Enron Documents
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October 15, 2001

Francis S. Blake  
Deputy Secretary of Energy  
Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Mr. Blake,

Thank you for joining us as a speaker at Infocast’s Energy Investor Policy & Regulation Conference to be held at the W New York Hotel in New York, NY on December 3-4, 2001. The following information provides information about this exciting event and the logistical details pertinent to your participation.

- Agenda  
- List of Speakers  
- Conference Publicity Brochures

Please refer to the enclosed Agenda to confirm your speaking time.

Travel & Expenses: Please note that you are responsible for your own travel arrangements, hotel reservations and related expenses. Hotel accommodations in the New York City area at the time of the Energy Investor Policy and Regulation Conference may be difficult to obtain. Therefore, I would strongly recommend that hotel accommodations be reserved now. The conference is taking place at:

W New York  
541 Lexington Avenue  
New York, New York 10022  
(212) 755-1200

Infocast has secured a limited number of rooms at the W New York, which will be held at a special rate of $349 until November 9, 2001. To receive the rate, when registering mention that you are a participant at Infocast’s “Energy Investor Policy and Regulation Conference.”

I will be in touch as the event draws closer. Please feel free to contact me at (818) 888-4445, extension 12 or e-mail me at lukke@infocastinc.com. You may also contact, Ron Henderson, the event conference manager, via telephone at (818) 888-4445, extension 28 or e-mail at ronh@infocastinc.com with any questions. Thank you for your participation. We are looking forward to a very successful program.

Sincerely,

Luke Eleftheriou  
Conference Coordinator  
Infocast, Inc.
ENERGY INVESTOR POLICY & REGULATION CONFERENCE
December 3-4, 2001
W New York Hotel, New York, CA

SPEAKER LIST

Conference Co-Chairs:
Donald F. Santa, Jr.
Partner
Troutman Sanders LLP
401 9th Street, N.W., Suite 1000
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Robert Maxant
Partner, Global Energy Markets
Deloitte & Touche, LLP
1633 Broadway
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Phone No.
Fax No.: Email:

Conference Speakers:
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Board of Directors, Dynergy, and formerly
CEO, Illinova Corporation
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Phone No. 603-366-4825
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Francis S. Blake
Deputy Secretary of Energy
Department of Energy
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Chairman, Energy and Natural Resources
Committee
United States Senate
703 Hart Senate Office Bldg.
United States Senate
Washington, D.C. 20510
Phone No. 202-224-5521
Fax No.: 202-224-1792

James L. Connaughton
Chairman
White House Council on Environmental Quality
730 Jackson Place, N.W.
Washington, DC 20502
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Fax No.: 202-456-2710
Email: Not released
ENERGY INVESTOR POLICY & REGULATION CONFERENCE
December 3-4, 2001
W New York Hotel, New York, CA

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Chairman
NYS Public Service Commission
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ENERGY INVESTOR POLICY & REGULATION CONFERENCE
December 3-4, 2001
W New York Hotel, New York, CA

SPEAKER LIST

Richard A. Meserve
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Minneapolis, MN 55402
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ENERGY INVESTOR POLICY & REGULATION CONFERENCE
December 3-4, 2001
W New York Hotel, New York, CA

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ENERGY INVESTOR POLICY & REGULATION CONFERENCE
December 3-4, 2001
W New York Hotel, New York, CA

SPEAKER LIST

Carl W. Wood  Pat Wood
Commissioner  Chairman
California Public Utilities Commission  Federal Energy Regulatory Commission
(CPUC) 888 First Street, NE, Suite 11A
505 Van Ness Avenue, Rm. 5200  Washington, DC 20426
San Francisco, CA 94102  Phone No. 202-208-0000
Phone No. 415-703-2440  Fax No.: 202-208-0064
Fax No.: 415-703-2532  Email: Patrick.Wood@ferc.fed.us
Email: cxw@cpuc.ca.gov
December 3-4, 2001 ♦ New York, NY
W New York Hotel

Agenda

Monday, December 3, 2001

8:30 - 9:00 Introduction and Opening Remarks by the Conference Co-Chairs
Donald F. Santa Jr., Partner, Troutman Sanders LLP
Robert Maxant, Partner, Global Energy Group, Deloitte & Touche, LLP

National Energy Policy

9:00 - 9:45 Keynote Address:
THE BUSH ADMINISTRATION'S VIEW OF NATIONAL ENERGY POLICY
Francis S. Blake, Deputy Secretary of Energy, Department of Energy

9:45 - 10:30 THE CONGRESSIONAL VIEW OF NATIONAL ENERGY POLICY
Jeff Bingaman, Senator, U.S. Senate and Chairman, Energy and Natural Resources Committee, United States Senate (INVITED)

10:30 - 11:00 Morning Refreshment and Networking Break

11:00 - 12:00 Panel Discussion:
HOW NATIONAL ENERGY POLICY IMPACTS THE PERFORMANCE OF POWER INDUSTRY PLAYERS
Moderator: Robert Maxant, Partner, Global Energy Group, Deloitte & Touche, LLP
Charles E. Bayless, Board of Directors, Dynegy
David H. Peterson, Chairman, President and CEO, NRG Energy, Inc
James E. Rogers, Chairman, President & CEO, Cinergy Corp
Richard J. Sharples, President, Anadarko Energy Services Company

12:00 - 1:30 Group Lunch Sponsored by Deloitte & Touche
1:30 – 2:15  **Keynote Address:**
FERC’S STRATEGY FOR ACHIEVING COMPETITIVE WHOLESALE POWER MARKETS
Pat Wood, III, Chairman, Federal Energy Regulatory Commission

2:15 – 3:15  **Panel Discussion:**
HOW FERC’S POLICIES AFFECT STRATEGIES IN WHOLESALE POWER MARKETS
Moderator: Kevin C. Fitzgerald, Partner, Troutman Sanders LLP
William J. Museler, President and Chief Executive Officer, New York ISO
Robert Maxant, Partner, Global Energy Group, Deloitte & Touche, LLP
Douglas L. Miller, Senior Vice President and General Counsel, Mirant
Susan Tomasky, Executive Vice President & General Counsel, American Electric Power Corp.

3:15 – 3:45  **Afternoon Refreshment and Networking Break**

3:45 – 5:00  **Panel Discussion:**
HOW FERC’S POLICIES AFFECT THE BUSINESS MODEL FOR AN INDEPENDENT TRANSMISSION BUSINESS
Moderator: Edward J. Tirello, Jr., President, Power Partners For Energy
Panelist:
Dale A. Landgren, Vice President & Chief Strategic Officer, American Transmission Company
Clifford S. Sikora, Partner, Troutman Sanders LLP
Al Statman, Executive Vice President & General Counsel, Trans-Elect, Inc. and Managing Partner, Wright & Talisman
James P. Torgerson, President & CEO, Midwest ISO
Joseph L. Welch, President, International Transmission Company

5:00 – 6:30  **Cocktail Reception Sponsored by TROUTMAN SANDERS LLP**
Tuesday, December 4, 2001

Green House Gas and Other Environmental Policies & Regulations

8:00 - 8:15 Opening Remarks by the Conference Co-Chairs

8:15 - 9:00 Keynote Address:
THE BUSH ADMINISTRATION'S ENVIRONMENTAL AND ENERGY POLICY AGENDA
James L. Connaughton, Chairman, White House Council on Environmental Quality

9:00 - 9:45 THE CONGRESSIONAL VIEW OF ENVIRONMENTAL POLICY:
GLOBAL CLIMATE CHANGE AND CLEAN AIR
Christopher J. Miller, Professional Staff Member, Senate Committee on Environment and Public Works

9:45 - 10:15 Morning Refreshment and Networking Break

10:15 - 11:15 Panel Discussion:
HOW DEVELOPMENTS IN ENVIRONMENTAL POLICY AFFECT
POWER INDUSTRY STRATEGIES AND FINANCIAL PERFORMANCE
Moderator: Thomas C. Jensen, Partner, Troutman Sanders LLP
Dwight H. Evans, Executive Vice President--External Affairs, Southern Company
Dale E. Heydlauff, Senior Vice President--Environmental Affairs, American Electric Power
Jeff Keeler, Director, Environmental Strategies, Enron
William F. Tyndall, Vice President Environmental Services, Cinergy Corp.

