



UNRIG THE ECONOMY: Win the Energy Race

Background:

The cost of energy can determine the fate of a nation. Politicians pay lip service to this with slogans like "pain at the pump," although these phrases don't capture the importance of energy prices. For most normal people, their car is their livelihood. An increase in gas prices means less money for clothing, medicine, food or savings. Energy is how we heat our homes, cook our food, fuel our transportation, and power the technology we use in our places of work and school. The cost of energy impacts every single person in America in multiple ways. For lower income families, the cost of gasoline, or "energy burden" can be up to 18.3% of their income².

Entire industries can be put in jeopardy by rising energy prices - for 35% of small businesses, energy is the largest monthly expense³. When the cost of a gallon of gas drops it enables Americans to spend and save more, which lets American businesses thrive more and create jobs⁴. Energy is the engine that runs the entire economy.

Energy prices and sources are also critical when discussing National Security. It is commonly believed that the several disastrous, expensive and bloody wars the US has fought in the Middle East were waged to control the production, trade and price of oil - relying on foreign wars to manage oil is too financially and morally expensive for most Americans to consent to. Meanwhile, Europeans had to ration heat⁵ in the winter of 2022 because they did not have adequate domestic energy production to make up for the loss of Russian oil as the Russia-Ukraine war waged on⁶, literally leaving them out in the cold. Warfighting strategies of the future will rely more and more on a nation's ability to generate its own energy and maintain the integrity of those energy systems - from cyber-attacks on public infrastructure⁷ to nations like Iran utilizing nuclear energy to develop nuclear weapons- it is clear that relying on others for energy is a sure-fire way to leave our nation vulnerable.

Then there is the up-and-coming BRICS alliance, particularly Russia, China, and India. Many discuss these nations doing more and more international business in the Chinese Yuan, disrupting the US Petro-dollar as the world's reserve. A critical pillar of BRICS' strategy to de-throne the dollar is to outmaneuver America in the realm of energy production⁸, allowing them to grow their economies faster and better fuel their militaries. China has committed to building 150 nuclear reactors over the next 20 years⁹ while India and Russia are fast-developing energy infrastructure to out-pace the United States. The 1900s were defined by the Nuclear Arms Race and the Space Race with the Soviet Union. The 21st century will be defined by the Energy Race. The race has already begun, and right now we're behind.

Key Impacts and Statistics:

- The Department of Energy gets only ~\$3 billion per year for Experimental Development¹⁰
- The United States Senate has advanced a bill for \$95.34 billion for defense aid to Ukraine¹¹, Taiwan and Israel. Aside from this bill, the US has sent \$75 billion to Ukraine since the Russian invasion in 2022¹².

¹ https://www.energy.gov/scep/slsc/low-income-community-energy-solutions

https://www.aceee.org/blog-post/2021/05/analysis-gasoline-costs-consume-nearly-20-some-household-budgets

³ https://www.nfib.com/advocacy/energy

⁴ https://www.investopedia.com/financial-edge/0511/how-gas-prices-affect-the-economy.aspx

⁵ https://www.washingtonpost.com/world/2022/12/23/europe-heat-rationing-ukraine-war/

⁶https://www.imf.org/en/Publications/fandd/issues/2022/12/beating-the-european-energy-crisis-Zettelmeyer

⁷-https://www.nbcnews.com/tech/security/chinese-hackers-cisa-cyber-5-years-us-infrastructure-attack-rcna137706

⁸ https://www.csis.org/analysis/six-new-brics-implications-energy-trade





- The average cost of the Iraq and Afghanistan wars was ~\$160 billion per year¹³. That's ~10 years of energy research spent per year in wars many believed were ultimately about oil.
- In 2021, the U.S. spent \$1.3 trillion on energy, or 5.7% of GDP. The average cost was \$3,967 per person¹⁴.
- China's nuclear pipeline is already larger than the rest of the world's combined¹⁵ becoming the world's fastest expanding nuclear power producer¹⁶
- American nuclear-fusion research has hit a new breakthrough and world record: achieving ignition over and over¹⁷, showing the US can catch up to China if it tries.



Our Policies: America is a nation capable of being energy independent. America is also the most innovative, industrious, entrepreneurial, and educated nation in the history of Mankind, and we're capable of developing new forms of energy too. It is imperative we use the tools at our disposal to make oil cheap and abundant so we can create jobs, sell oil to our allies, and ease the pain felt by hundreds of millions of Americans. It is also essential to remove regulatory and financial roadblocks stopping us from creating the holy grail of the 21st century - abundant, cheap, clean, domestic energy.

