

CHAPTER 1

No Challenge Is
Greater or More
Important

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Several years ago, I had a visit from some oil executives in my Santa Fe office that signaled sharp, surprising, sudden changes in world energy markets.

The executives told me a story, a rather frightening story, about a liquefied natural gas (LNG) tanker that had been en route to the United States only the week before, carrying a load of natural gas under contract to a buyer in the United States.

The tanker had turned around, literally done a 180, when buyers in Asia decided to intercept that natural gas on its way to markets in the United States by paying the contract penalties and a price premium.

I don't know whether it was day or night, stormy or quiet, but picture it: the diversion of a huge tanker carrying liquefied natural gas, out on the high seas. The order comes in. The tanker turns around. In a relatively stable, long-term market like that

for natural gas, this was a big event. For a buyer to turn a huge LNG tanker around, and for U.S. buyers to face such unpredictable competition, marks a significantly new world.

Oil and gas markets are tightening. Global pressures from the explosion of economic growth in China and India are changing world oil and gas supply and demand, perhaps structurally. As a result, prices are higher than we expected they could ever reach. The price of oil broke through \$70 per barrel in July 2007, even as the U.S. Senate passed a relatively toothless energy bill that does too little too late. (And that bill—with nothing to address climate change, renewable electricity mandates, or new incentives for alternative energy—still needs to clear several hurdles to become law.)

Gasoline costs are around three dollars a gallon. People can't afford these prices and the other everyday costs of living. Some are forced to make choices—bad choices between putting food on the table and getting to work, paying medical bills and staying warm, building their equity through education and filling the tank.

Meanwhile, the world's climate is starting to change around us. We humans have burned so much fossil energy that the atmosphere of the world we live in is warming. The results could be Earth-changing and hugely disruptive if we don't quickly change our energy technologies and fuels.

The executives who told me the LNG tanker story wanted my support for more oil and gas production in the United States, especially in New Mexico, where I have instituted new environmental controls and supported the protection of ecologically sensitive areas treasured by hunters, ranchers, and conservationists.

But my reaction was different. I know we're hooked on oil and gas, and I know that producing more and more won't cure that addiction. We should leave some resources in place for

future generations, and we need a quick, decisive shift away from the energy policies that have put us where we are today.

Hearing that story further convinced me that we aren't doing nearly enough to create energy efficiency, to use renewable energy, to get new technologies into the marketplace so that our energy markets feature competition and choice. Seeing the energy legislation working through a divided Congress convinces me that the people making policy in Washington aren't acting boldly enough, by a long measure. Meeting people around the country on my presidential campaign travels convinces me that Americans want large changes that will bring down energy costs over time, create jobs in the United States, strengthen our national security, and protect the climate. The world is waiting.

I am confident about our nation's ability to address the energy challenge, but there is no question that the next president of the United States must provide the leadership to change our energy, security, and climate policies—or else. The country, even the world, can't afford to stay on the energy path we have taken. It directly threatens our national interests and undermines our national security, and it is a path we have returned to again and again over the past thirty years despite embargoes, trade deficits, wars, and price shocks.

I am not only confident in our nation's ability to address this energy challenge, I am also fully optimistic about it. This is a great opportunity for America. It is a time for optimism and positive ideas, not for pessimism and bowed heads.

Energy issues are big issues. They are all-encompassing. Every time a middle- or lower-income American pulls up to the gas pump, energy issues hit hard—right in the wallet. And these issues stretch all the way from the wallet to the atmosphere,

where our global overdependence on fossil fuels clogs the climate with carbon dioxide, leading to global warming.

Our nation's dependence on oil threatens everything we care about, everything from our economy and environment to our national security to our atmosphere. Our dependence on oil creates targets for terrorists and other threats to our national security, from nuclear weapons to economic uncertainty. The states—including New Mexico, the “clean-energy state”—have done a lot to address the oil dependency challenge, but the federal government must be engaged at a far more intense level. We have become so dependent on oil because of our nation's failure to implement needed energy alternatives, from efficiency to clean cars to renewable energy.

Over recent years the price of oil has averaged about five times as high as it was when it bottomed out in the late 1990s. Now, in 2007, the price is about seven times what it was back then. As U.S. energy secretary from 1998 to 2001, I found that there was little appetite for alternatives when the price of oil went down to nine or ten dollars a barrel. Today, we see the error of our ways. The continuing petroleum price pendulum swings appear to catch us by surprise, even though for the past thirty years that same pendulum has been swinging in both directions, and hurting us badly when it swings the wrong way. Because the energy issue is so critical, we need to approach it with a much more focused and higher-priority campaign.

