed by mandatory rules and penalized for violating them. Certainly there has to be a certain level of accountability in those who are overlooking our transmission grid and so as we look at recent discussions as to who is responsible for the blackout I think it's very important that we make sure that we're doing everything to maintain our facilities and there is a certain level of accountability. Just as there is a responsibility in cleaning up the brown fields which populate our urban communities and have had an adverse impact on the quality of life we certainly believe that the manufacturers who manufacture fuel additive MTBE have a responsibility and a liability as we talk about MTBE being implicated in our ground water contamination, the native American community has come out as well as the environmental community against freeing up those manufacturers of accountability and certainly we want to make sure that they are held responsible for their product. There were a number of incentives that were in this bill that we applaud. And certainly we believe that any comprehensive would definitely have to have a number of tax incentives and credits to the renewable community to make that

we spur investment. But as I close and we talk about creating a comprehensive bill, this bill was characterized by the Wall Street Journal in an editorial in the Journal, and it is kind of interesting that I would sort of give a Journal credit because I'm representing Al Sharpton, I don't think there are any publications in New York that would think we would ever applaud them, but the Wall Street Journal in an editorial said that the Republican authors have greased more wheels than a NASCAR pit crew. And certainly when you look at the fact that the Congressional Joint Committee on Taxation stated that over a ten-year period this bill would add nearly \$25 billion to the deficit, while we definitely want to make sure that we encourage the creation of a real comprehensive energy policy we cannot burden our future generations by shirking our responsibility. We have an obligation to pass responsible legislation and that legislation cannot be legislation that burdens the next generation. We have a war in Iraq that we just put an \$87 billion down payment on and I don't think that's the last that we're going to hear from the White House and so it's very important that as we move toward creating a comprehensive bill that we make sure that we look out for future generations and those that have not been born so they can definitely focus their energies on the problems that they will have during their day. Thank you very much.

SIMON: Next up is David Hayes, representing the John Kerry campaign. David.

HAYES: Thank you Bob. It's great to be here. I'm a very short version of John Kerry without a Massachusetts accent and many other deficiencies compared to John Kerry that we won't go into here. I want to echo first what some of the other speakers said here in

terms of special thanks today, especially to Bob Simon our moderator and his colleagues on the Democratic side of the United States Senate particularly his boss Jeff Bingaman who marshaled support that is not easy to get when billions of dollars are being larded around every imaginable district, it's not easy to come up short on a cloture vote and principled folks held sway today and stopped as someone else here mentioned a juggernaut of special interest and let's give a round of applause for Bob Simon. Now don't account that against my time. I'll even accept it against my time. John Kerry talks about a lot about energy and the environment on the campaign trail. I think he does it for four reasons. First, he recognizes that clean and affordable energy is a staple of our economy and is a staple of a quality of life for all citizens no matter where you stand on the economic scale. It's something we've taken for granted as Americans for too long. The string is coming to an end and there is a tremendous need to continue to have clean affordable energy or we have the potential to really hurt our economy and our quality of life. He understands that first. Second, he understands and is outraged by the current administration's approach to energy policy. For those of you who have heard him on the stump you will hear this theme come through loud and clear. He has been deriding the secret task force of Vice President Cheney that led to the energy blueprint that is attempting to be laid out today and passed by the Congress that is business as usual, kickbacks to traditional oil and gas lobbies that do not have anything to tell us in terms of meeting the challenges that Bob Simon laid out for our future and the special needs that our economy has to deal with the practical realities that we are at the end of the rope in terms of supply of our traditional oil and gas supplies no matter how much money you throw at it. Thirdly, John Kerry understands that the security of our country is at stake in

terms of energy policy. Certainly the experiences of the last two or three years should underscore this and with exclamation points that, as Bob said at the outset, the fact that we rely to heavily on oil and we have an increasingly curve on that oil and so much of it, more than two-thirds comes from unstable parts of the world that is a security issue for the United States. We should not be making decisions of whether to go to war or not based on our oil supply and whether we're going to have enough gas to put in our automobiles. John Kerry gets that. The final thing he gets in terms of these four principles is that you can't talk about energy policy without talking about environmental policy. These two fundamental policy arenas are joined at the hip. This administration recognizes the connection but denies it essentially de-values the environmental issues. John Kerry recognizes that climate change issues are perhaps the most important environmental issue for the next generation. Climate change decisions flow directly and implications I should say flow directly from our energy choices. If we continue to invest and rely on traditional fossil fuel we will never attack the fundamental problem of climate change. Not to mention the other environmental negatives that go along with a very narrow traditional approach toward energy supply, the effect on our public lands of unrestrained development, of jumping over the environmental law requirements that this administration is doing new legislation or not. John Kerry, because he feels so strongly about these principles, has put an enormous amount of thought and effort into a comprehensive energy program. We won't have the time here to go through it. Hopefully all of you have seen copies of it outside. There are seven major plans. It's 10-page document, it's available on his web site johnkerry.com. It is married to a similar comprehensive plan on the environmental side. But let me very quickly in the two or

three minutes I have left give you the highlights. First, he believes, John Kerry believes that we have to have a national commitment to reduce our dependence on Middle East oil. It's that simple. Let's get clear about what we have to do. He has a way to do it. He suggests a new energy security and conservation trust, \$20 billion over ten years taken from the royalties that we are getting from our domestic oil and gas production. Currently a small part, too small, of those royalties go into land conservation. He would protect that and make sure that happens. There is a huge increment above that that just plows back into the United States Treasury without recognizing the basic concept that we should have that if we are profiting, if you will, as a country from our depleting oil and gas resources we should plow those profits and that money back to the American taxpayer into new technology that can change the paradigm that currently is limiting our ability to deal with the oil and gas problem. The second thing he would do is take head on the problem of the transportation economy and fuel efficiency. Bob's slides showed this. There is no single more important thing to do than to make our transportation sector more efficient and less reliant on oil. John Kerry has taken the politically difficult step in an election year of suggesting that we have to raise the CAFE standards. It's obvious to many of us it's difficult in the political arena, he's fought for it, he's behind it, he wants to raise CAFE by 36 miles per gallon by 2015. He also wants to have new incentives for conversion. He talks about in his paper the need to move to a hydrogen economy big time by 2020, he has a \$10 billion plan for a hydrogen institute but in the meantime he wants to increase the requirements for hybrids on the road and get a soft landing to a new hydrogen based economy. Thirdly, he wants to produce clean energy using renewables. You have heard that on this stage. John Kerry is on record saying 20 percent of our

electricity supply should come from renewables by 2020. He would use that trust fund to help deal with the need for getting renewables on their feet. He would complement the production tax credit with a additional financial instruments that would deal with the problem that Bob mentioned, the need for capital investment in these projects. Finally, and it's the final thing because my time is up, John Kerry recognizes that the demand side is just as important as the supply side, as evidenced by his focus on transportation. He also wants us to save energy. He would have the federal government lead the way, cutting energy consumption by 20 percent within ten years. He would give tax credits for homeowners who reduce their reliance to increase the efficiency of their homes, a panoply of proposals in that regard. John Kerry cares about this issue tremendously, it's not the kind of issue that necessarily resonates politically but he doesn't care, he thinks it's important and he's happy to share these thoughts with you via a short guy tonight. Thank you.

