

Energy Outlook

Our nation's energy dependence is undeniably the greatest threat to our economy, our security, and our freedom. The facts surrounding America's dependence on foreign oil should be considered troubling at best. Since 1980, the U.S. has nearly doubled our oil imports. Once a mere 37 percent, this number has now ballooned to 60 percent, and it is expected that by 2025 this number will reach an astonishing 74 percent.

Also consider the fact that nearly two thirds of the world's proven oil reserves are in the Middle East. Not to mention that terrorists have identified oil as a strategic vulnerability and have increased attacks against oil infrastructure worldwide. One can just imagine what would happen if OPEC, which currently accounts for well over 50 percent of our oil supplies, shut off the oil spigot.

Oil dependency also carries serious economic implications. It's been estimated that the total economic penalty of our oil dependence, including loss of jobs, output, and tax revenue, exceeds \$300 billion annually.

The culmination of these facts leads us to one clear conclusion: failure to act now will erode our national security. To put America on the path towards energy independence, I have joined a bipartisan group of ten senators in introducing the Vehicle and Fuel Choices for American Security Act. This legislation provides real solutions to our energy challenges by setting an ambitious goal of saving 2.5 million barrels of oil per day in 10 years. It also lays out a practical game plan to accomplish that goal through the promotion of vehicle efficiency and common-sense energy conservation solutions, complemented by aggressive steps to make fuel from the farm, a main source of energy, a reality.

Energy Solution: Vehicle and Fuel Choices for American Security Act

It's not enough anymore to simply talk about our foreign oil dependence problem in the abstract. The reality is that we must strive for energy independence or risk losing our autonomy. Here are some key provisions contained in this bill that put us on the road to self-sufficiency:

Oil Conservation

This bill sets a standard for energy self-reliance. It directs the Office of Management and Budget to publish an action plan to save different levels of oil per day, starting with 2.5 million barrels per day by 2016, roughly the same amount of oil currently imported from the Persian Gulf region. And that's just the beginning. That number would increase to at least 7 million barrels per day by 2026 and 10 million barrels per day by 2031. These are bold and aggressive goals, but this bill creates an achievable plan for meeting these standards.

Vehicle and Fuel Efficiency

Our nation's free market is the best arena for the creation of fuel efficient vehicles. Incentives are an important measure to encourage and spur innovative energy solutions. This bill includes tax credits for manufacturers to begin or expand production of advanced technology vehicles, and for consumers, the bill increases the tax credits available for the purchase of hybrid and advanced diesel vehicles. To further promote the purchase of fuel-efficient vehicles, companies with fleets of 100 or more vehicles would receive tax incentives to add fuel-efficient vehicles to their fleets.

Renewable Fuels

As we move away from energy sources in the Middle East, we can begin to take advantage of the fuels found and produced on Minnesota farms. Minnesota already boasts a \$2 billion a year sugar beet industry, which is directly or indirectly responsible for nearly 40,000 jobs both on and off the farm. To capitalize on Minnesota's abundant resources, this bill adds on to the Energy bill's existing Renewable Fuel Standard by requiring that by 2008 and beyond, an additional 100 million gallons of ethanol be derived from domestically-grown sugarcane or sugar beets.

E-85 Infrastructure

Minnesota's 16 ethanol plants have already created over a half billion dollars in economic activity in the Land of 10,000 Lakes. Moreover, Minnesota is the first in the nation to have a 10 percent ethanol standard, which will grow to 20 percent under new legislation. While Minnesota is a shining example of how E-85 can be integrated, our nation's E-85 infrastructure remains grossly inadequate. By making a commitment to producing ethanol from sugar, investing heavily in our E-85 infrastructure, and setting goals for the use of flex fuel vehicles, this bill takes important strides toward fueling the nation from our farms.

To reach this goal, this bill calls for an increase in the ethanol tax credit to 50 percent, authorizes loan guarantees through the Department of Agriculture to assist farmer-owned ethanol producers to develop and build infrastructure for E-85, funds a massive new alternative fueling infrastructure grant program at the Department of Energy, and sets requirements for manufacturers to produce flexible fuel vehicles to meet a 50 percent alternative fuel vehicle requirement by year 2016. E-85 cannot become a reality without putting cars and trucks on the road that can use it and gas pumps dedicated to E-85, and this bill will bring our renewable fuel infrastructure up to speed with the potential renewable fuel production farmers can provide the nation.

Energy Self-Sufficiency

We need to think big and take action. The Vehicle and Fuel Choices for American Security Act is evidence that we've done just that. This bill will not only help make fueling America from our farms a reality, but in the long run, will strengthen our national security. These are all realistic steps we can take to put the nation on the path to energy independence. Even better, much of the energy solution lies in Minnesota's farm fields. The Vehicle and Fuel Choices for American Act puts America back in the driver's seat of our energy and national security future.



At a press conference, Sen. Coleman unveils the Vehicle and Fuel Choices for American Security Act

Environmental Impact

Today the gasoline used in cars and light trucks account for the second largest source of carbon dioxide (CO2) emissions in the U.S. If we allow the current fuel economy to remain stagnant, emissions from passenger vehicles are projected to nearly double by 2020. This bill puts America on an environmentally-friendly path by increasing our use of cleaner burning fuels, and at the same time, reducing our dependence on foreign-sources of oil.



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Putting
America on
the Path to
Energy
Independence



*The Vehicle and
Fuel Choices for
American Security Act*