

AMERICA Needs America's ENERGY

Q & A

with Mark A. Stansberry



Photo by Mandy Stansberry Photography

Why did you decide to write *America Needs America's Energy* now?

Four years ago, in my book *The Braking Point*, I expressed my view that America and the world were facing an energy crisis, but our energy problems could be solved. I stressed that failure to deal with this problem effectively would threaten our nation's economic prosperity, compromise our national security, and could radically alter our way of life. Today, the United States still does not have a strategic energy plan. So, in this new book, *America Needs America's Energy*, I advocate that, as consumers of energy, we should drive the process, evaluating how we can best leverage our natural resources here at home to ensure long-term energy independence and security. Ultimately, creating an energy plan to achieve those goals is going to be up to us.

What qualifies you as an expert on energy?

I am a native Oklahoman who has been directly involved in the energy industry for over thirty-five years. I am the founder and chairman of The GTD Group, and in 1992 I went into the CNG/NGV business. I have testified before the US Senate Energy and Natural Resources Committee, appeared on TV including CNN, and been quoted in newspapers such as *Wall Street Journal Market Watch* columns. I host *The Weekly Roundtable*, a radio show in Tulsa that discusses energy issues of interest with leaders in the industry. I am also a former president of The Energy Advocates, a nonprofit public education organization based in Washington, DC and Tulsa. In 2001 I cofounded an independent film production company with Academy Award-winning producer Gray Frederickson (*The Godfather: Part II*). We have worked together again, this time as producers of a documentary film *The GET (The Grand Energy Transition)* about the future of energy, based on the book by Oklahoma energy leader Robert A. Hefner III.



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Why is it so important for America to establish energy independence?

Our national security has long been one of the most important assets we cherish. Today, nothing in America moves without energy, but the definition of energy security isn't confined to fuel for transportation. It also extends to power generation. To be independent means not just avoiding foreign oil, but creating a forward-thinking infrastructure that provides for our lifestyle needs. Whenever we flip a switch in this country, the power for our TV, air conditioning, or light comes on. We take this energy security for granted—an attitude that ultimately could prove dangerous for our economic and national security well-being. *America Needs America's Energy* explains how we can accomplish that goal.

Energy security is based on an energy plan in which we all conserve and work to determine how we will obtain more oil and gas, or wind power, or solar power—or any of the other alternative sources now becoming available—to meet the demand. It is one thing to conserve, but we still must have energy. Energy security ensures we have the reliable energy sources to meet our needs that are available within our own country, as well as from friendly neighbors in North America, such as Canada and Mexico. The energy dependence we suffer from today costs us economically, in the form of high prices and lost jobs. If we develop a People's Energy Plan, it will lead us to economic prosperity and energy security.

What are the major variables that impact the energy industry in America?

The major moving parts that impact us in the energy industry can include peaking production, increasing demand, terrorism, and inadequate government policy. The good news is that recent finds of oil and gas reserves in our country mean production is far from peaking, and demand continues on the upside for both transportation and power generation in a digital age. Meantime, we face continual terrorist threats and suffer from government policy focused solely on alternative energy options that, while potentially attractive in the long-run, cannot meet the demand in our country in the near future.

How has the energy picture changed in the past five years, from a global perspective?

In 2008 the BRIC countries (Brazil, Russia, India, and China) were the focus, with economic experts predicting they would become the growing powers of the twenty-first century. As the world's consumption continued to increase, analysts thought it might be difficult for current levels of production to satisfy demand. Today, China is already taking 38 percent more oil from the Middle East than the United States, and its electricity consumption is projected to nearly triple over the next decade. But the world remains heavily dependent on oil from Saudi Arabia, Russia, and Iran—all of which are politically unstable. The United States remains the number one consumer of oil in the world, using more than 19 million barrels per day, which makes a strong case for why “America needs America's energy.”



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What are the driving forces behind the price of gas at the pump, and how can energy independence reduce that cost?

The key factors that impact the price at the pump are high demand, low inventories due to the level of demand, supply snags that include weather-related events and geopolitical crises such as the threat to close the Strait of Hormuz, the Cartel crunch caused by OPEC deciding how much oil they will produce, costly environmental regulations and terrorism threats, and an infrastructure that is vulnerable because it is so antiquated. Then add to that a whopping forty-five cents per gallon just for federal and state taxes that are supposed to be put in the Highway Trust Fund for construction and repair of roads and bridges. If this country can achieve true energy independence by relying on our own sources of energy or those of countries friendly to us, we could eliminate several of these factors that drive up the price we all pay at the pump.

What are the most common misconceptions about the energy industry?

For years the public perception of the energy industry has been that of fat cats, ruthless J. R. Ewing types who make a killing off oil in their own backyard, when nothing could be further from the truth. Today 60 percent of our domestic oil production comes from thousands of average Americans who operate wells producing ten barrels or less a day but provide these people with a living. And now, hundreds of everyday citizens who own land and royalty rights in Pennsylvania, for example, are benefiting from oil and gas lease bonuses.

