

A call to Congress: Address high gas prices -- April, 2008

By REP. MIKE CASTLE • April 28, 2008

As citizens across Delaware and the nation have noticed, skyrocketing gasoline prices are negatively impacting commuters, families, tourists, truckers, businesses, and industries that rely on trucking deliveries. While gas prices are likely to approach \$4.00 a gallon this summer, truck drivers are already paying more than that in many parts of the country for diesel fuel. Transportation costs are then passed to each of us as consumers.

Experts believe there are a variety of reasons for rising gas prices, many of which are beyond our immediate control. Specifically, the supply and demand structure that regulates much of the cost increase is difficult, if not impossible, to address in the short-term. However, Congress can enact measures that will make a difference in the way we consume energy and in how we develop the energy sources on which we rely.

This week, I sent a letter to Congressional leaders urging immediate coordination and cooperation to bring together proposals from Republicans and Democrats to address our energy crisis. The rising costs of gas prices are only one element of the broader fact: energy dependence affects our economy, security, and environment.

The letter, signed by eight other House Republicans, highlighted several proposals to reduce consumption, encourage innovative technology development, and promote energy self-sufficiency in this country.

First and most importantly, we must work to lessen the demand for oil. As for supply considerations, with the Strategic Petroleum Reserve filled to 96 percent capacity, I believe we should consider suspending shipments during the summer months, and we may also want to consider increasing refinery capacity in the United States. The United States should also work with other oil importing countries to require more transparency from oil producing countries to verify available oil reserves and production capacity.

There is also discussion of a temporary suspension of the federal gas tax in an effort to immediately lower the price of gasoline. While this tax moratorium may have merit and immediate appeal, we should be mindful that the federal gas tax is a major funding stream for the Highway Trust Fund, which funds many transportation construction projects. Any cuts to

this federal revenue stream should be accounted for to ensure infrastructure upgrades are not jeopardized.

There are also a number of ways that each and every one of us can reduce costs now. While it may seem overly simplistic, basic conservation and efficiency measures such as maintaining driving speeds of not more than 55 miles per hour and proper tire inflation can make an immediate difference by slowing gasoline consumption and saving money.

Looking forward, Congress must adopt long-term extensions of existing and new tax incentives for renewable energy production and alternative energy research and development. Tax incentives for auto manufacturers and consumers to make and purchase clean vehicle technologies and funding for alternative and renewable research as well as development remain critical. In fact, the production tax credit for renewable energy assists in developing renewable energy projects like offshore wind energy in Delaware. With initiatives like cellulosic ethanol at DuPont, GE Solar, the fuel cell transportation project at the University of Delaware, and hydrogen storage research at Delaware State University among many others, Delaware has the potential to be a leader in these innovative new technologies and applications that will contribute greatly to cleaner and more efficient global energy solutions. Another important area is a federal requirement that a much greater percentage of our electricity come from renewable energy sources.

The finite supply of oil in the world ensures that our dependence on it will always directly correlate to the world's supply and demand structure. The bipartisan agreement to increase fuel efficiency standards, known as Corporate Average Fuel Economy (CAFE) standards, is proof that Congress and the Administration can find common ground. Congress should move to immediately promote policies to lessen the cost-crunch today while also acting to ensure we have a comprehensive, clean, and secure energy policy for tomorrow.