



NATIONAL WILDLIFE FEDERATION®
Inspiring Americans to protect wildlife for our children's future.

September 18, 2008

Dear Senator:

On behalf of our four million members and supporters and the hundreds of thousands of hunters, anglers and other outdoor enthusiasts in our ranks, we write in opposition to the *Energy Improvement and Extension Act of 2008 (H.R. 6049)*. While we strongly favor the critical extensions of incentives for conservation and renewable energy we oppose H.R. 6049 because it includes substantial new subsidies for dirty fuels that will dramatically increase global warming pollution and threaten millions of acres of wildlife habitat.

The clean energy tax incentives have passed both the Senate and House several times, and we applaud the Senate's efforts to move these into law. Unfortunately, by including sweeping new federal subsidies for oil shale, tar sands and liquid coal refining, the bill no longer represents the kind of progress America needs to confront global warming. We specifically oppose:

Refinery Incentives for Oil Shale & Tar Sands: The "Refinery Expensing" provision in the bill promotes the production of oil shale and tar sands fuels. This provision expands the Internal Revenue Code Section 179C tax credit to refinery property that is used to directly convert oil shale and tar sands into liquid transportation fuels.

Oil shale development would put at risk millions of acres of wildlife habitat throughout the Rocky Mountain West important to hunters, anglers and other wildlife enthusiasts. Moreover, producing transportation fuels from oil shale and tar sands would dramatically increase global warming pollution.

Oil shale production is five times more CO₂ intensive than conventional drilling and gasoline production. The United States cannot change course on its rising global warming pollution levels while quintupling the CO₂ in our tanks.

A viable shale industry would also have significant direct impacts on wildlife, and inevitably collide with consumer water needs in the arid West. Shale production requires five gallons of water to produce one gallon of fuel, and the vast majority of shale is located in arid states with limited water resources. The federal government reports that a viable shale industry would consume upwards of 315 million gallons of water daily – 130 percent of the City of Denver's daily water use. Combined with the massive disturbance of land and habitat caused by shale extraction, this fuel presents a grave risk to sensitive wildlife habitat in the Rocky Mountain West.

Tar sands production is four times more CO₂ intensive than conventional drilling and gasoline production. Tar sands also threaten wildlife habitat as they are currently being mined from Canada's boreal forest, and could be produced in the Western United States as well. Of the half dozen U.S. refinery expansions in the permitting stage, most are multi-billion dollar expansions to take more tar

sands oil from Canada. Supporting these refinery expansions through the tax code will impose high costs on taxpayers when oil companies operating in the tar sands are making record profits.

Incentives for Liquid Coal: the “Carbon Capture and Sequestration Demonstration Projects” and the “Extension and Expansion of the Alternative Fuels Credit” would promote coal to liquid transportation fuels. The production and use of coal-based transportation fuels would more than double the global warming pollution per gallon as compared to conventional gasoline. It would also increase the devastating effects of coal mining felt by communities and wildlife stretching from Appalachia to the Rocky Mountains.

NWF strongly supports provisions in the bill that would extend federal tax incentives for energy efficiency and renewable energy technologies that have expired or will expire at the end of this year. These incentives must be extended immediately to avoid significant harm to the developing clean energy industries in the United States. The technologies produced by these industries play a vital role in reducing global warming pollution, creating new high-wage jobs here at home, and saving consumers and businesses money on their energy bills.

The extensions would blunt the impact of high energy bills by encouraging greater use of energy efficiency and renewable energy, and therefore decrease demand for natural gas. High natural gas prices are putting significant upward pressure on inflation and consumer energy bills.

However, the increased global warming pollution and destruction of important wildlife habitat that would result from the oil shale, tar sands, and CTL provisions in H.R.6049 outweigh the benefits of these clean energy incentives. The United States cannot change course on its rising global warming pollution levels while dramatically increasing the CO₂ in our tanks. We therefore regrettably urge opposition to the bill.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Schweiger', with a long horizontal flourish extending to the right.

Larry Schweiger
President & CEO
National Wildlife Federation