

# **America's Urgent Need for Energy Independence – Renewable Fuels and Technology**

## **Introduction: America's Oil Dependence**

Mr. President, I rise today to talk about our urgent national security need to embrace and sustain a renewable energy initiative on our pathway to energy independence. A strong renewable energy initiative will strengthen our national security by reducing our dependence on foreign oil. A renewable energy initiative will also help revitalize our rural economies.

The time to get serious about growing our way to energy independence is long overdue.

If Brazil can do it, it is inexcusable for the United States of America, the strongest nation on earth, to do otherwise. In Brazil, ethanol substitutes for 204,000 barrels of gasoline sold every day – over 40 percent of all gasoline sold nationally – making the country energy independent.

In the last couple months, we have heard a lot of ideas in this chamber about how to ease the “pain at the pump” for the American consumer. We heard proposals that would give \$100 tax rebates, create a gas tax holiday, enact a federal price gouging statute, reduce the number of boutique fuels, end royalty relief, drill in the Arctic Wildlife Refuge, expand production in the Gulf of Mexico, create a windfall profit tax, and so on. There are lots of ideas and we should give careful consideration to all of them.

But we should also talk straight with the American people. We are a nation that relies on oil to power our economy, and we import almost 60% of our oil from countries like Saudi Arabia, Nigeria, Iraq, and Venezuela.

We are hostage to a cartel of oil producing countries that decide how much oil will reach the market at any given moment. Many members of this cartel are unfriendly to the United States, and they know the power their oil has over us.

The bottom line is that energy independence is essential to our national security. Energy independence is our imperative for the 21<sup>st</sup> century.

Without a reliable, affordable supply of home-grown energy, our dependence on foreign oil will only increase, further warping our foreign policy and jeopardizing the stability of our economy. If we continue at our current pace, in two decades we will import 70% of our oil.

Mr. President, we cannot afford to stay the course on our energy policy.

Expanding our domestic production of oil and gas is an important component in our nation's movement toward energy independence, and we should continue to encourage balanced development of the resources we have. And we should accelerate our development of clean coal technologies to produce clean burning syngas and jet fuels from coal, an abundant domestic resource. But none of the rhetoric can change the fact that we just don't have enough petroleum resources in this country to drill our way to energy independence.

Today, we are the world's third leading producer of oil, but our rate of oil consumption – primarily for transportation – is almost three times our rate of oil production. Furthermore, the sad truth is that we only

have 3% of the world's oil reserves. Three percent – including proven reserves in Alaska.

## **Our Renewable Energy Future**

If we make a dramatic, even revolutionary, new commitment to renewable energy, the fuel grown in American fields can help power our vehicle fleet. With a bold new commitment, we can produce enough fuel on our agricultural lands to meet 25 percent of our energy needs by the year 2025.

Rural America is rallying behind this 25x25 goal. Our farmers are growing corn, soybeans, and sunflowers to be used for ethanol and biodiesel. Ranchers are building wind farms and using animal manure for power. Rural entrepreneurs are investing in biorefineries. New jobs are springing up. Rural economies, long forgotten, are gathering steam.

It is time for Congress to embrace Rural America's vision for our renewable energy future. Senator Grassley and I have introduced a resolution that would make 25x25 our national goal. I urge my colleagues to cosponsor this resolution because producing 25 percent of our energy on

agricultural lands by 2025 is a fully achievable goal. We can do it, if get on task and work in a bipartisan manner toward this goal. And we should begin this effort now.

### **Increasing Renewable Fuel Production**

First, we should raise the renewable fuels standard that we set in last year's Energy Policy Act. The goal to produce 7.5 billion gallons of renewable fuels by 2012 is far too modest. We will easily meet this goal under current policies, yet we will not be putting enough renewable fuels on the market to give consumers a real choice or to make a real dent in our oil dependence. We should increase this target, so that we are producing 9 billion gallons of renewable fuel by 2012 and 30 billion gallons of renewable fuel by 2025.

Second, we should extend the renewable energy production tax credit until 2011. The existing production tax credit is set to expire in 2007, which creates uncertainty for investors and entrepreneurs. I have introduced a bill, S.1093, the Research and Development Investment Act, which would extend the renewable energy production tax credit through 2011, allowing more

investment and quicker growth in the renewable energy market.

## **S.2025, Vehicle and Fuel Choices For American Security Act**

Third, we should pass S.2025, the Vehicle and Fuel Choices for American Security Act of 2005. This broadly supported, bipartisan bill will change how we power our vehicles.

Right now, the U.S. consumes around 20 million barrels of oil every day. 2/3 of the oil we consume is for transportation. This is alarming: the massive amount of oil that we are importing is barely enough to cover the needs of the transportation sector.

S.2025 tackles this problem head on. It brings more gallons of biofuels to market, gives consumers access to alternative fuels, and retools America's vehicle fleet to run more efficiently and on alternative fuels. By passing S.2025 we will give consumers more choices of fuels and vehicles, lower and stabilize the cost of fuel, and reduce our reliance on foreign oil.

A superb group of Senators has been working on this bill: Senator Brownback, Senator Bayh, Senator Graham, Senator Cantwell, Senator Lieberman, Senator Coleman, Senator Dodd, Senator Bill Nelson, Senator Isakson, Senator Kohl, Senator Lugar, Senator Obama, Senator Sessions, Senator Clinton, and Senator Chaffee – we think this bill is effective for three reasons.

