

SENATOR PAUL TSONGAS

Speech to the Senate

Mr. President, I rise in strong support of S. 1280, the Energy Management Partnership Act. The legislation consolidates and streamlines existing law to give States maximum flexibility in designing conservation and renewable resource programs. In addition, the legislation represents an important departure from the traditional Federal thinking with respect to national energy conservation goals:

It gives local governments partnership with the State and Federal governments in the design and implementation of energy conservation strategies which respond to uniquely local needs, and uniquely local capacity to meet those needs.

This legislation is the culmination of an extensive and exhaustive effort to give local governments a stake in their energy future. Senator Williams and I have been working jointly on legislation since last summer. Both the Senate Banking and Energy Committees held extensive hearings and discussions on this issue before they reported the local program out favorably. We have also worked in close conjunction with a broad coalition of groups from every sector: public interest groups, the administration, labor, environmentalists, and representatives of state, local, regional government officials to design the best possible program for local energy conservation.

I am pleased that the major leaders from all of those groups have strongly endorsed this legislation, and have worked actively for its passage.

With the passage of this bill, we will set in place a framework which could have a critical impact on whether or not our cities survive the energy crisis that is inevitable. When exorbitant prices and supply interruptions of non-renewable fuel become the way of life in America, the cities that have prepared will have a chance. Cities caught unprepared simply will not be able to sustain even a reasonably good level of essential services to their citizens. The citizens of those cities -- particularly the poor and the elderly -- will suffer the consequences.

Clearly, it is in the national interest to make local governments active partners in our efforts to reduce dependence on fossil fuels and to increase use of renewable resources. Moreover, while local governments control many of the critical energy consumption decisions within their boundaries, and have enormous reservoirs of talent and skills to design programs to meet their particular needs, they cannot do the job without financial assistance.

The legislation we are discussing today takes the first step toward meeting those financial needs, by authorizing funds for comprehensive local energy conservation programs and for the development of a strategy for long term independence from nonrenewable energy sources.

Let me briefly summarize the basic elements of the local energy management partnership contained in Title II of S. 1280.

Agency jurisdiction: S. 1280 authorizes the Department of Energy to make grants to local governments in consultation with the Secretary of HUD. Senator Jackson, Johnston, Williams and I have introduced an amendment which will also require the establishment of an interagency task force between DOE and HUD, to permit DOE to take full advantage of HUD's capacity to deliver assistance directly to local governments. In this way, we can avoid the need to create a new field structure, or add to the regulatory burden. Our amendment is designed to tap the strengths of each agency, in order to insure that the program can come on line as early as possible, and achieve the clear energy conservation goals which we have set for local governments.

Local Government funding: In extensive consideration during hearings in Washington and in the field, the clear, strong message which we received from witnesses was that the local program must provide funds directly to local governments. Our traditional approach to energy conservation has been to mandate thousands of individual activities from the federal level. This simply does not work. What makes sense for Boston, with a massive need to retrofit municipal facilities and residential housing, is not necessarily appropriate or helpful in New Orleans or Seattle. Local governments control the major energy consumption activities within their boundaries -- land use, zoning, building, transportation, and municipal energy use. They must be given the funds to design their own programs to best meet those needs.

Role of States: We took great care in developing this legislation so that a three-way equal partnership could be created among the federal, State and local government. In line with that, we have given states a number of specific powers with respect to local programs, including a requirement that local funding applications go through the State for comment and review, a provision that requires the Energy Secretary to review local applications for consistency with State energy plans, and an opportunity for States to apply for local program funding on behalf of smaller communities within their States. This legislation protects the important concept of consistent energy conservation goals without undermining the ability of the local government to play a leadership role in its energy future.

Local energy strategy: The legislation requires that the local community develop a comprehensive energy conservation strategy, which must be submitted as part of the grant application process. This requirement is not intended to set strict limits on the planning activities of local government with respect to energy conservation. It is intended to indicate the range of activities which it would be appropriate to address through both long term and short term programs. An important aspect of this requirement is that it requires communities to maintain current commitments to energy conservation programs, so that limited financial assistance from the federal government is used to supplement, rather than substitute for local and private funds. The local energy strategy concept, and the concept of a local government developing a range of programs within established guidelines, parallel the highly successful Community Development Block Grant Program, which has been in operation for 6 years. The basic premise here is that the local community has the opportunity to come up with programs designed to meet their needs. They receive money in the

form of a "block" grant to fund those programs, rather than running to the government with individual applications for each separate need.

Allocation of funds to local governments: Again, somewhat paralleling the CDBG approach to funding, the program would be a combination of entitlement grants and competitive grants. The formula which has been established takes into consideration several factors.

First, funds are allocated for various communities within each State, using a combination of "population" data and "need" data for the State as a whole. A minimum funding level for communities within each state is established, so that no State share is less than 1/2 of 1% of total funds available.

Second, once the amount for each State's local communities is determined, the funds are further divided into three categories, based on the population of the communities in each of the three areas. The three categories are metropolitan cities, units of local government within metropolitan areas, and units of government within non-metropolitan areas.

Third, funds are distributed to metropolitan communities using the "population" and "need" formulas. These funds are received on an entitlement basis, subject to the fulfillment of the application requirements.

Fourth, funds are awarded to the units of local government in metropolitan and non-metropolitan areas on a competitive basis.

In designing this allocation process, we took great care to attempt to be responsive to the special needs of small population states -- thus the minimum threshold requirement. We also attempted to take care of the smaller

cities, by cutting up the pie to represent the true nature of a state rural and urban population, rather than going by the national urban and rural split. We have also directed DOE to examine energy related criteria which can be incorporated into the allocation formula at some future point.

Funding level: The legislation authorizes the local program for three years, with a funding level of \$80 million for 1982 and 1983. I am hopeful that we can also obtain some funding for FY'81, so that we can get this program going as soon as possible.

In closing, I am hopeful that we can pass this bill here in the Senate as a message to our colleagues in the House that we are serious about local energy conservation, and are ready to meet with them as soon as they complete their work in this area.

I am deeply convinced that we cannot solve our national energy problems without engaging in active partnership with local governments, and I am equally convinced that if we give local government the tools, they will lend immense support to that national effort.

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