



Barack Obama on Energy

Posted by [Stuart Staniford](#) on March 2, 2006 - 4:18pm

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Courtesy of [Kevin Drum](#), I just read a [speech by Barack Obama](#), the Democratic senator for Illinois.

In this year's State of the Union address, President Bush told us that it was time to get serious about America's addiction to foreign oil. The next day, we found out that his idea didn't sit too well with the Saudi Royal Family. A few hours later, Energy Secretary Bodman backtracked and assured the world that even though the President said he planned to reduce the amount of oil we import from the Middle East, he actually didn't mean that literally.

If there's a single example out there that encapsulates the ability of unstable, undemocratic governments to wield undue influence over America's national security just because of our dependence on oil, this is it.

The centerpiece of his proposal is a trade of helping Detroit with their retirement and health care costs in exchange for a commitment to increase average fuel economy and use of biofuels:

There is now no doubt that fuel-efficient cars represent the future of the auto industry. If American car companies hope to be a part of that future - if they hope to survive - they must start building more of these cars.

But that's not to say we should leave the industry to face these costs on its own. Yes, we should raise fuel economy standards by 3% a year over the next fifteen years, starting in 2008. With the technology they already have, this should be an achievable goal for automakers. But we can help them get there.

Right now, one of the biggest costs facing auto manufacturers isn't the cars they make, it's the health care they provide. Health care costs make up \$1,500 of the price of every GM car that's made - more than the cost of steel. Retiree health care alone cost the Big 3 automakers nearly \$6.7 billion just last year.

So here's the deal we can make with the auto companies. It's a piece of legislation I introduced called "Health Care for Hybrids," and it would allow the federal government to pick up part of the tab for the auto companies' retiree health care costs. In exchange, the auto companies would then use some of that savings to build and invest in more fuel-efficient cars. It's a win-win proposal for the industry - their retirees will be taken care of, they'll save money on health care, and they'll be free to invest in the kind of fuel-

efficient cars that are the key to their competitive future.

Now, building cars that use less oil is only one side of the equation. The other involves replacing the oil we use with home-grown biofuels. The Governors in this room have long known about this potential, and all of you have been leading the way on ethanol in your own states.

This coalition also knows that corn-based ethanol is only the beginning. If we truly want to harness the power of these fuels and the promise of this market, we can and must generate more cellulosic ethanol from agricultural products like corn stocks, switch grass and other crops our farmers grow.

I rather like the speech. It's very politically savvy - helps out a bunch of different interest groups. The rhetoric is uplifting, and yet the proposals have a gradualist, politically achievable, flavor. And at the end of the day, this would actually help the problem somewhat.



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