



United States Senator Kent Conrad

www.conrad.senate.gov

North Dakota

September 2008

Dear Friend:

The United States faces a great crisis with the rising cost of gasoline and diesel. You know it every time you fill your tank. It is an economic crisis for our working families, but it is also a security crisis for our nation.

We need a new approach to secure America's energy independence. And I believe we have found one, through a framework that was announced last month by a bipartisan group of 10 United States senators.

Our group believes that Congress can pass legislation that will help American families and businesses by lowering gas prices in the immediate future, while also reducing our dependence on foreign oil in the long-term. This approach is practical. It puts everything on the table – and it goes beyond the partisanship that has polarized Washington.

After weeks of meetings and much debate, we produced a comprehensive energy plan that will meet the challenge of high gas prices now – while moving the bulk of our nation's new cars and trucks to non-petroleum fuels within 20 years. The goal is to break our nation's dependence on foreign oil by increasing domestic energy production while decreasing demand for petroleum.

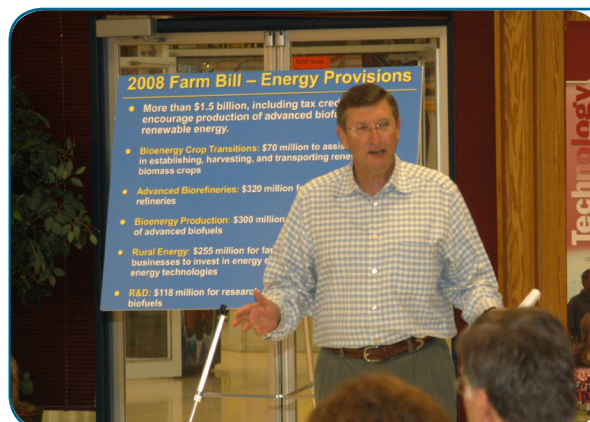
We call this bill the New Energy Reform Act of 2008, or the "New Era" bill. When President John F. Kennedy said America could put a man on the moon, it seemed only a bold ambition. But with American ingenuity, our nation's flag flies from the lunar surface. The New Era is another bold ambition, but I believe that we can once again rise to the occasion.

Please take a moment to read this newsletter and find out more about the New ERA bill, and what we are doing in Washington, D.C., to provide relief for North Dakota families and businesses and secure America's energy independence.

Sincerely,

KENT CONRAD
United States Senator

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Visit www.conrad.senate.gov
to learn more about what
Senator Conrad is doing
for North Dakota.



Senator Conrad explained his energy proposals to the public in a series of community meetings around North Dakota, including this August meeting hosted by Valley City State University.

A New Era for American Energy

Right now our nation sends more than a billion dollars a day to foreign nations for oil. Some of those nations are hostile to American interests, and with their control over our energy supply are in a position to threaten our nation's economy.

But imagine what North Dakota would look like if, instead of sending that money overseas, we kept it right here in the heartland, invested in wind, biodiesel, cellulosic ethanol and clean-coal technology. With the New Era bill, we have new and bigger investments in production of domestic energy, as well as stronger conservation measures. This is a balanced approach that helps turn our nation away from the Mid East, and turn instead to the Mid West, for our energy future.

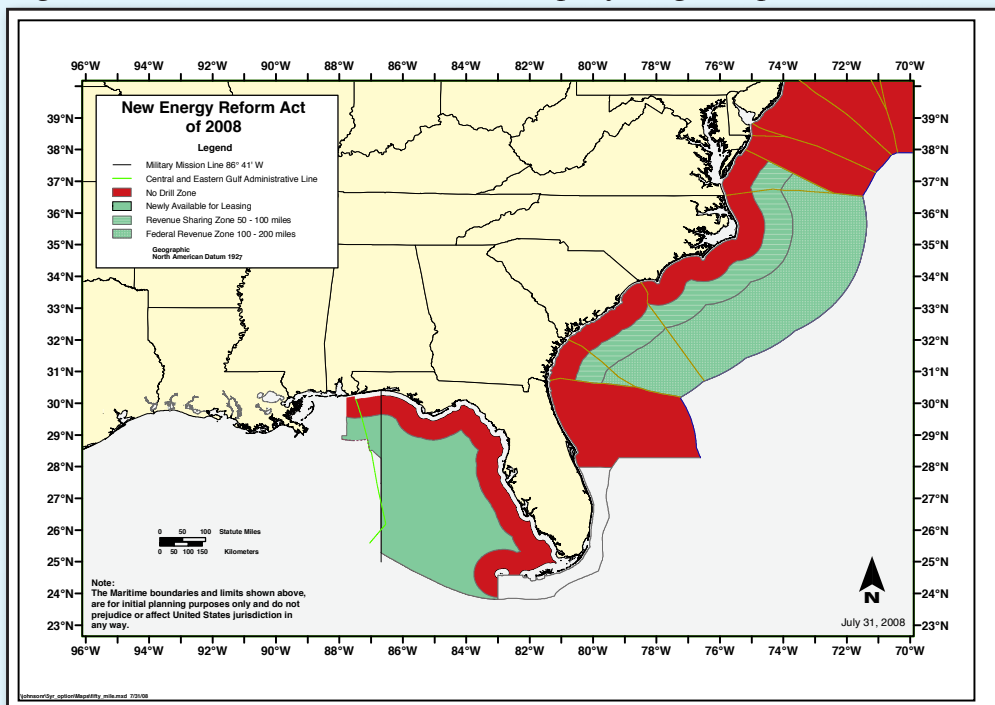
The New Era bill has three main components:

- It dedicates \$20 billion to an Apollo Project-like effort to move our nation's cars and trucks to new fuel sources. This would be completely paid for with revenues from the oil industry for increased domestic drilling.
- It devotes an additional \$64 billion for greater energy efficiency and conservation efforts.
- The bill would responsibly increase domestic energy production – including increased drilling – and boost incentives for clean coal technology and coal-to-liquid fuel plants.

The New Era bill is the product of what was initially a bipartisan group of 10 senators: five Republicans and five Democrats. In August, six more senators – three from each party – signed up to endorse the New Era plan.



The New Era Energy Bill was the work of a bipartisan group of 10 senators, led by Senator Conrad and Senator Saxby Chambliss, Republican of Georgia, who joined Senator Conrad at the Aug. 1 press conference unveiling the framework. Others included Sen. John Thune, R-S.D., and Sen. Ben Nelson, D-Neb.



The New Era framework would open more of the Gulf of Mexico to offshore drilling. It would also allow the states of Virginia, North Carolina, South Carolina and Georgia to drill off their shores; however, the bill would retain a 50-mile buffer around all coasts, including Florida.

Delivering Results on Energy

Congress passed a new Farm Bill in June that included energy provisions that not only help make our nation less dependent on foreign energy, but will help the economy of states like North Dakota.

It includes more than \$1.5 billion to encourage production of advanced biofuels and rural energy:

- \$70 million to assist farmers in establishing, harvesting, and transporting renewable biomass crops
- \$320 million for advanced biofuel refineries
- \$300 million for increased production of biofuels
- \$255 million for farmers and small businesses to invest in energy efficiency and renewable energy technologies
- \$118 million for research and development of advanced biofuels
- A new \$1.01 per gallon tax credit for producing cellulosic ethanol.

A BOLD Energy Plan – A Goal Since 2005

Three years ago I convened a national Energy Security Summit at the University of North Dakota in Grand Forks. That national summit planted the seeds for what would bloom into what I called the BOLD Energy Act – BOLD for Breaking Our Long-term Dependence on foreign energy.

Congress has moved aggressively on energy. We passed an energy bill in December that raised vehicle fuel economy standards to 35 miles per gallon by 2022. By using less gas per mile, those standards will help North Dakotans save an estimated \$60 million a year.

The energy bill included a number of provisions that I had introduced in my BOLD Energy Act.

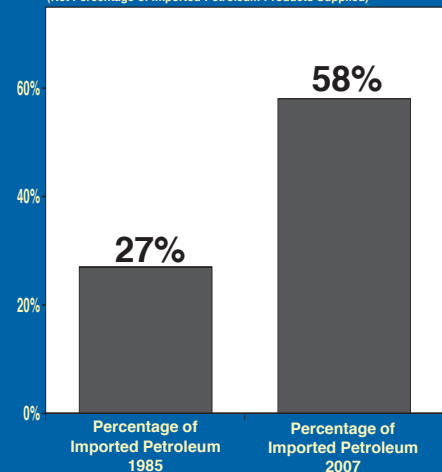
For instance, the new energy act requires 36 billion gallons of biofuel by 2022. Of that, 21 billion gallons will have to be advanced biofuels, like cellulosic ethanol. That is a fuel that North Dakota is perfectly suited to grow and produce from our native prairie grasses.

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Visit our Website at www.conrad.senate.gov to learn more about what Senator Conrad is doing for North Dakota.

Growth of U.S. Dependence on Imported Petroleum

(Net Percentage of Imported Petroleum Products Supplied)



Source: Energy Information Administration

Around North Dakota

This summer Senator Conrad went from town to town across North Dakota, from Grafton to Beach, from Williston to Wahpeton. In more than two dozen community meetings, he heard from North Dakotans that the cost of energy – from heating their homes to fueling their trucks, tractors and trailers – is their top concern. While there is no magic bullet to solve the energy crisis, the New Era bill holds the opportunity to get a bipartisan bill passed and eventually break our dependence on foreign petroleum.



Senator Kent Conrad's Energy Report



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