



2008 ENERGY REPORT

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If you would like more information on what America needs to do to achieve energy independence visit Murphy.house.gov. There you will find Congressman Murphy's Declaration of Energy Independence, along with valuable tips on what you can do to conserve energy and save money.

A copy of the U.S. Department of Energy's Energy Savers: Tips on Saving Energy and Money at Home is also available. You can sign up to receive email updates on Congressional action and energy policy, along with healthcare, seniors, veterans and other important topics. You may also call Congressman Murphy's office at (412) 344-5583.

Your link to Congress is at: <http://murphy.house.gov>

To receive regular updates by e-mail, sign up for Congressman Murphy's E-newsletter.



U.S. House of Representatives Congressman Tim Murphy

Dear Friend,

Whether you are concerned about the environment or your family's wallet we cannot ignore the importance of dealing with America's energy needs. Energy costs money and expensive energy costs jobs. In Southwestern Pennsylvania, tens of thousands of jobs are directly dependent on coal, nuclear and natural gas energy. We stand at a critical crossroad: if we fail to deal with our energy needs in a responsible way we will face not only the concerns about our environment, but will face economic recession and major job losses.

We as a nation must be more aggressive in pursuing our own energy. Yes, Congress passed legislation that promotes renewable energy from wind and solar power. And yes Congress has taken steps towards greater conservation of oil. But these steps are not enough to meet the growing demands for affordable energy. A year ago oil sold for \$50 a barrel and gasoline was \$2.50. Now oil is selling for \$100 a barrel and gasoline prices climb. As we spend more on energy, it means less money for our families, farms and factories. In a competitive world we cannot afford this trend if we are going to keep our jobs.

We are continuing to allow OPEC nations to call the shots for our economy and becoming more dependent on hostile countries for oil. When OPEC manipulates production, world oil prices soar. When we buy oil from countries with a history of supporting terrorism we are essentially funding both sides of the war on terror. In the meantime Congress is blocking exploration for American oil, keeping us from valuable energy sources that could grant us energy independence. I have consistently voted to increase environmentally responsible exploration of American energy and opposed efforts to block it.

Throughout America--and especially here in Pennsylvania--we are sitting on top of a 300 year supply of coal. Breakthrough research on coal energy will lead to clean coal power plants that virtually eliminate pollution. If we make the investments into research and development we can produce clean electricity. Yet Congress keeps avoiding this abundant energy resource.

We also limit development of the natural gas resources we need to heat our homes and for manufacturing. Natural gas costs several hundred percent more in the U.S. than in other countries. Dramatic cost increases in the U.S. are pushing manufacturers of chemicals and fertilizers to close down plants here and build new ones in the Middle East.

America's energy problems can be solved with American energy. Our efforts at conservation must increase, we have to diversify into more sources of energy and explore the resources we have. The costs of taking all of these steps correctly will be substantial, but the cost of doing it wrong is something we can never afford. Job security and national security dictate we must take action.

This newsletter lays out several of the federal policies that can promote America's energy independence. I am very interested in your ideas of what we can and should be doing to face this challenge. Please take a few moments to read about some of the actions (and missed opportunities) Congress took this last year, and what needs to be done to get our nation in the right direction. Please contact my office at any time (412)-344-5583 or thru my website at Murphy.house.gov.

Sincerely,

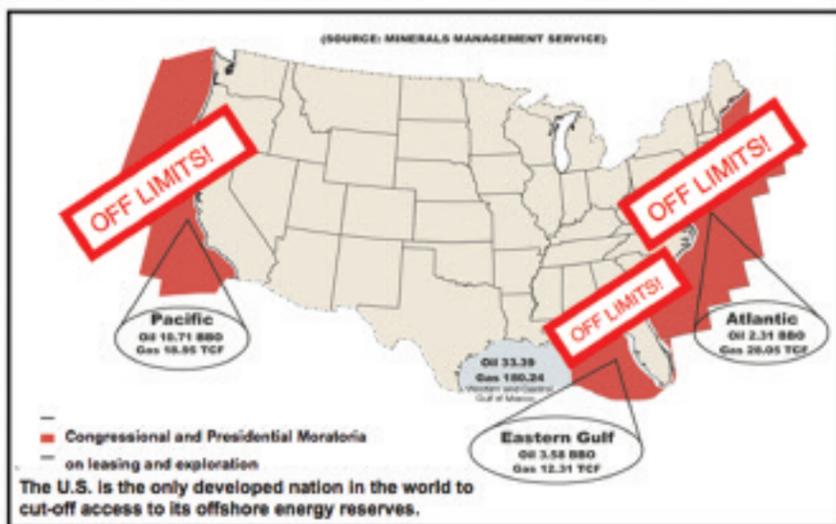
Tim Murphy

The Need for More American Energy

OIL:

In the early eighties, Congress and the White House put a “temporary” ban on offshore energy exploration of the Outer Continental Shelf (OCS), ranging from three miles to 200 miles offshore. The ban has been maintained ever since, making the U.S. the only industrialized nation that will not allow offshore exploration and production of our own natural resources. Meanwhile, China and Cuba are drilling within 60 miles of our Florida coast.

Congress has placed over 85% of our Outer Continental Shelf Off Limits



Forces in Congress have also blocked exploration of shale oil in the West, and oil in Alaska. The U.S. contains 70 percent of the world’s shale oil reserves, enough to supply our country with energy for hundreds of years if we are allowed to use it. Last year the House of Representatives cut off access to 2 trillion barrels of shale oil in the Western states, forcing us to import 60 percent of the oil we use.