SIMON: Our last speaker in this phase of our program is Tim Profeta who is representing the Joe Lieberman campaign. Tim.

PROFETA: Thank you Bob and thank you the SEI and Georgetown for hosting us here today. I hope you all are enjoying this as much as we are. As David said, Senator Lieberman has done a comprehensive plan on energy policy and it would be difficult to give you the whole scope of it in this time here today but I'll try to give you some of the vision and I hope in the time we have afterwards we will be able to get into some of the

details. To Senator Lieberman energy policy is extremely important and has always been an extremely important issue to him. And to Senator Lieberman it symbolizes the need for leadership change in the United States where the Bush administration has been taking us on this and where he would like to take us. It symbolizes because it's a national security issue because we are ever increasingly dependent on oil from unstable regimes. It's a economic direction of our country issue. Which way do we want to take us, toward the 21st century economy or wedged in the 19th century technology of the past. And of course it's an environmental protection issue. My best way to discuss climate change is I would like to say that Elvis dead, the world is round and climate change is real. We've gone beyond whether climate change is a problem that we have to address. The problem is how to address it and Senator Lieberman has a comprehensive plan on how to do that. Senator Lieberman realizes these things and not only realizes them he hasn't just talked about them in the pulpit, he's put his money where his mouth is. For example today we've had a lot of discussion about today's tremendous vote in the Senate to block the energy plan. I'm proud to say that Senator Lieberman took the red eye back this morning to be on the floor to debate that bill. That bill and we've heard a lot about it and I just want to say one more thing about it. That bill is most properly characterized as the hooters and polluters act of 2003. I think that term sort of symbolizes what the bill ended up being. It had nothing to do with how to move our country forward on energy policy. It had to do with subsidies for God knows how many special interests including money to building a Hooters restaurant in Shreveport, Louisiana and had to do with polluters because it rolled back our core environmental laws, our Clean Water Act, our Clean Air Act, our Coastal Zone Management Act, all . . . from deals that never saw the light of

day. I am proud that Senator Lieberman was on the floor today to help beat that bill and I'm proud to say he'll be working to keep him strong against the candy store approach to make sure we beat it the next time it's up. Senator Lieberman also puts his money where his mouth is on this issue because the first policy proposal of his campaign was his declaration of energy independence. He saw it as something that symbolizes the entire change of direction he saw for the country and he chose to make it the first thing he rolled out. It will be available for you up front, it's available at his web sit www.joe2004.com. The basic principle of it is that he wants to cut our dependence on foreign oil by two thirds in the next decade and completely in 20 years. Take us away from the fossil fuel based economy into a new direction for the 21st century. Now there is a lot to it and I'll try and get through as much of it as I can but in general it is a better vision that looks toward the promise of the future not toward the economies of the past. And it's not just goals and aspirations. It's proven programs that will get us there. First, on energy efficiency, Senator Lieberman also takes on the issue of CAFE. There is no way that we can do anything about our oil dependence if we do not reduce the use of petroleum in the transportation sector. If we convene a CAFE work group for five years as Senator Gephardt proposes we won't have gone anywhere in five years. We have to take action now. We can use the principles of regulation that we've developed in past decades, market-based tradable principles to manufacture trade amongst each other to make even more flexibility and allow us to get forward on CAFE. Senator Lieberman's proposal is to set CAFE levels that will save two million barrels of oil a day in the United States. More importantly in addition and probably the most important part of the program is the climate change program he proposes which is the same program he proposes legislation

on the floor with Senator McCain. The Climate Stewardship Act they propose would get our greenhouse gas emissions back to the 2000 levels by 2010, back to 1990 levels by 2016 and in addition would create market-based reasons for Wall Street, for investors to invest in the clean technology. There is money to be made in a carbon market. That is the only way in the end we'll turn our economy around and move it toward a cleaner future if we get Wall Street the private investors into the game of trying to make our energy cleaner and not dirtier. In addition, there are a number of incentives in the program just to go through a few, he has tax incentives for the purchase of new cars, the hybrids, the fuel cells, the cleaner cars of the future. He embraces and this may be different from Congressman Kucinich, he embraces the coal which is our number one domestic resource. Right now America has a 200 year supply of coal. We are not using it in a way that is sustainable or able to be used in the future. There is a technology out there right now integrated gas . . . combined cycle technology, which is mouthful but what it does is you can take the coal and turn it to pure . . . hydrogen and pull out the CO₂. You have no emissions, it's a near zero emissions source and something we can use in our domestic resources not natural gas from Latin America, not oil from the Middle East. Finally let me tell you a little bit about what he won't do. Senator Lieberman will not ever consent to opening the Arctic refuge for oil drilling. Since the day he ran for Senate in 1980 he was opposed to it, since the day he helped lead the filibuster in 1991 he was opposed to it, since the day he helped lead the filibuster in 2001 he was opposed to it and he will always be opposed to it. He will not allow drilling in the outer continental shelf in moratorium areas. And he will not, as the Republicans have just tried to do in this bill, roll back our essential environmental protections clean air, clean water, coastal management in order to

allow more development on our lands. Thank you.

SIMON: Now comes, for at least for me, comes the hard part of our program where we try to tease out some particular energy issues and discuss them and see where there may be commonalities and where there may be differences along the different campaigns. Most of the speakers here tonight have talked about the need to get 20 percent of our electricity from renewables, at least as a goal by 2020. But 100 minus 20 leaves 80 percent of our electricity that ought to be coming from somewhere else. And if you will remember the chart, you'll see that 59 percent of our electricity currently comes from coal, maybe another 20 percent currently comes from nuclear. So assuming we're able to get beyond 10 percent of our electricity generated from renewables by 2020 we're getting to 20 percent, what's is the vision of your candidate as to what the other 80 percent ought to be. . . I want to come down the table on this question and I'm going to come back up the table for the next question. So let's start with Harvey.

