

JAN 26 2001

Laid Over Under Rule 25

HOUSE RESOLUTION NO. 8

1 BY QUIRK, FALCK, MERTZ, DOTZLER, HATCH, T. TAYLOR,
2 REYNOLDS, SMITH, GREIMANN, LARKIN, WISE, WINCKLER,
3 PETERSEN, RICHARDSON, MYERS, HOVERSTEN, ATTEBERRY,
4 and KUHN
5

6 A House Resolution requesting the United States
7 Congress to hold hearings and investigate possible
8 wrongdoings related to the production and sale of
9 natural gas.

10 WHEREAS, the Federal Energy Regulatory Commission
11 issued Order 380 in 1984, beginning the deregulation
12 of pipeline price and access, and completed this
13 process by issuing Order 636 in 1992; and

14 WHEREAS, the United States Congress passed the
15 Natural Gas Policy Act of 1978 which phased out the
16 regulation of natural gas wellhead prices, with total
17 deregulation being completed by January 1, 1993; and

18 WHEREAS, fifty-three percent of the 101.5 million
19 households in the United States currently use natural
20 gas for home heating; and

21 WHEREAS, eighty-three percent of the 21.6 million
22 households in the United States located in the Midwest
23 use natural gas for home heating, the highest
24 concentration in the nation; and

25 WHEREAS, natural gas is used in the production of
26 nitrogen fertilizers which Iowa and American farmers
27 rely on to maintain crop yields and low household food
28 costs; and

29 WHEREAS, the average wellhead price for natural gas
30 has increased \$1.69 per thousand cubic feet (Mcf) in

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1 September 1998 to almost \$4.00 per Mcf by September
2 2000; and

3 WHEREAS, Midwest homeowners will pay almost \$2.00
4 per Mcf more for natural gas this winter as compared
5 to last winter; and

6 WHEREAS, total United States residential natural
7 gas expenditures are expected to reach \$8 billion for
8 the current month of January 2001; and

9 WHEREAS, nitrogen fertilizer producers are shutting
10 down production facilities and selling natural gas
11 stocks in order to take advantage of current high
12 market prices which will lead to nitrogen fertilizer
13 shortages and lower crop yields; and

14 WHEREAS, demand for natural gas will continue to
15 accelerate due to the preference for natural gas
16 heating in new home construction and for natural gas-
17 fired electric generation by utility companies for new
18 power plants coming on line and currently being
19 planned; and

20 WHEREAS, this continuing increase in demand for
21 natural gas will cause prices to continue at much
22 higher levels than experienced in recent years; NOW
23 THEREFORE,

24 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
25 That the Iowa House of Representatives urges the
26 United States Congress to hold hearings and
27 investigate the production and sale of natural gas to
28 determine whether producers have cooperated,
29 conspired, colluded, or otherwise acted to set or fix
30 natural gas prices or whether producers have engaged

1 in any other activity which has had the effect of
2 restraining the sale of natural gas or of monopolizing
3 the natural gas market; and

4 BE IT FURTHER RESOLVED, That the Iowa House of
5 Representatives urges the United States Congress, if
6 it should find evidence of wrongdoing, to refer its
7 findings to the United States Attorney General for
8 prosecution of the acts and for the recovery of
9 economic damages on behalf of the people of the United
10 States; and

11 BE IT FURTHER RESOLVED, That copies of this
12 resolution be sent to the President of the United
13 States, the President of the United States Senate, the
14 Speaker of the United States House of Representatives,
15 to each member of the Iowa congressional delegation,
16 and to the United States Attorney General.

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