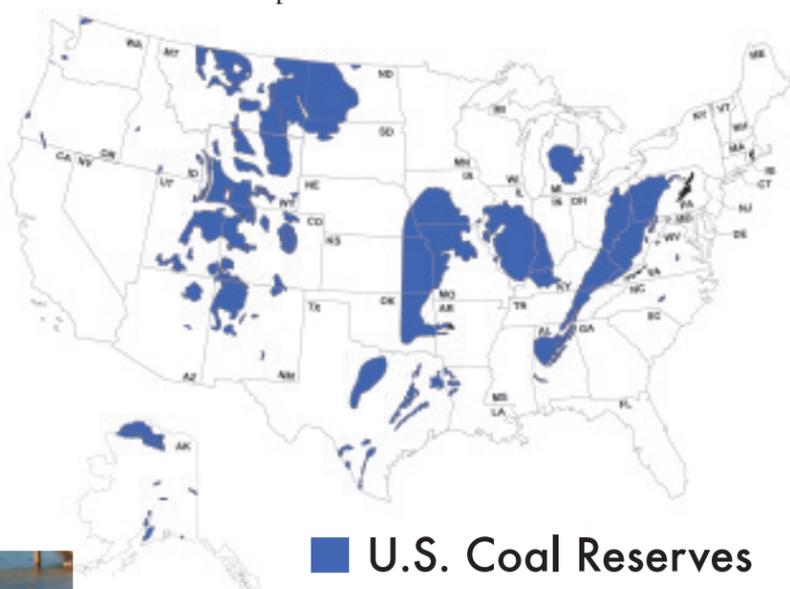
We can also reduce the demand for oil by increasing fuel efficiency in cars and improving our inefficient road and mass transit system. For instance, using coordinated traffic signals at intersections can save thousands of dollars in fuel costs each year per intersection. One Pennsylvania community put timed traffic signals at six intersections at a cost of \$25,000. The changes led to \$55,000 in annual fuel savings for drivers in the community. But conservation will only take us so far. If we do not increase access to our own oil we cannot affect the supply market of oil prices.

CLEAN COAL:

In Southwest Pennsylvania alone 50,000 jobs are dependent on coal. Whether it is coal mines, equipment suppliers, transporters or users, coal is essential to our economy. Coal provides more than half of our electricity and is far cheaper than most other sources—about half the cost of wind energy, a quarter the cost of natural gas and a small fraction of solar energy.

By 2050, the energy demands of this country will double. We now have 400 aging coal power plants that must be replaced with clean coal plants. We must also build 400 additional plants. But these plants cannot be built without pollution controls. Our local universities and the National Energy Technology Lab in South Park are uniting to find ways to make these plants emissions free. The research and development to get us to zero emissions coal plants are estimated to be near \$8

billion dollars. Without that research, we will not be able to meet the clean coal electricity demands of the future in the USA. Meanwhile, China is starting up a new coal plant every week with no pollution controls.



Global Natural Gas Costs – 2nd Quarter 2007 (\$US per million BTUs)



NUCLEAR:

Southwestern Pennsylvania is a leader in the development of nuclear technology. Nuclear energy is cheaper, cleaner, and more efficient than other sources of energy. However, no new nuclear plants have been built in the U.S. in the last three decades. Westinghouse Nuclear in Monroeville is hiring hundreds of workers to meet the anticipated demands for new nuclear plants in other countries. Congress must take action here at home by developing policies so that we too can build new, clean nuclear power plants. There are 100 aging plants that must be replaced and an additional 100 will be needed to meet future demands. All of this means more jobs for our region if we are committed to this source of clean energy.

WIND:

Renewable technologies such as solar and wind power are expanding rapidly and will continue to do so, but they simply cannot match clean coal in terms of delivered power.

Wind energy is not dependable as weather patterns constantly change. If there is no wind, no energy can be produced. In August 2007, power from West Virginia's largest wind farm was available only about 10 percent of the time that it was actually needed. At this rate, about 3,000 windmills would be necessary to equal the useful output of just one coal plant. And this only works when wind is at optimal speed. We need to harness wind power, but it alone will not be sufficient. Congress must encourage the development of technology that will make wind power more efficient.

SOLAR:

The largest solar panel array in the United States is under construction at Nellis Air Force Base in Nevada. It is going to cover 140 acres of desert with 70,000 solar panels, but will produce only about 2 percent of the output of a modern coal-fired power plant. At that rate, 11 square miles of Pennsylvania would be needed to replace one coal plant.

Southwestern Pennsylvania is a leader in developing new technology to make solar energy more affordable and efficient, but more work needs to be done before it can be implemented on a large scale. Congress needs to invest in solar power research to improve its efficiency and use.

AMERICAN ENERGY INDEPENDENCE = AMERICAN JOBS

Since 2001, Pennsylvania has lost more than 200,000 manufacturing jobs. Across the country, 90,000 jobs at chemical manufacturers who rely on natural gas have been lost to countries such as Kuwait where natural gas is cheaper. Achieving energy independence will not only keep these jobs in the U.S., but will lower the cost of production, adding new jobs and boosting the economy.

AMERICAN ENERGY INDEPENDENCE = NATIONAL SECURITY

Already the world has seen countries that control energy sources use it as a weapon. Russia controls most of the natural gas through the European Union. It has already temporarily cut off natural gas supplies to Ukraine and Belarus over political and economic disputes. After Russia doubled the cost of natural gas to Ukraine in 2006 and increased it again by 37 percent in 2007, Ukraine’s inflation rate has jumped to 16.6 percent, the highest in Europe. In the last year, the cost of food there has increased by 25 percent.

Imagine if the U.S. was just as dependent on Saudi Arabia, Iran, Venezuela, and similar countries for its energy supply. They would control our economy and foreign policy with the ability to cut off our energy supply.

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