### **Increasing Biofuels Production**

First, S.2025 is aggressive in encouraging increased production of biofuels.

S.2025 provides loan guarantees to farmer-owned ethanol producers, to help them make investments in renewable energy systems and infrastructure. It also increases the ethanol infrastructure tax credit that we passed last summer in the Energy Policy Act to 50%. This will lower the startup costs for farmers, communities, and entrepreneurs who want to build a biorefinery or processing plant.

These producers will benefit from this bill's investments in biofuels research. By doubling the funding for biofuels

research, S.2025 will improve yields and efficiencies and expand the range of feedstocks that can be used for biofuels production.

## **Consumer Access to Biofuels**

Second, S.2025 helps reduce our foreign oil dependency by giving consumers access to alternative fuels at filling stations.

Currently, there are over 5 million flexible fuel vehicles (FFVs) in the U.S. These vehicles can run on either gasoline or on E-85, an 85% ethanol-gasoline mix. We are adding about 1.5 million of these flex fuel vehicles to our fleet each year. The trouble is: there are only 485 filling stations in the country that carry E-85. We have the technology on the road that allows cars to run on biofuels, Mr. President, but because consumers can't pump E-85 fuel at their local filling station, we aren't reaping the full oil-saving rewards of flex-fuel technology.

S.2025 would solve this problem by helping build the pumps and filling station infrastructure needed to deliver



biofuels to consumers. The bill provides loan guarantees and tax incentives to farmers and business owners for the construction of pump stations that dispense biofuels. It also uses CAFE penalties already collected by the government from foreign manufacturers to expand funding for grants to finance alternative fueling infrastructure.

One of this year's DOE grantees, the National Ethanol Vehicle Coalition, will be able to build 300 stations with its \$2 million grant. With at least 10 times that amount of funding available, we should be able to equip at least 3,000 filling stations with infrastructure that delivers biofuels to consumers.

The economic benefits of giving these fuel choices to consumers are clear: if consumers can rely on filling their tank with E-85 fuel wherever they go, demand for the fuel, and demand for cars that run on E-85, will increase dramatically, cutting demand for petroleum-based fuel. Not only will this lower gas prices, but it will stabilize them; we can count on our farmers to harvest their crops, but we can't count on Iran to sell us their oil.

## **Retooling our Vehicle Fleet**

Third, S. 2025 will help us retool our national vehicle fleet.

S.2025 sets goals for improving the efficiency of our vehicle fleet and for getting more advanced vehicles on the road. It sets these goals and then helps manufacturers retool their vehicle fleets to meet them.

The bill sets targets for manufacturers to produce alternative fueled vehicles, plug-in hybrids, fuel cell vehicles, or flexible fuel vehicles which can run on regular gasoline or E-85. By 2012, 1 in 10 vehicles produced will be advanced vehicles. By 2016 1 of 2 vehicles produced will be advanced vehicles.

We will help manufacturers make these changes to their fleets. The bill establishes a tax credit for the costs that manufacturers incur when they are retooling or expanding their facilities to produce advanced vehicles. The bill also authorizes support for research that will provide light-weight materials to the auto industry and for technology for electric drive trains, batteries, and plug-in hybrids.

It closes the SUV tax loophole, limits idling by buses, and requires that fuel economy standards be set for heavy duty vehicles so that we stop burning fuel that we don't need to burn. For each 1 mile per gallon efficiency we find, we save 1 million barrels of oil per day, or \$20 billion a year.

Mr. President, these are sensible, easy to implement solutions. Many of them we have included in two bills that Senator Bingaman, Senator Chafee, Senator Lieberman, Senator Coleman, and Senator Cantwell and I introduced a few weeks. These are the "Enhanced Energy Security Act of 2006", which will push the federal government to save 2.5 million barrels of oil per day by 2016 and at least 10 million barrels per day by 2031, and the "Energy Tax Bill", which provides multiple incentives to manufacturers, businesses and consumers to utilize energy efficient alternatives.

The provisions in S.2025, the Enhanced Energy Security Act, and the Energy Tax Bill will give consumers more choices at the pump and reduce our dependence on foreign oil.

Mr. President, each of us should be asking -- what if we do nothing, continuing our malignant neglect of a long-

term energy policy? If we do so, we will become increasingly vulnerable to the instabilities and whims of countries across the globe. The American consumer will experience price spikes at the pump that will become more frequent and more painful. Imagine gas at \$5 a gallon, or \$8 a gallon, and the effects this will have on our economy, our way of life, and our national security.

## **Conclusion**

We have devoted a lot of time, and a lot of talk, in this session to short-term solutions to high gas prices.

But when a system is breaking down, you have to address the cause as well as the symptoms.

If your roof keeps springing leaks, you don't just put more and more buckets out. At some point, you build yourself a new roof.

We need to build a new energy policy, one built on the promise of renewable energy, and Americans are eager to do this.

In states across the country, people are enacting renewable portfolio standards and demanding access to alternative energies. They imagine a renewable energy future that harnesses the entrepreneurship and work ethic of Rural America, and which breathes new life into sagging rural economies. They look at fields of corn, soy, and sunflowers and see the raw materials for biodiesel and ethanol.

The renewable energy revolution is already underway, thanks to the farmers, ranchers, and businesspeople who have been leading it, and we need to do our part to push it forward.

I urge this body to move quickly to secure America's renewable energy future by making 25x25 our national goal, passing S.2025, extending production tax credits, and expanding the renewable fuels standard.

Thank you, Mr. President, I yield the floor.