



1.BUDGET:

Obama to lay out priorities today, but they'll quickly collide with political reality

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The White House's fiscal 2015 budget will emerge today cloaked in pomp and symbolism, touted as a statement on the president's energy priorities. But whether Congress' recent bipartisan budget deal lends the document any new relevance under divided government remains an open question.

Underscoring the budget's tenuous future is the tepid response from Capitol Hill to two of the Obama administration's three advance peeks at its environmental spending agenda: corporate tax reform pitched to offset the cost of a new \$300 billion, four-year transportation bill and a \$1 billion climate adaptation fund. The transportation gambit faces stiff headwinds given the GOP's resistance to taking up tax reform this Congress, while the Climate Resilience Fund is likely to become mired in a Republican-controlled House resistant to most action on the issue.

"Given the track record we've seen so far, it's going to be hard" to make major accomplishments on climate through the budget process, Center for Clean Air Policy adaptation program Director Steve Winkelman said in an interview.

Though it might be "naive" to believe the \$1 billion fund can gain traction on the right, he added, "we think we can make a strong fiscal argument to conservatives that an ounce of prevention is worth a pound of cure."

Even the fund's ardent backers at the liberal Center for American Progress, however, acknowledged last month that "the key question now is whether congressional Republicans will pass this proposal, as a majority of these legislators" question the impact of human activity on the climate.

The transportation budget plan comes as both Senate Environment and Public Works Chairwoman Barbara Boxer (D-Calif.) and House Transportation and Infrastructure Chairman Bill Shuster (R-Pa.) signal that they will release their own plans before the current funding bill expires at the end of October ([Greenwire](#), Feb. 26).

Asked about the gulf between President Obama's proposed corporate tax tweaks and the broader reform bill floated by House Ways and Means Chairman Dave Camp (R-Mich.), a White House spokesman acknowledged last week that the president's staff is "realistic about the prospects for difficult pieces of legislation like this passing this Congress this year."

Perhaps the lone element of Obama's environmental vision that may be helped into law by its inclusion in his budget is a reform of wildfire-fighting funds already promoted by a powerful alliance of Western senators from both parties, logging companies and green groups. A senior GOP sponsor of that effort, Sen. Mike Crapo of Idaho, agreed last week that a White House budget mention "could be" as hurtful as it is helpful to proposals seeking congressional momentum.

But the wildfire plan Crapo developed with Sen. Ron Wyden (D-Ore.) "is bipartisan to start with, and it has a broad base of support across most interest groups," the Idahoan explained. "Because of that, I think, support from the White House adds strength."

Wyden, the newly installed Senate Finance Committee chairman, gave an unmitigated thumbs-up to the political potency of the presidential budget. "The fact that the White House is signifying this is important to the executive branch, that this is a fresh approach," he said in an interview, "I think is a very significant thing."

Yet even the widespread cheerleading for the wildfires plan, which aims to prevent the siphoning of money from forest health programs to help the Interior Department fight annual disasters, may not spare it the ax thanks to opposition from House Budget Chairman Paul Ryan (R-Wis.) (*E&E Daily*, Feb. 26).

Beyond individual priorities that require congressional approval, such as new climate funds or shifts in agency practices, White House budgets rarely see their overall spending levels ensconced in law by the fractious legislative branch.

The omnibus appropriations bill for fiscal 2014, while it conformed to a two-year budget plan that will give Congress \$1.014 trillion to work with for the next fiscal year, gave the Energy Department's efficiency and renewables division nearly \$1 billion less than Obama had asked for. DOE's fossil energy office, by contrast, got \$140 million more than the White House requested -- not to mention a rider that requires the administration to report to Congress on its climate change work (*E&E Daily*, Jan. 14).

Yet even in the face of fierce push-back from the GOP that could leave his budget little more than an empty vessel, Obama and greens already have used the power of the executive branch to their benefit when it comes to overall federal climate investment, Sen. James Inhofe of Oklahoma contended in an interview last week.

Inhofe, the longtime senior Republican on the upper chamber's Environment and Public Works Committee, said environmentalists would "like to see something passed" that formalizes the White House budget priorities, "but they're not too concerned because they know it's going to happen anyway."

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