WASSERMAN: First of all what's the 100 percent? We want the 100 percent to be a lot smaller in 2020 than it is today. As mentioned as Amy Levins has shown and so on, there is a lot, it's a lot cheaper to have megawatts than to keep producing electricity. We want to reduce the demand without affecting lifestyle of course and that means a lot more efficiency. We can do efficiency at one cent to two cents a kilowatt hour at this point in time and it could go even lower. I think basically that by 2020 we're actually going to have to do more than 20 percent of our electricity, that's a personal view, with renewables. If people take a close look at what's really happening in the wind and the

photovoltaic industries they are absolutely going right through the roof. The incredible efficiency of the new wind turbines. We in Ohio now have two going the first two commercial turbines are going in they are owned fittingly enough by Bowling Green, a municipal utility, and that's the way it is going to go until we get rid of the likes of First Energy. Proud owners, by the way, of the nuke with the hole in its head at Davis . . . in addition to the father of the recent blackout it's quite a kind of a set of twins there. But I think that 80 percent has to be 80 percent of a much smaller 100 percent and I do think the people are under estimating the incredible power economically of what can be done with wind, and photovoltaics in particular along with bio mass and so on.

PROFETA: Well first I have to agree with Harvey, the hope would be that the 100 percent would be shrunk through efficiency gain. The second point would be that we have to look and make sure there are proper incentives were in place for any of these options, so that we have the research we needed on the . . . combined cycle that we sought out as we do in our plan additional supplies of natural gas and liquified natural gas is a possible thing to bring more natural gas to the United States that we take away the barriers to energy of renewables and other things such as large fuel cell things to the grid. Right now the way our grid is set up, as you know very well Bob, there is about 100 different plugs for how to plug a system. We need to standardize how you connect with the grid so that you can mass produce the new cleaner more efficiency technologies. But most importantly though I think Senator Lieberman's position is that he's not into, he doesn't think the government is the right entity to determine what the right distribution is, what we should keep an eye on is the environmental and other considerations that we

want to achieve by what our distribution is and create a market-based system such as the climate change program that rewards efficiency, rewards zero emissions sources such as renewable, rewards those types of systems by providing a market signal, a payment to them for reducing the greenhouse gas emissions. And by doing that you will push the private sector investment is in addition to all the public sector investment we were all talking about today, towards the cleaner technologies. And we'll get the societal benefit that we're looking for that we in Washington will not be the ones to determining which makes the most business sense but it will actually be the businessmen and investors and the people out who are making the investments . . . in the field will determine which makes the most market sense.

HAYES: Very good question, Bob, in terms of what do we for the non-renewable portfolio. On natural gas Senator John Kerry is calling for North American energy partnership with Canada and Mexico to recognize the shared stake that we have in natural gas and also recognize two important realities. Canada has a huge reservoir of potential natural gas supplies and we have a huge reservoir of known natural gas supplies in Alaska that is currently untapped. Senator Kerry supports a pipeline from the north slope where 30 trillion cubic feet of natural gas remains awaiting to be brought to market, tied in with a Canadian system that can bring additional supplies into the market. We have to recognize that we need natural gas as a transition fuel and find a way to bring it to market. On coal Senator Kerry recognizes that coal is here to stay for some time. The main thing we need to do on the coal side is to control the pollution that comes from it. And this is where and I tip my hat to Senator Lieberman on this, he's been terrific on this

issue as has Senator Kerry, if I say so myself, in terms of recognizing that the new search review rollbacks of this administration are essentially giving an indefinite pass to the dirtiest coal fired electricity plants we have in this country. We need to clamp down on mercury emissions, carbon dioxide emissions because of climate change, sulfur dioxide emissions and nitrogen oxide emissions and we can do that. Our economy can certainly support that. As for nuclear Senator Kerry does not support an expansion of our nuclear base. We have tremendous problems with nuclear waste. We don't want to make more problems in an ill-informed suggestion that nuclear is our future. The final thing I'll say is that hydrogen is an important part of our future. The key is to make it real and Senator Kerry's plan would require that there be metrics that we bring hydrogen power vehicles into the market place by 2010, that it not be what the Bush plan is which is basically a cover for the status quo.

FRYMOYER: Oh my you just took my speech there. A very similar program. First and foremost coal is going to be a large percent for a long period of time. We have to enforce the Clean Air Act, this administration is not doing it. The NSR rollbacks are reprehensible and you know coupled with more research on clean coal technologies al a Lieberman, exactly the way to go on that. On natural gas yes we need to work with this hemisphere, we need to get the Alaskan gas sources for sure and that's going to be, we're probably have growth in that area for a period of time. We got to slow the rate of growth in that but that is where we are. You know three percent of the world's oil is in the United States, so our reserves are going to continue to be depleted. And you could drill everywhere it wouldn't really help particularly although you know on non-pristine lands

and non-pristine public lands you could do a bit more drilling, certainly not in the Arctic national wildlife refuge, certainly not in the Rocky Mountains range area. We all talked about efficiency gains that's really important whether it's residential, whether it's businesses. We might be able to get more and most importantly government setting the right example. We might be able to really reduce the size of the pie with that and you know my boss, my former boss excuse me, is for a phase-out of nuclear until such a time it can be proven to be safe. And we really have not whether the operation of the plant in a time of terror a, or b, the waste we don't have a plan for long term viability of nuclear. So I think that's that. The only other thing I'm compelled to respond to another matter very quickly from Senator Lieberman's representative here. My boss's summit idea is in the first year of his administration it's not a five- year plan and it is the top priority to resolve the CAFE issue of his energy plan. And CAFE is a fine idea but we've had no progress since 1988.

SIMON: Actually I expect to come back to CAFE. So if you could hold the thought.

FRYMOYER: I will hold the thought.

SIMON: We'll come back to CAFE in one of my other questions.

FREE: Yes as we talk about the electric mix I think that as we talk about the coal and its presence, the investment in clean coal technology would be an underlying point for us as well as we have had so many of our mandates that encourage investment in renewables

rolled back and so we would have to certainly take a look at that but I'm very excited this week when we talk about the car of the year being a hybrid car. Toyota is making great strides with that and I think that we have to look toward conservation. Anybody that rides down 495 knows there is a need for us to talk about more car pooling and to move the mind set in America towards conservation. We are still a very wasteful society and so we've got to begin to put energy into making sure that we have folks that are out there on the bypass more often and we are fat society so we need to walk a little bit more. That's about all I can contribute to that discussion.

SIMON: Okay. While we're on the topic of electricity the we've talked about the renewable portfolio standard, the idea that 20 percent of our electricity will come from renewables deals with a lot with sort of the inputs to our electric system. The electric system, since we have a very general audience here is a very complicated one. We have very different kinds of entities that make electricity and more importantly transmit it to rooms like this so that I can be blinded by the bright lights along with my other panelists here. We've heard tonight about municipal utilities, that's certain utilities that are owned by local governments, that's certainly one class of groups that generate and transmit electricity. There are obviously investor-owned utilities like the local Pepco which are stock corporations that operate in the private sector. There are rural electric cooperatives that operate in the private sector. There are rural electric cooperatives groups that have come together to operate on a more or less not for profit basis to serve their members. And we have a sort of panoply of regulatory agencies obviously states all have public utility commissions that regulate some or all of these different entities that produce

electricity and the federal government obviously has a role in regulating the transmission of electricity. We obviously had a big blackout on August 14, about a quarter of the population of the country lost power for a while. It started with a small utility, I didn't know its parentage until tonight, First Energy, but it quickly spread and it was sort of a graphic representation that even small utilities in local areas are so inter linked with each other that faults with one can quickly spread and cause problems for the many. My question to the panel here is what's the vision of your campaign for what the electric system of the future looks like with respect to transmission. Because you know we all need to get electricity regardless of how it's produced, people talk about our transmission systems not being very robust and viable, will require increased investment, putting up new power lines, people don't like power lines going up. So what's the vision of your candidate for the electric system of the future with respect to transmission and what do we do, what's the balance between the federal role in saying look these guys over here need electricity and you guys don't a line here but I'm sorry the public good says that you're going to have to put a line here so that all these people here can get electricity. How does your candidate feel about that and we're going the other direction, so Curtis.

