

**Floor Statement by Senator Kent Conrad (D-ND) on
Energy Amendment to FY 2007 Budget Resolution
March 16, 2006**

In many ways this may be one of the most important amendments we offer on our side. I say that because if I look across the horizon at the challenges facing America, energy dependence would be right at the top of the list.

In his State of the Union message, the President said: “[W]e have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world.” I think the President has that exactly right.

We can see in this chart that imports now account for 60 percent of total U.S. consumption; that is, of the oil that we are consuming, 60 percent of it is imported. That creates a vulnerability for America. This dependence on imported energy is dramatically adding to our record trade deficit; \$266 billion of the trade deficit over the last year is due to imported petroleum products. We ran a trade deficit during that period of about \$700 billion. More than a third of it is due to our reliance on foreign energy.

That represents over a third of the total trade deficit. The President made very strong statements in the State of the Union about the need to reduce our dependence, reduce our vulnerability. But if you look at his budget, you see something quite different: the clean coal power initiative, cut 90 percent; weatherization assistance grants to improve conservation of energy in homes reduced almost a third; electricity delivery and reliability, cut 23 percent; fossil energy R&D, cut 21 percent.

Several weeks ago, President Bush had a small group of Senators to the White House to talk about energy. I told him I was going to be introducing legislation that would provide substantial incentives to do what Brazil did. It is very instructive to look back over the last 30 years. Thirty years ago, Brazil was 80 percent dependent on foreign energy. They reduced that to less than 10 percent today. If we look at our story, it is just the flip. Back in the 1970s, we were 35 percent dependent upon foreign energy; today it is 60 percent.

I think the question presents itself: What did Brazil do? Brazil very aggressively promoted biodiesel, ethanol, and flexible fuel vehicles. In fact, the vast majority of their vehicle fleet in Brazil are now flex fuel vehicles. They have very aggressively promoted ethanol and biodiesel. We should do the same. Those are the key components of the energy plan I will be presenting to our colleagues -- aggressive promotion of biodiesel and ethanol, alternative fuel vehicles, wind energy, and coal-to-liquid fuel technology and energy efficiency in conservation.

My energy reserve fund creates a deficit-neutral reserve fund for bold and balanced energy legislation that reduces our Nation's dependence upon foreign sources of energy, expands the production and use of alternative fuels and alternative fuel vehicles, promotes renewable energy development, encourages responsible development of oil and natural gas resources right here in America, and rewards conservation and efficiency.

This is a deficit-neutral reserve fund. Only if we find a way to pay for this initiative will it be able to go forward. My own view is that this is such a high priority for our country and raised, I think, to national attention by the President in his State of the Union, but we don't have a budget to match bold words. We need bold initiatives to match bold words, to really do something to reduce our dependence. It makes us vulnerable. It is weakening our economy.

I said to the President: What a difference it could make. Would it not be wonderful if the President could wake up and instead of turning to the Middle East for oil, he could look to the Midwest of our own country where we could help grow our way out of this crisis by growing the feedstock that could produce biodiesel and ethanol, soybeans, corn, and canola? We are about to build in North Dakota the biggest biodiesel plant in North America. That is going to help us wean ourselves from this ongoing dependence upon foreign energy. I hope very much my colleagues will support this amendment.