

Issues - Gas Plan

Mary Jo with the Buckeye Bullet 2 Team New Direction, New Priorities: A Bold, Direct, and Honest Solution to our Future Energy Needs

America desperately needs some relief, and desperately needs change. The high price of oil is straining middle class families and businesses in Central Ohio and across the country. After seven years of failed Bush administration energy policies, written by oil lobbyists, America is in a desperate crisis.

Since Bush became President, the price of a barrel of oil has shot from \$26 to around \$140 today. As late as 2005 when the impending crisis was becoming evident, Bush's solution was to give his oilmen friends \$17 billion dollars in government welfare, despite record profits, while investing a dismal \$3 billion in advanced energy.

Our energy crisis is a complex problem requiring bold, forward looking solutions that ensure we will not find ourselves in a worse situation ten years from now. Business as usual is no longer acceptable. Congress needs to take immediate steps to make our country energy independent. There are things we can do to bring down oil prices in the short term, but our ultimate goal must be to break our addiction to oil.

When I am elected to Congress, you can expect bold, direct and honest solutions to our problems. America has always worked best when our leaders came together, whether they were Democrats, Republicans or Independents to come up with real solutions. I can think of no more important goal for us all to work together on. By moving away from gasoline, we will simultaneously stabilize energy prices and strengthen our national security by reducing our dependence on foreign countries for our energy needs.

1) American automobile fleet powered by alternative fuels by 2020

It is unrealistic to think we can drill our way out of this problem. Americans are tired of giving their paycheck to the oil companies. Our goal should be to produce an American automotive fleet powered by alternative fuels by 2020. It took less than a decade to put man on the Moon. We are closer to achieving our goal of energy independence today than we were to putting man on the moon in 1961 when President Kennedy challenged us to do it.

Right now, engineers at Mercedes are already working towards this goal. Honda recently introduced consumer ready hydrogen cars. GM's new Volt, scheduled to go into production by 2010, holds the promise of a cutting edge, American made electric car. However we must provide our auto industry with the tools they need to achieve this goal.

Government must focus its resources on helping businesses and universities to develop the technology and commercialize it. Ultimately, government investment in hybrid, biofuel, electric, hydrogen and other technologies will result in the creation of good paying advanced energy manufacturing jobs.

We also need to give consumers incentives to buy these cars. We can accomplish this by expanding tax credits to purchase alternative fueled vehicles and building the infrastructure we need to conveniently refuel them.

2) While we work towards this goal, we also need to focus on medium term solutions for our growing energy needs. Our goal of eliminating gas powered vehicles can be a reality, but we can't lose sight of the steps we need to take right now to provide relief at the pump.

Currently, oil and gas companies hold 68 million acres of federal land, which they are not currently drilling on. If the oil and gas companies are not using these lands for oil production, then they should lose these contracts and the federal government should re-bid them out to companies that will. We can use profits from these leases to fund development of alternative fuels.

We must expand our refining capacity. In 2005, President Bush and Congress gave oil companies tax incentives which would allow them to write off almost half the cost of building new refineries. Despite these financial incentives and expedited permitting processes, not a single refinery has broken ground.

Oil companies must utilize all of the refining capacity we currently have as well. American refineries are only producing around 90% of the gasoline they are capable of.

3) In the short term, we can provide relief at the pump by moving towards greater regulatory powers over the commodities markets and going after OPEC and other cartels.

We need to close the so-called "Enron loophole" which prevents the government from regulating certain transactions on certain crude oil futures that are traded in foreign markets. Many experts believe that this unregulated

speculation accounts for 25 to 35 percent of the increase in the cost of a barrel of oil. Americans should not be paying more at the pump at the benefit of the speculators.

We must give the government the power to stand up to OPEC and hold them accountable for knowingly restricting the oil supply. We must give the Department of Justice the authority to go after any country colluding to set the price of petroleum products. Congress must protect American citizens from exploitation by other countries.

4) We must accomplish these goals and we must do so in a fiscally responsible way.

In 2004 and 2005, President Bush and Dick Cheney gave the big oil companies tax breaks worth \$17 billion. Currently the oil industry is the most profitable business in the world and that success is due to hard work and innovation. I will never begrudge a company from succeeding in the global marketplace, but do believe that the tax breaks and corporate welfare to big oil should be taken away. Budgets are a question of priorities; by making energy independence a priority, we will take these tax subsidies and invest them in:

- Tax credits for buying and producing hybrid and alternative fueled vehicles.
- Incentives for building alternative refueling stations: Our country must be ready to accommodate alternative fueled vehicles.
- Investment for research, development and production of ethanol, biofuel and other alternative fuels.

The need is there, the resources are there, the only question left is do we have the will? I believe we do. We led the world into the industrial revolution, we led the world into the fossil fuel revolution, and we are now ready to lead it into the advanced energy revolution. Solving our energy crisis will require us to work together and not take the easy way out.