

Cut Oil Waste: Reduce U.S. Dependency on Mideast Oil

April 2, 2003 – Yesterday, when the Energy and Commerce Committee began marking up energy legislation, Rep. Waxman offered an amendment to reduce the amount of oil wasted in the United States. Although the amendment was defeated, Rep. Waxman will offer this amendment again when the bill reaches the floor of the House of Representatives next week.

Specifically, the amendment would have required the Administration to take “voluntary, regulatory and other actions” to reduce oil demand in the United States by 600,000 barrels per day from projected levels by 2010. This is the average amount of oil we have imported every day from Iraq over the past five years. This amounts to a reduction in oil demand of just 2.5% from projected future levels.

Over the last five years, the United States has sent over \$5 billion per year to Saddam Hussein to pay for Iraqi oil. This money has been used to buy military weapons that are now trained on American servicemen and women. The amendment is a modest first step towards ending this dangerous dependency on oil from the Mideast.

The amendment focuses on oil consumption by all sectors of the economy. This approach allows the Administration to seek oil demand reductions in the smartest ways possible. Improving CAFE standards is one option, but vehicles subject to CAFE only represent 40% of oil consumption. Moreover, there are other ways to reduce excess fuel consumption by vehicles, such as properly inflating tires. This amendment would allow the President to focus on all uses of oil and come up with the best plan possible to increase efficiencies and reduce waste.

During the Committee debate, opponents of the amendment made claims against the amendment that were untrue:

Claim: *Passage of the amendment would require the United States to ground fighter jets in Iraq.*

Fact: The amendment targets only *waste*, and it does not require final compliance until 2010. Moreover, the amendment has specific language which would allow the President to waive the requirement if there are no practical opportunities for the nation to further reduce waste of oil.

Claim: *Passage of the amendment would require vehicles to meet mileage standards of 82 miles per gallon.*

Fact: The President has a wide array of policy options available to reduce waste in oil consumption. Simple actions like properly inflating tires, reducing air traffic delays, and weatherizing homes can save over 800,000 barrels of oil a day, significantly more than the amendment calls for. Although modest CAFE increases make sense (and could be required by the President under existing authority), the oil reduction target in the amendment can be met without any increase in CAFE.

Claim: *The amendment is unnecessary because the bill already reduces demand.*

Fact: Although the bill contains an extensive list of provisions to increase oil supply, the bill has virtually no provisions to reduce oil consumption. The only measure cited by the amendment’s opponents is the “Freedom Car” initiative, which provides federal support to research efforts to develop hydrogen vehicles. Such vehicles will not be in widespread production for decades, if ever.

Claim: *The United States should focus on increasing oil supplies, not reducing consumption.*

Fact: The energy bill already focuses on increasing supplies, and this amendment has no effect on those provisions. The bill establishes grant programs for onshore and offshore oil production. It gives oil and gas production activities exemptions from the Clean Water Act and the Safe Drinking Water Act. When the bill reaches the floor it will include numerous provisions from the Resources Committee to encourage oil production on public lands, and it will open the Arctic National Wildlife Refuge for drilling. Last year, the House-passed energy bill provided \$19.5 billion in tax breaks and direct subsidies for oil and gas production, more than it provided for any other industry sector, and many of these subsidies are likely to be included again.

Passage of the amendment would send a strong message to our young men and women that they would not have to risk their lives for oil. And it would help reduce the flow of American dollars to repressive, anti-democratic regimes in the Mideast.