

**PRESIDENT'S BUDGET ON ENERGY & GLOBAL WARMING:
MORE OF THE SAME MISPLACED PRIORITIES
*PUTTING SPECIAL INTERESTS AHEAD OF AMERICA'S FAMILIES***

Key Points:

- **The President's budget fails to match his rhetoric -- doing too little to reduce our dependence on foreign oil.**
- **The President's total request for renewable energy and energy efficiency is the same as it was in 2001. Stagnant funding is not the answer if we are serious about ending our addiction to oil.**
- **The President budget once again protects giveaways for the oil companies, including drilling in the Arctic Wildlife Refuge while shorting key renewable energy programs at a time when only six percent of our energy needs come from renewables.**
- **Americans are paying a high price -- through home heating costs and high gas prices -- as oil companies making record profits.**
- **Democrats are ready to work on a bipartisan basis with the President on a plan for energy independence in 10 years, with new investments in clean, sustainable energy technologies and biofuels.**

Democrats believe that on every issue our nation faces, we must pursue policies that take our country in a new direction. The Bush Administration's FY 2008 budget fails on that score; it continues with more of the same wrong priorities of the past six years that have failed the American people. It is fiscally reckless, adding trillions to the deficit over the next 10 years, and morally irresponsible, slashing funding for key priorities, such as health care and education, critical to America's middle class. Democrats are fighting for a budget that reflects the values of America's middle class. We are working to restore fiscal responsibility and to deliver results to the American people, including economic prosperity, a strong national defense, affordable health care and energy prices, and strong public schools.

The President's budget for ending America's addition to oil does not match the rhetoric. The Bush Administration has cut funding renewable energy for years, and the budget fails to turn this around enough to meet the goals he laid out in the State of the Union.

- Overall funding for energy efficiency and renewable energy programs is at \$1.2 billion – about a \$238 million cut from the FY 2007 continuing resolution that is moving through Congress.
- The President's total for energy efficiency and renewable energy programs is essentially the same as when he came into office (FY 2001) -- amounting to a 14 percent cut in real terms.
- Over the last six years (FY 2002-2007), the President has proposed \$360 million less for energy efficiency and renewable energy than Congress appropriated.
- The President's budget provides too little for biomass and bioenergy research – only \$29 million more than requested last year and 29 percent less than the amount authorized in 2005 Energy Bill.
- While there are increases in some renewable programs (hydrogen), the President's budget eliminates research on renewables, such as geothermal and hydropower.

President's budget slashes energy efficiency and conservation. The President's budget cuts energy efficiency, even though DOE research on core efficiency programs has been cut by 37 percent in real terms since FY 2002. [Alliance to Save Energy, 2/5/07] For example, it cuts the Federal Energy Management Program, which has reduced energy use in federal building by 24 percent over 15 years. [Center for American Progress, 2/2006] It reduces research into vehicle technologies and industrial technologies below the FY 2006 level.

President's budget shortchanges renewable energy programs for rural areas. To reach the President's goal of reducing gasoline consumption by 20 percent, big advances in cellulosic ethanol and other biofuel technologies would be required. The President's budget and farm bill provide increases for renewable energy programs for rural areas. Democrats welcome these increases, but remain concerned that they are not sufficient to meet the challenge of developing a range of biofuel technologies and continuing to grow our domestic biodiesel industry. Further, we are concerned that the President's budget does not address putting in place the necessary infrastructure – the pumps for ethanol and biodiesel, railcars and barges needed for transporting, or the flex-fuel cars needed to ensure that there is a market for these fuels.

Despite his words in the State of the Union, the President's global warming proposals are extremely inadequate. The President's budget includes a \$12 million cut in the overall Clean Air & Global Climate Change Program from the FY 06 appropriation. It includes an 8 percent cut in the Climate Protection Program from FY 06. Carbon dioxide emissions in the U.S. have increased by 354 million metric tons since 2001. America's carbon dioxide emissions are projected to increase by one-third from 2005 to 2030. [Energy Department] Recently, the National Oceanic and Atmospheric Administration noted that 2005 was the hottest year on record with the highest number of named storms and hurricanes in the Atlantic. Further, the global temperature has risen (1.1°F) since 1900, and the rate of increase has tripled over the past 30 years

President's budget leaves families out in the cold. Average costs for consumers to heat their homes this winter are up from 2001 – 70 percent for natural gas, 115 percent for heating oil, and 23 percent for electricity. [EIA, 2/07] Yet, the President is cutting by 40 percent the Weatherization Assistance Program, denying help to an estimated 40,000 low-income Americans who are on waiting lists to reduce their energy bills by purchasing storm windows and insulation to improve their home's energy efficiency. In 2005, President Bush committed to increase funding for weatherization by \$1.4 billion over the next 10 years to cut the utility bills of 1.2 million low-income families. [Environment News Service, 2/5/07] Further, the Bush Administration cuts low-income home energy assistance (LIHEAP) by 19 percent below what is need to keep pace with inflation, even though only one out of every five people eligible received energy aid last year. [Coalition on Human Needs, 2/5/07]

President's Budget insists on drilling in the Arctic National Wildlife Refuge for the oil and gas companies. The President's budget is more of the same -- continuing the call to open up the pristine coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling, even though Congress rejected that plan. The oil and gas industries have donated \$150 million to Republicans since 1990. [CR P]

Families are paying higher prices as oil companies are reaping record profits under Bush. Since President Bush came into office, gas prices have risen by 53 percent, and home heating costs will be 57 percent higher this winter. Meanwhile, our dependence on foreign oil has increased, from 58 percent to 66 percent of the oil consumed in the United States today – with the U.S. importing 771,000 barrels per day from OPEC countries. [EIA, "Overview of US Petroleum Trade"] In 2006, major oil companies have reaped record-breaking profits, more than \$125 billion in 2006, with Exxon Mobil raking in the largest profits of any company ever in history.

