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'Fearless' senator girds for another round of energy battles

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Pete Domenici has found himself at the center of one decade-defining Washington policy debate after another since he moved from Albuquerque City Hall to the U.S. Senate in 1972.

As a member of the Senate environment panel, Domenici was behind the writing of non-degradation language in the Clean Air Act Amendments of 1977 and took on powerful Southern Democrats, including Louisiana's Russell Long, to enact the inland waterway barge tax. As a leader of the Budget Committee, Domenici was a key player in the bruising budget, tax and deficit battles of the 1980s and 1990s.

Now, Domenici is at the heart of what is shaping up as one of this decade's greatest challenges: putting the nation on a path toward an energy future that is secure -- and clean.

The Republican holds the legislative reins of federal energy policy as chairman of the Senate Energy and Natural Resources Committee and its purse strings as chairman of the Energy and Water Appropriations Subcommittee. The first New Mexican to be elected to six terms in the Senate appears to be right where he wants to be.

"I feel good," the 73-year-old Domenici said in a recent interview in his sunny, high-ceilinged corner office in the Hart Senate Building. "I'm not going anywhere."

Though Domenici shepherded last summer's passage of the Energy Policy Act of 2005, there remains a lot of unfinished energy business. He wants to break the impasse over the Yucca Mountain nuclear waste repository, which threatens to undermine the resurgence he has long sought for nuclear power; open the Arctic National Wildlife Refuge to oil and gas exploration; and expand natural gas production in offshore areas.

And Domenici says he wants to help chart a path toward curbing global warming. Today, he and fellow New Mexico Sen. Jeff Bingaman, the ranking Democrat on the energy committee, are taking their newfound working relationship to the next level with release of a white paper outlining their thoughts on controlling U.S. greenhouse gas emissions.

A key component of any Domenici emissions strategy is likely to include a major role for nuclear power. Domenici, a well-known booster of nuclear energy, is looking forward to release of the White House's "Global Nuclear Energy Partnership" that is intended to address the thorny issues surrounding nuclear waste storage and reprocessing. Domenici will sponsor the Bush administration's legislation on the matter.

'He's basically fearless'

Domenici is widely respected on Capitol Hill as an expert on budget, energy and defense matters. A recent interview was interrupted for 45 minutes when Majority Leader Bill Frist (R-Tenn.) visited Domenici's Hart office for a private meeting.

All but his most strident critics regard Domenici as pragmatic and hard-working, among the last of the old-style senators more interested in legislating than making a national name for himself and able to get along with lawmakers on the other side of the aisle.

He engenders fierce respect and loyalty among current and former staff members as well as voters who have rewarded him with landslide victories. His constituents call him "St. Pete" for his ability to deliver federal cash to a sparsely populated state -- particularly to its Los Alamos and Sandia national laboratories -- over his 34 years on Capitol Hill.

"He delivers," said Joe Monahan, who writes a New Mexico political weblog and has watched state politics for decades. "His legacy will be that he delivered."

Lee Rawls, who worked for Domenici in the 1970s and mid-80s and now is vice president of the lobbying firm Van Scoyoc and Associates, said Domenici has "a first-class public policy mind."

"He just loves the issues, he loves engaging in a national debate on them," Rawls said. "And once he gets going, he's basically fearless."

Frank O'Donnell of the advocacy group Clean Air Watch has observed Domenici for years on Capitol Hill and admires his willingness to listen to both sides of a debate. "He's not some wild-eyed anti-environmentalist," O'Donnell said. "The environmental community may not agree with him on a lot of issues, but I do think there is a great deal of respect."

A tactical temper?

Domenici won some respect from environmentalists and lawmakers alike last summer when he broke with most of his Republican colleagues and suggested he would be interested in limiting utility greenhouse gas emissions if it could be done in a way that would not harm the economy.

Though he eventually refused to sign on to an emissions reduction proposal offered by Bingaman and remains adamantly opposed to a more extensive proposal by Sens. John McCain (R-Ariz.) and Joe Lieberman (D-Conn.), Domenici's growing interest in the issue by all accounts has changed the nature of the debate on Capitol Hill from industry stonewalling on emission curbs to active engagement.

"I think we ought to get started," Domenici said of emissions curbs. "We're going too slow on it. We need to get more busy and more profound."