Regulation of Nuclear Power

11:15 - 12:00 WHAT THE NATIONAL ENERGY POLICY MEANS FOR NUCLEAR POWER INDUSTRY
Richard A. Meserve, Ph.D., Chairman, U.S. Nuclear Regulatory Commission

12:00 - 1:30 Lunch Break
1:30 – 2:30  THE CALIFORNIA ELECTRICITY CRISIS: IS THERE LIGHT AT THE END OF THE TUNNEL?  
Carl W. Wood, Commissioner, California Public Service Commission

2:30 - 3:30  DIFFERENT MARKETS, DIFFERENT VIEWPOINTS: STATE RESTRUCTURING POLICY AND ITS IMPACT ON THE INDUSTRY’S PLAYERS  
Moderator: Becky Kilbourne, Partner, Global Energy Group, Deloitte & Touche, LLP  
Maureen O. Helmer, Chairman, New York State Public Service Commission  
Marilyn Showalter, Chairwoman, Washington Utilities and Transportation Commission  
Dave Svanda, Commissioner, Michigan Public Service Commission
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**Subject Text:**
Expresses concerns about bankruptcy action of Enron Corporation & effect it may have on operations of Northern Natural Gas Co.; urges DOE to take action to ensure continued safe & efficient operation.

**Special Instructions:**
Received in ES on 1/10/02
Kansas Corporation Commission

Bill Graves, Governor  John Wine, Chair  Cynthia L. Claus, Commissioner  Brian J. Moline, Commissioner

December 26, 2001

Mr. Spencer Abraham, Secretary
Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Mr. Norman Y. Mineta, Secretary
Department of Transportation
400 Seventh St., S.W.
Washington, DC 20590

Dear Mr. Abraham and Mineta:

The Kansas Corporation Commission is concerned about the impending bankruptcy action of the Enron Corporation and the associated effect it may have on the operations of Enron's subsidiary Northern Natural Gas Company (Northern Natural). As you may be aware Northern Natural is a major interstate natural gas pipeline system (jurisdictional to the Federal Energy Regulatory Commission) that traverses the State of Kansas and provides gas transportation service to customers throughout the central and upper Midwest.

In Kansas, Northern Natural has a considerable investment in both physical pipeline assets and employees. In the event of a change in the corporate ownership of Northern Natural we are particularly concerned about the continued employment and equitable treatment of these employees, as well as the safe and efficient operation of Northern Natural's pipeline assets.

It is of paramount importance to the economies of the states in which Northern Natural provides service that the safe and efficient operation of Northern Natural be continued without any diminution of quality. A major interruption of the transportation service provided by Northern Natural would have catastrophic impact on the ability of end use customers to heat their homes and fuel their businesses.

We join with the U.S.D.O.T. office of pipeline safety in expressing our concern that ongoing pipeline operations continue to receive the management attention and financial and human resources necessary to remain in compliance with Federal safety requirements.
Therefore, we encourage your agency to take whatever action is appropriate under the circumstances to insure the continued safe and efficient operation of Northern Natural Gas Company.

Sincerely,

John Wine, Chairman
Kansas Corporation Commission

cc: Governor Bill Graves
February 11, 2002

Commissioner John Wine  
Chairman  
Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, KS  66604

Dear Commissioner Wine:

Thank you for your letter to Secretary Abraham of December 26, 2001, concerning the potential effect of the then impending Chapter 11 bankruptcy filing by the Enron Corporation (Enron) on the safe and efficient operation of gas pipelines owned by its subsidiary Northern Natural Gas Company.

As you may know, the authority for regulating natural gas pipelines is vested in the Federal Energy Regulatory Commission and the Department of Transportation Office of Pipeline Safety. Those agencies are the ones who may be helpful in ensuring continued safe and efficient operation of the Northern Natural Gas Company's gas pipelines. We at the Department of Energy are monitoring impacts of Enron's bankruptcy filing on the Nation's energy infrastructure, including those associated with operations of Northern Natural Gas Company. Although we can appreciate your apprehension about potential effects of Enron's bankruptcy on Northern Natural Gas Company, we are not aware at the present time of any circumstances that might warrant action by Secretary Abraham.

Regards,

Vicky A. Bailey  
Assistant Secretary  
Office of Policy and International Affairs
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Subject Text:
Representative Henry A. Waxman requests information about any communications that DOE has had with Chairman Kenneth L. Lay about Enron's financial situation; submits questions.

Action Office:

Signature/Approval:
Spencer Abraham

Action Requested:
Prepare Response

Special Instructions:
January 15, 2002

The Honorable Spencer Abraham
Secretary
Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Abraham:

I am writing to request information about any communications you had with Enron Chairman Kenneth L. Lay about Enron’s financial situation.

Recent news accounts have indicated that Enron executives spoke with several senior Administration officials – including you – last October and November, prior to the company filing for bankruptcy on December 2, 2001.1 According to news accounts, you telephoned Mr. Lay on November 2, 2001, “to ask about the situation after [you] read news reports about the company’s financial problems.”2 The Energy Department spokeswoman described the phone call as “information gathering.”3 According to the spokeswoman, Mr. Lay “conveyed an optimistic impression of the situation, without going into specifics.”4

It has also been reported that Enron executives, including Mr. Lay, made five requests for meetings with you last year, but that these requests were denied.5 However, senior Energy Department officials did meet with senior Enron executives on two occasions.

In light of these developments, I request that you respond to the following questions:

(1) Since January 20, 2001, have you or any Energy Department employee had any

1 See Enron Asked for Help from Cabinet Officials, Washington Post (Jan. 11, 2002).
2 Enron Asked for Help from Banks, Associated Press (Jan. 11, 2002).
3 Subpoenas on Enron Issued: Calls to Aide Cited, Boston Globe (Jan. 12, 2002).
4 Id.
5 Id.
The Honorable Spencer Abraham  
January 15, 2002  
Page 2  

1. Since January 20, 2001, have you or any Energy Department employee discussed Enron with Mr. Lay or any Enron employee regarding Enron? If so, please provide the dates of any communications, the form of the communication, the persons involved, the information exchanged or matters discussed, and copies of any documents that were exchanged.

2. Since January 20, 2001, have you or any Energy Department employee discussed Enron with any member of the cabinet, including the President or the Vice President, or any member of the White House staff? If so, please provide the dates of any communications, the form of the communication, the persons involved, the information exchanged or matters discussed, and copies of any documents that were exchanged.

3. Since January 20, 2001, have you had any communications with anyone regarding Enron, other than the communications described in questions 1 and 2? If so, please provide the dates of any communications, the form of the communication, the persons involved, the information exchanged or matters discussed, and copies of any documents that were exchanged.

It is essential that these questions be answered so that there is a clear public accounting of this matter. We all owe that to the thousands of families that are facing financial ruin from the Enron bankruptcy. I hope it will be possible for you to provide the answers I am seeking by January 23, 2002.

