



The Kitchen Table Agenda: Washington Makes Gasoline Unaffordable

*By Ernest Istook--#2 in a Series**

Affordable gasoline has been a major contributor to America's quality of life, as automobiles provide unparalleled mobility. This provides individuals and families the freedom to live in more desirable surroundings than where they work, with a wide effective radius of easily-reached places to shop, dine, attend school, seek entertainment, participate in youth sports, or enjoy a multitude of other endeavors.

Unaffordable gasoline is a major constriction on this freedom. The chief culprit for skyrocketing gasoline prices is not "Big Oil" but instead is "Big Government." Despite enormous advances in anti-pollution technology, many policy-makers insist on trying to force us out of autos. They push us toward immature technologies like electric vehicles, where battery life and weight limitations restrict range and make vehicles overly-expensive despite government subsidies up to \$7,500 a car. Or they impose fuel mileage standards that push us into smaller vehicles that are less crash-worthy and thereby less safe—yet cost more.

The mantra of "ending our dependence on foreign oil" has become code for policies that make gasoline unaffordable even as government strangles domestic production that could lessen that dependence.

Drilling: Oil from offshore (our coasts, the Gulf of Mexico, Alaska's Chukchi Sea, etc.), from ANWR, and from millions of acres of public land are either directly placed off-limits or enmeshed in a tangle of federal regulations and restrictions. Official federal figures show 157 billion barrels in "recoverable" U. S. oil. But Heritage Foundation research shows at least 48 billion barrels are being shut-off by government policy. Plus 800 billion barrels that could be available from oil shale is mostly on federal land where drilling is restricted.

In round figures, the USA consumes about 7 billion barrels of oil a year and imports about half of that. So if government freed up domestic production, we could provide our own oil for decades. The dramatic increase in supply would mean dramatic decreases in price and would be reflected at the gas pump. Hundreds of thousands of jobs would be immediately-available here at home. Oil imports would drop, as would dependence on them.

Exploration: But we've got even more oil resources than those numbers reflect. Extreme environmentalists misuse statistics and definitions to claim we're running out of petroleum, or will in the near future, to justify their policies. Meantime, they block efforts to measure how much we actually have—such as prohibitions on gauging what we could produce from the eastern Gulf of Mexico.

Ethanol: Because ethanol has about a third less energy than gasoline, the more ethanol in a blend, the lower your fuel mileage. So consumers pay more for inferior gasoline. Plus we pay billions in ethanol subsidies. And consumers pay higher food prices because ethanol diverts about 40% of corn away from people and livestock. Other biofuels like cellulose or switchgrass have even lower energy content than corn ethanol.

Fuels: EPA requires dozens of different blends of gasoline ("boutique fuels") to be sold in different parts of the U.S. When refineries guess wrong and don't produce the perfect ratio of each blend, gasoline cannot be transferred to other areas because of EPA. This causes government-made shortages and price spikes.

Politicians brag that they'll save us from the high cost of gasoline (which they cause) by dictating that cars must get better mileage. What they leave out is that this raises the price of each car by several thousand dollars, wiping out any supposed savings on gasoline. Big government doesn't fix high prices; it causes them.

**In a series of papers from Ernest Istook, former Congressman and now Distinguished Fellow at The Heritage Foundation, the Steamboat Institute will help outline how big government is destroying the purchasing power of today's families, which is often more destructive than raising their taxes.*