United States House of Representatives

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Republican Bill Repeals Ban on Acquiring Alternative Fuels

WASHINGTON – Section 526 of the recently enacted energy law (Public Law 110-140, the Energy Independence and Security Act of 2007) states in its entirety:

> *No Federal agency shall enter into a contract for procurement of an alternative or synthetic fuel, including a fuel produced from nonconventional petroleum sources, for any mobility-related use, other than for research or testing, unless the contract specifies that the lifecycle greenhouse gas emissions associated with the production and combustion of the fuel supplied under the contract must, on an ongoing basis, be less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources.*

Though short, this section, which raises concerns over national security, economic security, and bureaucratic uncertainty, has powerful and harmful implications and needs to be repealed immediately.

Section 526 was added largely to stifle the Defense Department's plans to buy coal-based (or "coal-to-liquids") jet fuels, which radical environmentalists contend will ultimately produce more greenhouse gas emissions than would traditional petroleum—a contention that is uncertain at best and that does not account for ongoing improvements in carbon-capture technologies.

The Air Force is interested in procuring unconventional fuels over the long-term as a way to reduce its reliance on fuels from unfriendly or unstable countries and increasing its use of fuels from North America. Coal-to-liquids, oil shale, and tar sands are all abundant in the United States and Canada. The Air Force wants to use its purchasing power to spur the development of a domestic coal-based synthetic fuel industry by signing long-term fuel contracts with coal-based fuel producers, ensuring that producers have a guaranteed market to offset the millions of dollars in up-front investment needed to produce coal-based fuel.

Canada is currently the largest U.S. oil supplier. It sent 1.8 million barrels per day of crude oil and 500,000 barrels per day of refined products to the United States in 2006, according to the Canadian Government. About half of Canadian crude is derived from oil sands, with sands production forecast to reach about 3 million barrels per day in 2015. Section 526 could choke this flow of fuel from one of our nation's most reliable allies and economic partners.

To limit the ability of the Pentagon to get its fuels from friendly sources and force increased petroleum importation from unfriendly or unstable countries does nothing less than put our national and economic security at risk.

Section 526 would be problematic enough if it were clear and straightforward; however, the language contains several ambiguities, causing a flurry of attempts at legislative interpretation by the Air Force, the Canadian Government, the Center for Unconventional Fuels, and even the proponents of the language. The Air Force claims that there is no specific standard to measure total greenhouse gas emissions from alternative fuels, therefore a study is needed to determine if coal-based fuel is clean enough to use under the law. Some sources claim that Section 526 does not apply to the military, while proponents claim that it most certainly does.

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The Defense Department should not be wasting its time studying fuel emissions and should not have to be stifled by the arguments over how to interpret a small section of an energy law. The Defense Department should be allowed to proceed with its vital efforts to increase reliance on American and Canadian fuels and reduce reliance on fuels from overseas.

Given all these uncertainties and potential harms to our national and economic security, we don't need to study Section 526, we don't need to re-interpret Section 526, and we don't need to fix Section 526. We need to repeal Section 526.

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