Jan 31 2006 - SOTU TONIGHT:

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BUSH EFFORT TO ADDRESS ENERGY ALTERNATIVES IS A DAY LATE AND A GALLON SHORT

Washington, DC - Rep. Louise Slaughter (D-NY), Ranking Member of the House Rules Committee, released the following statement and backgrounder today on President Bush's dismal record on energy policy in anticipation of his remarks tonight during the State of the Union Address on creating "Energy Alternatives":

"The Bush energy policy takes center stage when anyone talks about the high cost of Republican corruption in Washington. This President is a day late and gallon short if he wants to talk about creating a responsible energy policy at this point in his presidency. He and his Republican colleagues lack credibility and have violated the trust of the American people on this issue, just like so many others.

"The only energy plan the Bush Administration ever developed was their plan to repay the energy industry for its strong political support while the price of gasoline and home heating fuels has risen higher than ever.

"The Bush energy plan of the last six years has existed solely to provide a dizzying array of tax breaks and special subsidies for various parts of the energy industry, without lowering the cost of energy for American consumers and businesses, or reducing our country's dependence on foreign oil."

"Under this Administration, it is oil and mining industry executives who have shaped our energy and environmental policies, just as the pharmaceutical industry is controlling health care policy, all while Americans pay the price. And as a result, Americans are suffering."

BACKGROUND:

The following information is part of a report the Rules Committee will be releasing later this month called America for Sale: The Cost of Corruption:

BUSH Administration's track record on developing energy policy

energy/oil industry executives dominating nation's energy policy

Ken Lay and Big Oil Write the Cheney Energy Plan: Early in the Bush Administration, Ken Lay, the now-indicted former head of Enron, was not only helping write America's energy policy, headed by former Halliburton executive, Vice President Dick Cheney, he was also interviewing candidates for the Federal Energy Regulatory Commission (FERC) and recommending the ones who would be most friendly to Enron's agenda. Lay even offered to put in a good word for a FERC Commissioner with the White House if the commissioner changed his policy on electricity competition. [Lowell Bergman and Jeff Gerth, "Power Trader Tied to Bush Finds Washington All Ears," New York Times, 5/25/01.]

Companies Such as Ken Lay's Enron Corp. Racked Up Huge Profits At Consumers Expense While Gaming California's Energy Crisis in 2000-01: Enron was one of dozens of electricity wholesalers that "allegedly gamed California's haphazardly deregulated wholesale electricity market." California utility customers, hammered by soaring bills, learned how "Enron employees chuckling about how they had forced "Grandma Millie" and other helpless ratepayers to spend more to keep their lights on." "Enron's widely copied manipulation schemes, dubbed such colorful names as "Fat Boy" and "Death Star," pulled billions of dollars from the pockets of California ratepayers and contributed to the rolling blackouts that plagued the state during the crisis." [Marc Lifsher, "Trader's Effect Felt Powerfully in the West, 1/30/06]

CHENEY'S "ENERGY TASK FORCE" MADE UP OF OIL INDUSTRY EXECUTIVES MAKES INDUSTRY FRIENDLY RECOMMENDATIONS: Bush Administration formed an "energy task force" (officially known as the National Energy Policy Development Group) headed by former Halliburton executive, Vice President Dick Cheney. The Cheney task force met secretly for several months and then issued a report in May 2001 making a number of energy industry-friendly recommendations, such as opening protected lands to oil and gas drillers, building hundreds of power plants, and easing some environmental regulations. [Joseph Kahn, "Bush Advisers On Energy Report Ties To Industry," New York Times, 6/3/01.] Although the White House refused to release the names of the industry executives the Cheney task force met with (and even went to court to block a Congressional inquiry), later investigations determined that 18 of the 2000 Bush-Cheney campaign's top 25 energy industry campaign contributors attended Cheney energy task force meetings. [Don Van Natta Jr. and Neela Banerjee, "Top GOP Donors in Energy Industry Met Cheney Panel," New York Times," 3/1/02.]

ADMINISTRATION CODDLES ENERGY INDUSTRY THROUGH POLITICAL APPOINTMENTS WHO PROTECT BUSINESS IN FAVOR OF CONSERVING ENERGY: This administration's political appointments from the energy industry have loyally protected big business from any proposal to conserve energy or hold the energy business accountable for environmental harm they cause. The recent Sago mining disaster in West Virginia highlighted the Bush Administration's industry-friendly mining safety policy, which has resulted in fewer safety inspections and fewer fines for safety violations. [Seth Borenstein, and Linda J. Johnson, "Under Bush, Mine-Safety Enforcement Eased," Philadelphia Inquirer, 1/8/06] As former Republican Congressman Joe Scarborough (R-FL) recently commented, the Bush Administration's hiring energy executives and lobbyists to fill government positions is like "foxes guarding the henhouse." [Joe Scarborough, "Scarborough Country," MSNBC Transcript, 1/10/06, 10:00 PM EST.]