Sincerely,

Henry A. Waxman  
Ranking Minority Member
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December 12, 2001

The Honorable Spencer Abraham
United States Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Dear Mr. Secretary:

On behalf of the Business-Government Relations Council (BGRC), I would like to extend an invitation for you to speak to our group. The BGRC is a non-profit organization whose purpose is to improve business understanding of government policies, methods, and operations, and to increase government officials’ awareness of the role of business in government affairs. Our membership consists primarily of executives who run the Washington offices for their corporations. Many also have responsibility for state and international business/government relations.

Former speakers at BGRC have included Members of Congress, Administration officials, Cabinet Secretaries, and Members of the Diplomatic Corps. Traditionally, our speakers address the BGRC at a breakfast or luncheon at the Willard Hotel. We will be happy to accommodate your schedule for the location.

We would be very interested in your views on our nation’s energy policy. I will call your office in the near future to discuss your potential availability.

Thank you.

Sincerely,

Robert S. Aiken
Vice President, Federal Affairs

cc: Mr. Larry Burton, BP
<table>
<thead>
<tr>
<th>Name</th>
<th>Company/Title</th>
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<tr>
<td>Aiken, Robert S.</td>
<td>Pinnacle West Capital Corp.</td>
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Sunoco, Inc.

KOUTSOUMPAS, J. THOMAS
Vitas Healthcare Corporation

KRUMHOLTZ, JACK
Microsoft Corporation

LEZY, NORM
Wal-Mart

LIBERATORE, ROBERT G.
DaimlerChrysler Corporation

LIFSON, ARTHUR
CIGNA Corporation

MARSHALL, BEVERLY K.
Duke Energy Corporation

MATTOX, WILLIAM C.
Mutual of Omaha Companies

MAY, STEVE
Cummins Inc.

MCAULIFFE, MARY E.
Union Pacific

MELTON, CAROL A.
Viacom Inc.

MODI, DAVID
Georgia-Pacific

MORRILL, JAMES A.
Lincoln National Corporation

NAYLOR, MICHAEL W.
Honeywell

NETCHYOLODOFF, ALEX
Cox Enterprises, Inc.

NEWMAN, HELEN L.
Gulfstream Aerospace

ODEEN, PHILIP A.
TRW Inc.

O'TOOLE, J. DENIS
Household International

PATTON, THOMAS B.
Philips Electronics North America Corp.

PICCOLO, JOANN
Motorola

PROUT, JERRY
FMC Corporation

PRUITT, JAMES C.

RAGAN, ROBERT H.
Bechtel Group, Inc.

REGAN, TIMOTHY J.
Corning Incorporated

RESLER, BARCLAY T.
The Coca Cola Company

ROBERTSON, LINDA L.
ENRON

ROSEN, BURT
Novartis

ROUSE, JAMES J.
Exxon Mobil Corporation

SALMON, SHANNON
Johnson & Johnson

SAMORA, JOSEPH E.
Case New Holland Inc.

SCHLICHT, JAMES P.
AstraZeneca Pharmaceuticals LP

SCRIVNER, KERRILL K.
TXU

SCRUGGS, JOHN F.
Philip Morris Companies, Inc.

SCZUDLO, BECKY
NiSource

SMITH, RICHARD F.
Textron

STINGER, CYNTHIA
GPU, Inc.

STRAUB, TERRENCE D.
USX Corporation

SWEENEY, WILLIAM R.
EDS

TAYLOR, SANDRA E.
Eastman Kodak Company
THOMPSON, RICHARD L.
Bristol-Myers Squibb Co.

TOOHEY, MICHAEL
Ashland Inc.

WACKERLE, REX
Prudential Insurance Co.

WALTER, SUSAN
General Electric Company

WARD, GREGG
Siemens Corporation

WEINBERGER, ROBERT A.
H & R Block, Inc.

WEST, GAIL BERRY
Armstrong World Industries, Inc.

WHITE, RAYMON M.
Harris Corporation

WILLIAMS, H. NEWTON
Celanese

WILSON, MICHAEL
Florida Power & Light Company

WISOR, RUSSELL C.
Alcoa, Inc.

WITHEY, LYN M.
International Paper

YOHE, D. SCOTT
Delta Air Lines
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**Special Instructions**
Due to delay in mail service, received in ES on January 15, 2002. Info copy: DS/Blake. Due that the event has already taken place this is OBE.
Beijing Oil Forum
-- China's Oil and Energy Policy in the 21st Century
State Economic and Trade Commission of China
Raddisson Plaza State Guest Hotel, Beijing, October 23-25, 2001

40 Whitman Road, Suite 1-2
Waltham, MA 02453

September 10, 2001

President George W. Bush
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President,

I am writing to you urgently for your support to a major international energy event: the Beijing Oil Forum -- China Oil and Energy Policy in the 21st Century, which will be held in Beijing on coming October 23-25. We were, however, just informed by the Department of Energy that the trip to Beijing by senior DOE officials, who were invited to speak at the forum, could be blocked by the US Embassy, because of a general policy against "flooding" a country with US government officials when the President visits.

The conference will bring together leading figures in the energy sector from around the world to consider and advise on China's oil and energy policy. Hosts at the conference will be the State Economic and Trade Commission (SETC), the government's principal coordinating body for industrial policy, in association with China's three leading oil companies. Senior Chinese leaders from the State Council and SETC will make a grand opening of the forum.

With intensive preparatory work over the last 10 months, we have invited senior officials, top executives, and distinguished scholars from the United States, China and other countries, to address the conference. Senior speakers from the United States on the invitation list include:

- Francis Blake, Deputy Energy Secretary, Department of Energy;
- Harry J. Longwell, Senior Vice President, ExxonMobil;
- Ken Lay, Chairman, Enron;
- David Johnson, Director, Office of Strategic Oil Reserves, DOE;
- Milton Russell, Director, Joint Energy and Environment Institute;
- Vahan Zanoyan, President, Petroleum Finance Corporation;
- Lou Shrier, President, Global Development Opportunities;
- Robert Ebel, Director Energy Program, Center for Strategic and International Studies.

Other prominent guests include William Ramsay, Deputy Executive Director of IEA; Jeroen van der Veer, Managing Director of Royal Dutch Shell; Abdulaziz bin Salman al-Saud, Deputy Oil Minister of Saudi Arabia.
We believe that the President's visit to China will greatly strengthen the economic and trade ties between the two countries. We are very proud of holding this high-level forum right after the President visit, making contribution to enhance oil and energy collaboration of the two sides. The conference would, however, be substantially demoted without the participation of senior DOE officials. We very much appreciate your attention, and do wish to receive your support to make the event a successful one.

Regarding any questions on the conference, please contact either:

- Co-Executive Secretary, Huaibin Lu, 40 Whitman Road, Suite 1-2, Waltham, MA 02453; tel: 781-8944798, fax: 781-8945792, email: hlu@3-eee.net;
  or
- International Coordinator, Lou Shrier, 4000 Cathedral Avenue, NW, Suite 318-B, Washington, DC 20016; tel: 202-9652941, fax: 202-9652942, email: alshrier@att.net.

