

Breaking the U.S. Oil Addiction

By Daphne Wysham and Nadia Martinez | February 7, 2006

In his State of the Union address, President George W. Bush admitted to the American people that America has a problem: Oil addiction. The first step in overcoming an addiction is acknowledging the problem. The logical second step should be addressing the root causes of that addiction and correcting the imbalances that enable it. But the Bush proposal does little to meet this challenge.

If past is any prediction of the future, one need only follow the money to see who has profited under the Bush Administration's energy policies and who has not.

Exxon Mobil Corp., one of Bush's strongest supporters, made a record \$36 billion in profits in 2005. Exxon Mobil has also been actively campaigning against the Kyoto Protocol, for fear their profits may be affected. Bush followed their urging, and withdrew from the climate negotiations in 2001. To post record profits in a year when a historic hurricane season made thousands homeless, killed over a thousand, and cost over a \$100 billion in damages—and record prices at the pump—is obscene. But it is also the result of Bush's energy strategy.

In comparison, the money that Bush has committed to such items as the “solar America initiative” and the “clean energy from wind” is dwarfed by the amount of tax breaks, subsidized loans and other forms of government handouts that are given to the oil, gas and coal industry every year, and result in record profits such as these. Oil and gas companies are the lucky winners of \$6 billion in subsidies written into law with last year's approval of the Bush and Cheney energy bill alone.

Bush's vehicle tax credits mean SUV drivers can get a full deduction for the price of a new 6,000 pound SUV priced under \$25,000—most of which get less than 20 miles per gallon—but the \$2,000

tax credits for hybrid vehicles, which get more than 50 miles per gallon, are being phased out.

What is left unsaid in the pledges Bush made in his so-called “advance energy initiative” is almost as important as what was said. The most striking statement made by Bush was his claim that he will set a goal of “replacing more than 75 percent of our oil imports from the Middle East by 2025.”

Yet our consumption of oil and gas is going up, not down, and to replace this roughly 15 percent of our imports with another source means one of several possibilities. One is increase in extraction from poor and troubled countries such as Nigeria or Angola. Merely changing where the oil comes from doesn't address the real issue of energy independence, however; it only shifts it from one part of the world to another.

Another option would be turning to ethanol, as the President suggested. What he didn't mention is that ethanol requires using large amounts of farmland for energy production. There are fundamental problems, which will only increase as the world's population grows, with turning crops into fuel for the well-fed in a world where over two billion people go hungry each day.

It also could mean exploitation of the tar sands in Canada's Northern provinces. Buried in Canada's tar sands is more oil than is found in all of Saudi Arabia, but it is also very carbon intensive; simply



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extracting it from the soils of Alberta would mean doubling Canada's CO2 emissions into the already overheated atmosphere.

The only way that America will become truly independent of its oil dealers, whether in the Middle East or elsewhere, is by kicking the oil habit.

Here are three simple ways we could begin to really address our fossil fuel addiction:

1) Replace subsidies and tax breaks for the oil, gas and coal industry with carbon taxes, and phase this in simultaneous with a comparable phase-out of the payroll tax to avoid regressive impacts on the poorest and to encourage employment.

2) Stop muzzling the climate scientists and listening only to oil, gas and coal interests so that our energy policy can be better informed by both science and the public interest.

3) Withdraw American troops from Iraq and Afghanistan, and start to reorient the funds now being spent on the military with a clean energy fund to rapidly phase in emissions-free vehicles,

better public transportation, and the rapid uptake of renewable energy nationally and globally.

Such a policy would not only break our oil addiction, it would make America a true leader by taking the world down the path to a clean energy future.

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