PREE: As we talk about future electricity I think that a national oversight of the transmission grid would be extremely important in any mix that we create as well as the need to make sure that there is proper training. We talk about First Energy and what occurred in the blackout in August. One of the main culprits is that the lack of training is what caused that. As you know, we have a grid that is quite antiquated and there needs to

be a great deal of update. We have serious questions as to who is going to pay for updating the transmission grid and certainly that would be something that would be the consumer as well as the government as well as the private sector would be responsible based on our discussion recently as to how we pay for something like that. But overall I think as we talk about the future transmission grid it has to have a balance and there must be a major oversight from a national standpoint as opposed to this regional operation that we have today.

FRYMOYER: Yes that's another great question. And let me just say a couple of things about Mr. Gephardt's energy transmission policy is not. It's not based upon some of the things that were in this energy bill for example. My favorite example of the energy bill is what was done on right of way for power lines for putting in new power lines. You have the right of eminent domain for states that has been enhanced and then if, talk about these folks when you think about it they're supposed to be conservatives concerned about individual property rights, that right is enhanced and then after a year the feds can come in and just take away a person's land and put the power grid across it. Except in one state, guess what state that is, Texas. So you got to love that. A special provisions for special people yet again. And secondly, you wonder why there was nothing in this energy bill to really provide a plan to digitize the system to make sure that flow could be more easily regulated. If we modernize what we have you won't need as many new lines of transmission, it's very logical here. If you make what you have more efficient you don't need to tear up a bunch of new land. Well, look at the people that are backing this administration. The First Energy Corporation which caused the blackout, I guess it

originally started with some trees that were improperly trimmed in the Akron, Ohio area. The chairman of the First Energy Corporation gave Mr. Bush a \$108,000, he's one of the pioneers, Common Cause just issued a report the last couple days that the environmental community is trying to publicize a little bit on this fact. He is not necessarily, up until August was not necessarily interested in modernizing the grid, wasn't necessarily wanting to be creative about how to move the country forward on energy policy and it's no secret the Bush Cheney energy plan which is in due measure what they put together was put together before the Congress didn't have that, didn't address this issue. So there are ways to proceed forward on modernizing the grid. You know the digitized system in the Adirondack area of New York in upper New York state, there are swaths of New York where power didn't fail and that is because that was the most modern part of that state's transmission line. New York City, well it's a little bit older. And once again you have 19th century, early 20th century to be precise early 20th century means of transmission you are going to have problems. I think all us up here would agree we need to modernize.

HAYES: Very quickly I think the issue is not so much citing issues in terms of new transmission lines although it can be extraordinarily difficult but the overriding issue is lack of investment in our transmission system. And that's because transmission is sort of the orphan of the electricity scheme. And we have moved as a country heavily toward market forces as defining the delivery of electricity and that works in some respects but it does not work when you come to un-glamorous investment like transmission. And it does not work when it comes to the potential for abuse in the sale of electricity as we saw

in California with Enron and others. And Senator Kerry wants to put a cop back on the beat. Invest in FURC and make them and whoever else needs to be on the beat give them the wherewithal to restrain the unrestrained market forces that if left to their own devices will not invest in the unsexy non-profit, not large profit margin producing investments like transmission and at the same time have the potential to undermine through fraud and gouging anywhere along the scale the delivery of one of our most important commodities.

PROFETA: Thanks, Bob. I'm trying to be redundant here of some of what has been said. I think the first point is we have to look for ways that we don't need to have as much power on our wires and one issue that is very important to Senator Lieberman is distributive generation. There are many sources of power that can power a factory, a complex, and don't have to be connected to the grid, you can have a fuel cell, a 200 kilowatt fuel cell that could power your facility. You can have combined heat and power where you produce your steam and your electricity in the same plant and in those cases you not only have the benefit of not having to be dependent upon the grid you have a more secure set of energy than you would if you had the grid. The grid goes down you still have power. It's also more secure for the nation in a time of terrorism to have distributive power generation rather than have one major grid that can be knocked down. You find that most corporations that have a necessary supply of power, that their business can be knocked out, they do not have power, have now gone to distributive generation. Corporations like semiconductor manufacturers who can't because of the processes function if they lose their power, credit card corporations that can't have their system go

down they are starting to use these things and again to go back to what I said earlier, there are obstacles to these distributive generation coming onto the grid and we have to take those obstacles away in how we look at our energy policy. There is also tremendous efficiency gains that could be had within the system itself. Some of the switches that switch power within a grid are tremendously out of date. New computerized switches that could make power transmission across the lines happen at a much more efficient rate and we won't waste those electrons, that those incentives . . . aren't there for us to be modernizing a grid like that, there is also a corporation in Connecticut that we worked with that I like to use as an example of the types of things that are there if you put a system in place that rewards people to go out and find efficiency, a corporation in Connecticut that puts a wireless device in everybody's power box and if your electricity price spikes it turns down all your nonessential power about 10 percent, it saves you money as the person who owns that facility because you are not paying the spiking prices, saves energy off the grid, stops people from turning on the dirtiest peaking plants and diesel generations and the like, it's a tremendous very simple concept that just needs to get out there and I again am convinced that until we provide the market signal to the private sector we won't really get the penetration of these things. Finally I just want to say one thing very quickly. We will have to have new lines, this is all very well and good but there will points in time we'll have holes in our transmission system that the things we have won't have come in yet in that case we should maximize the usage of current rights of way and maximize the use of minimizing these sort of environmental impacts. Just one example, on Long Island Sound there are two cables have gone across the Sound, one is a brand new green field or green underwater field if you would and one that

is right across the current right of way. The one in the green field happens to have a better lobbyist and they got theirs turned on in our energy bill or that we almost passed today. The one that is across the current right of way didn't have as big a lobbyist. We should make sure we are maximizing the use of the current rights of way and minimize the footprints of our lines.

