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Prepared Remarks
before the
Forum on the Impact on Budget Proposals on Justice, Job Creation, Public Safety, and Civil
Liberties
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I'm Damon Moglen, climate and energy director at Friends of the Earth. Thank you for inviting me to be here today.

Most of the organizations here today will talk about the negative impacts of cuts to their programs, on the services that will be lost to some of the most vulnerable segments of society, of the impact of funding rescissions on the ability of small business to grow and prosper. We too, in the environmental community have grave concerns regarding some of the cuts proposed and passed in the House Continuing Resolution

Along with State and Local Governments, Friends of the Earth strongly opposes the \$1.4 billion in cuts to the Clean Water State Revolving Funds – these cuts put Americans at risk of sewage and urban runoff pollution.

Along with public health organizations we strongly oppose the proposed cuts to EPA's authority to regulate the Clean Air Act. The EPA estimates that clean air regulations saved more than 160,000 lives in 2010, alone.

Cuts included in the continuing resolution threaten drinking water supplies for more than 100 million Americans and endanger thousands of streams and wetlands across the country by blocking EPA's ability to restore Clean Water Act protections for these waterways.

We oppose the proposed cuts which will stop the EPA from treating coal ash as a toxic waste. This dangerous coal ash, left over waste from coal-fired power plants, contains such highly toxic pollutants as mercury, hexavalent chromium and arsenic, which are associated with cancer and other serious health effects. Stopping the EPA from taking action will threaten communities around the country and will leave the polluters with the legal right to continue to dump coal ash in unlined pits and ponds.

The continuing resolution eliminates the EPA's greenhouse gas reporting registry, one of many attacks on the Administration's efforts to plan for the future – to understand where our emissions are coming from, so we can find ways to curtail in the future. This is not simply an

attack on a small program within the EPA, it is an attack on our nation's ability to plan for the future.

All these pollution control and public health provisions are gutted in the continuing resolution that passed the House. They represent core regulations which have protected generations of Americans, ensuring safe water to drink, clean air to breathe, and safe soil on which to farm and live. All of these regulations are based on sound science. Opponents aren't just working to unravel the very fabric of our environmental safety net, they are working to prevent sound science from driving our policies.

But I am also here today to talk about the good cuts that can and should be made – and about new sources of revenue that can be found. There is absolutely no reason to cut vital social services, the EPA, health care, clean energy investments, NPR, or AmeriCorps, at the same time that we are giving literally tens of billions of dollars away to the oil, gas and coal industries.

Friends of the Earth, with our colleagues at Taxpayers for Common Sense and the Green Scissors coalition have identified over \$200 billion dollars of such wasteful spending. This spending subsidizes pollution, and it can be cut from the budget without doing harm to the programs and agencies that keep our food and water safe and our most vulnerable populations protected. Being fiscally responsible and environmental conscious are not mutually exclusive; we can save money by protecting the environment -- we can save over \$15 billion dollars a year by ending subsidies for fossil fuels. If funding is going to be cut from the budget, let's start there, and not by taking away nutritional support from little kids.

I did a little back of the envelope calculation while the presenters ahead of me were talking – they are talking about the hugely damaging impacts of a few *hundred million dollars* in cuts proposed through the Continuing Resolution – a number that's hard for most Americans to wrap their heads around. And there's no question that those are substantial cuts.

But Friends of the Earth has identified over \$72 Billion dollars that goes to one industry and one industry only – oil and gas. Everyone is talking about tightening belts, making the hard decisions, asking the poor and middle class to carry more of the burden, yet every five years we squander another \$70 billion dollars of our nation's scarce resources on a profitable, mature industry. Where is the justice in that?

The President's budget proposes to eliminate over \$57 billion in fossil fuel subsidies over the next five years. We support the President's efforts, but he can and must go farther. If we, as a nation are going to be serious about fiscal responsibility, then we must eliminate this egregious and unproductive spending instead of going after Pell grants, instead of cutting home heating assistance for the poor.

Here's what we can do. We can eliminate subsidies for:

- i. Oil drillers in the Gulf of Mexico, who pay no royalties. This would generate almost \$7 billion in just 5 years.
- ii. We can eliminate a Department of Energy loan guarantee program for the coal industry (for CCS technology that's likely going nowhere), which would save us \$ 8 billion over five years.
- iii. We can end subsidies for dangerous nuclear power which would effectively put \$46 billion on the table in five years.

The House majority is ignoring all this other spending. If we are going to be serious about growing our economy and getting out of debt, we need to look at the tax side of the budget as well as the appropriations. Tax expenditures are almost equal to discretionary outlays – let me repeat that, **the amount of money we give away in tax breaks is almost equal to our total discretionary outlays.**

So as we prepare for more budget battles ahead, we need to dramatically change the debate about what spending is. We need to make Republicans and Democrats alike, and everyone in America for that matter, understand that tax expenditures ARE spending. Until Congress looks at that side of the spending ledger, critical government programs that we care about – from refugee assistance, to financial oversight, to clean water -- will be in danger.

We also need to find ways of raising additional revenue, and we can do it in ways that promote a clean environment, such as instituting a carbon tax and placing a real tax on other pollution. And I should note that Rep. Pete Stark has just re-introduced a bill to tax Wall Street currency speculation, which would generate \$5 billion a year for deficit reduction, HIV/AIDS treatments, and to help the world's poorest countries deal with the devastating impacts of climate change.

The fiscal crisis presents a turning point for our national policies and priorities. We can either make the poorest and middle class pay, compromising environmental health and lavishing polluters with subsidies; or we can protect people and the environment, while closing harmful tax loopholes and building a sustainable and stronger economy.

Thank you.