O'Donnell was impressed, even while many environmentalists assume Domenici's real goal is to use the climate change issue to push for more nuclear power. "He has made some comments that can give us some real optimism that he views [climate change] as a very serious problem that needs to be dealt with," O'Donnell said. "That is a real contrast to some of the 'Let's do nothing' types."

"He's the kind of guy you'd rather have on your side than against you," O'Donnell adds, "because he does carry a lot of weight."

And he packs a formidable temper. Domenici's mercurial demeanor one minute will find him snapping at colleagues from the committee podium, then calming down and offering quiet mea culpas. Those flashes of what Domenici calls his Italian temper led one former staffer to nickname him "Dr. Jekyll and Mr. Hyde."

Senate Minority Leader Harry Reid (D-Nev.) frequently spars with Domenici on nuclear waste matters but remains friendly with him and says he only recalls Domenici blowing up at him once.

"It was a number of years ago, and we had a conference going," Reid said in an interview. "I gathered up all the votes and beat him on an issue. He said words to the effect, 'I don't mind you beating me, but give me a little notice.'"

Domenici said his temper is "a natural, close-to-the-surface, close-to-the-skin sensitivity" that comes out when he is tired or feeling pushed. Consider what happened near the end of his committee's long energy bill markup last May when Sen. Ron Wyden (R-Ore.) made a last-minute pitch for increasing funding for renewable energy.

Domenici silenced the room when he snapped at Wyden for raising the divisive issue just before the final vote. Then Domenici retreated to the back room. When he returned, he apologized to Wyden and everyone else.

"He stuck his nose in when we were just about to get it done," Domenici recalled.

But Domenici knows that having a temper can work to his advantage. He said he learned that lesson from the late Sen. Edmund Muskie (D-Maine), with whom he worked on budget and environment committee issues in the 1970s.

"He lost his temper to win," Domenici said. And after Domenici called him on it, Muskie never again did it in front of him.

Learning from botched 2003 energy bill

Alternating between the chairmanship and the ranking member's post on the Budget Committee from 1981 to 2001, Domenici was a player in the 1980s Reagan-era budget, Social Security and tax battles; the 1991 budget deal and tax increase blamed for derailing President George H.W. Bush's re-election effort in 1992; and the 1990s Clinton tax increase and budget summit that settled that era's raging deficit reduction debate. Indeed, his prominence in the 1980s budget debate earned him serious consideration from Bush as a possible running mate in 1988.

Domenici gave up his budget post after the 2002 elections. His term was coming to an end and he was tiring of the job, which he calls "borderline lunatic." A longtime member of the energy panel, which by then already had failed under both Democrats and Republicans to come up with an acceptable energy bill, he took the committee's helm in 2003 when Democrats lost control of the Senate, forcing Bingaman to give up the gavel. The chairmanship opened when former Republican

Sen. Frank Murkowski was elected governor of Alaska.

But months after taking the committee's helm, Domenici faltered in his effort to get an energy bill as well.

After getting committee approval for his bill, the Senate was on the verge of rejecting it. But he saved the legislation at the last minute with the unusual move of getting the Senate to approve the Democrats' year-earlier version of the energy bill before adjourning for the 2003 August recess. Though Democrats crowed that the only way he could pass an energy bill was to pass theirs, the move set the stage for what Domenici and the GOP expected would be a complete conference rewrite of a bill that would be more to their liking.

But the plan crumbled when Democrats, who bitterly complained about being shut out of the conference, denied Domenici a final vote on the bill that November. The Democrats' effective filibuster of the bill lasted until early last year, when Domenici and Bingaman buried their differences to work on a bipartisan measure that, with the help of House Energy and Commerce Committee Chairman Joe Barton (R-Texas) and ranking member John Dingell (D-Mich.), passed last summer.

Barton credits Domenici for helping get him on board for another pass at the energy bill. "I was reluctant," Barton said. "I'd been through it. It always bogged down at the end, and I wanted to focus more on telecom and health care. He was enthusiastic about it from the beginning."

In Monahan's view, the energy bill became "a point of pride" for Domenici. "It was 'I'm going to get this energy bill through.' It was almost a crusade to reinject his effectiveness as well."