Yours Faithfully,

[Signature]

Huaibin Lu

Co-Executive Secretary to the Conference
Please note the new dates and site for the Forum

Beijing Oil Forum
China's Oil and Energy Policy in the 21st Century

Radisson Plaza State Guest Hotel, Beijing
October 23-25, 2001
Beijing Oil Forum
— China’s Oil and Energy Policy in the 21st Century
State Economic and Trade Commission of China
Radisson Plaza State Guest Hotel, Beijing
October 23 – 25, 2001

Tuesday, October 23

Morning
Executive Forum
Opening Speeches, State leaders and Minister Li Rongrong of State Economic & Trade Commission (SETC);
Zhang Zhigang, Vice Minister, SETC, China’s Oil and Energy Policy in the 21st Century;
Francis Blake, Deputy Energy Secretary, Department of Energy, USA, Reliable, Affordable and Environmentally Sound Energy for America’s Future;
Ma Fucai, President, China National Petroleum Corporation, China’s Petroleum Resource Development and CNPC’s Strategy;
Li Yizhong, President, China Petrochemical Corporation, China’s Oil Market Development and Sinopec’s Corporate Strategy;

Lunch Keynote Speech, Li Yining, Professor, Beijing University, China’s State Sector Reform and Economic Development;

Afternoon
Executive Forum Continuing
Harry Longwell, Senior Executive Vice President, ExxonMobil, Reshaping the Global Oil Sector, Development Through Restructuring and Regrouping;
Wei Liucheng, President, China National Offshore Oil Corporation, China’s Offshore Oil Industry Growing in the Context of Globalization and Competition;
Jeroen van der Veer, Managing Director, Shell, The Role and Strategy of Multinational Oil Companies;
Abd al-Aziz F. al-Khayyal, VP, Saudi Aramco, Globalization and Strategy of State-run Oil Companies;
Peter David, BP Amoco, Vice President and Chief Economist;
Vice President, Ford Motor, Technology Development in Non-oil Motor Vehicles;

Dinner Banquet

Wednesday, October 24

Morning
Global Oil Market
Wang Zhongming, Managing Director, Economic Research Center, SETC, China’s Oil Demand and Energy Security;
Adrian Binks, Chief Editor, Petroleum Argus, Trend in the Asia Pacific Refining Industry;
Mike Lynch, Director, Oil Market Studies, DRI, Market Implications and Outlooks on Demand/Supply and Oil Prices;
Vahan Zanoyan, President, Petroleum Finance Corporation, Global Oil Trade and Oil Pricing Mechanism;
Energy Security
Song Hongyu, Section Chief, State Development and Planning Commission, Considerations and Policy in Establishing Strategic Oil Reserves in China;
David Johnson, Director, Office of Strategic Oil Reserves, DOE, USA, Strategic Oil Reserves in the United States;
P. de Sampaio Nunes, Director, Energy and Transport, European Committee, Energy Security and Programs in European Union;
Robert Ebel, Director of Energy Programs, Center for Strategic and International Studies, The Geopolitics of Energy into the 21st Century;

Lunch and Keynote Speech

Afternoon
Oil Strategy and Policy
Adam Louis Shrier, President, Global Development Opportunities, The Role of Oil Companies in a Country's Energy Policy;
Marcel Bramer, President, Statoil Asia;
Natural Gas Development
Song Wucheng, Professor, State Energy Research Institute, Natural Gas, the Energy Future in China;
Stuart R. McGill, President, ExxonMobil Gas, The Prospect and Role of Natural Gas in the Future Energy;
Gaz der France, Natural Gas and Electric Power;
Director General, Raw Material Department, Tokyo Gas, The Role of LNG in Japan's Energy Sector;

Thursday October 25

Morning
Energy Conservation and Environment
Director, Resource Development and Conservation, SETC, Improving Energy Efficiency and Pursuing Energy Conservation in China;
Milton Russell, Director, Joint Energy and Environment Institute;
New Energy Technologies
Theo L.K. Lee, Hydrocarbon Technologies, Clean Coal Technologies and Their Industrial Operations;
Mark Agee, President, Syntroleum, Gas-to-Liquid Technologies, Economics and Applications;

Noon, Closing Remarks, SETC Leaders.
## State Economic and Trade Commission

The State Economic and Trade Commission (SETC) of the People's Republic of China is established as a key component of the State Council pursuant to the Chinese cabinet institutional restructuring scheme endorsed in March 1998 by the first Session of the Ninth National People's Congress and the Notice on the Institutional Establishment of the State Council. As a major macro-economic regulatory ministry, SETC's mandate is to regulate near-term performance of the national economy. Among its main functions and are the follows.

- To monitor and regulate performance of the national economy, and to draw up near-term operating plans;
- To formulate industrial policies, and supervise their implementations, and to lead industrial restructuring;
- To lead draw-ups of economic regulations and decrees governing industrial, commercial and trading operations;
- To instruct state administrations under SETC's jurisdiction, in making sectorial plans, regulations and decrees;
- To make plans of investment distribution in non-monopoly sectors, and to set guidelines to foreign investment;
- To guide the implementation of reform in the distribution sector, and to cultivate market mechanism and to monitor market operations;
- To exercise macro regulations over operations of enterprises of various ownerships, and to steer state-run enterprises and small enterprises in restructuring and developing;
- To set up regulations and decrees to manage the state assets;
- To work out policies and guidelines to promote technological renovation and resource conservation;
- To oversee national safety in production;
- To pursue international economic exchanges and cooperation.

### China National Petroleum Corporation (CNPC)

CNPC was established in July 1998 according to the institutional reform plans promulgated by the State Council. It is an integrated national petroleum corporation that mainly engages in oil and gas exploration and development, refining and marketing, transportation, trade and technical services. CNPC has total assets of 684.5 billion yuan. It produced crude oil of 111.1 million tons, natural gas of 18.8 billion cubic meters in 2000, 68.2% and 67.8% of domestic production respectively, and processed crude oil of 82.32 million tons, 39.2% of the national total. CNPC achieved 403.9 billion yuan in sales revenue and 60 billion in operating profit during the year. Through restructuring, CNPC established PetroChina Company Limited (PetroChina), transferring to the Company most of its assets, liabilities and interests. PetroChina was successfully listed in New York and Hong Kong stock exchanges in April 2000.

### China Petrochemical Corporation (Sinopec)

Established in July 1998 by the State, Sinopec is a major state-owned corporation registered capital of 104.9 billion RMB. Sinopec has wholly-owned enterprises, participation enterprises and subordinate firms of petroleum production, oil refining and petrochemical production, local sales and foreign trade, units of scientific research, exploration, engineering, construction, materials supply, information, etc. Sinopec engages in oil and gas exploration and development, oil refining and petrochemical production, sales of oil products, petrochemical intermediates, synthetic fibers and synthetic fiber monomers, oil and petrochemical product import and export, foreign bidding and purchasing, sino-foreign joint venture and cooperation, leasing, project contracting, labor exporting and other related business. In October 2000, Sinopec completed a public offering of its common stock in Hong Kong, London and New York.

### China National Offshore Oil Corporation (Cnooc)

China National Offshore Oil Corporation is a state-run company incorporated on February 15, 1982, with the approval of the State Council. Cnooc is authorized by the Regulation of the People's Republic of China Concerning the Exploration of Offshore Petroleum Resources in Cooperation with Foreign Enterprises to take the overall responsibilities of the exploration of offshore oil and gas resources in the People's Republic of China in cooperation with foreign enterprises. Cnooc has registered capital of 20 billion RMB and total assets of 50 billion RMB, and has 21,000 employees. It is headquartered in Beijing and subordinates one independent exploration and development company, one research center, eight specialized service companies and five logistics companies. It produced crude oil of 18.1 million tons, natural gas of 4.25 BCM, and the total profit of 3.3 billion RMB in 2000. Cnooc Ltd. was listed in New York and Hong Kong in February 2001.

