

# United States Senator Lisa Murkowski

[Home](#) > [Press Office](#) > [Press Releases](#)

Thursday February 11 2010

## Murkowski on Obama's Conflicting Energy Policy

WASHINGTON, D.C. - U.S. Sen. Lisa Murkowski, R-Alaska, today spoke on the Senate floor on the disconnect between President Obama's remarks on energy during his State of the Union Speech and the priorities indicated in the budget request.

Below is a copy of her remarks as prepared for delivery:

Mr. President, when President Obama delivered his first State of the Union Address two weeks ago, I was pleasantly surprised by his remarks on energy policy. In addition to calling for bipartisan legislation, the President indicated his support for more nuclear energy and new oil and gas development. Those are all positive steps, not least because they would draw strong support here in Congress and help create jobs all across the country.

Having listened to the President's ideas, I looked forward to seeing how his Administration would begin to act on them in its new budget. When that document came out last Monday, I expected to see at least some progress in each of the areas mentioned during the State of the Union address. Instead, however, I found quite a few disparities - some small, others striking - between the President's words to Congress and some agencies' requests from us.

This disconnect is both disappointing and difficult to explain. At the very least, it's apparent that the vision the President presented to Congress does not match up with what some of his agencies have in mind. These aren't welcome shifts, either. Quite a few of the budget proposals would impair our ability to establish a comprehensive energy policy that addresses climate change and reduces our dependence on foreign oil. Instead of promoting bipartisanship, I'm concerned those same proposals will only deepen the divisions within Congress.

Let's start with nuclear energy. During his remarks two weeks ago, the President indicated his support for a "new generation of safe, clean nuclear power plants in this country." And to the Administration's credit, it followed through on that one in the budget request. As I've said before, allowing the Department of Energy to guarantee more loans for nuclear plants is a step in the right direction. But I'd remind you - it's been a year now, and this Administration has yet to help finance a single nuclear project. That certainly isn't due to lack of ability, because DOE already has authority to guarantee \$18 billion worth of new projects. And it certainly isn't due to cost, because if carried out properly, this important support won't cost American taxpayers a single dime.

I also believe the Administration took a step backward in its budget, away from progress, when it chose to abandon the Yucca Mountain project. The end of the nuclear fuel cycle is just as important as the beginning, and yet DOE is abandoning our best option for a repository and exposing taxpayers to billions in liability for the government's breach of contract.

Of course, we also need to make sure America is producing the raw materials used to generate nuclear energy. Here, again, the Administration took a step backward last year by withdrawing roughly 1 million acres of uranium-rich lands in Arizona. As a result, our nation has lost access to some of its highest-grade uranium reserves. We should know by now that following the same path for nuclear energy that we've been following for oil won't work, and it won't improve our energy security. It risks trading our dependence on foreign oil for a similarly devastating dependence on foreign uranium.

Now, while the Administration is making some progress on nuclear energy, I can't say the same for domestic oil and gas production, at least when it comes to this budget and the various proposals for tax hikes, new administrative fees, and efforts to make the permitting process more burdensome. During his State of the Union address, the President called for "tough decisions" to be made regarding new development. I hoped that he meant his agencies were preparing to push forward with a plan that allows America to develop more of its own resources.

It appears, however, that I was mistaken. Instead of seeking to increase production, the budget request includes at least 21 new taxes and fees for the oil, natural gas, and coal industries. Collectively, those increases would raise producers' cost of business by an estimated \$80 billion. That would translate to higher energy prices for consumers. Fewer jobs for the American people. And let's not forget what basic economics tells us - when you tax something, you get less of it, so we'll probably become more dependent on foreign energy, as well.

Mr. President, I request unanimous consent that a list of all 21 tax increases and fees for oil, gas, and coal producers be entered into the Congressional Record.

Now, to be fair, these proposals don't come as a total surprise. Many were also part of last year's budget. And last September, a senior official from the Treasury Department raised eyebrows by testifying that America somehow "overproduces" oil and gas. As we continue to import about 60 percent of our total supply of oil, and even some of our natural gas, that claim falls somewhere between outrageous and hilarious. Our nation clearly imports too much oil, and we may even use too much oil, but we certainly don't produce too much of it.

The Administration is pursuing at least some of these tax increases and fees in order to "end fossil fuel subsidies" - part of an agreement reached with the G20 last year. Interestingly, though, the G20 seems to have a very different idea of what that means. According to the group, developed countries like the U.S. and Canada only "indirectly" subsidize fossil fuels, such as with certain tax treatment, and even these quasi-subsidies are "small in comparison to the [developing or underdeveloped] countries."

So if there are any direct fossil fuel subsidies that this Administration could eliminate, what would they be? Well, as nearly as I can tell there are only two programs that technically qualify, by the G20's definitions, as direct fossil fuel subsidies. The first is LIHEAP, and I'll be the first to step forward and say that program, which helps needy Americans afford home heating oil and gas, should not be eliminated. I think I will have considerable support in defending LIHEAP, as we have the President, the Vice President, much of the cabinet and dozens of other Senators on record supporting it. The second direct fossil fuel subsidy is the Northeast Home Heating Oil Reserve. Again, I don't think the Administration considered either of these programs when agreeing to phase out fossil fuel subsidies. But that's certainly what they are.