Winslow Wheeler, who worked for Domenici as a Budget Committee defense analyst until being outed as the author of the anonymous and scathing "Spartacus" report that was leaked to the press about post-9/11 pork-barrel spending, said Domenici's turnaround on the energy bill by seeking help from Bingaman and other Democrats "defined him in the upper part of the ranking of senators by being capable of learning."

Wheeler added, "It was probably a good eye-opener for him that the hyperpartisan wing of the party was advising him he could stuff it down [Democrats'] throats. That turned out to be bad advice."

Clean Air Watch's O'Donnell agreed. "In 2003 he learned a tough lesson," he said. "The minority still has rights and still has influence, even though it's a minority."

Storm-shortened victory lap

President Bush gave a nod to Domenici last August when he signed the Energy Policy Act of 2005 into law at a ceremony at Sandia. That left the New Mexican poised to come out of 2005 victorious and crowing about an era of expanded domestic oil and gas, nuclear energy and renewable energy production. The new law sent federal agencies scrambling to meet a series of no-nonsense, fast-track implementation deadlines.

But in less than a month, two devastating hurricanes -- Katrina and Rita -- exposed the new law's weaknesses by destroying oil-production facilities in the Gulf of Mexico. The storms left Congress looking flat-footed on energy policy as gas prices soared to \$3 at the pump and record natural gas prices lurked as winter heating season approached.

Indeed, time between energy policy legislation normally is measured in 10-year increments. But lawmakers who had left Washington for the August recess congratulating themselves on passing the energy bill returned to the Capitol in the fall realizing that the measure did nothing to address short-term market problems stirred up by the storms. Weeks after passing what lawmakers had called a landmark bill, they had to start work on another.

"I did not expect the crisis to occur so quickly," Domenici said. With the energy bill, "I never fathomed we were solving the crisis of oil dependence or the brewing natural gas problem, but we didn't expect them to pounce on us so quickly."

The result is sustained energy prices that led President Bush to call in his State of the Union address this week for the development of viable alternatives to oil -- which the energy bill was intended to do in the first place. Nevertheless, Domenici insists the bill "is still singular" and over time will prove to have been a major legislative achievement.

Budget years

Most of Domenici's years in the Senate were focused on budget issues because he was placed on the Budget Committee after its formation in 1974. By 1980, when the GOP took control of the Senate in the Reagan landslide, Domenici got the call from Majority Leader Howard Baker (R-Tenn.) that he would become the panel's chairman.

"It gave me the opportunity to, probably from the standpoint of the U.S. Senate, do the most exciting thing," Domenici said. That was to implement the Budget Empowerment and Control Act of 1974, which set the stage for the budget reconciliation process that allows lawmakers to use the budget law to enact legislation while bypassing the Senate filibuster rule.

Domenici used his extensive budget experience last year when he masterminded Senate passage of a budget reconciliation measure that authorized drilling in ANWR in a filibuster-proof legislative package. The gambit failed when House Republican leaders were unable to finally pass the same bill. Domenici -- shocked by the effort's failure because House passage had been considered the easy part of the job -- is pushing for the same ANWR strategy again this year. It is unclear, however, whether that will happen.

His work on the Budget Committee also gave Domenici a national platform. But he narrowly lost a bid in the 1980s for a leadership position that could have given him more prominence within the Senate GOP caucus. He said he lost his leadership bid because he is not partisan enough.

"The most extremely partisan members come from states where the GOP is very, very strong," he said, noting that New Mexico is traditionally a Democratic-leaning state. Being from New Mexico, "you don't get elected here and come and take partisan positions on everything."

"The flag you get elected on, you carry," he added. "I have tried to stand with the party."

Top Republican in a Democratic state

At different times a high school teacher, lawyer and even minor league baseball pitcher with the Albuquerque Dukes farm club of the then-Brooklyn Dodgers, Domenici earned a law degree and bounded his way up the political ladder from Albuquerque city government in the 1960s, to a failed 1970 run for governor against arguably the most popular statewide politician of the era, Democrat Bruce King, to the U.S. Senate.

As New Mexico's senior senator, Domenici enjoys status as today's pre-eminent politician in the state, though Gov. Bill Richardson (D), a former congressman from New Mexico, U.N. ambassador and secretary of Energy -- and potential Democratic candidate for president -- is giving him a run for that title.

The mere mention of Richardson can make Domenici bristle. Says Monahan: "They've always had a tense relationship."