### Economic Research and Consultation Center (ERCC), SETC

ERCC was formed in 1994, and provides research and consulting services for SETC. It acts as an important think tank in SETC's decision-making process. Focused on key and complicated subjects in reform and development of enterprises and the near-term operations of the national economy, the center carries out investigation and research, offers study reports and policy proposals. Authorized by SETC leaders or entrusted by other government bodies, ERCC also undertakes research projects commissioned by related ministries, and provides necessary consulting services.

### 3E Information Development & Consultants (3E)

3E (web: [www.3-ecc.net](http://www.3-ecc.net)) is an independent consulting company. Its business focuses on energy, environment and related sectors. 3E offers advisory and consulting services for international investment in the Chinese market, and to Chinese firms seeking international opportunities. 3E is registered in Beijing. Its shareholders include domestic enterprises, research institutes, industrial associations and private investors. 3E's high-quality services rely on its professional strength and integrated knowledge base, which are particularly strengthened through an extensive professional network of specialists across the country. With strong local forces, 3E offers clients services with reliable information sources at competitive prices.
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- Correspondence Date: 1/30/02
- RIDS Information: Head of Agency
- Sensitivity: Not Applicable
- Classification: None
- Date Due: 
- Date Completed: 2/7/02
January 28, 2002

Via FedEx
The Honorable Gale A. Norton
Secretary of the Interior
U.S. Department of the Interior
1849 C. Street N.W.
Washington, DC 20240

Re: Chevron/Texaco’s and Apache Corporation’s refusal to pay their 7.8125% share of governmentally-mandated wellbore repair work corresponding to long-time shut-in H.M. Britt Lease wells
320-acre H.M. Britt Lease Proration Unit
W/2E/2, E/2W/2 Section 7, T-20-S, R-37-E
Lea County, New Mexico
Federal Lease No. LC-031621A

Dear Gale:

We wish to congratulate you on your appointment by President George W. Bush, as Secretary of the Interior. Dale Lockett (your 1988 Lea County, New Mexico field guide) also says hello, and expresses his congratulations, as well.

In regard to Lea County, New Mexico, please find herein enclosed a copy of our January 25, 2002 letter to Chevron/Texaco, which has been a working interest owner, since 1935, under the 320-acre H.M. Britt Lease (Federal Lease No. LC-031621A), consisting of the W/2E/2, E/2W/2 Section 7, T-20-S, R-37-E, Lea County, New Mexico.

Last year, in compliance with both state and federal regulations, and in order to improve lease production and reserve recovery, we spent $2,284,814.44 repairing, and returning to production, six long-time shut-in H.M. Britt Lease wells. One of the long-time shut-in H.M. Britt wells had been left shut-in, by Chevron/Texaco and prior H.M. Britt Lease working interest owners, since 1954 (47 years ago).

Now that substantial governmentally-mandated H.M. Britt Lease wellbore repair work has been completed, long-time shut-in H.M. Britt Lease wells have been successfully returned to production, and the bills have been paid (by the operator), Chevron/Texaco is searching for “loopholes” to keep from paying its proportional share of the cost of performing the long-overdue work, that was
necessary in order to prevent the waste of remaining oil and gas reserves, and to ensure that the environment is properly protected.

Based upon Chevron/Texaco’s apparent lack of concern for environmental issues, and remaining oil and gas reserves, regarding the 320-acre H.M. Britt Lease, the question arises as to how can Chevron/Texaco be entrusted with oil and gas development, at Alaska’s Arctic National Wildlife Refuge (ANWR), where both an enormous investment (as well as enormous ongoing operating expenses) will be required, when Chevron/Texaco is presently unwilling to pay its 7.8125% share of a $2,284,814 investment, to perform governmentally-mandated wellbore repair work corresponding to long-time shutin H.M. Britt Lease wells.

In consideration of the current Enron debacle, before we turn large corporations (like Chevron/Texaco) loose at Alaska’s Arctic National Wildlife Refuge (ANWR), we need to take a much-harder look at the corporate culture of large energy corporations, since the value of stock options, the bottom line, and politics may be of substantially greater concern, than (1) the protection of the environment, and (2) the efficient non-wasteful recovery of natural resources.

After exploiting New Mexico leases for almost 70 years, if permitted, it appears that Chevron/Texaco is willing to walk off and leave a mess in New Mexico, in order to commence exploiting a new high-potential previously-undisturbed wilderness area.

In addition to ensuring that new high-potential previously-unexploited wilderness areas are properly protected, as part of a national energy plan, we also need to encourage maximum oil and gas reserve recovery from mature producing areas, by ensuring that all technically qualified, experienced, and responsible oil and gas operators are given an equal opportunity to bid on properties that major oil companies will be divesting, in mature producing areas, instead of such properties and reserves being combined into large-scale multi-lease big-dollar divestiture packages, and sold only to large highly-leveraged independents, like Apache Corporation, which, in the case of the 320-acre H.M. Britt Lease, is also an interest owner, and is also attempting to avoid paying its 7.8125% proportional share of last year’s $2,284,814 H.M. Britt Lease wellbore repair expenses.

Very truly yours,

DOYLE HARTMAN
Oil Operator

Doyle Hartman
Owner

wrd perf\chris\corresp.db\britmorton.1
Enclosures

cc: Via FedEx
The Honorable President George W. Bush
The President of United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Via FedEx
The Honorable Richard Cheney
Vice President of United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Via FedEx
The Honorable Spencer Abraham
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Via FedEx
Thomas L. Sansonetti, Assistant Attorney General
U.S. Department of Justice
Environment and Natural Resources Division
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Via FedEx
Christine Todd Whitman, Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Via FedEx
Representative James V. Hansen, Chairman (Utah)
Committee on Resources
U.S. House of Representatives
1324 Longworth House Office Building
Washington, DC 20515-6201
Via FedEx
Representative Don Young (Alaska)
Committee on Resources
U.S. House of Representatives
2111 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative W.J. Tauzin (Louisiana)
Committee on Resources
U.S. House of Representatives
2183 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative Jim Saxton (New Jersey)
Committee on Resources
U.S. House of Representatives
339 Cannon House Office Building
Washington, DC 20515

Via FedEx
Representative Elton Gallegly (California)
Committee on Resources
U.S. House of Representatives
2427 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative John J. Duncan, Jr. (Tennessee)
Committee on Resources
U.S. House of Representatives
2400 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative Joel Hefley (Colorado)
Committee on Resources
U.S. House of Representatives
2230 Rayburn House Office Building
Washington, DC 20515
The Honorable Gale A. Norton
January 28, 2002
Page 5

Via FedEx
Representative Wayne T. Gilchrest (Maryland)
Committee on Resources
U.S. House of Representatives
2245 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative Ken Calvert (California)
Committee on Resources
U.S. House of Representatives
2201 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative Scott McInnis (Colorado)
Committee on Resources
U.S. House of Representatives
320 Cannon House Office Building
Washington, DC 20515

Via FedEx
Representative Richard W. Pombo (California)
Committee on Resources
U.S. House of Representatives
2411 Rayburn House Office Building
Washington, DC 20515

Via FedEx
Representative Barbara Cubin ( Wyoming)
Committee on Resources
U.S. House of Representatives
1114 Longworth House Office Building
15 Independence Avenue, SE
Washington, DC 20515

Via FedEx
Representative George P. Radanovich (California)
Committee on Resources
U.S. House of Representatives
123 Cannon House Office Building
Washington, DC 20515
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Dear Mr. Secretary,

On behalf of the Netherlands Minister for Economic Affairs and Deputy Prime Minister, Ms. Annemarie Jorritsma, I respectfully request an appointment for her with you on Tuesday, March 12.

