



## **Problem - Energy Dependence**

### **Vision**

Currently our nation struggles to find a common vision for energy policy. Open discussion and bold initiatives are critical to create this new vision. The following solution will focus on moving energy dollars away from the Middle East and placing those dollars and jobs in the United States. The objective is to boost the job market and to encourage investors by providing a safer environment for them to invest in domestic energy.

### **Current Situation**

Over the past generation we've come to understand that burning fossil fuels to power our cars and generation plants has its consequences. Much of the easily accessible oil has already been found and used. As we employ more difficult and expensive methods of mining and refining, the costs and environmental risks continue to rise. The BP oil spill is one example of this.

### **Imports**

Every bit as sobering is the consequences of importing immense amounts of oil from foreign countries. Hundreds of billions of dollars leave our economy each year and are sent to foreign countries to purchase oil. Had these dollars stayed within our own economy, they would have served to bolster jobs and expand the U.S. GDP. Dependence on foreign oil contributes to the instability of our energy prices. OPEC regularly adjusts the amounts of its oil exports to keep prices in line with its own interests.

### **National Security**

We also need to discuss what those dollars do when they leave this country. Has any money that financed terrorist activity come indirectly from our petro-dollars?

### **Innovation**

We have inventors and entrepreneurs with good ideas to help alleviate our dependence on foreign oil, but it's difficult to bring these ideas and inventions to market when there is no way to predict what the competing energy prices will be in the future.

### **Considerations**

For our federal government to do nothing dooms us to continue on the energy path we've been on for several decades – pollution, bad trade deficits, weakened economy and possible support of unsavory governments and groups. Instead, our nation needs to be intentional about a change. The proposal on the next page is a federal government initiative with a free market outcome.

### **Risk**

The risk of the proposed action on the next page is for energy costs to increase. However, when all things are considered we believe the rewards will far out-weigh the risk, and the overall costs will be much cheaper than the alternatives. It is a vision for the future of our nation.

Disclaimer: This document is merely a conceptual design and is intended for discussion purposes only.



**Solution: Rally America with Jobs and Energy (RAJE)**  
*For Discussion Purposes Only 1*

In this proposal, we recognize that in transitioning away from fossil fuels, an important factor is time. If we try to force this transition too quickly, our economy will stumble because of the time needed to develop added infrastructure. On the other hand, if we're too slow, innovators won't see this as a serious initiative. We propose to make this important transition over the course of 200 months. The initiative (RAJE) would be proposed in 2011 and would begin in 2012.

**First 100 Months - Innovation, Demonstration and Marketing**

During the first 100 months, the push would be toward innovation, demonstration and marketing. The federal government would coordinate substantial long-term grants to both public and private U.S. universities and institutions so they can carry on the research necessary to lead this transition. It would promote initiatives similar to the X Prize, but would be for the best 100 mpg car, the best home heating system, the best air conditioning unit, etc. It would step up support for conservation, improved mass transportation systems, cellulosic ethanol production, and expanded solar and wind energy. There would be incentives for U.S. businesses, large and small. Individual innovators would be especially encouraged to participate.

The first 100 months will need a stable market for capital being invested in American energy. The objective of the second 100 months is to increase market stability and decrease uncertainty. This is the place for input from the people. The idea below comes from Wabasha County.

**Second 100 Months - Implementation**

The second 100 months would be the heart of the transition period. On a given date we would set a benchmark for how much oil would be imported from outside North America. Then each month after that date, the amount of oil imported would be reduced by 1%. The free markets would determine the outcomes. By 2029 the US would only look to North America for oil. We believe this reduction of imported oil would have scores of benefits. RAJE would:

- substantially improve our trade deficit and create thousands of jobs
- improve national security by only relying on ourselves and our neighbors for oil
- place renewed efforts on conservation and recycling
- give inventors and entrepreneurs a more predictable environment for risk development
- allow the domestic oil industry to continue to be profitable within the free market system by pursuing cost effective pollution controls and phasing out expensive, inefficient refineries; encouraging prudent domestic exploration; and making investments in alternative energy sources.

The one exception to this curtailing of oil imports would be for the purpose of maintaining the Strategic Petroleum Reserve. Imported oil outside of North America could be used to build or re-supply these inventories as needed.

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