Following are several egregious examples:

- J. Steven Griles, the former Deputy Secretary at the Interior Department, received payments from his former lobbying firm totaling more than $1 million while acting as the number-two official in that agency. In spite of promising to avoid conflicts with his old firm and clients as a condition of his Senate confirmation, Griles continued to assist the energy and mining industry clients his old firm represented. Soon after joining Interior, Griles held a dinner party for department officials at the home of his former lobbying partner. He also intervened in a case regarding the right of his old clients, Chevron and Shell, to drill for natural gas in the Gulf of Mexico and off the coast of California. [Rick Weiss, "Report Critical of Interior Official; Inspector General Calls Deputy Secretary's Dealings With Companies Troubling," Washington Post, 3/17/04] He helped another old client, Advanced Power Technologies, Inc., win more than $2 million worth of sole-source, no-bid contracts from the Bureau for Land Management (BLM) for aerial mapping work the BLM never requested. [John Aloysius Farrell, "A Fox in Interior's Henhouse," Denver Post, 4/4/2004.]

- In 2002 and 2003, Philip A. Cooney, former oil industry lobbyist and then-Chief of Staff for the White House Council on Environmental Quality, made dozens of changes to government climate reports that greatly weakened the reports' stances on global warming. Contrary to the findings of the scientists at the Environmental Protection Agency, Cooney's changes minimized the links between greenhouse gas emissions and climate change. [Andrew C. Revkin, "Bush Aide Edited Climate Reports," New York Times, 6/8/05.] Cooney had no scientific training, but had worked as a lobbyist at the American Petroleum Institute for more than ten years. As a climate team leader there, his focus was on defeating legislation that would restrict greenhouse gas emissions. [Revkin, "White House Calls Editing Climate Files Part of Usual Review," New York Times, 6/9/05]. Two days after Cooney's revisions came to light, he resigned from the White House and took a job with Exxon Mobil, which has long lobbied against cutting emissions and has continually questioned the risks of global warming. [Revkin, "Former Bush Aide Who Edited Reports is Hired by Exxon," New York Times, 6/15/05.]

- On January 30th, 2004, the Bush administration proposed new industry-friendly mercury pollution regulations for power plants. Reducing mercury emissions is an important public policy goal because mercury can cause serious neurological and developmental damage. A large portion of the proposed regulations was taken, sometimes verbatim, from suggestions drafted by industry lobbyists from Latham and Watkins, a major firm representing utility and energy companies with a vested interest in the regulations. [Eric Pianin, "Proposed Mercury Rules Bear Industry Mark; EPA Language Similar to That in Memos From Law Firm Representing Utilities," Washington Post, 1/31/04] Instead of requiring coal-burning utilities to use the best possible technology to reduce their mercury pollution (as was discussed in earlier in the rulemaking process), the final Bush rules imposed only a lower standard endorsed by the energy companies. The architect of the new rules and head of the EPA's air policy office was a former partner at Latham and Watkins. [Pianin, "EPA Led Mercury Policy Shift; Agency Scuttled Task Force That Advised Tough Approach," Washington Post, 12/30/03]

AMERICANS PAYING THE PRICE OF CORRUPT ADMINISTRATION ENERGY POLICY

CHENEY'S ENERGY PLAN FAILS TO REDUCE OVERALL ENERGY CONSUMPTION IN THE US: Republicans failed to pass the Cheney energy plan in the first four years of the Bush Administration and finally passed it in the first session of the 109th Congress. While the final version of the bill did not contain many of the most controversial provisions Republicans had pushed during the course of the debate, it still contained billions of dollars of subsidies for the energy sector at a time when oil companies were recording historic profits. In fact, according to a 2004 analysis by the Energy Information Administration (EIA) of the Department of Energy, the Republican energy plan will not reduce the overall amount of energy consumption in the United States, and will cause the average gas prices in the year 2015 to be 3-8 cents higher than they would be under current law. [http://www.eia.doe.gov/oiaf/servicerpt/pceb/index.html]

RECORD HIGH GAS AND HOME HEATING OIL PRICES: According to a recent report by the Energy Information Administration (EIA) of the Department of Energy, the average price of gas per gallon will rise to $2.41 in 2006, households heating with home heating oil will likely spend 23% more ($275) for fuel this winter than they did last winter, and homes using natural gas will spend 35% ($257) more than last winter. [EIA Short-Term Energy Outlook, 1/10/06]

AMERICA continues to grow more dependent on foreign sources of energy. As a group of concerned national security experts and environmentalists led by prominent conservative Frank Gaffney recently wrote in an open letter to the American people: "America consumes a quarter of the world's oil supply while holding a mere 3% of global oil reserves. It is therefore forced to import over 60% of its oil, and this dependency is growing. Since most of the world's oil is controlled by countries that are unstable or at odds with the United States this dependency is a matter of national security. At the strategic level, it is dangerous to be buying billions of dollars worth of oil from nations that are sponsors of or allied with radical Islamists who foment hatred against the United States." [Set America Free Coalition, "Open Letter to the American People," available at: http://www.setamericafree.org/openletter.htm]