Indeed, on a recent nationwide "Imus in the Morning" broadcast, radio personality Don Imus, who on the air is friendly with both Richardson and Domenici, tried but failed to get Domenici to say something nice about the governor. He managed to get Domenici to say of Richardson: "He's a good promoter."

"That's what I said: 'He *is* a good promoter,' " Domenici said, laughing, when asked about the show.

But Monahan notes that unlike other politicians in similar positions, Domenici does not use his prominence to run or influence statewide politics -- with the possible exception of his surprising 1998 primary election endorsement of Rep. Heather Wilson (R) to fill the House seat that opened up when former Rep. Steven Schiff (R) died.

"He's still very important to the Republican party, but it's not a very vibrant party," Monahan said. "He does not involve himself overtly on the state political scene. He just works quietly and behind the scenes with his own party. Both he and Bingaman know: There should be no dogfights, and no garbage pickup issues.

"He always plays coy about whom to support," Monahan added. "He does not like to leave any fingerprints."

'If you like all things nuclear'

Domenici is the first lawmaker since former Sen. Bennett Johnston (D-La.) in the 1980s and early 1990s to serve as chairman of both the the Energy and Water Appropriations Subcommittee and the Energy and Natural Resources Committee.

Holding those two jobs requires a strong sense of bipartisanship, Johnston says, and Domenici has it even as bipartisanship has vanished from many other areas of Capitol Hill life over the last decade.

"You have to work at it," said Johnston, who is now a lobbyist. "You have to be fair, you have to be trusted. It takes time and effort to build those relationships and I worked at it, and I think Pete has worked at it, successfully so.

"He worked it out. He brought Jeff Bingaman along on the energy bill," added Johnston, who himself led the effort when Congress passed the last major energy bill in 1992.

Domenici said he does not see much significance in his two chairmanships. The dual chairmanship is good, he said, "if you like all things nuclear." They are neither the biggest nor the richest committees, he added, but they are valuable.

Domenici does indeed like all things nuclear. Many observers consider the energy bill's nuclear provisions -- the production tax credits, the standby support program that protects companies from licensing delays and the loan guarantees for plant construction -- its strongest components.

And nuclear power likes him. Not surprisingly, nuclear utilities are among his major campaign contributors. And his Energy Committee staff director, Alex Flint, will be moving to a key lobbying job at the Nuclear Energy Institute this spring.

But Domenici's support for nuclear runs deep. Nuclear energy has made him a published author: Last year, he wrote "A Brighter Tomorrow: Fulfilling the Promise of Nuclear Energy." And in December he received the French Nuclear Energy Society's top award, the Grande Medaille, at a ceremony in Versailles. Environmentalists attribute his newfound interest in global warming to his love of nuclear power, which industry proponents note does not emit any greenhouse gases and tout as a major answer to the utility emissions problems.

Though his interest in nuclear power intensified after he first asserted in his 1997 Harvard speech that there would be a nuclear resurgence, nuclear issues always have been prominent in Domenici's Senate career because the Los Alamos and Sandia national laboratories are located in New Mexico. Domenici long has had an affinity for the work of the labs and is an enthusiastic backer of them -- to the point that many observers privately complain that he uses his committee positions to steer federal funds their way.

Domenici dismisses the complaints, asserting that his role has been in helping to transform the labs from the old objectives of bomb-making to "new thinking, science-based stockpile stewardship."

"It took a lot of leadership, but the transformation has been made," Domenici said.

New Mexico observer Monahan calls it legacy-building, but not necessarily in the league of Sens. Ted Stevens (R-Alaska) or Robert Byrd (D-W.Va.), both of whom have achieved near-mythological status for steering federal dollars to their states.

But the national labs, Monahan said, "are the bedrock of the economy" in New Mexico. "If you pull that out of the state, you'd have some serious economic problems. His legacy is and was his ability to continue to have tremendous federal dollars coming into this small state."

Does Domenici have it in him for another six-year stint when his term expires in 2008? Monahan, noting the senator has recovered from the health problems that troubled him in 2003 and 2004, acknowledges he appears fit and ready for more.

"The consensus is he's running until he says he isn't," Monahan said. "Most people are assuming he will. He's raising money, doing the little things you do. I think the prevailing code here for those who would love to have that seat someday is, it's touch and go."

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