To return to the budget request, the Department of the Interior notes that, "Repealing fossil fuel tax preferences helps eliminate market distortions, strengthening incentives for investments in clean, renewable, and more energy efficient technologies." This is another fun exercise in semantics and political buzzwords. When the government gives actual subsidies and tax breaks to renewable energy, those are "incentives for investment." But when the government refrains from taxing oil and gas producers more than they're already taxed, it's not an incentive for investment anymore, but a "market distortion."

Mr. President, you can probably understand my concern. When the President spoke about "tough decisions" on new oil and gas exploration, I hoped that meant we would finally begin to use more of our own resources to meet our own energy needs. From looking at the new budget, however, it looks like our energy producers will be the ones making the "tough decisions" - between operating here, shutting down, or heading overseas to produce our energy.

A final area that I'd like to address is climate change. The President called on Congress to develop comprehensive energy and climate legislation during his State of the Union address, but just a few days later, the EPA requested more than \$40 million in order to begin regulating greenhouse gas emissions on its own.

At least 41 members of the Senate are already on record as opposing that approach. That's about as bipartisan as the climate debate has been in this Congress. And by allowing the EPA to move forward, the President is actually limiting Congress' ability to develop a bipartisan bill - instead of debating cap-and-trade or a carbon tax, we'll spend at least some of our time talking about the EPA's regulations. As I've said before, the EPA's actions will harm our economy at a time we can least afford it. I also believe the debate over climate policy belongs in Congress, because that's the only place where the best interests of our constituents can be fully represented.

The truth is that this Administration is still trying to have it both ways. On one hand, its budget assumes a cap-and-trade bill will pass, and on the other, it's seeking millions of dollars to impose back-door climate regulations. I hope the Administration will change its mind on this matter, and decide to work with Congress to pass a balanced bill. The threat of regulations has not worked, it will not work, and it's time to take the command-and-control approach off the table.

Some may wonder why I've taken the time to point out that the ideas in the President's State of the Union address don't match the priorities outlined in the Administration's new budget. This is not intended as a criticism of the President - I'm ready to work with him on the ideas he offered to see if we can make real progress for the American people.

Instead, I raise these issues because they help illustrate why we've had such great trouble agreeing on a path forward. I'm happy to work with the President and his Administration on nuclear energy, offshore development, and even bipartisan legislation. But I'm not willing to support many of the energy-related proposals within the Administration's new budget.

Again, you might ask, why does that matter? Well, it matters because the budget is filled with programs authorized by Congress, which are supposed to reflect not only our priorities, but the priorities of the American people. The connection may not be immediately apparent, but the budget does send a signal about whether our work here will be continued by the executive branch. If the agencies seek to promote some of our goals, and actively hamper others, that will only make Senators more cautious about what they're willing to support - especially if it's part of a comprehensive package.

Mr. President, I'll close simply by re-affirming what I've said before. I'm ready to work with the President on the ideas he offered during his State of the Union address - to help make the tough decisions on offshore development, to ensure a new generation of nuclear power plants are built, and to play a constructive role in bipartisan legislation. But the energy proposals in this budget also make me question whether all of those priorities would receive equal treatment if put into law. I hope the agencies would carry out all of Congress' priorities - not just some - that may be contained in a bipartisan energy bill. The President's address two weeks ago made me think that's possible, but the new budget makes me think that isn't the case.

With that, Mr. President, I yield the floor.

###

     **PRINTER FRIENDLY**

BROWSE BY: February

2010

GO

02/26/10 -

[Sen. Murkowski Announces Sealaska Lands Bill Meetings](#)

02/26/10 -

[Murkowski Applauds House Disapproval Resolution](#)

02/26/10 -

[Murkowski Urges Senate to Start Over on Health Care Reform](#)

02/24/10 -

[Murkowski Criticizes Obama Administration ACUSHNET Decommission Proposal and Raises Transportation Worker ID Program with Secretary Napolitano](#)

02/24/10 -

[Murkowski Calls for Action to Help Tongass Timber Industry](#)

02/22/10 -

[Murkowski Comments on Senate Jobs Bill Vote](#)

02/22/10 -

[Murkowski Response to Democratic Senators' Letter on EPA Regulation](#)

02/22/10 -

[Sen. Murkowski: EPA Delay Still Ignores Economic Consequences](#)

02/18/10 -

[Sen. Murkowski's Remarks to the Alaska State Legislature](#)

02/16/10 -

[Murkowski Response to Nuclear Loan Guarantee](#)

02/14/10 -

[Murkowski Statement on Death of Jim Bowles](#)

02/11/10 -

*Current record*

02/08/10 -

[Murkowski Applauds Three Year Exemption for Iditarod Air Force](#)

02/05/10 -

[Murkowski slams denial of Conoco NPRA permit](#)

02/02/10 -

[Murkowski on Rob Heun's Confirmation as U.S. Marshall for Alaska](#)

02/02/10 -

[Sen. Murkowski Supports Persily for Alaska Gas Pipeline Coordinator](#)

02/02/10 -

[Delegation Announces Grants and Contracts to Alaska Programs](#)

02/01/10 -

[Murkowski Comments on President's Budget Proposal](#)



WASHINGTON, D.C.  
FAIRBANKS  
ANCHORAGE  
MATSU  
KETCHIKAN  
KENAI

709 Hart Senate Building  
Washington , DC 20510  
Main: 202-224-6665  
Fax: 202-224-5301