

# FACT SHEET: Bush Energy Policy Leads to Higher Gasoline and Home Heating Prices

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- **The Bush Administration has failed to bring down skyrocketing oil and gas prices that are hurting the American consumers and our nation's economy. The agenda of the Bush Administration – the first headed by two men from the oil industry – was developed in 2001 by the secretive Cheney Energy Task Force. That agenda, not surprisingly, has served the financial interests of the energy industry, not American consumers.**
- **Congressional Republicans have passed an energy law full of multi-billion dollars subsidies to big oil and gas, which will actually increase the price of gas. Clearly, Washington Republicans are not listening to America's families, but are pursuing policies that will help their special interest supporters.**
- **Democrats are working to bring down gas prices. Democrats are fighting to provide relief to the consumers, farmers and small businesses that are suffering at the hands of oil companies that continue to make record profits. Democrats are fighting for a federal law to ensure that consumers are not the victims of price gouging when they fill up their tanks or heat their homes. And Democrats are committed to unleashing technological innovation to develop alternatives to oil: energy independence within a decade.**

**President Bush took office in 2001 promising to bring down prices.**

Bush came in talking about jawboning the Saudi to reduce gas prices and energy independence. "What I think the president ought to do [when gas prices spike] is he ought to get on the phone with the OPEC cartel and say we expect you to open your spigots...**And the president of the United States must jawbone OPEC members to lower the price.**" [Gov. George W. Bush, 1/26/00]



**Since 2001, gas prices and home heating prices have skyrocketed – with gas prices nearly doubled and estimated heating prices nearly tripled.**

**Record gas prices under the Bush Administration are costing families.** In 2001 the price of gasoline averaged \$1.45 per gallon. Right now, gas prices are at \$2.92 per gallon and could likely average \$2.41 for the year if the price stays where it is now. Just this week, the Energy Secretary said gas prices would remain above Katrina level for the next six months. (USA Today, 10/2/05) That means a family of four with two cars will spend \$1,056 more than they spent in 2001. And even if prices drop back to the level when Katrina hit, they will still be paying \$968 more than in 2001. Prior to Hurricane Katrina, gas prices had increased an average of 74 cents a gallon in the last year alone.

**High heating oil prices are expected to skyrocket this winter, just as they have over the last five years.** The Energy Information Administration estimates that Americans who heat their homes with natural gas could see their fuel costs increase as much as 71 percent in some parts of the country this winter. Consumers are expected to pay 34 percent more for heating oil, 52 percent more for natural gas, 16 percent more for coal, and 11 percent more for electricity. (Washington Post, 9/15/05) Since President Bush took office, home heating costs have skyrocketed, and unfortunately, these increases have been fairly consistent. The average family using heating oil is estimated to pay \$1,666 this winter -- \$403 more than last year and \$1,029 more than in the winter of 2001. Families using natural gas will pay \$1,568 –\$611 more than last year and nearly \$1,000 more than in the winter of 2001. (National Energy Assistance Directors' Association press release, 9/12/05)

**Bush energy plan written by the secretive Cheney Energy Task Force with help from the energy industry.**

In 2001, the Bush Administration established a task force headed by Vice President Cheney to come up with their energy plan. The Vice President was the Former CEO of Halliburton, the world's largest oil field services company. The task force met in secret throughout its deliberations, and fought vigorously to hide documents surrounding the meetings of the task force. The Administration has maintained an open door policy for energy industry representatives through the energy task force. As *Newsweek* has reported:

...Still, industry leaders--who dumped \$22.5 million into GOP coffers in the last election enjoyed constant contact with the task force. Cheney met with a group of utility executives at the Edison Electric Institute, whose president, Tom Kuhn, was a leading Bush fund-raiser. No one has enjoyed better access than Enron CEO Ken Lay, who recently had dinner with his good friend the president. (Newsweek, 5/12/01)

According to *National Journal*, "oil and gas industry leaders have been streaming into Washington for talks with Cheney, Lundquist, and congressional leaders. Executives from such industry giants as Chevron Corp., Exxon Mobil Corp., Shell Oil Co., as well as company and trade group lobbyists, held productive sessions with task force officials." (National Journal, 4/7/01)

The non-partisan General Accounting Office summed it up, the energy task force, led by Vice President Cheney, relied for outside advice primarily on "petroleum, coal, nuclear, natural gas, electricity industry representatives and lobbyists," while seeking limited input from academic experts, environmentalists and policy groups.

