

Energy Policy Under the Bush Administration: A Record of Failure

Prepared by the Committee on Oversight and Government Reform

On January 29, 2001, in his second week in office, President Bush established a task force led by Vice President Cheney to develop an energy policy for the nation. Over the next three-and-a-half months, the Cheney energy task force met in secret with “petroleum, coal, nuclear, natural gas, and electricity industry representatives and lobbyists,” according to the Government Accountability Office.

On May 16, 2001, the Cheney energy task force issued its report laying out the “National Energy Policy” for the Bush administration. The Bush-Cheney energy policy purported to lay out “a long-term, comprehensive strategy” to address what it claimed was “the most serious energy shortage since the oil embargoes of the 1970s.” The problems identified as the targets of the strategy included “energy bills two to three times higher than they were a year ago,” employers “lay[ing] off workers or curtail[ing] production to absorb the rising cost of energy,” and “[d]rivers across America . . . paying higher and higher gasoline prices.”¹ The report also noted a deteriorating energy infrastructure of electric generators, transmission lines, pipelines, and refineries, and highlighted concerns about increasing dependence on foreign oil imports.

In announcing the energy plan, the President was asked “Mr. President, how will your plan lead to lower prices at the gas pump now?”² He responded, “Because we recognize that we need more supply. And when you read the report, you’ll see that we’ve laid out constructive ways to make sure that there are more supply available.”³ He also asserted:

If we fail to act on this plan, energy prices will continue to rise. . . . If we fail to act, our country will become more reliant on foreign crude oil, putting our national energy security into the hands of foreign nations, some of whom do not share our interests.⁴

To address these problems, the Bush-Cheney energy policy recommended 65 actions that benefited conventional energy industries, including expanding oil and gas drilling, promoting coal mining and use, expanding nuclear power, deregulating electricity markets, and weakening clean air and other environmental protections

According to the Administration, the Administration and the prior Republican Congress have implemented the Bush-Cheney energy policy. On May 17, 2002, Energy Secretary Spencer Abraham stated that almost 60% of the recommendations in the Bush-

¹ National Energy Policy Development Group, National Energy Policy (May 2001) (online at <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>).

² White House, *Remarks by the President to Capital City Partnership* (May 17, 2001) (online at <http://www.whitehouse.gov/news/releases/2001/05/20010517-2.html>).

³ *Id.*

⁴ *Id.*

Cheney energy policy had been implemented. On December 10, 2004, Energy Secretary Samuel Bodman stated that 75% of the recommendations in the Bush-Cheney energy policy had been implemented. On March 9, 2005, Energy Secretary Bodman stated that 95% of the recommendations in the Bush-Cheney energy policy had been implemented. And on August 8, 2005, President Bush signed into law the Energy Policy Act of 2005, which was passed by the Republican Congress to implement the recommendations of the Cheney energy task force that required new legislation.

In signing the Energy Policy Act of 2005 into law, the President claimed:

The Energy Policy Act of 2005 is going to help every American who drives to work, every family that pays a power bill, and every small business owner hoping to expand.⁵

Republican congressional leaders made similar promises. Dennis Hastert, the Speaker of the House, claimed that the bill would “address[] the burden that higher gasoline prices place on American consumers,” “alleviate” high natural gas prices, and guarantee the American people “an affordable, reliable, efficient, and environmentally sound supply of energy.”⁶

The result of the Bush-Cheney energy policy has been record profits for energy companies, increased dependence on foreign oil, increased global warming pollution, and soaring energy costs for American families. For example, the five largest oil companies have posted \$556 billion in profits from 2001 through 2007, including \$123 billion in profits in 2007 alone.⁷

While the Bush-Cheney energy policy purported to address high energy costs, in practice, energy costs have increased substantially for American families as the Administration has implemented its energy strategy:

- Gasoline prices have risen from \$1.70 per gallon in May 2001 to \$3.68 per gallon in September 2008 (reaching \$4.11 per gallon in July 2008);⁸
- Home heating oil prices have risen from \$0.77 per gallon in May 2001 to \$3.06 per gallon in September 2008 (reaching \$4.08 per gallon in July 2008);⁹

⁵ White House, *President Signs Energy Policy Act* (Aug. 8, 2005)(online at <http://www.whitehouse.gov/news/releases/2005/08/20050808-6.html>).

