Energy intransigence

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Just under three weeks ago, we marked the 30th anniversary of the Oct. 17, 1973, OPEC oil embargo, an event that first revealed the peril inherent in our nation's excessive dependence on imported oil.

Over the ensuing three decades, despite a torrent of rhetoric, a landslide of legislation and an avalanche of quick fixes, we import nearly twice as much oil from abroad as we did in 1973. This is why one of the president's top priorities has been enactment of a comprehensive energy bill. Sadly, the debate over a comprehensive energy bill has become mired in an "inside the Beltway" tangle of partisan politics, ego and private agendas that do little to inform and much to confuse the issue.

The failure of Congress to act, however, is not without cost. Indeed, it carries a price tag far greater than most Americans could imagine.

Last month, the National Defense Council Foundation completed its comprehensive review of the "hidden costs" of imported oil, and the results were eye-opening. At present, they come to almost $305 billion - more than $1,000 for every man, woman and child living in America.

But even that enormous figure doesn't tell the full story.

More importantly, some portion of every dollar we spend on imported oil finds its way into the hands of terrorist organizations bent on our destruction. In some instances, the transfer is direct with Iranian, and previously Iraqi, support of groups such as Hamas and Hezbollah. In other cases, it is less obvious as with the Saudi support of madrassas that promote the virulent Wahhabist hatred of Jews and Christians and which ultimately gave birth to the Taliban and al Qaeda. The key point is that without the continuing flow of petrodollars, international terrorism would be severely curtailed.

But which areas of disagreement are important enough to jeopardize the nation's military and economic security?

One sticking point is over the providing incentives for alternative fueled vehicles. Support for such measures arises from one simple calculus. We currently import between 58 percent and 61 percent of our petroleum needs. More than two-thirds of the oil we use (67.4 percent) is consumed in the transportation sector, primarily in automobiles and light trucks. If we could eliminate oil use in transportation, we would not have to import oil at all. That's pretty straightforward math.

But introducing alternative fueled vehicles is not an easy task. There is a "chicken and egg" problem that must be overcome in order to get the process started. And that's where many members of Congress see a need for incentives in the form of tax credits and exemptions.

Fiscal conservatives, though, oppose such incentives. claiming they represent an unwarranted "subsidy' to alternative fuels. But the term "subsidy" implies a payment of some sort, and nothing could be further from the truth.

Rather, the proposed tax credits and exemptions are nothing more than tax cuts - in principle no different than the proposed income tax reductions. Following the logic being applied to energy incentives, the president's income tax cut proposals would also be subsidies - a point few fiscal conservatives would be likely to argue. Besides, the last time I looked, conservatives were in favor of cutting taxes, so why should energy be an exemption?

Another sticking point is over loan guarantees for the proposed Alaska natural gas pipeline. Opponents argue that, if the project fails, taxpayers would be saddled with an enormous debt. While this is true, it is also highly unlikely the project would fail. At present, demand for natural gas is growing at a stopgap pace, with no change in sight. This makes it highly unlikely the taxpayer will ever have to pay a nickel.

More important, the alternative to bringing Alaskan natural gas down to the lower 48 states is to import it in the form of Liquefied Natural Gas (LNG) from the Middle East - a notion that would be laughable were it not being seriously considered.

Of course, there are those who argue that alternative fuels make only a small contribution to reducing our oil-import dependence - and right now they are correct. But alternatives, both in the form of ethanol and natural gas, have been making slow but steady inroads. Incentives such as the excise-tax exemption and renewable fuels standards will accelerate this process. Denying incentives only slows their progress and allows the nation to become ever-more-dependent on our insecure foreign suppliers.

In the final analysis, its time for the prima donnas in Congress to grow up, follow the president's lead and do their jobs.

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