



## POSITION PAPER

### **ENERGY INDEPENDENCE FOR AMERICA**

In the early 1970's America imported only about 30 percent of its oil. Due mostly to the federal government's interference in the free market and the passing of legislation by congress that restricts the development of American oil fields, America is now importing 60 percent of its oil with some of that oil coming from countries that are less than friendly to the United States. Our government leaders, including those in congress, have allowed our country to become too dependent upon the oil production levels of foreign nations that has not only resulted in higher prices at the gas pumps, but has also endangered our national security.

The demand for gasoline has risen dramatically in America due mostly to population growth, but virtually no new refining capacity has been added in decades to meet the increases in demand. No amount of congressional grandstanding about price gouging will change this economic reality. Members of Congress routinely point their fingers at the oil companies that make about eight to ten cents profit on a gallon of gas. In 2004, the US Energy Information Administration reported that the oil industry in the US made \$42.6 billion in profits after spending billions of dollars on researching, drilling, transporting and refining their products. On the other hand, in that same year, Federal and State governments collected \$58.4 billion in taxes from the oil companies without investing a dime. Who is gouging who? Corporations do not really pay taxes. They just pass along the cost of the taxes to the consumers in the form of higher prices.

The Ethanol subsidy program is a prime example of how our government's interference in the free market has led to higher prices. Subsidies amounting to \$10 billion a year are given to corporate corn farmers, even though Ethanol is 20 to 30 percent less efficient than gasoline and it takes about 200 pounds of corn to produce enough ethanol to fill the average gas tank. It takes more than one gallon of fossil fuel to produce one gallon of ethanol because corn must be grown, fertilized, harvested and trucked to ethanol producers. It also takes 1,700 gallons of water to produce one gallon of ethanol. Ethanol is so costly to make that it wouldn't make it in a free market without being subsidized by the government. Ethanol related congressional legislation has resulted in the following: 1) Big corporate corn growers (who are also big campaign contributors) get a \$10 billion dollar annual subsidy from the American taxpayers, 2) American consumers wind up paying more for gasoline at the pump because of the ethanol requirement in gasoline, and 3) the program is responsible for dramatic increases in the prices of corn and other grains worldwide, which has led to severe food shortages and food riots in other parts of the world. How is this government program successful? We need more free market competition and less government interference.

America must approach the issue of energy independence much the same as we did when the USSR put their first Sputnik satellite into orbit. In 1961, President John F. Kennedy motivated the nation and promised to put a man on the moon within 10 years. If we can put a man on the moon, land unmanned space vehicles on Mars, we can surely develop a strategic plan to become energy independent in ten years by increasing the domestic production of oil while at the same time encouraging the development of environmentally safe alternative energy technology that would free America from its dependence on foreign oil. Freedom from oil dependence is also in the best interests of our national security. Depending on foreign governments for our oil supply, some of which may be less than friendly to the United States, is definitely not in the best interest of our nation's security.

It is time for Congress to stop listening to the socialist environmentalists who would turn our nation into a third world country by prohibiting us from using our own natural resources. America has the natural resources and the technology to solve our energy needs. It is estimated that ANWAR has 10.4 billion barrels of oil which is 200 billion gallons of refined gasoline. The outer continental shelf is estimated to have 86 billion barrels of oil which would be over a trillion gallons of refined gasoline. On top of that there is an estimated availability of 2 trillion barrels of shale oil in the Western United States. If Congress had opened ANWR to drilling a decade ago the nation would be that much closer to lessening its dependency on foreign oil today.

We must meet our energy needs with a 10-year strategic plan that provides a balanced portfolio of drilling, research and development that will ensure our economic and environmental future. The plan should include the following:

**DRILL AND DEREGULATE NOW:** We should drill for oil and natural gas in the United States, using our best environmentally friendly techniques under our own rigid environmental controls. We should take a comprehensive approach by allowing offshore drilling, eliminating regulations that restrict refining, and suspending harmful tax rules that discourage domestic oil production.

**DEVELOP NEW SOURCES OF ENERGY:** Congress must repeal federal regulations and taxes that impede the development of new energy sources. Alternative sources should prove their viability in the free market. Any source that truly is cheaper and cleaner, yet still reliable, will not need much government help to develop. I support legislation that will provide investment tax credit to help encourage the development of solar energy, fuel cell and wind energy technology.

**REDUCE THE RESTRICTIONS ON COAL, NATURAL GAS AND NUCLEAR ENERGY:** I support the repeal of federal regulations that hinder the development of coal, natural gas and nuclear energy and also support the repeal of all federal subsidies granted to these industries. These sources of energy and power will prove their worth in our free-market economy without excessive government interference and subsidies.

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