We need stability, diversity, competition, and sustainability in our energy supplies and energy technologies and practices. When oil is cheap, we seem to forget about the need to change. We can't afford a long-range campaign to get off oil, and we can't afford feel-good policies, because long-range and feel-good are how we got where we are today. And “today” includes 65 percent dependence on foreign oil, high energy prices, almost total

reliance on fossil fuels (especially for transportation), and increasing climate pollution.

The reason I am optimistic and confident that we can change is that the technologies are available for us to do so. Further, we are already spending so much on energy that we will actually save money by converting our energy markets. Above all, however, the American people want change and they are enthusiastic about it. Everywhere I go, I encounter students, senior citizens, business people, scientists, entrepreneurs, inventors, factory workers, teachers—real people who want real change.

We're ready! We have seen enough to know that gradual, partial solutions don't work. We know that the sensible solutions are renewable and sustainable. We want to preserve Earth for future generations, not pollute it, warm it, drill it to death. We know we can make the necessary changes. We just need the program and the leadership.

Acting quickly, because of the threat to our role in the world and our national and economic security, is the core of the energy and climate policies I suggest in this book and have been talking about on the presidential campaign trail. "Go slow" makes sense in some contexts, but it absolutely does not in the area of energy policy.

The temptation to slack off, to dither, to backslide, to linger in pleasant side channels is too great when our nation starts on a multidecade campaign. This energy policy needs to get going right now. It needs sharp, intense investment and policy change. It needs to be sustained at a high level of intensity for five to ten years. This will produce results, and quickly.

When John F. Kennedy asked Americans to reach out for the Moon, he didn't say that we should take forty years to do it. He

said he wanted to do it in ten years. That's why I say that the analogy between man on the Moon and energy policies, as offered by many elected officials today, is cheap unless it's based on a commitment to act fast.

JFK based his call to action on his concern for national security—that Soviet Russia would control space after its successful and surprising launch of Sputnik in 1957. JFK's program required national will, national focus, and bipartisan cooperation. We succeeded in meeting JFK's challenge less than ten years later, in 1969. We succeeded because we changed direction, invested, and focused ourselves on a central goal. We didn't patter back and forth from year to year saying, well, this year we need a booster rocket. Or this year, let's send an astronaut up in the air to orbit Earth. And this year, we need to send an unmanned ship to orbit or land on the Moon. Instead we made a plan, supported by clear implementation measures, to achieve a goal, and we achieved it. The intermediate steps were necessary, but they were recognized as intermediate.

There's another great example of national determination and national leadership that addressed a major security threat quickly. When Franklin D. Roosevelt brought the United States into World War II following the attack at Pearl Harbor, he did it intensely. He did it based on a clear and present danger to national security. With the cooperation of Congress and the almost unanimous support of the American people, FDR launched a single-minded campaign to enter and win a world war. Within four years, our involvement in the war had turned the tables, and both Nazi Germany and Hirohito's Japan had surrendered to Allied forces.

My view is that our oil dependence is a great threat to the national security of the United States. Everything we do, including war, requires oil, and the shadow of oil lies across many of

our international challenges. When we invaded Iraq, securing its oil fields was at the top of our list. When we wrangle with Iran over its nascent nuclear program, we are arguing with a nation whose ability to conduct nuclear programs derives from its oil wealth. When we discuss the spread of democracy with unsympathetic leaders from oil-rich nations, we know that they have the autonomy that comes with owning oil. When we fight terrorists, we often fight against people and movements who are directly or indirectly funded by our own petrodollars.

No challenge is greater or more important than gaining energy security and addressing threats to Earth as a whole. But my approach is to be candid about our challenges without saying that the sky is falling. (Today Chicken Little might have a different approach, saying the sky is warming—and she'd be right.) We should recognize the mistakes we have made getting to where we are. I particularly fault the president and Congress for their failure to act responsibly in recent years, and credit the states, cities, and other nations who have worked hard to reverse direction on energy and climate issues.

The American people don't need or deserve scolding. They are ready to change. They want a better future. And they see possibility and opportunity—not the grim and fearful scenarios painted by those who do not accept the idea that we need to change. It's time to move the obstacles out of the way and forge an energy future that serves and protects our interests. That's the challenge before us.