The Energy Race is also a chance to unify a country torn apart by a rough economy and Republican and Democratic culture war issues. President John F Kennedy inspired endless creative Patriotic energy by declaring the Space Race, and the Mapstead Administration will do the same thing with the Energy Race. Americans should be inspired and proud to help create a world of abundant energy - they should also be incentivized by being rewarded with shares of the generated wealth.

1. END THE WARS AND INVEST IN AMERICAN ENERGY

Winning the Energy Race is the ultimate "Peace Through Strength" strategy. Rather than relying on military interventions in the Middle East to stabilize oil markets, we can maintain World Leadership through the peaceful strategy of energy independence. The Afghanistan and Iraq wars cost **\$8 Trillion Dollars and 940,000 lives.** This is a price we must never pay again.

⁹ https://www.bloomberg.com/news/features/2021-11-02/china-climate-goals-hinge-on-440-billion-nuclear-power-plan-to-rival-u-s

¹⁰ https://www.whitehouse.gov/wp-content/uploads/2021/05/ap_14_research_fy22.pdf

https://www.france24.com/en/americas/20240211-us-senate-advances-ukraine-israel-and-taiwan-aid-bill-despite-trump-opposition

¹²https://www.cfr.org/article/how-much-aid-has-us-sent-ukraine-here-are-six-charts

¹³ https://en.wikipedia.org/wiki/Financial_cost_of_the_Iraq_War

¹⁴ https://css.umich.edu/publications/factsheets/energy/us-energy-system-factsheet

¹⁵ https://www.energymonitor.ai/power/weekly-data-chinas-nuclear-pipeline-as-big-as-the-rest-of-the-worlds-combined/

¹⁶ https://www.iaea.org/bulletin/how-china-has-become-the-worlds-fastest-expanding-nuclear-power-producer

¹⁷ https://www.nature.com/articles/d41586-023-04045-8?fbclid=lwAROuNeKflyKyZZvQnY_7StVDYRbUufkhjvO_mmT5iU-TU8h-HzfXI-f1pnLk





Instead, we will repurpose \$40 billion dollars, or ¼ the cost of one year of the Iraq and Afghanistan wars, from the Department of Defense Budget to the Department of Energy for the Energy Race Innovation Fund. Currently, DoE only receives ~\$3 billion in funding for "experimental development." This fund will not be used to mandate or subsidize unprofitable industries in the consumer or B2B economy. Instead, the fund will be used to research all developing forms of energy for national defense and scientific purposes. We will have regular dialogue with investors, scientists and engineers in private industry, enterprise leaders, and startups to better share knowledge, equipment and talent as industries based on these new forms of energy prove their profitability. We will take this approach of diversifying our energy portfolio because nobody can know which energy sources or technologies will ultimately win the Energy Race, or produce the greatest cost savings for Americans.

2. UNLEASH OUR ENERGY POTENTIAL

We will eliminate three types of regulations:

Regulations that stifle energy production in industries that are profitable or near-profitable, including Nuclear. Regulations which slow down energy production but don't produce adequate environmental protections. Regulations preventing individual American land owners from safely generating energy on their property.

Additionally, we will immediately undo Executive Actions blocking the approval of ready-to-go energy projects such as the Keystone XL¹⁹ and Dakota Access Pipelines²⁰. Re-approved projects will undergo modifications as necessary to avoid damage to private property, Tribal sovereignty, or environmentally protected lands. The two pipelines have been estimated to be able to transport a combined ~1.5 million barrels of crude oil per day. The US currently moves ~20 million barrels per day, of which ~11 million barrels are crude oil. The completion of Keystone and Dakota would increase our oil production by 10%.²¹

3. CREATE THE ENERGY RACE BOND

We will create the Energy Bond so that all Americans can invest in winning the Energy Race, just like generations past invested in American success through War Bonds²². Energy Race bonds will function just like War Bonds. After the first kick-start investment in the Energy Race Investment Fund, all future funding will come from Energy Race Bonds.

The creation of the Energy Race Bond will also help align the incentives of citizens, politicians, industry, capital, academia, and the military towards the goal of abundant cheap energy for all. Right now, cheap energy production helps the American people and economy broadly, but hurts energy companies. American energy companies must be able to benefit from helping America win the energy race, and the Energy Race Bond is a way for them to do that.

¹⁸ <u>https://watson.brown.edu/costsofwar/</u>

¹⁹ https://en.wikipedia.org/wiki/Keystone_Pipeline

²⁰ https://en.wikipedia.org/wiki/Dakota_Access_Pipeline

²¹ https://www.eia.gov/tools/faqs/faq.php?id=268&t=6

²² https://www.investopedia.com/terms/w/warbonds.asp