WASSERMAN: I think in the short term there obviously going to have to be a few things to tweak the grid and make sure it doesn't go down again in the next month or two when we have the likes of First Energy running it, but in the long term I think people are going to have to face the fact that the grid as a concept is obsolete. We are not going to have a centralized electrical grid in 50 years from now and the question is 40, 30, 20 or 10, the reality is that photovoltaic cells and distributive generation, on site power generation is the future of energy. It's going to have to be. It's certainly the future of electricity. And the particular most obvious technology to do that is photovoltaic cells and I should point out that in the fall of 2001 the city of San Francisco voted a \$100 million bond to put photovoltaic cells on the rooftops and siding of the municipal buildings in that city and the Mosconi Center, you know the Madison Square Garden of San Francisco, now has four megawatts of PV on its rooftop and had the most recent blackout hit California I suppose there will be one one of these days, the lights in the Mosconi Center would have stayed on. And in New York we have the Carnegie . . . building as PV on it, we have the Citibank south sloping rooftop and I don't think we should be looking to be spending billions and billions of dollars of upgrading a grid that has no future. I mean the future is with the distributive generation and with photovoltaic

cells that can turn every building into its own power generator. I would also recommend that we not put too many eggs in the FURC basket or in federal regulations on this. We have to go back to California in the mid 1990s before the blackout and before the Enron attack on California and before deregulation, the green power community came to the California Public Utility Commission with a 600 megawatt plan for renewable distributive generation, wind power, PV, bio mass and other stuff and the California Public Utility Commission approved it. And it was then fought by Southern California Edison at the FURC, at Bill Clinton's FURC, by the way, and the FURC turned it down. Southern California Edison argued that this green power was expensive and unnecessary. Now had that 600 megawatts of distributive solar generation gone on line we would never had a blackout in California. The people of California would not have been gouged for \$30 billion by their utilities to pay back bad nuclear investments and in \$60 to \$70 billion by . . . at Enron and that was the future and the future was unfortunately in California in mid 1990s was put on hold by the federal government. And what we need to do is get beyond that, get beyond being tied into the grid and find ways to get off the grid and get our clean power on each building so there can we can be energy self sufficient.

SIMON: Good thank you. I promised people a CAFE so that's going to be the last one I'm going to ask and we'll go down the table this way from Harvey down to Curtis. We have invited all of you write questions on pieces of paper and submit them so that we can a look at them and ask them as well before the completion of the program so that I'm certainly not the repository of all knowledge and wisdom and I'm sure there are some

pretty good questions that people have in the audience. So while you're listening to the next round if you want to tee up some questions for me to ask people, please do so. But my question about CAFE is, is CAFE the way to go. We've heard a little bit of different views from some people here about what to do about corporate average fuel economy standards. Certainly a very key Democratic constituency would be the United Auto Workers and the United Auto Workers are very militant in their dislike for corporate average fuel economy standards because they believe it disadvantages U.S. production of cars and trucks. There are others who criticize the CAFE system for having too much in the way of credits that can be gained for essentially fuel economy reasons. So what's the future of increasing fuel economy. Should it be through a regulatory scheme like CAFE and if so is CAFE the right one to be doing, or are there other mechanisms that should be used in place of or in addition to CAFE standards. Harvey.

WASSERMAN: Well here I have to speak as an individual. I don't drink coffee so I can't speak directly to the CAFE situation.... sorry that's a terrible joke. Of course I think we all need to have more efficient automobiles. The internal combustion engine again not to get too far into the future, is not the way of the future. We are going to have fuel cell automobiles. The question is how will the hydrogen be produced. Will it be produced through the renewables, or be produced as the Bush want it with coal and nuclear power. We also have lost track in this discussion in general about CAFE standards of whatever happened to mass transit. You know there has been scant discussion of Amtrak. I've had the good fortune in the last few months to take three very long trips on Amtrak and it's been wonderful. There has been all this talk about the love affair of Americans with the

automobiles. I love trains and if we are really going to increase the fuel efficiency of moving people around we have to revive our mass transit system. The United States at one point had the world's greatest intra and inter city rail systems. As many of you probably know at about the same time we were deciding to go to nuclear power Eisenhower was doing it, we were also witnessing the destruction of the internal light rail systems, they were called trolleys back then, in all the major or most of the major cities in the United States. We need to get back to mass transit which would create a tremendous amount of jobs and do the job of moving people much more efficiently both in terms of fuel, in terms of safety and in terms of environmental impact.

PROFETA: I don't really think it really matters whether you call it CAFE or son of CAFE or offspring of CAFE of some sort. I think the CAFE system should be the starting point for how we do this but I think we do need to do some real hard look and negotiating with various interest groups on the issue. And again maybe look at what the overall goals the societal goal of CAFE is which is to reduce oil consumption and/or reduce emissions out of tail pipes. What we have proposed is to increase the CAFE standards so that they would reduce oil consumption by 2 million barrels a day but do it in a way that is flexible, do it in a way that allows the corporations to trade amongst themselves and find the most efficient ways to get that societal goal achieved. I know David knows that John Kerry and John McCain tried to tackle the CAFE in the 107th Congress. It is a very vexing political issue. We just had to deal with it in the consideration of the Lieberman King Climate Stewardship Act and were able to get the UAW and Detroit to a place where they were going to be neutral but it did cause more

problems with other people politically and it's a very vexing issue. But we have to sit down, we have to do it. I have some very technical ideas on how you could split that baby and I don't bore people with here but it is something that has to be done because there is no way we are going to reduce our oil usage in the United States if we don't increase the efficiency of our vehicles, that's simply the biggest swallow up of our oil in our economy and unless we do something on that we won't do anything. I just want to address one more thing Harvey said. Encouraging fuel efficient planning as we set up our communities, thinking about things like mass transit, thinking about having incentives to buy in cities, in places that are more efficient to be located than out in the urban sprawl spread, what's the term from the 90s, smart growth. Those are the sorts of things that have to be part of the package because it's one thing to make our cars more efficient but if we just drive 10 more miles to work a day we would have probably undone all the benefits of the more efficient car. We have to make sure we plan out our communities so that we get the cars off the road as well as more efficient.

HAYES: Tim and Harvey I think both have usefully expanded the question because CAFE is we should not obsess about CAFE. The issues of smart growth, of mass transit, etc. are all an important part of that question. I am a coffee drinker so the question is espresso or latte, where should we go with CAFE. Decaf. And I think Senator Kerry's view is we have to send a signal to the auto manufacturers to make more fuel efficient cars period. And we have to do it now. CAFE is currently the mechanism that we have in place to use. We should use it now. It's a short term thing. We've got to move away. But it may be the best thing for America's auto makers. We're falling behind as

American auto makers to the innovations of the Hondas, of the Toyotas, etc. Strong signals that you've to make more efficient cars in the past in different context like the need for better tail pipe emissions standards have been responded to tremendously by Detroit. They have overcome what they thought were unsurmountable obstacles. Detroit can do it again. We just got to get started.

