



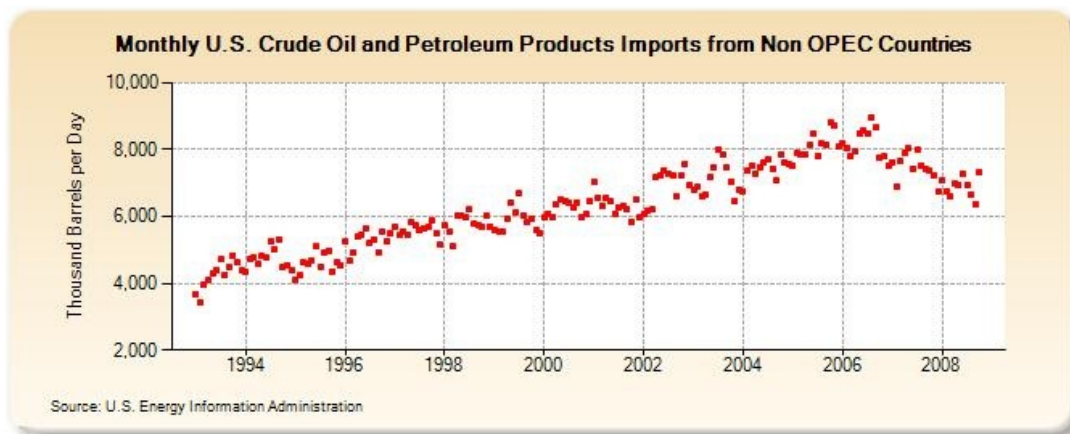
## Obama's Energy Policy Announcement

Posted by [Gail the Actuary](#) on January 27, 2009 - 12:00pm

Topic: [Policy/Politics](#)

Yesterday, President Obama delivered remarks on his plan to "reverse our dependence on foreign oil while building a new energy economy that will create millions of jobs". In this post, I provide Obama's remarks on his plans to reduce our dependence on foreign oil (not really "energy independence", as [some](#) have called it), plus some graphs of current imports to put these remarks in context.

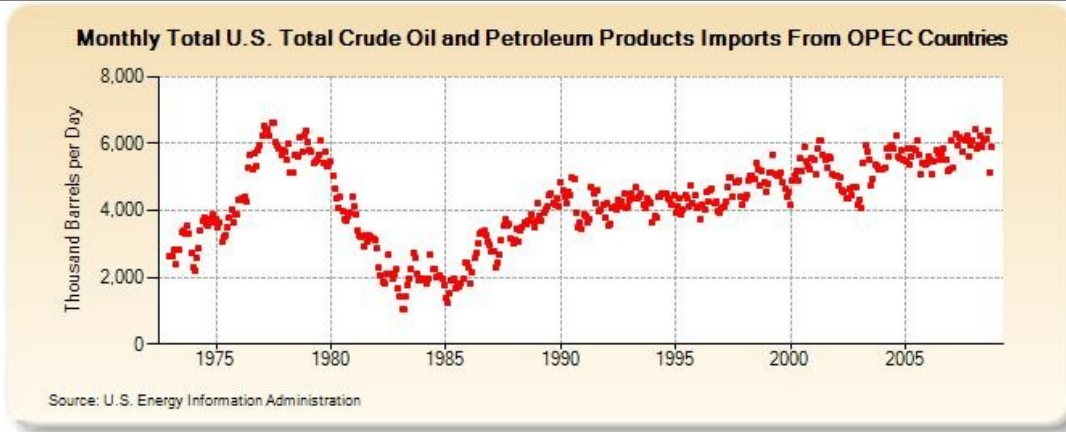
Our big problem now is that imports from non-OPEC countries are dropping, putting us more and more in need of imports from OPEC countries. The EIA shows this graph of non-OPEC petroleum imports:



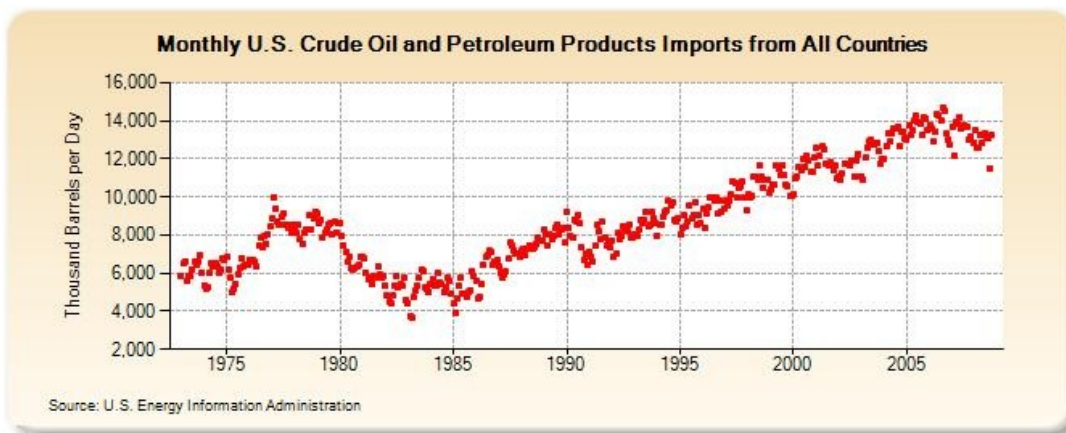
Our imports from non-OPEC countries have dropped from over 8 million barrels a day to less than 7 million barrels a day. **Edit:** In this graph, EIA calculates oil production based on which countries are in OPEC when, so this drop really reflects OPEC's increased membership, more than it does non-OPEC's declining oil production.

