

May 21, 2008

AMERICANS PUMMELLED BY RISING ENERGY COSTS: A MEMORIAL DAY INDEX

American consumers are struggling with high prices at the pump. The price of a gallon of regular gasoline has surged since President Bush took office from \$1.47 to \$3.81 – an increase of 159%. Diesel fuel has also increased a staggering 198% from \$1.53 to \$4.56. [EIA, AAA, 5/21/08]

- **93%** – Percentage of Americans say they are concerned about a potential rise in gas prices over the next year. [[Zogby, 5/15/08](#)]
- **77 %** – Percentage of those making \$35,000 or less a year say they are very concerned about the potential rise in gasoline prices over the next year. [[Zogby, 5/15/08](#)]
- **63%** – Percentage of those surveyed who called rising gasoline prices a “financial hardship” in recent Washington Post-ABC Poll. [[Washington Post-ABC Poll, 5/14/08](#)]

The price of crude oil continues to climb to record highs. Over the past seven years, President Bush has failed to convince OPEC leaders to increase oil production to bring down the rising cost per barrel, despite repeated high profile attempts to do so.

- **January 2000:** *“What I think the president ought to do [when gas prices spike] is he ought to get on the phone with the OPEC cartel and say we expect you to open your spigots...And the president of the United States must jawbone OPEC members to lower the price.”* – Then-presidential candidate George W. Bush [[CNN 1/26/00](#)]
- **After President Bush’s Middle East trip this month:**
 - *“The kingdom sees that quantities produced at the present time fulfill the market needs ... and that the production capacity can meet any additional and real energy needs.”* – Saudi oil minister Ali al-Naimi [[Reuters, 5/19/08](#)]
 - *“The market doesn’t need more oil.”* – Qatar oil minister Abdullah al-Attiyah [[International Herald Tribune, 5/19/08](#)]
 - *“There is more oil in the market than consumers want.”* – Iraqi oil minister Hussain al-Shahristani [[International Herald Tribune, 5/19/08](#)]
- **\$32.19** – Price of a barrel of crude oil when President Bush was inaugurated in 2001. [[EIA, 1/19/01](#)]
- **\$129.07** – Price crude oil closed this week on May 20th – an increase of more than 300 percent. [[EIA, 5/21/08](#)]

America is beginning to break its addiction to foreign oil. The new Energy Independence and Security Act reduces our dependence on foreign oil – cutting our consumption of oil by 2.9 million gallons per year in 2030 – more than what we currently import from all Persian Gulf countries combined. Imports of crude oil and petroleum products have already begun to decrease:

- **418,274,000** – Number of barrels of crude oil and petroleum products U.S. imported in January 2008 [[EIA, 4/24/08](#)]
- **365,509,000** – Number of barrels of crude oil and petroleum products U.S. imported in February 2008 – a 13 percent decrease. [[EIA, 4/24/08](#)]
- In March, the U.S. imported an estimated 9.4 million barrels of crude oil every day – two-thirds of which came from the following five countries: Canada, Saudi Arabia, Mexico, Nigeria and Venezuela. [[EIA, 5/12/08](#)]
- **46%** – Percentage of crude oil and petroleum imports into the U.S. from OPEC nations in February 2008. [[EIA, 4/24/08](#)]

Big Oil has pulled down historic, windfall profits as a result of booming oil and gas prices. The big five oil companies reported record profits again for 2007 – continuing a five year trend of record profit under the Bush Administration.

- **\$36.9 billion** – Amount the five largest oil companies made in the first quarter of 2008.
- **\$123.3 billion** – Amount the five largest oil companies made in 2007. [[Center for American Progress, 2/2008](#)]
- **311%** – Percent increase in profits between 2002 and 2007. [[Center for American Progress, 2/2008](#)]
- **\$40.6 billion** – Profits for ExxonMobil in 2007 – the largest corporate profit in American History.
How Exxon spent some of this record profit:
 - **\$76 million** – compensation for companies top five executives
 - **\$31.8 billion** – repurchased stock
 - **\$7.8 billion** – dividends to shareholders
 - **\$10 million** – investment in renewable energy alternatives[[House Select Committee on Energy Independence and Global Warming Staff Report, 5/21/08](#)]
- **\$23 million** – Average annual compensation for the CEOs of the five big oil companies in 2007. [[House Select Committee on Energy Independence and Global Warming Staff Report, 5/21/08](#)]
- **83%** – Percent of Americans who believe that oil companies' profits are too high. [[CNN, 5/6/08](#)]

Renewable energy is the key to Energy Independence and a Green Economy. Investment in energy efficiency and renewable energy programs will strengthen national security, lower energy costs, grow our economy and create new jobs, and begin to reduce global warming.