FRYMOYER: Well I'll tell you it's really a two prong issue. It's the tax incentives for the long term to move people toward and the mandates in terms of numbers of vehicles to move people toward fuel cell and hybrid vehicles. It's also the government research and development partnership with industry to help with that. I think we're all in agreement on that point. The second point is there needs to be a real mandates for progress on fuel efficiency. There is no question. And I think you've just, CAFE again we haven't had progress since 1988 on the average fuel economy of our vehicles. So you wonder there's got to be a problem. And there is gridlock between as Bob so put it, you've got the auto workers, the industry on one side together and the progressive forces that want to increase fuel efficiency on the other. So what do you do for progress. There are many ideas out there. One idea would be to do a percentage basis increase. Say, I don't know 30 percent, 40 percent over a period of time. That could be negotiated. My colleague down at the end of the table said you need to negotiate between the interest groups. Well that sounds like a presidential summit, presidential level attention to this as the most important issue for an administration coming in. Because as you know, 70 percent of the oil use in this country imported and otherwise is in automobiles. Then finally we're all for mass transit. I have to mention a bill that is before the Congress right, the T-21 the

massive new transportation authorization bill. It's going in the wrong direction. It's going to be very tough for us to get the current standard of 20 percent of the funding going to mass transit. It needs to be 30 or 40 percent of the funding over the next five or ten years going to mass transit not 20. And you need to have the clean air mandates that are currently in the bill enhanced and you need to have funding for alternatives like bike paths. It's a very popular program, it looks like that program is jeopardy as they shove resources into the Republican leadership of the committee into less sustainable approaches. So it's a comprehensive project.

PREE: First of all I have to apologize because I have to leave the panel. And so I want you all for allowing me to be here today. I have to be in Baltimore with the candidate at 7:30. However, as we talk about CAFE it's kind of difficult for me to respond to this question because I drive a car that gets less than 10 miles to the gallon. And we talk about if the current regulatory scheme is the wave of the future or if there needs to be a change I think that as I stated earlier we talked about the hybrid car, I'm very excited about that and hope some day I can afford to buy one. Because there is a need for us to definitely move toward more fuel efficient automobiles and as we look at the next energy bill and we look at changing legislation I think it's very important again that we talk more conservation because certainly as we talk about becoming less dependent on foreign oil and we talk about investing in our renewables we have to become more conscious about our energy use.

SIMON: Thank you for being with us Curtis and all the best and the rest of us will stay

here and we'll do a couple of these other questions but if you have to leave now, let's give him a round of applause. All right we've got some great questions here and oh my even more are pouring in. And we're not going to stay here all night. We promised to adjourn at 7:00 and that's a short time from now and we got a bit of a late start so we'll go a few minutes over. Here's a question from someone in our audience that is capable of a fairly short answer. Either yes/no or if your answer is kind of a maybe you can probably do it in 30 seconds. Do you consider hydro power an environmentally friendly alternative and energy source.

FRYMOYER: Maybe, it's all a question of sort of small scale flexible grid issues, you know the behemoth massive dams of the past is probably not the most environmentally efficient way to go You don't want to encourage that but flexible more smaller scale systems certainly can be done in environmentally sustainable manner.

SIMON: Okay, David.

HAYES: I don't know what John Kerry would say to that. But I would essentially say no. That's not to say that we tear out our hydro power capability. We do have to recognize that hydro power except in very rare circumstances does have an environmental cost. So do other power sources. In some cases it can be enormous and we shouldn't be looking to increase it.

SIMON : Tim

PROFETA: I would also say I don't know how Joe Lieberman would answer that question but I think that the maybe answer is probably the most appropriate one. That there are opportunities to get more incremental hydro power from existing facilities and there may be some small scale projects that work but I would agree that the large dams of the past are in the past.

WASSERMAN: There is a definite maybe on that. Some dams need to come down like those four out west. No more really should be built. It's hard to imagine any places where new ones should be built. The ones that are in place where the eco systems have pretty much accommodated, they should be made more efficient, there are a lot of dams in this country that actually don't have turbines on them that they actually could use them . . . hydro so those are the three options. Tear some down, don't build any new ones and the ones that are in there already that are accommodated for just see if we can make them more efficient.

HAYES: Can I clarify for just a minute. I don't know if there are any press here, are there press which is fine. My no doesn't mean all dams come down. The question was whether there is adverse environmental impact. Got to be careful about that in this town about what you say.

SIMON: Okay, here's another question. Renewable energy, hydrogen, fuel cells, etc. are all more expensive than traditional power. Research and development will help but what

we really need is to internalize the environmental costs. I know this is the third rail of energy policy but what are your candidates' thoughts on the carbon tax or carbon trading program or other things that recognize that the kinds of energy that we desire are actually more expensive than coal based plants.

WASSERMAN: Actually that's no longer true. Wind power is very close in many places to coal. And people really need to look at the economics of wind power. As for so called ancillary environmental costs they absolutely should be included there needs to be a way to incorporate the true environmental and public health costs certainly of fossil fuel and of nuclear power and if we did that then none of the traditional fuels would be able to compete with renewables.

PROFETA: Well first and foremost I think the renewable to high efficiency energy sources once they get up to scale may be competitive and what you may have here is a problem of scale. Secondly if energy internalizing the cost of environment impacting particularly carbon is the third rail of politics then Joe Lieberman has now been fully electrocuted because he joined Senator McCain offering a carbon trading program on the floor of the U.S. Senate and last month got 44 votes which exceeded I think everybody's expectation, Bob, your expectations, I think worked very hard and we have a path to over 50 votes I think at this point in time. So this is again, as I said in the beginning Joe Lieberman really does believe from the depths of his heart and has made them issues throughout his entire career. But he also walks the walk he just does not say it from a microphone, he puts the legislation in, he fights to try to convince his members, he comes

back for the energy bill vote, he fights on the floor and on this issue he has fully embraced the internalization of the carbon cost of energy production and that's when I say over and over again it seems that the key is to provide the market signal and get private sector interested that's what I mean, you internalize the cost, you make the cost on the balance sheet of people and then Wall Street investors and innovators will decide that these are technologies where they can make money in the future.

HAYES: Senator John Kerry also support the carbon market place that starts with a cap on carbon and that provides the type of market place incentives to go toward low carbon energy sources. That is we agree with Senator Kerry agrees with Senator Lieberman, that's a very important piece of it. As to the other renewables and other energy sources I agree with Harvey that the economics are getting better and if we invest in R&D and in the capital needed to get these plants up and running creates sustainable markets for bio fuels and other renewables they will compete over time, particularly because in the environmental costs with the carbon restriction in particular are going to negatively affect what are now those costs that are not being internalized.

