

## Ten Essential Principles for Sound Energy Policy

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Energy policy in the United States for today and tomorrow involves much more than providing safe, reliable and affordable energy to consumers. The energy policy of the future must take into consideration global terrorism, foreign policy, national security, environmental concerns, the fear that climate change will cause catastrophic consequences, and worldwide economic considerations. Ten essential principles that must be included in an energy policy adopted in the U.S. are:

- Reduce U.S. dependence on foreign oil by increasing domestic energy production.
- The world and the U.S. have vast crude oil and natural gas reserves, but policies must allow for exploration and production.
- Crude oil, natural gas, and coal will provide a majority of U.S. energy needs for many years to come.
- Policies enacted should have a positive impact on U.S. economy, national security and foreign policy.
- Make certain that the environmental gain (i.e., reduction in greenhouse gases) outweighs the economic pain.
- Other countries must reduce greenhouse gases similarly.
- Policy must be based on sound science.
- Energy efficiency and conservation should be increased.
- Encourage research and development in technology.
- Government actions must be based on market conditions and consumers' needs, and private enterprise must be the spark plug that ignites the engine.

Policymakers must recommend solutions that are realistic and pragmatic. Policies that are unrealistic, and reflect only wishful thinking, will create future energy shortages, accompanied by higher prices. Realistic proposals should be based on market forces and consumer preferences. The economic consequences of each idea should be analyzed and compared to the gain achieved through changes in the environment, conservation, or new technology.

Sound science must serve as the cornerstone of any policy regarding climate change or global warming. Energy efficiency is the cheapest, most plentiful form of new energy. Energy saved is energy found.

Diversity of domestic energy supplies is critical. Whether it is crude oil, natural gas, coal, nuclear, wind, solar, ethanol, etc. originating in the U.S., North America, South America, Middle East, etc., the key must be building a mix of energy that continues America's economic and military strength.

Even though renewable energy sources appear to be the current preference of Washington policymakers, the fact remains that it will be decades before renewable energy will play a large role in providing sufficient amounts of energy at competitive prices. Crude oil will be the primary transportation fuel for the world for many years to come. Natural gas, coal, and nuclear

will provide a majority of the electricity. Federal and state governments should continue to encourage private enterprise to invest in renewable energy, but it would be a catastrophic mistake to tax or punish one source of energy, i.e. hydrocarbons, to finance research in renewable energy.

Any policy adopted by the U.S. regarding reduction of greenhouse gas emissions should be adopted by all other countries, too, especially the 15 countries with the largest economies. Restrictions on energy production, or increases in taxes, could make U.S. businesses less competitive. In today's global economy, competition is intense. Economic and social impacts must be addressed. Cheap, affordable and reliable energy powers economic growth.

While the largest portion of imported oil comes from Canada and Mexico, the U.S. continues to import substantial amounts from Saudi Arabia and Venezuela. Crude oil imports pose unique political, military, economic and foreign policy issues for the U.S. A policy that includes reduction of crude oil imports will have many positive benefits for Americans.