As for “windfall profits,” US oil and gas companies’ net profit margins lag far behind the periodical publishing, software, brewing, wireless communications, and entertainment industries. Another bogus idea is that energy companies do not pay their fair share of taxes when, in reality, they pay corporate income taxes, severance taxes, gross production taxes, and ad valorem taxes. (Those gross production taxes account for 10 percent of state sales tax revenues each year that support our local roads and schools.) This is another good reason why “American needs America’s energy” because relying on our own sources not only adds to our tax coffers, but creates jobs that stimulate the economy.

What are the primary sources of energy available in America today that can be developed to help achieve energy independence?

As previously stated, today America is blessed with an abundance of traditional natural resources including oil, natural gas, and coal, which can be explored and developed to help meet our energy needs. In addition we possess a host of alternative options, including renewables, such as hydroelectric, nuclear fission, wind, solar, geothermal, and biomass, that can be added into the mix to achieve our goal of total energy independence.



How can America balance its need for energy with environmental concerns?

If we continue to rely solely on oil or using fossil fuels alone, the environmental impact will exist in the form of our carbon footprint. We enjoy a wealth of indigenous sources in this country, many of which burn cleaner than oil and coal. But until we are able to fully develop those cleaner technologies, we must strike a reasonable balance between our energy needs and environmental preservation. Today, energy companies in the Bakken and other places around the country are trying to survive, but they are now burdened with rigid laws, rules, and regulations. Although reasonable regulations are welcome in the energy industry, burdensome ones are very costly to business and consumers in our country.

How can American consumers participate in creating an energy plan for our country?

The first step we can take is to conduct a self-audit of our own personal energy use. In *America Needs America's Energy*, I provide a sample copy of a standard report that homeowners in metro Nashville receive following a voluntary in-home energy evaluation (audit). This Energy Action Plan shows participants the projected energy savings associated with each recommended measure, such as insulating your water heater or attic.

Following that, I have provided Personal Energy Evaluation Journal forms for the years 2012 through 2016. The idea is to create your own personal energy plan for 2012 based on the evaluation and then develop it for the next five years. For instance, your goal for 2013 may be to convert your car to CNG, or add solar panels to your home, or investigate alternative energy sources, such as wind, available in your area. At the end of 2013, you can check to see if you have met your goals. If not, you can either adjust your goals for the next few years, or list the steps needed to achieve your personal energy goals in the near future. You may want to include others in this initial planning stage, such as your family, your company, or your organization.

What is on the horizon for America's future energy?

In *America Needs America's Energy*, I describe two forward-thinking technologies still in the early stage of development: nuclear fusion and nanotechnology.

Nuclear fusion has several major advantages over nuclear fission: no radioactive nuclear waste products, no threat of nuclear meltdowns, and the fuels produced by fusion that we could use are relatively inexpensive. One downside is that the ignition temperature of nuclear fusion is very high.

Nanotechnology promises a potentially bright future for the energy industry. According to the Baker Institute Energy Forum at Rice University, breakthroughs in nanotechnology hold the possibility of going beyond current sources of energy supply, particularly through technologies that can introduce materials more efficient, inexpensive, environmentally safe, and stronger and lighter than steel. For example, nanotubing and other nano-based materials could transport electricity over longer distances at increased efficiencies.



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What are the environmental concerns about hydraulic fracturing, known as “fracking,” and how is the natural gas industry addressing them?

Consumers need to know that the hydraulic fracturing process, or “fracking” as it is more commonly known, has been in use for more than sixty years. Once the drilling of a well has been completed, the shale is cracked by tiny ruptures, allowing the application of water, sand, and a small amount of chemical additives to release natural gas. In *America Needs America's Energy*, I explain that there have been minimal reports of improper disposal of wastewater and that energy companies involved in fracking realize the importance of water resources for generations ahead, so they are applying technology to clean and reuse water. Many companies even post information about the fracking fluids they are using.

Explain why you believe that America is inevitably moving toward a hydrogen economy and how that will impact the consumer.

First, the use of hydrogen greatly reduces pollution. When hydrogen is combined with oxygen in a fuel cell, energy in the form of electricity is produced. This electricity can be used to power vehicles, as a heat source, or applied to other uses. Second, hydrogen can be produced locally from numerous sources. Hydrogen gas can be produced from methane (natural gas), for example. Lastly, if hydrogen is produced from water, we have a sustainable production system.

What is the mission of The Energy Advocates, and how can people interested in this subject learn more about energy independence?

The Energy Advocates is a nonprofit organization that I am proud to have been involved with for fourteen years, and I was honored to serve as its president from 2003–2009. Since its founding in 1974, The Energy Advocates have been committed to sharing the truth on the economic, environmental, and security issues facing the energy industry. The group's mission is to educate the American public about its vital energy industry and energy policy issues in a balanced and unbiased manner. The Energy Advocates's vision is for America to achieve a clear and balanced energy policy that includes all forms of energy through grassroots initiatives. I encourage people to visit www.EnergyAdvocates.org.