- **7%** – Percent of our nation's energy needs that were served by renewable energy sources in 2006. [[EIA, 5/1/08](#)]
- **45%** – Percent wind-generated electricity in the U.S. increased between 2005 and 2006 – between 2006 and 2007, it increased another 21%. [[EIA, 5/1/08](#)]

- **1.6 million:** Number of U.S. jobs supported by annual investments in energy efficiency technologies. [[ACEEE, 5/15/08](#)]
- **238,541:** Number of U.S. jobs resulting from ongoing production and construction of new ethanol capacity during 2007. It also added \$47.6 billion to the nation's GDP, and put an additional \$12.3 billion into the pockets of American consumers
- **61%** – Percent of Americans support more consumer conservation of existing energy supplies over emphasizing the production of more oil, gas and coal. [[Gallup, 3/26/08](#)]
- **56%** – Percent of Americans who believe their local government should 'go green' and make environmentally friendly and energy efficient changes throughout their local community. [[U.S. Conference of Mayors/Zogby, 1/23/08](#)]

Democratic-Led Congress Taking Action to Bring Down the Cost of Gas

PASSED THIS MONTH

- **[Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act](#)** – Congress has enacted legislation to suspend the fill of the Strategic Petroleum Reserve through the end of the year, as long as the price of crude oil remains above \$75 per barrel. This is a critical first step for hardworking families, businesses and the economy, which in the past has brought gas prices down. The President, who was previously opposed, suspended shipments and signed the bill because of overwhelming bipartisan support in Congress.
- **[Renewable Energy and Job Creation Act](#)** – This legislation will extend and expand tax incentives for renewable energy, retain and create hundreds of thousands of green jobs, spur American innovation and business investment, and cut taxes for millions of Americans. These provisions are critical to creating and preserving hundreds of thousands of good-paying green collar American jobs. A recent study showed that allowing the renewable energy incentives to expire would lead to about 116,000 jobs being lost in the wind and solar industries alone through the end of 2009.
- **[The OPEC and Big Oil companies accountability bill](#)** – This bill will combat record gas prices by authorizing lawsuits against oil cartel members for oil price fixing, and creating an Antitrust Task Force to crack down on oil companies engaged in anticompetitive behavior or market manipulation. *President Bush has threatened to veto this bill.*

RECENT ACTION

- **[Energy Independence and Security Act in 2007](#)** – Historic energy legislation with provisions to combat oil market manipulation, increase fuel efficiency to 35 miles per gallon in 2020 – the first congressional increase in more than three decades, and promote the use of more affordable American biofuels. *Signed into law on December 19, 2007. [Under new requirements in the Energy Independence Law and pressure from Congress, the FTC announced on May 1, 2008 it would investigate allegations of market manipulation that may have led to last year's record price spikes in gasoline prices.](#)*
 - Reduces our dependence on foreign oil – cutting our consumption of oil by 2.9 million gallons per year in 2030 – more than what we currently import from all Persian Gulf countries combined.

- Lowers energy costs for consumers with oil prices projected to decline from more than \$100 per barrel to \$57 per barrel in 2016 (in 2006 dollars) in part due to the new energy law.
- The new fuel standard for cars and truck will save American families \$700 to \$1,000 per year at the pump.
- Reduces global warming emissions by 2030 by up to 24 percent of what the U.S needs to do to help save the planet.
- Building, appliance, and lighting efficiency standards will save consumers \$400 billion through 2030.
- **Renewable Energy and Energy Conservation Tax Act** – This legislation would end unnecessary subsidies to Big Oil companies, invest in clean, renewable energy and energy efficiency, and help reduce global warming. The bill includes provisions that will generate hundreds of thousands of green jobs including an estimated 70,000 solar energy jobs, more than 20,000 biodiesel jobs, and protect an additional 75,000 wind industry jobs. *President Bush has threatened to veto this bill.*
- **Energy Price Gouging Prevention Act** – This bill will provide immediate relief to consumers by giving the Federal Trade Commission (FTC) the authority to investigate and punish those who artificially inflate the price of energy. It will ensure the federal government has the tools it needs to adequately respond to energy emergencies and prohibit price gouging – with a priority on refineries and big oil companies. *President Bush has threatened to veto this bill.*
- **No Oil Producing and Exporting Cartels (NOPEC) Act** – Legislation to enable the Department of Justice to take legal action against foreign nations for participating in oil cartels that drive up oil prices globally and in the United States. *President Bush has threatened to veto this bill.*
- **Energy Market Manipulation Prevention** – The new Farm Bill increases Commodity Futures Trading Commission oversight authority to detect and prevent manipulation of energy prices. *President Bush has vetoed this bill.*