



Irwin Stelzer

Irwin Stelzer: Beware presidents bearing bipartisan gifts

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President Obama's idea of bipartisanship is less evident in his general statements of affection for that process than in the specifics of each proposal he makes to persuade the Republicans to become accomplices in his "transform-the-American-economy" project.

Consider only his protestations of a willingness to cut deals on energy in order to save his cap-and-trade bill and green subsidies programs.

The president knows that Republicans -- and most people who have thought through long-term energy policy -- favor the construction of more nuclear plants, and development of domestic oil and gas resources.

So he offers a deal: You support cap and trade and subsidies for "clean energy," and I will get Congress (how is unclear) to facilitate new nuclear construction and domestic drilling.

If voters are indeed tired of gridlock, this sort of thing should be appealing. But Obama knows that in the end he is offering nothing in return for votes for his version of what the American energy economy should look like.

Start with nuclear. It is true that the president is willing to offer modest subsidies for the first few nuclear power plants that will be built, and that a few utilities are willing to have a go at such construction.

But three things stand in the way of a full-scale nuclear program. First, the plants are dreadfully expensive and the subsidies relatively trivial.

Second, overseas construction projects using the new generation of technology are years late and way over budget.

Third, some environmental groups hate these plants, and have the added possible terrorist threats to the list of objections they will use to support drawn-out litigation in opposition to licensing.

Obama is a good enough lawyer to know this, and that environmentalists often win by so protracting litigation that construction costs soar and the companies simply decide that the game is not worth the candle.

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The president has given no indication that he plans to persuade Reid, who faces a tough re-election fight in November, to cut a ribbon at Yucca Mountain -- ever.

Obama also knows that when it comes to developing domestic oil and gas resources, he can promise one thing and do another.

He is promising more drilling. But at the very same time, his secretary of the interior, Ken Salazar, is making drilling more difficult.

Earlier this month, Salazar canceled oil and gas leases that the Bush administration had granted on 77 parcels, covering 133,000 acres, of federal land in response to objections that drilling would blight the scenic southwest corner of Utah.

He also withdrew permits to drill on eight parcels in Wyoming and has refused to endorse the Bush administration's decision to authorize 31 offshore oil and gas lease sales.

Instead we are to have green power. Small problem: Energy Secretary Steven Chu told a Senate hearing that he has managed to spend only \$2.1 billion of the \$37 billion in stimulus money his department received to fund green energy projects.

Still, he supports Obama's request for additional funds. It seems that the regulations governing these grants are quite onerous. The really bad news is that in the end the money will go to the companies most skilled at navigating the grant process, rather than those with technologies that might actually make a go of it in the marketplace.

So beware of presidents, or at least this one, bearing the gift of bipartisanship.