

EDITOR'S NOTE: Sen. Cardin writes periodic columns for Maryland publications. The following column on high energy costs may be of interest to your readers. Please contact Susan Sullam at susan_sullam@cardin.senate.gov if you have any questions.

PRECEDDE: Senator Cardin is a member of five committees: Environment and Public Works, Foreign Relations, Judiciary, Budget and Small Business. His web site is: cardin.senate.gov

HIGH ENERGY COSTS ARE HURTING AMERICANS

By U.S. Senator Benjamin L. Cardin

As news reports of rising energy prices grab headlines, Americans are finding it increasingly difficult to fill up their cars at the gas station and pay the cost of cooling or heating their homes. Marylanders have been particularly hard hit, with many seeing a 72% jump in electric rates in 2007.

Drivers, especially, are feeling the squeeze. In early May, gasoline prices in Maryland have jumped to an average of \$3.59 for regular and \$3.91 for premium. Since President Bush took office in 2001, Marylanders have experienced a 153% increase in the cost of gasoline, according to the AAA Fuel Gauge Report.

These jumps in gas prices are startling and they affect all of us. I am a member of the Senate Small Business Committee, and I recently had a conference call with small business owners from around the state. A constant theme was how gas prices are impacting their livelihood. Small businesses pay 20% to 30% more for most fuels than big businesses, and 62% of small businesses use vehicles for delivery or customer transportation. Small businesses also are less able to absorb or pass on higher energy costs to customers and have less capital to invest in becoming more energy efficient.

Rising energy costs have many factors, but chief among them is this nation's failure to enact a comprehensive energy strategy – one that lessens our dependence on foreign oil, increases development of renewable or alternative energy sources and rewards conservation.

Instead, we have a policy in which oil companies are making obscene profits at the expense of American consumers. In 2004 and 2005, Big Oil companies received tax breaks worth \$17 billion. Last year, the five major oil companies recorded profits of more than \$103 billion -- that's \$2 billion in profits a week. This year, BP has already reported that its profits rose by 63% compared to the first quarter of last year.

The Administration has done virtually nothing to make energy more affordable for American families. Its answer to soaring fuel costs for American consumers is to propose more tax breaks for oil companies. It also continues to sock away – on a daily basis -- 70,000 gallons of oil into the Strategic Petroleum Reserve (SPR). I have written the President urging him to stop stockpiling oil when the SPR is already 97% full.

Unfortunately, the President continues to resist strong bipartisan calls to suspend this policy that simply adds to the worldwide demand for oil.

Congress must take the lead to bring relief to American consumers facing high gas prices. I have co-sponsored the *Consumer-First Energy Act*, which would suspend the filling of the SPR, aggressively punish price gouging, and eliminate unnecessary tax breaks for oil and gas companies. Additionally, the measure would impose a 25% tax on windfall profits of major oil companies unless they invest in clean, affordable domestically produced renewable alternative fuels.

Americans are hurting as they struggle to pay rising energy costs – costs that have become even more profound in the wake of the housing crisis and credit crunch. We need a strong, comprehensive energy policy for our nation. We cannot continue to be subject to global economic forces or dependent on foreign oil from countries that disagree with our policies. For the sake of our national security – and our future – we must become energy independent.

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