

# High gas prices: No ‘silver bullet’ solution in sight

*Previous volatility in fuel prices was attributed to terrorist strikes, war in Iraq and hurricane damage. This year Montanans are feeling the pinch at the pump with far less visible evidence of a reason for high prices. Is there a way for the United States to stabilize fuel costs to American consumers and achieve true energy independence without forgoing all environmental concerns?*



**By Senator Conrad Burns**

**I**ncreased energy costs are impacting every aspect of our lives. Crude oil is a worldwide commodity driven by emerging economies as well as our own demand for transportation fuels.

Our demand has simply outstripped our ability to produce enough gasoline and diesel. We are producing more oil than ever, but the infrastructure we need to move and refine oil has simply not kept pace with demand. We have not built a pipeline in many years and have not built a new refinery in the United States in over 30 years. These factors have created a perfect storm to

increase gas prices as the summer driving season approaches.

But American ingenuity will rise to this challenge. These high gas prices will drive us toward alternative fuels and renewable energy. We will develop ethanol and cellulosic ethanol using things like wheat straw. What was once discarded as waste can now be turned into energy. Biodiesel is also becoming more viable. Genetically improved oilseeds are being produced and can be turned into a cleaner diesel. Nationally, we have seen increased research from the U.S. Department of Energy providing up to \$160 million for the construction of biorefinery demonstration projects, which use biomass feedstocks, including ethanol and biodiesel.

We must also get serious about domestic energy production. We need to open the Arctic National Wildlife Refuge (ANWR) to environmentally sensitive exploration and utilize oppor-

tunities for offshore drilling as well as increased production on our public lands. We have the necessary resources available, and we need to be able to access them.

But even if we produce more oil domestically, we cannot refine it into gasoline because we do not have enough refinery capacity. The process for permitting and citing a refinery has made it undesirable as a business venture. We need to give incentives for increasing pipeline capacity, upgrading this infrastructure.

There is no silver bullet to bring down gas prices in the short term. America must increase domestic exploration and refinery capacity. Alternative and renewable fuels, too, play an important part of our energy portfolio. I believe that America’s innovation and imagination will allow us to find sustainable and practical solutions to fuel our everyday lives.



**By Senator Max Baucus**

**S**kyrocketing fuel costs are draining wallets across Montana and around the country. It’s creating a strain – all Americans need help and they need it sooner rather than later.

One of the industries in our state that’s getting hit the hardest is our agricultural industry with fuel costs through the roof. That’s why I worked together with my one of my Senate colleagues – Sen. Kent Conrad (D-N.D.) – on a measure to provide producers with a \$1.5 billion in direct pay-

ments to help pay for high fuel and input costs. The measure was included in the Emergency Supplemental that the Senate passed in May. The bill will now be considered by a joint House-Senate conference committee before being sent to President Bush. Montana producers can count on me to fight tooth and nail to get these long overdue and much-needed dollars.

We need to find ways to lessen our dependence on foreign oil – that will ultimately help us combat these astronomical gas prices. That’s why I included provisions in last year’s energy bill and in my energy competitiveness bill this year to cut the strings that tie us to foreign energy sources and help boost domestic production.

One of the programs that will especially help Montanans is the Clean Renewable Energy Bonds. CREBs give

government and tax-exempt entities, such as cities and rural electric co-ops, federal incentives for producing alternative energy. The program will provide \$800 million in tax credit bonds over the next three years for wind projects across the country.

In Montana 35 towns and counties filed applications for CREBs. Since the interest in this program is low, I want to extend the program for three years as part of my Energy Competitiveness Act. I want to do all I can to harness natural energy and increase production in our state and create more good-paying jobs and boost our state’s economy.

We have many challenges ahead in achieving true energy dependence, but I’m confident that by working together we can boost domestic energy production in Montana and our country and lessen our dependence on foreign oil.



## YOUTH TOUR ISSUE COMING

**Y**outh Tour students have a chance to take over *Rural Montana* magazine again this year and pick up some pocket change.

Any of the 40 students from Montana, North Dakota and Idaho going on the tour June 10-15 can win \$50 for either a cover photograph or a lead story in the magazine. Other stories and photographs inside will qualify for smaller cash awards.

Last year's students wrote thoughtful stories and took

creative photographs for the September *RM*. This year the student work will appear either in September or the October's National Cooperative Month issue.

The picture above, which ran inside the front cover on the contents page of the magazine, features these coop delegates, from left, Kendra Stepler of Lower Yellowstone, Megan Meis of Marias River, sponsored by Central Montana, and Kristi Jo Dull of Valley Electric.

## MECA CONNECTIONS

### New Planner on staff

**J**oining the Statewide Office of the Montana Electric Cooperatives' Association is Lea Upshaw, program and event specialist, who hails from Great Falls, where she lives with her husband, Joe, a daughter, Julia, 12, and sons Tim, 9, and Sam, 5.

Lea (pronounced *Lee*) is a Montana native originally from Chinook and a graduate of the School of Business at the University of Montana with a bachelor's degree in organizational communication studies.

She is the former director of catering at the Holiday Inn Parkside in Missoula, where she has set up events for the Montana Electric Cooperatives' Association.

"My specialty is planning events," she said, "and I'm glad to be working in it."

Lea replaces Niki Schultz, who resigned to move to



Lea Upshaw

Idaho. She will put her 10 years of event planning experience to work in organizing the MECA safety/loss control program events and activities as well as Montana ACRE, the association's political action committee and other conferences and programs.



## By Representative Denny Rehberg

news is that Montana can be a leader in achieving energy independence, without threatening the environment.

In Montana we have a wealth of options in solving America's energy woes. We also have some of the most pristine hunting and fishing areas in the world, and no one wants to see them threatened.

Environmental obstructionists and supporters of energy production need to meet each other halfway. A new refinery hasn't been built in the U.S. in 30 years. This is staggering. The U.S. is the largest economy in the world with increasing oil consumption. Extreme environmental groups stand in the way of nearly every proposal that would wean the U.S. off foreign oil. Their tactics lead some to think we'd have oil derricks in our back yards and black clouds in the sky if we built a new refinery or mined coal.

Take a look at the long-standing battle in Congress to develop energy resources in the Arctic National

Wildlife Refuge. If ANWR were open for exploration, an additional one million barrels of domestic oil would be on the market every day and hundreds of thousands of good paying jobs would be created, including 2,000 in Montana. Unfortunately, ANWR isn't open for development because extreme environmental groups use scare tactics to convince certain members of Congress to keep voting against this piece of the energy puzzle.

Call me an optimist, but I believe there are ways to stabilize fuel prices in the U.S. I look at the vast coal reserves, booming oil industry, wind projects and potential in ethanol that Montana has. I know that these are all ways to grow our state's economy while making our nation energy independent. These aren't pie-in-the-sky solutions. These are real alternatives. And that's what Americans who are being fleeced at the pump want: alternatives and solutions, not hollow rhetoric and scare tactics.

**D**uring my recent visits to Montana, the high price of gas came up again and again. Montana and nearby states have the lowest average prices in the U.S., but we're still paying too much at the pump. This threat to working families and the economy by out-of-control gas prices underscores the need for energy independence.

In the past, we've been able to easily identify a reason for a surge in gas prices. In the wake of Hurricane Katrina, gas prices rose because refinery and pipeline capacity took a hit. This year, the reasons for the pinch at the pump aren't so clear. The good