Minister Jorritsma will travel to the U.S. and Mexico in early March to exchange ideas with public and private sector officials about technology, competition, and energy policy. As energy policy in the Netherlands is coordinated and implemented by the Ministry of Economic Affairs, Ms. Jorritsma is particularly interested in meeting with you to discuss US developments and policy proposals in this area. You may know that the Netherlands is in the process of liberalizing its energy markets and thus an exchange of ideas would be most interesting. Ms. Jorritsma would specifically like to discuss the following:

- What is the status of energy policy goals and legislation, possible legislative outcomes, and what additional actions are being considered regarding the security and reliability of energy supplies?
- What is the Administration's position on the balance between production and conservation, between fossil supplies and alternatives/renewables?
- What are the Administration’s plans regarding international efforts to reduce greenhouse gas emissions, both within the Kyoto framework and in other, still undefined efforts?
--What are the Administration's specific plans regarding fossil fuel production, especially as it relates to oil production from sources outside of the Middle East? What research and development efforts are underway regarding shale and tar sands? If fully commercialized and cost-competitive, what impact might production from these and other fossil supplies have upon international energy policy?
--What is the status of electricity market liberalization/deregulation generally, what lessons can be learned from the problems in California, and how will the collapse of Enron impact the deregulation efforts?
--Netherlands candidate for Executive Director of the International Energy Agency.

If you have any questions about this request, please have your staff contact Mr. Dale Morris (202 274-2618) of my Embassy. I hope I may look forward to your favorable response to this request.

Sincerely yours,

Joris Vos
Ambassador
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NAME: Jon Davis  
SUBJECT: Policy  
ZIP: 89134  
CITY: Las Vegas  
PARM.1: TO: the.secretary@hq.doe.gov  
STATE: Nv  
TOPIC: Potential hinders to US Economic Growth  
SUBMIT: Send Comments  
CONTACT: email  
COUNTRY: USA  

MESSAGE: I have seen that electricity spot prices are edging up (up about 30% in the last week). I believe summer will present a lot of issues for the US as always. Generation plants are being cancelled left and right, those who own plants will be left with a gold mind in the upcoming years. What many people do not realize is: 1) Over 60% of the US capacity is over 40 years old. These plants are inefficient and reliability is a continual problem. 2) All the NUKE plants are over 20 years old, some are approaching 30 years or more. The life on these plants is about 30 year, more that 30 some serious money has to spent to keep them going (billons per plant not millions, i.e Steam generators have to be replaced etc.) 3)The northeastern seaboard has not had adequate reserve capacity for years. Most areas are transmission constraint, making it hard to move power. With the cancellation of plants, power supply issues will continue. 4) California has similar issues. A long hot summer will mean high energy costs for everyone. In my opinion you can thank Moodys, short panic sellers such as hedge funds that have force Power producing stocks down to the point where companies like Mirant, NRG and Calpine have paired down their expansion plans to less than 60% of what was planned so they can operate on free cash flow only basis(no stock issuance). Electricity is part of the engine that drives the growth engine for this economy. To have full recovery you need a strong utility and energy sector. I suspect the strategic shorts sellers realize this and fear they have accomplished their goal: 1) Stop construction of generation plants that will keep electricity costs down 2) keep supplies short and expensive to hinder any recovery opportunities. This in the long run will mean Generation shareholders and in companies like MIR will profit (although now they are feeling some pain). These stocks will again reach their lofty (pre ENRON mess) valuations again before the year is out, but the rest of the country will suffer. Thank the hedge funds for this. I believe there is an overall conspiracy by some hedge fund managers to drive the economy into depression or keep the recession going. What easier way to do this than to curb the electric supplies. I have been a manger in the utility industry for over 15 years and I speak with some knowledge in this matter (was Resource Planning manager for major utility)I would hope this e-mail does not get discarded and somone seriously evaluates this issue. Electricity is vital to our nation and if there are individuals which If my individuals are trying to impeed the
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December 19, 2001

The Honorable Spencer Abraham
Secretary, United States Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Abraham,

On behalf the members of the California Energy Solutions Group (CESG), I am honored to invite you to be a speaker at our February 6, 2002 meeting in Sacramento to discuss a critically important set of issues of major concern to the Administration of President George W. Bush. Because of your leadership role relative to California energy issues, I know all members of the Group would value your thoughts and participation in the meeting.

CESG represents a broad coalition of major agricultural, food processing and industrial consumers, environmental groups, independent energy producers, private energy marketers and generators, public and private utilities. The Group was originally formed to discuss and coordinate key implementation issues surrounding electric deregulation and associated natural gas issues. A current membership roster is enclosed for your information. In addition, to our Group members, there is always active participation at our meetings by residential consumer groups, as well as California state executive, legislative and regulatory policymakers and staff.

Our February meeting will focus on the issue of transmission in California and the electrical grid for the Western United States. We would like you to speak to these
issues in an address to our Group and be available to participate in a more focused panel discussion regarding the Federal Path 15 Program Initiative. We have attached a very rough draft agenda for the meeting for your information. The Group would be interested in hearing your thoughts on the Department's plan for Path 15 and on its impact on the California transmission system, as well as any other energy related issues that you feel would be of interest to this audience.

The whole purpose of CESG is to allow for an informal discussion of the toughest energy issues, where such issues can be frankly and openly aired from a variety of major market participant viewpoints. We find the participants often have limited opportunities for such a meaningful dialogue. Accordingly, there is no press invited, and no taping or word-by-word recording of the meetings. Too often these same parties meet in only formal processes or give formal testimony and do not have the ability to fully discuss questions on an iterative give and take basis. We find these meetings tend to bring forth a broader understanding of the complex issues of energy in California, when the major players are all in the room together. This type of setting helps to correct many misunderstandings, thus avoiding unnecessary legislation, litigation, and often leading to agreement on common concerns.

It is our sincere hope that your calendar accommodates our request. If your participation requires changes in our program, we will attempt to be as flexible as possible to accommodate your busy schedule. Please feel free to contact me if you or your staff have any questions or need further details on the event.

Sincerely,

D.J. Smith
Group Coordinator

Enclosures (2)
CALIFORNIA ENERGY SOLUTIONS GROUP

The Group represents a broad coalition of major agricultural, food processing, industrial consumers, independent energy producers, utility labor unions, energy marketers and public and private utilities. The Group was formed to discuss and coordinate key implementation issues surrounding the restructuring of California's $30 billion per year electric utility industry.

