UNITED STATES - Bush's Energy Proposals (Jim Lobe, IPS)

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03/02/06 - <u>IPS</u> - U.S. President George W. Bush's proposals to boost government spending on clean energy technologies, like much of the rest of his State of the Union Address, received a tepid reaction from analysts here Wednesday who described the speech as uncharacteristically timid.

While energy and environmental activists applauded his portrayal of the energy problem faced by the U.S. as an "addiction to oil", they said his solution — a 22 percent increase in clean energy research — falls far short of what is required.

And they were particularly disappointed that the president did not even mention global warming, which most scientists believe is caused in major part by emissions from the combustion of oil and other fossil fuels, in the hour-long speech to Congress and the nation.

The United States, one of only two industrialised countries that have failed to ratify the Kyoto Protocol to reduce greenhouse gas emissions, currently accounts for more than 25 percent of global emissions.

"When you completely ignore the biggest challenge of all — global warming — your plans will never measure up," said Steve Cochran, a spokesman for Environmental Defence (ED), who accused Bush of "thinking small".

"Last night's remarks were woefully insufficient," the New York Times declared in a scathing lead editorial Wednesday that was devoted exclusively to Bush's failure to both seriously address global warming and promote major policy reforms, such as stricter fuel-efficiency requirements for cars.

That assessment echoed much of the morning-after commentary on the State of the Union Address, or SOTU, which is used by presidents to set the tone and legislative and policy agendas of their administrations for the coming year.

While Bush, hobbled by public approval ratings far below the levels of recent presidents like Ronald Reagan and Bill Clinton at a comparable time in their second terms, stuck to his familiar, sweeping prodemocracy rhetoric in the first part of the speech — devoted mainly to the "war on terror" — much of the rest was unusually modest both in tone, substance, and even delivery.

"This is the first State of the Union I can remember where the president ended the evening diminished in stature rather than enhanced," wrote Ryan Lizza, a veteran political analyst for The New Republic.

"Chastened. Deferential. Modest," was how the speech was described by the Los Angeles Times political reporter, Robert Brownstein, who said that the "cautious agenda" outlined by Bush "seemed to aim less at transforming the political debate than at helping (the Republicans) survive a hostile political environment" in run-up to the mid-term Congressional elections next November.

In this context, his energy-related proposals, which administration officials had suggested to reporters would be bold and far-reaching, were anti-climactic, particularly given the strong rhetoric he used to introduce them.

"(W)e have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world," he declared, adding that, through the development of alternative technologies, his goal was to

"replace more than 75 percent of our oil imports from the Middle East by 2025".

"By applying the talent and technology of America, this country can dramatically improve our environment, move beyond a petroleum-based economy, and make our dependence on Middle Eastern oil a thing of the past," Bush added.

Noting that the government has spent nearly 10 billion dollars to develop alternative energy sources over the past five years, Bush announced an "Advanced Energy Initiative" that, if cleared by Congress, would boost spending by the Department of Energy by about 300 million dollars in fiscal 2007.

According to a fact sheet distributed later by the White House, the increase would be parceled out over a number of pre-existing programmes, including development of "cellulosic ethanol", a fuel made from plant fibres that are currently discarded as agricultural waste; clean-coal technologies; solar power development; wind energy research; plug-in hybrids for motor vehicles; and hydrogen fuel-cell development, an initiative that Bush first touted in 2003 but which has since "lost some buzz", as the Wall Street Journal described it Wednesday.

"While the rhetorical level was dramatic, the policy proposals that followed were meek," noted David Sandalow, who heads the Environment and Energy Project of the Brookings Institution, a centrist think tank here. One Congressional aide noted that 300 million dollars in additional funding was equivalent to what Washington currently spends on operations in Iraq over a two-day period.

"I'm encouraged to see that he realises that high energy demand is a problem — especially demand for oil — and that this issue needs to be addressed," said Janet Sawin, director of the Energy and Climate Change Programme at the WorldWatch Institute.

"But while research and development are important, much more needs to be done for conservation and efficiency," she said, noting that this was missing from Bush's proposals.

Bush's focus on reducing the percentage of oil imported from the Middle East, which currently accounts for only about 17 percent of all U.S. oil imports, even drew scorn from neo-conservative allies of the president. They have argued that the impact on global prices created by Washington's demand for oil—regardless of its origin—is what empowers and enriches Middle Eastern exporters, such as Saudi Arabia, that, in their view, contribute directly or indirectly to radical Islamist movements that threaten the U.S. and Israel.

"It doesn't matter if we don't buy oil from the Middle East," Gal Luft, a co-director of the Institute for the Analysis of Global Security, told the New York Times. If the U.S. doesn't buy oil from the region, "someone else will, supporting the same regimes."

One commentator, the Washington Post's economics columnist, Steven Pearlstein, took a particularly cynical view of Bush's proposals.

"(D)oes anyone really believe that a president and vice president who became wealthy from their association with the oil and gas industry, who never failed to tout the industry line and who presided over the biggest transfer of wealth from consumers to industry in the history of mankind — that these same leaders will move us beyond a 'petroleum-based economy' to one based on 'wood chips, stalks or switch grass,"' he wrote, referring to Bush's description of the sources of cellulosic ethanol.

On the eve of Bush's address, the world's largest energy company, ExxonMobil, announced that it had set a record last year for profits among U.S. companies — 36 billion dollars — apparently as a result of skyrocketing oil and gas prices, as well as generous tax breaks and other subsidies promoted by Bush and the Republican-led Congress.

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