**Top Contributors Met with Energy Task Force.** The *New York Times* reported, “Of the top 25 energy industry donors to the Republican Party before the November 2000 election, 18 corporations sent executives or representatives to meet with Mr. Cheney, the task force chairman, or members of the task force and its staff. The companies include the Enron Corporation, the Southern Company, the Exelon Corporation, BP, the TXU Corporation, FirstEnergy and Anadarko Petroleum.” (*New York Times*, 3/1/02)

**President’s energy policy read like an energy industry “wish list” that left consumers behind.**

It is no wonder that “the task force recommendations read pretty much like a wish list of subsidies and giveaways for oil, gas, and coal producers who have made hefty campaign contributions to the Bush-Cheney Team.” (*Atlanta Journal-Constitution*, 9/22/03) According to the *Washington Post*, “... the Bush administration relied almost exclusively on the advice of executives from utilities and producers of oil, gas, coal and nuclear energy while a White House task force drafted recommendations that would vastly increase energy production.” (*Washington Post*, 5/17/01, 3/26/02)

**The White House energy plan was full of recommendations by the industry and campaign contributors.** For example, the White House energy plan adopted all or significant portions of Enron’s recommendations in seven of these eight areas covered in a memo given by former Enron Chairman Ken Lay to Vice President Cheney on April 17, 2001. According to the Government Reform Committee, 65 provisions of the White House energy plan benefited donors who met in secret with the White House energy task force: opening up public lands to oil and gas drilling, providing royalty relief for offshore drilling on public lands, and relaxing Clean Air regulations.

The Bush plan failed to help consumers, despite the fact that consumers were suffering from inflated gas prices throughout the nation, skyrocketing electricity prices, and daily rolling blackouts in California.

**Record energy prices are the result of Bush failures to act.**

Despite rising prices at the pump for consumers and repeated Democratic calls to act, the Bush Administration has failed for the past five years to provide relief to consumers through either the Strategic Petroleum Reserve, or by aggressively demanding that OPEC increase oil production.

The Bush Administration has failed to aggressively demand that OPEC increase oil production in order to lower crude oil prices – even as OPEC countries refused to calm global oil markets. In fact, the President was walking hand in hand with the Saudi leader instead of “jawboning” him to bring down energy prices, as he once promised to do.

Democrats have repeatedly called on the President to suspend deliveries to the Strategic Petroleum Reserve in order to put more oil on the marketplace and bring American some price relief. Similar actions by President Clinton in 2000 brought down gasoline prices by 14 cents per gallon and crude oil prices by \$6 per barrel. In 1991, the SPR release brought crude oil prices down \$11 per barrel.

## **Congressional Republicans have passed an energy law full of subsidies to big oil and gas, which will actually increase the price of gas.**

The main response of Congressional Republicans to record oil prices is the recent passage of an energy bill full of subsidies to big oil and gas, which will actually increase the price of gas – putting oil and gas companies first, and consumers last. The *Wall Street Journal* (7/26/05) called it a “felony” that “has become a subsidy-fest that will raise gasoline prices.”

The Republican-written energy law will do nothing to lower the cost of fuel, is inadequate in meeting our energy challenges, and is full of special-interest subsidies for big oil and gas companies. In fact, according to the Energy Department, the new law could actually *increase* gas prices, while costing taxpayers \$80 billion for subsidies to the energy industry. *The Washington Post* (7/30/05) called it “a piñata of perks for energy industries.” For example, the new law will allow oil and gas companies to put diesel fuel in drinking water, provide big oil companies relief from royalty payments to the federal government for offshore drilling, and gut restrictions on the export of highly enriched uranium, like that used in the Hiroshima atomic bomb, on behalf of foreign drug corporations. Since the new law was signed, gas prices have increased by 24 cents a gallon (prior to Hurricane Katrina), as the Bush Energy Department predicted.

And this week, instead of dealing with the current skyrocketing fuel/gasoline prices that are squeezing American families, Republicans are using Hurricanes Katrina and Rita to pass controversial provisions that failed to make it in the recently-enacted energy law and gut the Clean Air Act. This bill has nothing to do with lowering gas or home heating prices, will weaken the Federal Trade Commission’s authority in dealing with price gouging by oil companies, and takes care of the same special interests that are profiting from the high gas prices.

## **Democrats are working to bring down gas prices and promote energy independence.**

As we work to provide relief to the victims of Hurricane Katrina, Democrats are also fighting to provide relief to families across America that were paying record prices at the pump even before the hurricane. Democrats are fighting to provide relief to the consumers, farmers and small businesses that are suffering at the hands of oil companies that continue to make record profits. Democrats are fighting for a federal law to ensure that consumers are not the victims of price gouging when they fill up their tanks or heat their homes. Democrats would also require oil companies and refiners to disclose their pricing policies, working to apply antitrust laws to OPEC oil producers, and investigating whether oil companies deliberately reduced refinery capacity to increase profits.

To help families who will face exorbitant home heating prices this fall, Democrats would expand the Low-Income Home Energy Assistance Program (LIHEAP) through fines from price-gouging companies, and work to fully fund this commitment to our most vulnerable families.

And Democrats are committed to unleashing technological innovation to develop alternatives to oil: energy independence within a decade. Democrats have developed proposals to invest in research and to develop emerging technologies for more efficient and renewable energy sources to bring us closer to energy independence. Unfortunately, Republicans have rejected or blocked consideration of Democratic energy legislation and amendments.