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Our imports from OPEC countries are flat to slightly rising, at about 6 million barrels a day.



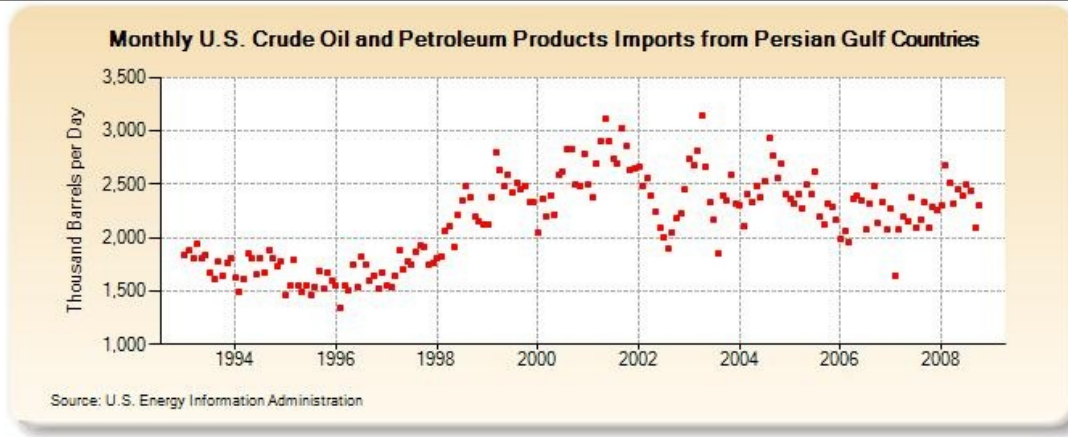
On a combined basis, our imports are declining, because OPEC increases are not keeping up with non-OPEC decreases.



In Obama's speech from yesterday, he says:

Congress has passed legislation to increase standards to at least 35 miles per gallon by 2020. That 40 percent increase in fuel efficiency for our cars and trucks could save over 2 million barrels of oil every day: nearly the amount of oil that we import from the Persian Gulf.

How much oil do we import from the Persian Gulf? Indeed, it is a little over 2 million barrels a day, or about 16% of our total imports. This is what EIA shows:



Solving our Persian Gulf imports is a relatively small part of our total problem, but it is a part. As non-OPEC imports decline further, we will be more and more dependent on OPEC imports from around the world.

## President Obama's Speech

This is a transcript of Obama's speech, taken from [here](#).

PRESIDENT BARACK OBAMA: Thank you. Please, everybody be seated. Thank you so much. Thank you. Thank you, everybody. Thank you.

(APPLAUSE) Please, everybody be seated. Thank you.

Good morning.

AUDIENCE: Good morning.

OBAMA: Before I begin today's announcement, I want to say a few words about the deepening economic crisis that we've inherited and the need for urgent action.

Over the last few days, we've learned that Microsoft, Intel, United Airlines, Home Depot, Sprint Nextel and Caterpillar are each cutting thousands of jobs.

These are not just numbers on a page. As with the millions of jobs lost in 2008, these are working men and women whose families have been disrupted and whose dreams have been put on hold.

We owe it to each of them and to every single American to act with a sense of urgency and common purpose. We can't afford distractions and we cannot afford delays.

And that is why I look forward to signing an American recovery and reinvestment plan that will put millions of Americans to work and lay the foundation for stable growth that our economy needs and that our people demand.

These are extraordinary times, and it calls for swift and extraordinary action.

At a time of such great challenge for America, no single issue is as fundamental to our future as energy.

America's dependence on oil is one of the most serious threats that our nation has faced. It bankrolls dictators, pays for nuclear proliferation and funds both sides of our struggle against

terrorism. It puts the American people at the mercy of shifting gas prices, stifles innovation, and sets back our ability to compete.

These urgent dangers to our national and economic security are compounded by the long-term threat of climate change, which, if left unchecked, could result in violent conflict, terrible storms, shrinking coastlines, and irreversible catastrophe.

These are the facts, and they are well-known to the American people. After all, there is nothing new about these warnings. Presidents have been sounding the alarm about energy dependence for decades.

President Nixon promised to make our energy -- our nation energy independent by the end of the 1970s. When he spoke, we imported about a third of our oil, and we now import more than half.

