

RECORD GAS PRICES LINE THE POCKETS OF BUSH'S OIL COMPANY ALLIES

As gas prices surge past \$2.23 per gallon, Bush and Republicans are scrambling to use the crisis to push through an energy bill that is nothing more than a special interest smorgasbord that will do nothing to lower gas prices and hurts the environment. Democrats have a better way. Bush and the Republican Congress should put the special interests aside and push reforms that actually reduce the price of oil—including increasing conservation, developing alternative energies, and releasing oil from the Strategic Petroleum Reserve.

Republican Energy Bill Is a Special-Interest Giveaway That Will Not Reduce Gas Prices:

Former Tom DeLay Aide Admits that Energy Bill Will Not Solve Gas Price Problem, But Only Gives Appearance of Doing Something. According to the Los Angeles Times, “Politically, it doesn’t matter if such provisions deal with the long term, said [Stuart Roy, a Republican strategist and former aide to House Majority Leader Tom DeLay (R-TX)]. ‘The most important thing for policy makers in the current environment of relatively high gas prices and the approaching summer travel months is action.’” [Los Angeles Times, 4/16/05]

House Republican Energy Bill Is a Tax Giveaway to Big Energy Companies. According to the Washington Post, “The House this week will consider \$8 billion in tax breaks targeted to the energy industry at a time when some of those companies are enjoying soaring profits from high consumer prices. The vast majority of the tax breaks would benefit companies that produce and supply traditional forms of energy, with a large portion going to the oil and natural gas sector... Environmentalists are outraged, saying the bill provides giveaways to big energy companies, such as ExxonMobil Corp., whose 2004 profits set a record.” [Washington Post, 4/19/05]

Energy Bill Includes MTBE Waiver Supported by Tom DeLay and Energy Industry. According to the New York Times, “If oil and chemical companies have their way, a majority of [MTBE] lawsuits... will be thrown out by Congress as part of the energy bill backed by the Bush administration. The bill... includes a waiver that would protect the chemical makers, which are some of the biggest oil giants in the United States, from all MTBE liability lawsuits filed since September 2003. The House majority leader, Tom DeLay, and Representative Joe L. Barton, who heads the Energy and Commerce Committee, are staunch supporters of the waiver. Both are Republicans from Texas, where more than a dozen MTBE manufacturers are based.” [New York Times, 4/15/05]

- **MTBE Is a Dangerous Chemical That Is Seeping into Our Water Supplies.** MTBE is used in gasoline to reduce carbon monoxide emissions from cars. MTBE dissolves easily in water and does not readily cling to soil, so it moves rapidly into the ground—making it likely to seep into water supplies. Its powerful turpentine-like taste and odor makes water undrinkable. Contamination usually results from leaks in at gasoline stations. [New York Times, 4/15/05]
- **MTBE Waiver is Top Priority for Oil Industry.** According to Lawrence Goldstein, president of the Petroleum Industry Research Foundation, “The MTBE waiver issue is Priority 1, 2 and 3 for the refining industry. Without it they aren’t going to get behind the energy bill.” [NYT, 4/15/05]

Energy Bill Rewards Bush Fundraisers. According to the Washington Post, the 2004 Republican energy bill, nearly identical to the current one, provided billions of dollars in benefits to companies run by at least 22 executives and their spouses who were either “Pioneers” or “Rangers,” as well as to the clients of at least 15 lobbyists and their spouses who have achieved similar status as fundraisers. The energy bill provides industry tax breaks worth \$23.5 billion over 10 years aimed at increasing domestic oil and gas production, and \$5.4 billion in subsidies and loan guarantees. [WP, 11/24/03]

Democrats Have a Plan to Lower Gas Prices, While Still Protecting the Environment:

IN THE SHORT-TERM:

1. Bush Should Immediately Release Oil from America’s Strategic Petroleum Reserve. To lower gas prices, Bush should release oil from America’s Strategic Petroleum Reserve (SPR) to help provide immediate relief for consumers. SPR releases have been used in the past—as recently as 2000—to help stabilize oil prices, and it will be necessary at times to release oil from the reserve to help take the burden off consumers. [<http://reid.senate.gov/energy/index.cfm#gas>; www.house.gov/markey/Issues/iss_energy_ltr041029.pdf]

2. Bush Should Work With OPEC to Expand the Oil Supply. Bush must work with Organization of Petroleum Exporting Countries—particularly Saudi Arabia—to expand the global supply of oil. [<http://reid.senate.gov/energy/index.cfm#gas>; http://www.house.gov/markey/Issues/iss_energy_st040510.pdf]

3. The FTC Should Investigate Any Possible Market Manipulation. Oil Companies are experiencing record profits even as gas prices continue to rise. It is essential that the Federal Trade Commission vigorously investigate the sharp rises in Nevada gas prices the past three years for any possible market manipulation. So far, the FTC has refused to launch a formal investigation into this matter. [<http://reid.senate.gov/energy/index.cfm#gas>; WP, 4/19/05; www.house.gov/markey/Issues/iss_energy_ltr041029.pdf]

IN THE LONG-TERM:

1. Develop a Comprehensive Energy Plan to Develop Alternative Energies. High gas prices highlight the need to develop a national energy plan that reduces dependence on foreign oil. The U.S. should develop alternative and renewable fuel sources to help achieve greater energy independence, bolster national security, protect our environment, and create jobs—while also providing a steady, reliable supply of energy for consumers. Bush should support research and development of alternative fuels, particularly hydrogen fuel cell technology, which offers tremendous potential to reduce our dependence on fossil fuels and reduce global warming and other environmental challenges. [<http://reid.senate.gov/energy/index.cfm#gas>]

2. Improve Fuel Economy Standards, Rather Than Drill for More Oil. Any plan to provide national energy security must include better efficiency and conservation. Conserving energy will reduce dependence on foreign oil, protect the environment, and strengthen the economy. Raising fuel efficiency standards will result in substantial savings at the pump for consumers and move our country closer to energy independence. If all cars, trucks and sport utility vehicles had a fuel efficiency standard of 27.5 miles per gallon, the nation would save more oil in three years than could be recovered economically from the entire Arctic National Wildlife Refuge. [<http://reid.senate.gov/energy/index.cfm#gas>]

3. Increase Energy Conservation Efforts. Buildings and homes accounted for 35 percent of the \$250 billion Americans spent on energy last year. Congress should pass the High-Performance Green Building Act to promote the development and construction of environmentally friendly federal buildings and schools, also known as “Green Buildings.” Incorporating energy efficiency, waste reduction, and other design features that improve building and worker performance, green buildings improve the health of their occupants, protect natural resources, and will save our nation billions of dollars in energy and other costs. [<http://reid.senate.gov/energy/index.cfm#gas>]