FRYMOYER: I just want to first of all Senator Lieberman's leadership on the whole global warming question and the carbon market place issues is really outstanding and I think recognized throughout the party. And you know clearly you've got to explore those types of solutions for the long term there is no question. When a whole series, I think we're up to about 30 companies that have endorsed the Pew plan at this point, major companies, were planning to move in this direction. Major energy companies, major oil

companies and then this administration completely reverses the engines on that area. It's very unfortunate. In terms of renewables costs I just would like to put renewables up against, I agree they are getting more competitive all the time but I would like to put them up against nuclear for a minute. Think about the billions and billions of dollars of subsidies that have gone to nuclear power. If you will in terms of the long term probably the dirtiest of the traditional fuels. If we are able to agree with my colleagues following my boss, former boss agrees with them, if we could ever do the research to generate the economy of scale for renewables I'm quite confident that they will beat the traditional sources hand down.

SIMON: Well that provides another one of these answer yes or no or maybe wouldn't take you more than 30 seconds. Will your candidate eliminate nuclear energy from our national supply?

FRYMOYER: Yes phase it out over time.

HAYES: I would say no although I think that also means phase out. If we are not adding new capacity these plants will live out their natural life and then be shut down.

PROFETA: No, in that Senator Lieberman still sees that the current plants will keep running and there is these vexing and maybe unanswerable issues of security in the waste disposal and until they are answered you can't responsibly expand nuclear power if they can be answered but we need to take steps now to make our plants more secure the ones that we do have but no we will not do it within the life span of the Lieberman

administration.

WASSERMAN: Well this country needs to face the fact that on September 11 the first plane that flew into the World Trade Center flew directly over Indian Point and if it had dived down one minute earlier we wouldn't have lost 2,700 people we would have lost hundreds of thousands of people. We wouldn't have lost a couple billion dollars worth of economic damage we would have lost trillions. We would have a radioactive waste land extending from New York through New England, it would have been an apocalypse and you know it's safe I suppose to talk about phasing out nuclear power with a natural life, but nuclear power plants don't have a natural life. And everyone of them is a potential terrorist target of unfathomable proportion and I think we need to look very if we are at all serious about national security and protecting ourselves from possible terrorist attacks then the very first thing we need to look at is shutting down our nuclear plants.

PROFETA: Let me say one thing, Bob, and I'm not going to minimize the risk frankly again we've joined Senator . . . Clinton to get a bill to address this situation in the short term. And in the short term is what we have to look at is plants like Indian Point where the way their waste is stored is inherently dangerous and we have over the next several, five, ten years look at ways to find those most vulnerable points at these plants and get that off the system right away. And then over time we can phase away if that is what we choose but right now plants like Indian Point are just they are insane terrorist targets because the very reversible way they store that.

SIMON: I gave Tim the second bite of the apple, does any one else want, Harvey.

WASSERMAN: There is no nuclear plant in this country that has a waste stored any more safely than at Indian Point. If they are to be stored there every one of them requires a containment dome which can't be built, they could be attacked as we're talking unfortunately, there is no time for nuclear power.

PROFETA: There are different ways of storing nuclear waste. That is in wet storage and it's up on a hill, in an unguarded facility if you hit the thing and you drain the water it overheats immediately, if had in dry cast storage on . . . you probably have a safer situation. But I should let us move on.

SIMON: Here's an interesting question. Many of the Democratic candidates have called for increased incentives for hybrid vehicles. Unfortunately because it seems only Japanese manufacturers are producing these cars and are several years ahead of domestic manufacturers aren't you concerned this policy might cause a loss in U.S. auto jobs which of course would be key to winning battle ground states like Michigan. Let's see which way did we go, start with you and come back down.

WASSERMAN: That's a heck of a trick question. It's a sad statement. We've gone through this twice now, I mean in 1970s Toyota and the other Japanese companies were ahead of Detroit on fuel efficiency and now they're ahead of us again in hybrid cars and there is no easy answer unfortunately. Detroit has got to start building and you know the . . . and the Honda hybrid cars are really great. Once again American auto makers are

caught with their pants down.

PROFETA: The answer to that is no I'm not worried about that and you know Bill can correct me if I'm wrong but my belief is all the proposals are somewhat based on something called the Clear Act that's in the Senate right now, a carefully negotiated piece with official incentives for all these various types of vehicles and I don't believe that is opposed by Detroit. Am I right about that Bill. I believe Detroit actually supports the legislation.

FRYMOYER: Me, I'm a representative of Detroit?

PROFETA: No I just thought you might know.

FRYMOYER: Yeah, they support it. I think they don't have any problem with it.

HAYES: Detroit is preparing to build hybrid cars. What we need are more incentives to help send those signals to make it happen. As I said before I think they will respond. Right now yes, Toyota and Honda have a head start but when you look at how many hybrid cars are out there it's not many, it's just a drop in the bucket. So I think it's foolish to be worrying about those companies having a huge head start. Nobody has got a big head start in terms of market penetration and that's what we've got to focus on, that is what a sensible incentive structure would do.

FRYMOYER: In terms of U.S. companies the Ford Escape sport utility vehicle, they are very close to having that ready for sale as a hybrid. Later in '04, certainly the '05 model year I agree with my colleague here that you know there is not a huge issue though we want our companies to be the best in the world. We have the best workers in the world. I'd like to talk for just a second about some of the disadvantages the U.S. companies face in terms of the health care and pension costs that particularly the imported cars from Japan and Germany don't face because guess what their governments cover those. And that's a disadvantage of \$1,000 per vehicle. So as you look at the competitiveness of Detroit you have to look at the whole series of policies that put Detroit in the situation that it's in. It's not in the best situation. All of you acknowledge that but I'm confident that with the right tax health care pension plans we will regain the lost ground on hybrid and everything else and don't forget with these tax incentives, with the R&D money that all of our candidates are advocating that will happen. Detroit will return.

SIMON: Okay. Here's a good question. Oil is a global commodity, meaning even if the price of oil is up in the Middle East or supply disappears the price from other sources, for example, Mexico, Canada, Venezuela will also rise. So why focus on reducing our dependence on Middle East oil?

FRYMOYER: Why focus on the Middle East. I think it's because of the stability factor of those regimes and that certainly you know you need to encourage democracy but in regimes like Saudi Arabia that's probably not going to happen over the near term realistically so you have to diversify and yes it's better getting oil from this hemisphere and yes there are other places, the North Sea that is not going to last much longer, there

are other places that are better for foreign sources but over time you want to reduce foreign dependency and one-quarter of our oil use, 50 percent of our imports come from the Middle East. Given the instability of that region that is where we need to concentrate first.