AES New Energy
Automated Power Exchange
California Chamber of Commerce
California Farm Bureau
California Independent System Operator
California Industrial Users
California Large Energy Consumers Association
California League of Food Processors
California Manufacturers & Technology Association
California Municipal Utilities Association
California Retailers Association
Calpine Corporation
Center for Energy Efficiency & Renewable Technologies
Coalition of California Utility Employees
Edison International
El Paso Corporation
Enron Corporation
Florida Power and Light
Green Mountain Energy Resources
Independent Energy Producers
Mirant
Natural Resources Defense Council
PaciﬁCorp
Roche Pharmaceuticals (Silicon Valley Manufacturing Group)
Sempra Energy
Sierra Paciﬁc
Western States Petroleum Association
Wednesday, February 6, 2002

California Farm Bureau – Conference Room
2300 River Plaza Drive
10:00 am – 4:00 pm

I. Opening Remarks
   DJ Smith - Coordinator

II. Transmission Overview - The State’s View
   Representative – California Public Utilities Commission
   Representative – California Energy Commission
   Representative – California Independent System Operator
   Representative - California Municipal Utilities Association
   Representative - Southern California Edison

III. Transmission and Other Energy Issues Impacting California - The Federal View
   Secretary Spencer Abraham - United States Department of Energy

IV. Federal Path 15 Program Initiative
   Representative – Northern California Power Agency
   Representative – Los Angeles Department of Water and Power
   Representative – Pacific Gas & Electric

Lunch Break

V. Regional Transmission Organizations - The View from FERC
   Chairman Pat Wood – Federal Energy Regulatory Commission

VI. Regional Transmission Organizations - The California View
   Representative – Governor Gray Davis Administration
   Kevin Lynch – PacifiCorp
   Board Chair - California Independent System Operator
   Senator Debra Bowen - Chair, Senate Energy, Utilities & Communications Committee
   Assemblyman Rod Wright - Chair, Assembly Utilities & Commerce Committee

V. Discussion of Next Meeting
   DJ Smith/Delaney Hunter
Letter to Deputy Secretary Francis Blake from R. Steve Let

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R. S. Letbetter, Reliant Energy, thanks the Deputy Secretary for meeting with him the week of December 10, 2001.
Mr. Frank Blake
U. S. Department of Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC  20585

Dear Deputy Secretary Blake:

Thank you for dedicating time from your busy schedule to meet with me last week. I enjoyed getting to know you and having an opportunity to discuss issues of significant importance in today’s energy markets.

As we discussed, the issues surrounding the Enron situation, while very serious, must be kept in proper perspective. It is important to remember that there was little, if any, impact on the energy markets themselves after Enron announced its inability to meet outstanding contracts. This, along with the weight of other evidence, supports the understanding that the energy markets in which Enron was trading, remain intact and strong. The problem here lies not with the markets, but with the business practices of Enron. It is vital that the Administration and the Hill continue to remain focused on this, the correct issue at hand.

Your comments concerning the lack of understanding of energy markets, generally, and derivatives markets, specifically, underscore the need to educate better those who have an interest in this field. It is nearly axiomatic that any understanding of derivatives must be set in the context of overall markets. We at Reliant look forward to offering suggestions on how such an undertaking can result in a better informed public. Accordingly, we will forward our thoughts to you in the very near future.

Again, thank you for the opportunity to get to know you. I look forward to doing all I can to work with you and all in the Administration to achieve the President’s goals.

Sincerely,

R. Steve Letbetter
E-mail to Secretary Spencer Abraham from Linda Lazarus

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Date Completed 3/1/02
Blowing the Whistle: Not for the Fainthearted

February 10, 2002

By MARCI ALBOHER NUSBAUM

She became an overnight icon of workplace integrity, celebrated as a corporate insider who had the courage to confront her boss about possible wrongdoing in high places. For warning Enron's chief executive last summer that the energy company could "implode in a wave of accounting scandals," Sherron S. Watkins has been called a fearless upholder of business ethics.

Other whistle-blowers should be so lucky.

Though Ms. Watkins has been basking in the glow of the media's softest lights, experts say such hero treatment is far from the norm. "The lone whistle-blower is often set up against a powerful corporate or government entity with more resources and power," said James E. Fisher, director of the Emerson Electric Center for Business Ethics at St. Louis University. "From the get-go, you have the likelihood of retaliation."
People committed to bringing out the truth need to steel themselves, as well as their families, for difficult times, according to Tom Devine, legal director of the Government Accountability Project, a nonprofit organization for the protection of whistle-blowers in Washington.

That doesn't mean that employees who witness illegal or unethical behavior in their workplaces have to set themselves up as sacrificial lambs, he said. A key is to think carefully before doing anything to shine the spotlight on improprieties. If the organization has an ethics officer and a policy in place for reporting wrongdoing, he recommended that employees use those channels first, rather than making accusations publicly.

Talking to a trusted manager or getting outside advice confidentially can also be wise. "When the whistle-blower is perceived as a threat to expose indefensible misconduct, then the 'him versus them' mentality kicks in," Mr. Devine said. "We coach people on how to make a difference without sparking an adversarial relationship."

If an employee suffers retaliation, legal recourse is available under a patchwork of state and federal laws. All but 15 states have enacted some form of general whistle-blowing legislation, and more than 50 state measures provide protections in specific industries or for classes of people, like children or workers exposed to hazardous substances. Some of these laws and regulations affect private employment, while others deal with the public sector. In addition, the Federal Whistle-Blower Protection Act provides shields for federal employees who have experienced retaliation.

Advocates for whistle-blowers say the safeguards are not enough. "Almost any whistle-blower who relies on these rights and fights to the bitter end will spend many years and dollars on legal fees and be virtually guaranteed to get a formal legal ruling that he or she deserved whatever retaliation was received," Mr. Devine said.

Even so, would-be whistle-blowers have some cause for hope. The Enron scandal has increased pressure on companies to create programs that encourage employees to expose wrongdoing without fear of retribution.

Last June, Senator Daniel K. Akaka, Democrat of Hawaii, introduced a bill to make it easier for whistle-blowers to sue their employers and to broaden the protections they receive. The measure would also give the United States Office of Special Counsel, the independent federal agency charged with investigating and prosecuting cases involving government whistle-blowers, greater power to litigate cases.

Lawyers say the strongest legal protection is in cases falling under the federal False Claims Act, a Civil War-era law that has been rediscovered recently as a tool to challenge fraud in obtaining government contracts. It is also one of the few laws that offer financial incentives for whistle-blowers who pursue a case, entitling them to a
Winning cases is another matter. "Courts are fairly hostile to claims because they so often involve disgruntled employees looking to cash in," said Michael Selmi, an employment law professor at the George Washington Law School in Washington. His advice, particularly if a whistle-blower is interested in keeping his or her job, is to reach the right person and try to handle the problem inside the organization, rather than going directly to law enforcement or regulatory agencies. "Most companies want to stop illegal or fraudulent activities," he said.

Even when evidence of wrongdoing is strong, experts advise potential whistle-blowers to do much soul-searching and planning before reporting it. "If you go into your boss's office and say, 'You're a crook and you're not going to get away with it,' it would be a miracle not to have a scorched-earth conflict with only one left standing," Mr. Devine said.

Experts also say whistle-blowers can be successful if they capture the attention of Congress, the news media or other powerful messengers. "If they make it to '60 Minutes,' their issue will get serious consideration," said Roberta Ann Johnson, author of "Whistleblowing: Power and Policy From the Inside Out," which is to be released later this year by Lynne Rienner Publishers.

Still, employees who come forward can expect a rough ride. Talks with whistle-blowers and those who study them paint a picture of David versus Goliath struggles.

Consider Martin Edwin Andersen, a former manager in the Justice Department who complained in 1997 of what he called "a cesspool of official misconduct," including sexual favoritism in hiring, breaches of security and visa fraud in the department's overseas criminal training program.

After voicing his complaints, Mr. Andersen said, he was "stripped of my security clearance and transferred to bureaucratic Siberia." For a month, he said, he continued to receive his $80,000-a-year salary, but was made to work in a warehouse and given virtually no responsibilities. He passed the time by reading histories of the Civil War.

The Office of Special Counsel said Mr. Andersen settled his case with the Justice Department for a package of relief including a lump-sum payment of $87,500. He has since left the agency and joined the Government Accountability Project as media director. The Justice Department declined to comment on his case.