Year after year, decade after decade, we've chosen delay over decisive action. Rigid ideology has overruled sound science. Special interests have overshadowed common sense. Rhetoric has not led to the hard work needed to achieve results and our leaders raise their voices each time there's a spike on gas prices, only to grow quiet when the price falls at the pump.

Now America has arrived at a crossroads. Embedded in American soil, in the wind and the sun, we have the resources to change. Our scientists, businesses and workers have the capacity to move us forward.

It falls on us to choose whether to risk the peril that comes with our current course or to seize the promise of energy independence. And for the sake of our security, our economy and our planet, we must have the courage and commitment to change.

It will be the policy of my administration to reverse our dependence on foreign oil while building a new energy economy that will create millions of jobs.

And we hold no illusion about the task that lies ahead. I cannot promise a quick fix. No single technology or set of regulations will get the job done.

But we will commit ourselves to steady, focused, pragmatic pursuit of an America that is freed from our energy dependence and empowered by a new energy economy that puts millions of our citizens to work.

Today I'm announcing the first steps on our journey toward energy independence, as we develop new energy, set new fuel efficiency standards and address greenhouse gas emissions.

Each step begins to move us in a new direction, while giving us the tools that we need to change.

First we must take bold action to create a new American energy economy that creates millions of jobs for our people. The American Recovery and Reinvestment Plan before Congress places a downpayment on this economy.

It will put 460,000 Americans to work with clean energy investments and double the capacity to generate alternative energy over the next three years. It will lay down 3,000 miles of transmission lines to deliver this energy to every corner of our country. It will save taxpayers \$2 billion a year by making 75 percent of federal buildings more efficient. And it'll save working families hundreds of dollars on their energy bills by weatherizing 2 million homes.

This is the boost that our economy needs and the new beginning that our future demands.

By passing the bill, Congress can act where Washington has failed to act over and over again for 30 years. We need more than the same old empty promises. We need to show that this time it will be different. This is the time that Americans must come together on behalf of our common prosperity and security.

Second, we must ensure that the fuel-efficient cars of tomorrow are built right here in the United States of America.

Increasing fuel efficiency in our cars and trucks is one of the most important steps that we can take to break our cycle of dependence on foreign oil. It will also help spark the innovation needed to ensure that our auto industry keeps pace with competitors around the world.

We will start by implementing new standards for model year 2011, so that we use less oil and families have access to cleaner, more efficient cars and trucks.

This rule will be a downpayment on a broader and sustained effort to reduce our dependence on foreign oil.

Congress has passed legislation to increase standards to at least 35 miles per gallon by 2020. That 40 percent increase in fuel efficiency for our cars and trucks could save over 2 million barrels of oil every day: nearly the amount of oil that we import from the Persian Gulf.

Going forward, my administration will work on a bipartisan basis in Washington and with industry partners across the country to forge a comprehensive approach that makes our economy stronger and our nation more secure.

Third, the federal government must work with, not against, states to reduce greenhouse gas emissions.

California has shown bold and bipartisan leadership through its effort to forge 21st-century standards, and over a dozen states have followed its lead.

But instead of serving as a partner, Washington stood in their way. This refusal to lead risks the creation of a confusing and patchwork set of standards that hurts the environment and the auto industry.

The days of Washington dragging its heels are over. My administration will not deny facts; we will be guided by them. We cannot afford to pass the buck or push the burden onto the states.

And that's why I'm directing the Environmental Protection Agency to immediately review the denial of the California waiver request and determine the best way forward. This will help us create incentives to develop new energy that will make us less dependent on the oil that endangers our security, our economy and our planet.

As we move forward, we will fully take into account the unique challenges facing the American auto industry and the taxpayer dollars that now support it. And let me be clear: Our goal is not to further burden an already struggling industry; it is to help America's automakers prepare for the future.

This commitment must extend beyond the short-term assistance for businesses and workers. We must help them thrive by building the cars of tomorrow and galvanizing a dynamic and viable

Finally, we will make it clear to the world that America is ready to lead. To protect our climate and our collective security, we must call together a truly global coalition. I've made it clear that we will act, but so too must the world. That's how we will deny leverage to dictators and dollars to terrorists, and that's how we will ensure that nations like China and India are doing their part, just as we are now willing to do ours.

It is time for America to lead because this moment of peril must be turned into one of progress.

If we take action, we can create new industries and revive old ones, we can open new factories and power new farms, we can lower costs and revive our economy. We can do that and we must do that.

There's much work to be done; there is much further for us to go. But I want to be clear from the beginning of this administration that we have made our choice: America will not be held hostage to dwindling resources, hostile regimes and a warming planet.

We will not be put off from action because action is hard.

Now is the time to make the tough choices. Now is the time to meet the challenge at this crossroad of history by choosing a future that is safer for our country, prosperous for our planet, and sustainable.

Those are my priorities, and they're reflected in the executive orders that I'm about to sign.

Thank you so much for being here.

(APPLAUSE)



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