

DEAN HELLER
2ND DISTRICT, NEVADA

NATURAL RESOURCES COMMITTEE
SUBCOMMITTEES:
ENERGY AND MINERAL RESOURCES
WATER AND POWER
NATIONAL PARKS, FORESTS AND PUBLIC LAND

Congress of the United States
House of Representatives
Washington, DC 20515-2802

EDUCATION AND LABOR COMMITTEE
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SECONDARY EDUCATION
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SMALL BUSINESS COMMITTEE
SUBCOMMITTEES:
FINANCE AND TAX
(RANKING MINORITY MEMBER)
RURAL AND URBAN ENTREPRENEURSHIP

June 4, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi,

I write to request that the House immediately address the high price of fuel, both gasoline and diesel, as a top priority item upon returning from the Memorial Day break.

While I was home in Nevada, the number one issue on which my constituents were demanding action is the high price of fuel. I am sure this is no different than California and your district in San Francisco, which reportedly has some of the highest fuel costs in the nation. Record high gas prices are crippling family budgets, public safety efforts, educational institutions, small businesses, and causing inflation on all manner of products and commodities. My home state of Nevada is one of just five states projected to lose more than 10% of its airline routes because of the high price of fuel, according to a *USA Today* article.

I have supported several of the measures the House has debated and voted on, including legislation to address price gouging (H.R. 1252), halt delivery to the Strategic Petroleum Reserve (H.R. 6022 now P.L. 110-232), and addressing energy cartels (H.R.2264 and H.R. 6074). As Nevada is a leader in renewable energy development, I strongly support the development of alternative and renewable fuels, and voted for a renewable portfolio standard as part of H.R. 3221, the New Direction for Energy Independence, National Security, and Consumer Protection Act (roll call #827). In a number of cases, my support for these bills meant crossing party lines. However, these bills barely scratch the surface of the fuel crisis problems, nor are they a substitution for a realistic and truly comprehensive energy policy.

Frankly, the approach to date has done little or nothing to address the crisis on fuel prices now gripping my district and the nation. I am increasingly concerned that the issue is becoming a political staring contest in which only consumers continue to be hurt. Since passage of a so-called comprehensive energy bill, the Energy Independence and Security Act of 2007 (H.R. 6, now P.L. 110-140), gas prices have risen more than 8 percent, and diesel prices have risen more than 16 percent. Oil is at an all time high, and we have seen 21 days of record price increases as of May 28, 2008. Clearly this bill was not the answer to our fuel problems.

Tax increases on fuel, proposed by either party, are also not the solution and not energy policy. I have spoken to more than 100,000 households in Nevada during the course of telephone town hall meetings, and asked “Do you support the proposed 50 cent per gallon gas tax ?” 82 percent opposed this tax increase. Tax increases that affect oil companies also hurt retirees, seniors and pension funds. In 2004, more than 2,600 pension funds run by federal, state and local governments held almost \$64 billion in shares of U.S. oil and natural gas companies. These funds represent the major retirement security for the nation’s current and retired soldiers, teachers, and police and fire personnel at every level of government. Fourteen percent of shares are held in Individual Retirement Accounts (IRAs) and other personal retirement accounts. Forty five million U.S. households have IRA and other personal retirement accounts.

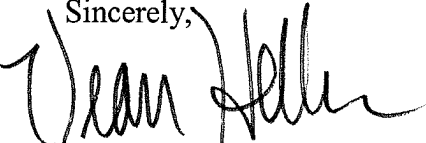
Consequently, I have voted against billions in tax increases on energy companies in the House, which would only be passed along to consumers in the form of higher prices. Despite multiple bills with billions in tax increases being put forth in the House, not one of them has passed the Senate. Clearly this approach is also not consensus.

A real energy policy will address the very basic cause of high prices – supply and demand. The Congress desperately needs to address refinery expansion, coal to liquid technologies, lifting offshore moratoria, oil shale, and other areas that will address skyrocketing gasoline and diesel prices. While speculation may have a significant effect on oil prices, this process can work in reverse as well. In fact, I have written the Chairman and Ranking Member of Financial Services, on which I sit, to request a hearing into aspects of this issue on which the committee has some jurisdiction. I believe that merely the announcement Congress is willing to allow a full debate on the issues or that certain moratoria will be lifted will cause energy prices to react accordingly.

Simply put, we cannot conserve, tax, or regulate our way out of this problem. Nor should we cajole our way out by begging foreign nations for help. Renewable and alternative sources of energy, which enjoy bipartisan support, are simply not a realistic and cost-effective option today. Reality today is that our nation – now and into the foreseeable immediate future – runs on gasoline, diesel fuel, and other petroleum products. Recognizing this reality and doing something about it is critical to our economy, public safety, education, and other areas.

The House should have a real, broad, open and forthright debate – not a suspension calendar bill – that can address all of these issues. Let the will of the House work in a fashion that our constituents can follow, understand and appreciate. The American people are demanding answers and action, we should respond accordingly.

Thank you for your time and attention to this important matter.

Sincerely,

DEAN HELLER
Member of Congress