In July 2001, Mr. Andersen was given a public service award by the Office of Special Counsel for his whistle-blowing disclosures. For all the recognition, though, he said, his three-year battle exhausted him. "I have two daughters for whom all of this was a distraction of my attention because the only way you can win is to become totally absorbed in your own vindication," he said.
Though Mr. Andersen did not lose his job, many whistle-blowers do. C. Fred Alford, a government professor at the University of Maryland and author of "Whistleblowers: Broken Lives and Organizational Power" (Cornell University Press, 2001), says that even though retaliation is illegal, it is easy for organizations to punish troublemakers by firing them long enough afterward to obscure the connection between the whistle-blowing and the termination. He found that many whistle-blowers lost their families and homes as well as their jobs and often turned to alcohol for solace. Most surprising, he found, colleagues and even professional organizations usually turned their backs on whistle-blowers.

When whistle-blowers come forward, employers typically seek to discredit them, Dr. Johnson, the author, said. "They try to show you're crazy or have a checkered past - something one academic calls the 'nuts and sluts' approach," she said. When she interviewed whistle-blowers, many asked her whether her phone was tapped. "Perspective becomes a little skewed because of the experience, and for good reason," she said.

Lashing back at accusers, however, might not be the wisest option after the Enron debacle. In fact, even before the Enron mess, American companies have been given greater incentives to get their ethical houses in order. Under federal sentencing guidelines adopted in 1991, companies convicted of criminal acts could win leniency if they had procedures to ferret out illegal conduct. In 1996, companies got an additional nudge when the Delaware Chancery Court held that corporate directors could be held personally liable for failing to institute proper compliance programs to prevent illegal acts by employees.

As a result, codes of ethics, ethics officers, anonymous hot lines and other programs have been cropping up in companies large and small. Still, said Mark Schwartz, a business-ethics lecturer at the Wharton School of the University of Pennsylvania, "When it comes to actually providing for protections for employees against reprisals or other forms of harassment, companies have a long way to go."

When Mr. Andersen gives speeches, he often begins with the line, "Hi, my name is Martin Andersen, and I'm a whistle-blower," a play on the introduction made famous by Alcoholics Anonymous. He says it captures the stigma attached to the word. If the halo effect surrounding Ms. Watkins endures after the Enron case, perhaps he can change his introduction.

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February 21, 2002

The Honorable Spencer Abraham  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20588

Dear Secretary Abraham:

Together with Alfonso Cortina, CEO of Repsol YPF, I write to invite you to be the Keynote speaker at the XIII Repsol YPF - Harvard Seminar on Energy Policy. The XIII Seminar, to be held in Santander, Spain, on June 21-22, 2002 has as its title, "Thinking the Unthinkable." Although we selected this year's theme before the events of September 11 and the separate problems with Enron, both have made the issues more important. There can be no greater proof of the accuracy of the main idea underlying these Seminars – that energy markets change with blinding speed and unexpected consequences – than the developments that have occurred since the XII Seminar met in Palma de Mallorca in July 2001.

We would be honored if your schedule will allow you to give the Keynote. We would look to you to give an overview of energy policy with an international perspective. The challenges for energy markets, environmental protection, and the intersections with security concerns are all of interest to the participants. Of course, you would be the best judge of the focus of your remarks.

For more than a decade Repsol YPF and Harvard have organized these seminars in Spain and Latin America to provide an opportunity for energy industry executives, government officials and academics centrally interested in developments in international energy markets and policies to consider those issues in a setting that is conducive to rational, calm discussion of these often contentious issues. The Seminar format includes several sessions that follow the Keynote speaker, including substantial periods for questions and discussion among the participants. These are usually about 40 senior people from the energy industry worldwide. I have always found the participants to be very knowledgeable, and your address would be carefully considered by the group.

Repsol YPF and Harvard take great pains to make these seminars both substantive and enjoyable. You and your guest will be the guests of Repsol YPF at the Hotel Real in
Santander during the Seminar, with an opportunity to enjoy the best of this region of Spain. In addition, there will be a special program for accompanying friends. As tribute to the substantive discussions, we publish the Proceedings of the various Seminars, and for your information, I have enclosed a copy of the Proceedings of the 2000 Seminar.

I will call you soon to follow up on this invitation and to answer any questions you may have. I look forward to talking with you.

Yours truly,

Enclosures:

cc: Alfonso Cortina, Repsol YPF
THINKING THE UNTHINKABLE

Events from the destruction of the World Trade Center, to the declaration of a war on terrorism, currency instability in Argentina, the collapse of Enron and, on the plus side, the successful introduction of the Euro combine to teach one lesson: what was unthinkable less than a year ago, is a daily fact of life today. Not surprisingly, many of these events have important implications for the energy industries: its supplies come from nations subject to increased instability, and its markets are increasingly built around the deregulated and trading models pioneered by Enron.

The fact that many of these developments were "unthinkable" when last we met – who could have predicted that America would be attacked, or that Enron would collapse, or that we would enter a new phase of "the Great Game" in central Asia – makes it timely and imperative that we expand our intellectual horizons and "think the unthinkable".

The first session attempts to define the new political context in which we will be operating in the near- and longer- term future; the second will involve a discussion of how the new realities might be confronted; the third will focus on one of these new realities, the possible retreat from deregulation and reliance on markets in response to the problems at Enron.

SESSION I
THE REALITIES OF THE POST-SEPTEMBER 11 WORLD AND THE NEW GEOPOLITICS OF ENERGY

The Need for Decisive and Muscular Policies
The Need for Conciliation and Cooperation
The New World as Seen by Producers in the Middle East
The New World as Seen by Russia
Oil and World Security
SESSION II
CONFRONTING THE NEW REALITIES: POLICIES FOR THE POST-SEPTEMBER 11 WORLD

The Chimera of Energy Independence: Sensible Approaches to Energy Security

Environmental Policy, the Kyoto Protocol, and Their Relation to Energy Security

Managing Enterprise Risk in an Age of Increased Unpredictability

Planning in a World of Change and Vulnerability

SESSION III
LIBERALIZATION AND ENERGY TRADING IN THE AFTERMATH OF THE SHOCKS OF 2001

The Somewhat Dimmer Outlook for Deregulation: An Overview

The Outlook for Liberalization of Energy Markets in an Age of Increased Uncertainty

The Future Shape of Energy Trading

The Future Shape of Regulation of Energy Trading
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Energy Deregulation After Enron

YOU ARE INVITED . . .
to the second in this year's series of
Progress & Freedom Foundation Congressional Seminars:

Topic:
Was the failure of Enron the failure of deregulation? That depends on whether one believes Enron was really a force for deregulation or simply sought special regulation for itself. The Progress & Freedom Foundation is assembling a panel of experts to help answer those and other questions concerning the future of electricity deregulation.

When:  
Friday, March 8, 2002, 12:00 – 2:00 p.m.

Where:  
Room B369, Rayburn House Office Building

Program:
Introduction:  
* Jeffrey A. Eisenach, President  
The Progress & Freedom Foundation

Panelists:  
* Thomas M. Lenard, Vice President for Research  
The Progress & Freedom Foundation
* Fred Smith, President, Competitive Enterprise Institute
* Peter Van Doren, Editor, Regulation, The Cato Institute
* Jim Glotfelty, Senior Policy Advisor, U.S. Department of Energy

Register by Fax:  
Fill out the form below and Fax to: 202/289-6079

Register by Phone:  
Ms. Brooke Emmerick, 202/289-8928

Register via Email:  
bemmerick@pff.org

A buffet lunch will be served.

Name
Affiliation
Address
City/State/Zip
Phone   Fax   E-Mail