⁶ *Statement of Speaker of the House Dennis Hastert*, Congressional Record at H6960 (Jul. 28, 2005).

⁷ Center for American Progress, *Big Oil Feasts on Economic Woes* (Feb. 7, 2008)(online at http://www.americanprogress.org/issues/2008/02/high_oil.html).

⁸ Energy Information Administration, U.S. Regular All Formulations Retail Gasoline Prices (September 8, 2008)(online at http://tonto.eia.doe.gov/dnav/pet/hist/mg_rt_usw.htm).

⁹ Energy Information Administration, New York Harbor No. 2 Heating Oil Spot Price FOB (September 8, 2008)(online at <http://tonto.eia.doe.gov/dnav/pet/hist/rhonyhD.htm>).

- Natural gas prices have risen from \$4.36 per thousand cubic feet in May 2001 to \$10.62 per thousand cubic feet in July 2008;¹⁰
- Propane prices have risen from \$1.37 per gallon in May 2001 to \$2.68 per gallon in July 2008;¹¹ and
- Residential electricity prices have risen from 8.8 cents per kilowatt hour in May 2001 to 11.8 cents per kilowatt hour in July 2008.¹²

U.S. dependence on foreign oil has also increased under the Bush-Cheney energy policy by 253 million barrels per year, resulting in U.S. reliance on foreign sources for 66% of U.S. oil consumption, threatening our national security and our economy.¹³

In addition, the Bush-Cheney energy policy has exacerbated global warming. U.S. annual emissions of carbon dioxide have increased by 230 million metric tons under the Bush-Cheney energy policy, rising from 5,754 million metric tons in 2001 to 5,984 million metric tons in 2007.¹⁴

¹⁰ Energy Information Administration, STEO Table Browser (September 8, 2008)(online at http://tonto.eia.doe.gov/cfapps/STEO_Query/steotables.cfm?tableNumber=8&periodType=Monthly&startYear=2001&startMonth=1&startMonthChanged=false&startQuarterChanged=false&endYear=2008&endMonth=12&endMonthChanged=false&endQuarterChanged=false&loadAction=Apply+Changes) (note that July is the most recent month for which EIA presents historical data for this category).

¹¹ Energy Information Administration, STEO Table Browser (September 8, 2008)(online at http://tonto.eia.doe.gov/cfapps/STEO_Query/steotables.cfm?tableNumber=8&periodType=Monthly&startYear=2001&startMonth=1&startMonthChanged=false&startQuarterChanged=false&endYear=2008&endMonth=12&endMonthChanged=false&endQuarterChanged=false&loadAction=Apply+Changes) (note that July is the most recent month for which EIA presents historical data for this category).

¹² Energy Information Administration, STEO Table Browser (September 8, 2008)(online at http://tonto.eia.doe.gov/cfapps/STEO_Query/steotables.cfm?tableNumber=8&periodType=Monthly&startYear=2001&startMonth=1&startMonthChanged=false&startQuarterChanged=false&endYear=2008&endMonth=12&endMonthChanged=false&endQuarterChanged=false&loadAction=Apply+Changes) (note that July is the most recent month for which EIA presents historical data for this category).

¹³ See Energy Information Administration, Product Supplied, Total Crude Oil and Petroleum Products, June 2008 (Aug. 26, 2008)(online at http://tonto.eia.doe.gov/dnav/pet/pet_cons_psup_dc_nus_mbbldpd_m.htm); Energy Information Administration, 4-Week Avg U.S. Total Crude Oil and Petroleum Products Imports, June 2008 (Sept. 4, 2008)(online at <http://tonto.eia.doe.gov/dnav/pet/hist/wttimus24.htm>).

¹⁴ Energy Information Administration, U.S. Carbon Dioxide Emissions from Energy Sources 2007 Flash Estimate (May 2008)(online at <http://www.eia.doe.gov/oiaf/1605/flash/flash.html>).