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***“Harnessing American Resources to Create Jobs and Address Rising Gasoline Prices - Part
III: Impacts on Seniors, Working Families and Memorial Day Vacations”***
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Thank you for the opportunity to testify today.

My name is Deneen Borelli. I’m a full-time Fellow with Project 21, a black conservative public policy group; a Fellow with FreedomWorks and a Daily Caller columnist. In my work I promote the importance of limited government and personal responsibility as the key to personal success and social advancement.

Sadly, our country’s natural resources are under assault by environmentalists, business interests and progressive politicians. Their plan is to raise the price of fossil fuels to make renewable energy sources more economically competitive.

This is a bad plan for our economy, jobs and hardworking Americans.

Affordable energy is the life blood of our economy and, consequently, a primary driver of the quality of life for all Americans.

Today many Americans are facing significant financial difficulties due to soaring energy costs. Skyrocketing gasoline prices are especially burdensome for hardworking American families whose budgets are also being squeezed from rising food prices.

According to AAA's Fuel Gauge Survey, the national average of self-serve regular gasoline is about \$3.886 – that is about double the price per gallon at \$1.838 when President Obama was sworn into office.

Recent public opinion polls and news stories have documented the impact of rising energy prices on Americans. A recent *USA Today*/Gallup Poll found 7 in 10 Americans said high gasoline prices are bringing about financial hardships for them and just over 20 percent said their standard of living is in danger because of the higher prices at the pump.

A *Washington Post*/ABC poll in April also found that 7 in 10 said their families were suffering financial hardships because of high gasoline prices.

Naturally, middle- and lower-income families are hardest hit by soaring energy prices. A study prepared by Eugene M. Trisko, Esquire, on behalf of the American Coalition of Clean Coal Electricity concluded that:

- Lower-income households are paying nearly a quarter of their income for energy costs. The 27 million lower-income households earning between \$10,000 and \$30,000, representing 23% of U.S. households, will allocate 23% of their 2011 after-tax income to energy, more than twice the national average of 11%.
- Household gasoline costs have more than doubled in the past ten years, from an average of \$1,680 in 2001 to a projected \$3,601 in 2011. Increased gasoline costs account for 75% of the \$2,562 average household energy cost increase since 2001.
- Minority households are disproportionately impacted by higher energy costs. In 2009, 62% of Hispanic households and 67% of black households had average annual incomes below \$50,000, compared with 46% of white households and 39% of Asian households. Energy costs represent a much larger fraction of disposable income for households earning less than \$50,000 than for wealthier families. Due to these income inequalities, the burdens of energy price increases are imposed disproportionately on black and Hispanic households.

CNNMoney recently reported that the average American household spent about \$368 on fuel in April. That amount is more than twice than what U.S. households spent two years ago and it represents about 9 percent of their total monthly income.

The sobering poll and economic data predicted from high energy prices referenced above is now reverberating through our economy. Wal-Mart, the nation's largest retailer, and Lowe's, a home improvement chain, cited higher gasoline prices as the cause of disappointing sales. Both companies said consumer traffic was down in their stores.

Big retailers are not the only causality of high gas prices. According to a poll by DollarDays.com, a wholesale distributor, more than 64 percent of small business owners attribute high gas prices to a drop in revenue and more than 25 percent are concerned they will have to lay off workers if prices stay high.

The impact of high gas prices on disposable income was summarized by an economist for the National Federation of Independent Businesses, "If all your customers are paying \$50 for a tank of gas that they used to pay \$25 for, somebody is not getting that \$25."

With unemployment hovering at 9 percent and economic growth sluggish, our country can't afford to have the high costs of energy put our economy in reverse.

Tragically, President Obama's energy policy is contributing to the economic pain being experienced by hardworking American families. Instead of having a policy that would take advantage of our abundant supply of domestic natural resources – coal, oil and natural gas, which currently provide about eighty-five percent of our energy needs – the President is waging a war on fossil fuels.

The President's energy policy is to discourage the use of fossil fuels through regulations that raise the cost of their use and to reduce supply by blocking natural resource exploration and extraction.

Disturbingly, this dual strategy will indeed make energy prices "skyrocket" while stifling economic growth, driving jobs overseas.

By forcing the cost of traditional forms of energy higher, President Obama wants to make renewable energy sources cost competitive. It's a command-and-control energy policy where the federal government takes an active role in picking energy winners and losers.

Instead of adopting an energy policy that takes advantage of the reliability, affordability and availability of fossil fuel based energy, the President is advancing a renewable energy strategy that includes generating 80 percent of electricity from clean energy sources by 2035.

The winners in President Obama's energy policy are the well-connected corporate and social elite while the losers are the hardworking Americans who will have to suffer the economic consequences of higher energy prices, slower economic growth and jobs moving overseas.

It's fundamentally a wealth transfer mechanism from the middle- and lower-income households to the pockets of corporate heads and billionaire investors who want to profit from renewable energy.

