



Department of Energy

Washington, DC 20585

August 12, 2003

Mr. Paul N. Cicio
Executive Director
Industrial Energy Consumers of America
One Thomas Circle, N.W., Tenth Floor
Washington, D.C. 20005

Dear Mr. Cicio:

Thank you for your July 15, 2003, letter to Secretary Abraham regarding natural gas issues. On behalf of the Secretary, I am pleased to respond to your letter.

As you know from my July 28 letter, I appreciate receiving your comprehensive set of policy options addressing natural gas supply and price issues. President Bush and his Administration continue to actively work to assure adequate supplies of natural gas at reasonable prices.

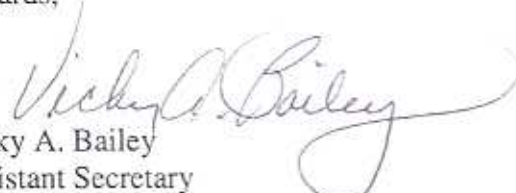
I concur with your observation that energy efficiency and conservation should not be seen as the only solutions in the short term. As mentioned in my July 28 letter, I agree with your suggestion that we support the continuing development of alternatives to the use of natural gas as a fuel source for the generation of electricity. You will recall that my July 28 letter listed several DOE Clean Coal Power Initiative projects that promote the use of coal. I noted several new U.S. coal-fired plants are scheduled to come on line in the relatively near future. Finally, our Administration is strongly promoting deployment of new nuclear plants by the end of the decade.

President Bush's National Energy Policy (NEP), announced in May 2001, includes several recommendations that we believe would help address the current natural gas situation, and many of those recommendations comport with the points you made in your June 19 report. Many of NEP's recommendations are on the production/supply side of the equation.

I know you attended our June 26 natural gas summit, and I encourage you and representatives of your member companies to attend our remaining three regional natural gas forums.

Thank you again for your letter and your continuing interest in the natural gas issue.

Regards,


Vicky A. Bailey
Assistant Secretary
Office of Policy and International Affairs

