



An Open Letter to Our Next President about Energy Policy

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Mr. or Madam President,

Vice President Dick Cheney once famously quipped "The American way of life is non-negotiable." I submit that while our next president might not be so brash in stating this, the root of our energy problems can be traced to this attitude. But, nature doesn't negotiate. It doesn't appear that any of the remaining presidential candidates understand the basis of the problems we face: Oil is a depleting, finite resource - albeit one crucial for the "American way of life."

Because this resource is so crucial - and obviously not just for Americans - depletion is going to drive prices up as consumers bid for dwindling supplies. Threatening to sue [OPEC](#) isn't going to change that. Threatening to tax Big Oil into submission isn't going to change that. Mandating that we will invent new technologies to meet a greatly increased [Renewable Fuel Standard](#) isn't going to change that. These are the sorts of proposals that merely demonstrate that your grasp of the problem is superficial. And you have to understand the problem in order to begin addressing it.

Shouldn't we also consider what happens when our "non-negotiable" way of life impacts the way of life for others worldwide? What if the Saudis also consider their way of life non-negotiable? Is suing them supposed to force them to negotiate? What about the person in Kenya whose way of life is eased by the very small amount of oil they consume? Shall we negotiate with that person, or just not invite them to the table while we price them out of the market?

Let's first consider common ground that you and I may have. I presume we would agree that our dependence on oil is not healthy. It puts the economy in a very vulnerable position. It helps to enrich some countries that are hostile to us. It increases carbon dioxide emissions. I think this reflects the positions of all remaining candidates, and is consistent with my own position.

Now let's consider a position on which apparently differ sharply: Gas prices must come down. While I understand the position of the average American that we are paying too much for gasoline - what impact do you think price has on demand? Higher prices will eventually spur conservation and encourage alternatives - which helps achieve the objectives of lowering our dependence by lowering our usage. Isn't this what you want? Instead, all three candidates propose measures to bring down gasoline prices - thus encouraging consumption. Can't you see the inconsistency in your position?

This is the time to show political leadership. The pandering sickens me. So what if the average person thinks we are paying too much for gas? The average person also voted for your predecessor - so let's not presume that we must bow to the wishes of the average person. I offer the following unsolicited advice for dealing with this problem. This is how I would address

Americans on this subject:

My Fellow Americans,

Spiraling gasoline prices are having a negative impact on the overall economy. Recent polls have shown that high energy prices are one of the biggest concerns of the American public. However, I have to be bluntly honest: There are no easy solutions. The situation we find ourselves in is a result of many years of policies that are short-sighted and have essentially ignored the long-term consequences of a dependence on fossil fuels - which in turn translates into a dependence on crude oil imports. One administration after another has paid lip service to energy independence, and yet our dependence has risen during each administration since Nixon. We are obviously doing something wrong. I believe I know what it is.

We have failed to truly understand why we have a problem. We have failed to understand why we are addicted to oil. We have failed to appreciate the nature of oil, and why it is so difficult to replace it with low energy density biomass. The truth of the matter is that we are addicted to oil because of the unparalleled conveniences it provides us. We sought painless solutions to our addiction. But if breaking an addiction was easy, we wouldn't be addicted.

I don't believe it serves a useful purpose to continue promising easy solutions. On the other hand, a big part of the reason that you find yourselves in this vulnerable position is because of the previous hollow promises that were made. So I propose the following measures to begin the process of breaking our oil addiction:

1. We must improve the fuel efficiency of our automotive fleet. It is an embarrassment. Here again, we have sought the easy solution: Just increase CAFE standards. Most people view this as a relatively painless solution. They think that instead of their [Ford Expedition](#) getting 14 mpg, the automotive industry has tricks up their sleeves that can push it to 24 mpg. All that is required is a bit of legislation, which doesn't affect me, the consumer. But that's not the way it works. To achieve 24 mpg, we are going to require a fundamental change in the SUV mindset.

We have fuel efficient vehicles available now, we just need to convince people to buy them. I propose to offer rebates ranging from \$500 to \$2000 for vehicles that achieve high fuel efficiency. I propose to penalize vehicles that achieve low fuel efficiency. I propose to phase these changes in over the next 3 years.

2. Continuing with theme of the first proposal, we need to find other ways to reduce our fuel consumption. Europe provides a useful guide here, as the average per capita energy consumption in Europe is half that of the U.S. How do they achieve this?

Primarily, they have achieved this by making fuel very expensive. Because I don't think it would be fair to penalize you as a result of the decisions made by previous administrations, I propose to make this proposal revenue neutral. The goal here is not to collect more taxes; it is to encourage behaviors that reduce fuel consumption. So here is the specific proposal.

The average American consumes 1,000 gallons of gasoline a year. I propose to increase the federal gasoline tax by \$0.20/gallon this year, \$0.30/gallon next year, and then

\$0.50/gallon in each of the three following years. The total tax increase I am proposing is \$2.00/gallon. This would still put gasoline prices at less than they are in Europe, but by having a clear understanding that gasoline prices won't be going down, this will encourage conservation measures.

In order to offset the burden of these higher taxes, I propose a tax credit equivalent to the increased tax burden for the average American. This is equivalent to \$200 in the first year of the tax. Those who use less gasoline than the average will actually see their overall tax burden go down. Those who consume more than 1,000 gallons per year will see an overall increase in their tax burden - and will therefore have a strong incentive to reduce their fuel consumption. For those whose fuel usage is for business use, the fuel taxes can be deducted against your business income.

3. Solutions will be required on the supply side as well. However, too many "solutions" to date rely heavily on fossil fuels, which is the very problem we are trying to mitigate. Therefore, I am appointing an independent panel of experts across multiple disciplines - environmental, energy, agriculture - to evaluate various sources for 1). Reliance on fossil fuels; and 2). Negative side effects. There will be specifically defined criteria that alternative sources must meet in order to qualify for tax breaks. For example, energy "producers" - fossil and alternative - will pay a surcharge on the fossil fuel inputs they use to run their operations. This will encourage a move away from the use of fossil fuels to produce "renewable" energy.

4. In order to lessen our dependence on fossil fuels for heating and electricity, I propose to extend tax credits for installation of solar systems, especially those for solar water heating. Tax credits for installation of wind power, geothermal power, tidal power, and various other qualifying energy sources will be extended for 10 years.

5. From my viewpoint, we need to move to a future in which electricity drives our transport systems. The electricity would be derived initially from existing sources like coal and nuclear power, but increasingly from solar, wind, and various other renewable sources. Improved battery technology and energy storage technologies are the key enabling technologies required. Therefore, I am proposing to significantly increase the funding and resources devoted to these technologies. Cash awards will also be available to inventors meeting certain key milestones - as inspired by the [Automotive X PRIZE](#).

These five proposals are merely a start. I understand that for some of you, these changes will be painful. But the pain is coming regardless; I am just proposing to manage it in a more effective and predictable manner. For too long, we have been too passive in managing our oil addiction. The time has come for more aggressive measures.

Such proposals would not be without harsh critics, and would require strong leadership to push them through. Special interests will line up to protect their pocketbooks. Short-sighted politicians will try to protect a few at the expense of many. Will you be the president who takes a stand, tells the hard truth about our energy predicament, and pushes through measures that secure a brighter future for our children? Or will you be like the long succession of presidents who have made hollow promises and offered false solutions - only to see our dependence worsen?

Addiction can be a difficult thing to beat. But make no mistake: The path we have been traveling down is unsustainable, and the bills are starting to come due. If we don't start paying them now,



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