

# Energy Independence Fund

By Mark Paul

## The Issue

There are three destabilizing & growing forces that are causing serious energy problems:

[1] "Hubbert's Peak:" U.S. oil production peaked in 1971. World oil production will peak this decade.

[2] Growing demand: Third-world countries' growing needs for energy (oil)

[3] Fanaticism: Political and religious leaders of oil-producing (non-democratic) nations allowing and enabling terrorism.

These destabilizing forces are causing chaos in first-world democratic nations, leading to uncertainty, inflation, lack of security, loss of jobs and a resultant decrease in freedom & liberty: the very bedrock of a democratic society.

Since the first oil shock of 1973, the U.S. has grown from 25% dependency on foreign oil to about 60%. Neither party has solved the problem. In fact, political squabbling has enabled our democracy - and economy - to grow weaker, not stronger. What is needed is a bipartisan solution that will enable the U.S. to become a net-exporter of renewable energy, with a defined time-frame, objectives, resources and dedication.

## The idea

The United States federal government needs to create an *<i>Energy Independence Fund</i>*. This fund, through "VC" type of investment mechanism, is to focus efforts to become energy-independent by the year 2025. The fund will [1] encourage current energy companies to develop renewable energy sources, [2] leverage existing university & government research labs, and [3] enable start-ups to work towards the U.S. becoming a net-exporter of renewable energy.

A public/private equity venture should be developed. The public should benefit from profits, along with companies that are formed, through technology implementation. Since approximately 4% of a barrel of oil will be taxed, the public will benefit by the EIF's ownership of 4% of any companies / technologies developed through funding. This will enable win/win relationships with all participants.

There are several options on how to raise the money: the simplest is to use the week-to-week variation of gas prices (about 10 to 15 cents/gallon) to fund this effort

This fund needs to invest (via Venture Capital mechanisms) in both start-up and existing companies for research, development, commercialization, refinement, transportation, delivery in:

- [1] New fuel;
- [2] New / modified infrastructure:
- [3] Efficiency efforts:
- [4] Existing technologies, and
- [5] New technologies / processes.

The fund needs to be focused on enabling the U.S. to become a net-exporter of renewable energy. We cannot "save our way to prosperity!" We must take bold action - that leverages our technological abilities,

A full discussion of the EIF (as well as the primary research that went into this idea) can be found at: [www.energy2025.com](http://www.energy2025.com).

## **The Benefits**

The specific benefits include:

- Security & safety: Independence from foreign oil would clearly reduce threats to our security.
- Economic development: The U.S.' economic prosperity would grow substantially.
- Increase exports: By exporting energy, our trade deficit would turn into a surplus.
- Increase jobs: Our job-creation engine would stop the flow of jobs to other countries.
- Health costs & pollution: Focusing on renewable energy would substantially reduce pollution.
- Innovation / Technology: Developing new technologies would be a boon to our global competitiveness. (The moon mission generated many technology revolutions.)

### **Bold, bi-partisan thinking from political leaders is needed!**

Americans have the initiative, know-how, inspiration, dedication and drive to solve this immense problem - more so than any other country in the world. All we have to do is take action - instead of taking sides, and then "just do it!"

**Although there is no guarantee that an EIF will succeed, by avoiding these difficult decisions, we are guaranteeing future failure.**

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Two quotes come to mind:

"Do not go where the path may lead; go instead where there is no path and leave a trail." - Ralph Waldo Emerson

"We cannot solve our significant problems from the same level of thinking we were at when we created these problems." - Albert Einstein