

A New Era of Energy Security

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In October 1973, a series of geopolitical events converged to plunge the United States and much of the Western world into an oil crisis that underscored our vulnerability to foreign sources of energy. A handful of Arab exporters cut off much of the world's oil supply, resulting in sweeping gasoline shortages, skyrocketing prices, political strife, and a global recession.

Forty years later, a lot has changed to make our nation significantly less susceptible to energy security threats.

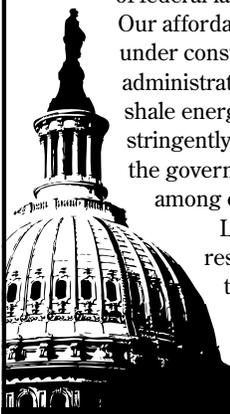
The most dramatic development is that we now know America is an energy-rich nation, home to the largest fossil fuel reserves in the world. We're sitting on a 200-year supply of oil and have enough natural gas to last us 115 years. And we're discovering more resources every day. Thanks to new technology, entrepreneurship, and access to private lands, we're able to develop more of it than ever—particularly the unconventional oil and gas, which was previously too costly to reach.

A recent report by the U.S. Chamber's Institute for 21st Century Energy found that increased oil and gas production has lowered U.S. energy security risks. It has helped drive down our petroleum imports from 60% of consumption to 35% in less than a decade. And the influx of U.S. shale oil into global markets has moderated or reduced international oil prices, protecting consumers and businesses from supply disruptions and market shocks even as hot spots in the Middle East and Africa flare up.

In the years after the oil crisis, we've also taken steps to diversify U.S. electricity generation. Previously, we burned oil to generate some 20% of our electricity, which led to price spikes when the spigot ran dry. Today, our electrical grid is largely powered by our vast supplies of coal and natural gas, as well as nuclear energy and a growing supply of wind and solar.

But one thing hasn't changed. Our national energy policy is still based on the false assumption that we are an energy-poor nation. The federal government continues to keep 87% of federal lands off limits for energy development. Our affordable and abundant coal resources are under constant regulatory threat by EPA. The administration is proposing new regulations on shale energy development, even though it is already stringently regulated at the state level. And some in the government still want to pick winners and losers among energy industries.

Let's make no mistake about what is largely responsible for America's energy security today: ample resources, private sector-driven innovation and development, and open, vibrant markets. Any threat to those things is a threat to our security.



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