The President's hostility toward fossil fuels is well documented.

While running for President, then-Senator Obama said his cap-and-trade energy policy would make electricity prices "necessarily skyrocket" and it would "bankrupt" power plants that use coal as an energy source.

The goal of higher energy prices is also shared by Energy Secretary Steven Chu. In 2008, Secretary Chu said, "Somehow we have to figure out how to boost the price of gasoline to the levels in Europe."

After cap-and-trade failed to pass in the Senate, President Obama merely shifted gears to reassert his anti-fossil fuel agenda through the executive branch. In an interview with *Rolling Stone Magazine* last September, President Obama said, "One of my top priorities next year is to have an energy policy that begins to address all facets of our overreliance on fossil fuels. We may end up having to do it in chunks, as opposed to some sort of comprehensive omnibus legislation."

Delivering on his promise to execute his agenda in "chunks," President Obama is wielding his executive powers to discourage the use of fossil fuels by allowing the EPA to regulate greenhouse gas emissions under the Clean Air Act.

By cracking down on emissions such as carbon dioxide, which is released when fossil fuels are burned, EPA regulations would raise the price of energy with a particularly devastating effect on coal-fired electricity generation. Coal is a cheap and abundant natural resource that currently provides about half of our country's electricity.

The Obama Administration is also impeding the ability of energy companies to develop our country's natural resources.

Following the deepwater drilling moratorium in the Gulf of Mexico, the approval process for drilling permits has been extremely slow. It took four months for the first drilling permit to be approved following the end of the moratorium and the rate of approvals remains unacceptably slow.

The reduction in oil production as a result of the Obama Administration cracking down on drilling permits is significant. According to the Energy Information Administration, the decrease in domestic production this year was estimated to be about 200,000 barrels per day and that production falloff is expected to continue through 2012.

As a result of the uncertainty surrounding the drilling approvals, seven deepwater rigs have left the Gulf of Mexico and with them a number of high paying jobs.

The Obama Administration's assault on oil drilling is not restricted to the Gulf of Mexico. The EPA recently refused to issue air permits to allow Shell Oil Company to continue with an exploration project off the northern coast of Alaska. The company has spent about \$4 billion in leases and exploration costs in an effort to produce an estimated 27 billion barrels of oil.

The EPA's hostility towards fossil fuel development is not restricted to oil production. The agency's approval of coal mining permits is extremely slow, and, in unprecedented action, the EPA revoked a mining permit for Arch Coal after it had been issued. The company said the EPA's action would block an estimated \$250 million investment in the project that would have created 250 jobs.

Unfortunately, President Obama's dislike of fossil fuels is restricted only to our country. While in Brazil in March, Obama promoted an offshore drilling project in Brazil for which, he said, the U.S. would "...be one of your best customers" and "... the United States could not be happier with the potential for a new, stable source of energy."

Clearly, "We the People" would be much happier if our President would allow us to have the same opportunity to develop the natural resources in the U.S. and not in Brazil.

To lower energy costs for all Americans, grow our economy and become energy independent, we need a new energy policy that will encourage the development of our own natural resources.

According to the Congressional Research Service (CRS), the U.S. has more abundant sources of fossil fuels than any other country. The CRS reported:

- The U.S. has an estimated 163 billion barrels of recoverable oil.
- The U.S. has an estimated 2,047 trillion cubic feet of natural gas.
- The U.S. has an estimated 262 billion short tons of coal.

A study by Wood Mackenzie estimated the economic impact of giving the energy industry access to U.S. oil and natural gas resources that are currently unavailable. The study estimated that the industry would create 530,000 jobs and provide \$150 billion in revenue (tax, royalty and other sources) to the government by 2025.

Just imagine the amount of economic growth that could be generated if the federal government had an energy policy that allowed industry to develop the stunning amount of natural resources cited in the CRS study.

Importantly, the American people support development of our natural resources.

According to Rasmussen Reports:

- 50 percent of adults believe the United States should produce more domestic oil by allowing drilling in the Arctic National Wildlife Refuge (ANWR);
- 67 percent now support offshore oil drilling, the highest level of support since the BP leak erupted in the Gulf of Mexico and;
- 76 percent of voters say the United States doesn't do enough to develop its own gas and oil resources.

Clearly, President Obama's anti-fossil fuel energy policy is on a collision course with the attitudes of the majority of Americans.

The President needs to shake loose from the corporate and environmental activist special interest groups that have influenced his policy and reverse course and adopt a pro-growth energy strategy.

There is something terribly wrong when the corporate and social elite can use the power of government to advance their narrow interests while harming the standard of living of hardworking Americans, denying us our right to "life, liberty and the pursuit of happiness."

Seventy-six percent of voters believe the U.S. is not doing enough to develop our own natural resources. The powerful few should not block the will of the people.