HAYES: I agree with Bill. That's a really good question though because in fact the mix of our imported oil has shifted and diversified substantially in the last few years and we are getting more oil from countries like Venezuela, Nigeria and non-Middle East sources. The problem is a structural problem really, the largest reserves still are in the Middle East. The problems often occur on the margin in the oil market and so as long as the Middle East is a major source of our oil we're in some jeopardy. Let me mention one other, the question was a good question and reminded me of something else. The fact that oil is a global commodity is another reason why it is so wrong-headed for the Bush administration to be pushing so hard for getting more oil supplies out of Alaska, for example, for pushing the extra mile. Many of the oil companies, for example, in Alaska are not investing in developing resources from the national petroleum reserve which already is open, why because it's more economic for them to bring oil supplies in from other sources where it's much cheaper to get the oil and transport it to the United States. We can't force through efforts to drill more domestically, we can't force a change in the market place unless we're going to put up barriers or something to oil imports. So the answer is to recognize it is an international commodity and we are going to be structurally at risk if we don't hedge our bets by developing our alternative oil energy supplies.

PROFETA: I think it's a very good question. I think there's been a lot said on it already. It recognizes an undeniable fact that what we really need to be doing is moving away from our dependence on oil and take away the adjective that is before it. Oil is such a fungible product that if for example with Alaska if we start producing more from there, open the Arctic refuge it would just be swallowed up in the market and the pricing on it wouldn't make a difference. What we need to do is start moving away from dependence on oil because where all the reserves are and the vast numbers more than anything else are in the Middle East and it is an inherently unstable area and not an area where I think any American wants to have our economic lifeline tied to. So we must move beyond oil but in terms of what a good guide point would be to first move beyond that which we receive from these unstable regimes that we don't want to be dependent on would be a good first step and that's why I believe all candidates on the stage have pointed to that as a first step that we should be taking as a nation.

WASSERMAN: There's not much to add. I think we're all in agreement that dependence on oil with a capital O is the real problem and where it comes from is a secondary. I don't think it's an accident that the Bush administration doesn't have an exit plan from Iraq. I don't think they plan on leaving frankly. And I've also seen studies, you know if we're really going to cost out these various fuels I think the military cost of oil really needs to be factored in. I've seen estimates of the true cost of gasoline when you do that is somewhere around \$16.00 a gallon and I think that is a number that really should stick in our head.

SIMON: Well here's our wrap up question and I thank everyone for hanging in with us this long. Is energy an issue that matter that will matter to voters in the 2004 election and will your policies or the policies of your candidates, recognizing that there doesn't seem to be a lot of difference between them, will those policies affect the election's outcome.

WASSERMAN: Well we hope so. You can only hope. And maybe if we had a little better play with the mainstream media that would be helpful as well. I mean energy has been an issue in this country from the very start and it drives our economy. It's been said that the one true coefficient of a healthy working economy around election time is the price of oil and I'm sure that Carl Rove and the others who dreamed up this energy bill have taken that in account and I think the Democrats who are running to re-take the White House are going to have to watch that very carefully. I mean I think this Republican White House is very committed to driving down, they may not want the energy issue discussed in the terms we've discussed it here tonight but there will be a very concerted effort on the GOP side to drive down the price of oil come November of next year. And one way or another it's incumbent on the Democratic party and the people who are running to restore democracy to America to make sure the public is aware of that.

PROFETA: I will go further and say we believe so. I think we believe so because it's not only about energy policy but as I said in the beginning because it symbolizes so much

more. It touches so much more. It touches our national security and whether the American people want to be dependent on the Middle East for their economy. It touches on our environmental protections and what choices we want to make in terms of balancing the energy needs of the country and the environment. It touches on our vision for an economic future for the nation, whether we are going to be wed to the coal combustion 19th century technologies of now or in the past or are going to try to move this economy forward to 21st century economy that embraces these technologies. There was a New York Times article, it's a multiple trillion dollar economy we see on the horizon in energy technologies and to us who is going to own those patents, is it going to be Japan and the Europeans that own these patents or should it be American innovators that own those patents. And I also think it's an issue that is become deeply symbolic of what's wrong with how the country is being run. We just had an energy bill voted on today that was written in a closed door back room with no outside participation at least from the other party by two men and it was based on a plan put together by the vice president in a closed back room where we're still trying to find out who was in that room. So do we want a country that is run by that sort of system or do we want a country that is run openly, transparently and with a vision to the future. And that is what we think this issue brings to the table and brings so much more because of it.

HAYES: Yeah quickly let's all hope collectively that this makes a difference in the election. Because if it doesn't we're in for another tough four years for our country. But I think it will. I mean put the policy stuff aside for a minute and just think about the politics for a minute. I think the energy issue is as Tim just alluded to personifies one of

the biggest problems that many Americans have with the Bush administration, which is that it's run by special interests. These are oil guys basically in charge and they are looking out for their benefactors, they are giving back to them, they are not thinking creatively, they are not thinking about our future and folks kind of get that and John Kerry is talking about it, some of the other campaigns are talking about it and people get it, they are concerned. The other thing about this is I think people are getting the other Bush politics part of this is the environmental impact. You know it's very interesting what happened in the Arctic National Wildlife Refuge isn't it, that even the Republicans had to drop that. Well I think they are going to be surprised when they find out that Americans just don't care about protecting the Arctic National Wildlife Refuge but they also care about drilling in our special places, in our wildlife refuges in the lower 48, in the red rock canyons of Utah, they care about the rollbacks of the Clean Air Act protections. And this quality of life stuff resonates politically. If it doesn't, if the Democratic party and the Democratic candidate can't make this work next fall we ought to all get together and have a little retreat and talk about what we're going to do for our country to get it back on track because we've got serious problems.

FRYMOYER: Agreed. If Dick Gephardt is the nominee of the Democrats this will be a major issue for a lot of reasons that have been outlined here tonight. This is one of the areas where there is a most profound disagreement with the Bush administration. This is dollars in, dollars in energy policy we see today it is the best example of corporate malfeasance of the way this administration has run with the back door deals that we have, so we have to stress it because we have encourage the American people to take back their

country as another candidate once said on these issues and it was \$125 million in and up to \$140 billion of benefits back according to the best investigative person on the Hill on the House side anyway, Henry Waxman. This is about bringing all of our constituencies together in the Democratic party. This is about bringing labor and environmentalists and consumer groups together to unite for a vision for the 21st century as opposed to the tired old policies of the past. This is about jobs, this is about national security, this is about a cleaner environment and this is about American ingenuity. We'll have over a million new jobs by 2020. We'll have energy independence, we'll have national security. It is the right thing to do and I think you hear tonight if any of these candidates go against Bush the vision is the same. This is a top tier issue that we will on. Thank you.

SIMON: Well I would like to thank all of our panelists for being here tonight and for answering these questions and telling us about the vision of their candidates for energy policy going forward. I do think that the Democratic party is lucky to have an extraordinary collection of individuals who are vying for its domination. I think that any of these individuals to me would be a huge improvement over the current individual in the White House. And they all seem, the ones that are represented here tonight, all seem to have pretty good energy advisors, so I would like you to join me in thanking them for giving us of their time and answering your questions. I think there is supposed to wine and cheese afterwards.