

\$28 BILLION Spent on Middle East Oil

California's budget crisis and gasoline

This is a challenge for Californians to balance our state budget and stop spending billions and billions of our hard-earned dollars to purchase Middle East oil. At the same time reduce highway congestion and reduce our dependency on foreign oil imports.

FACTS:

In 2001, more than half of the oil imported by California refineries came from Iraq (28.2%) and Saudi Arabia (21.8%) combined that's 97,362,830 barrels of oil.¹ At \$30² per barrel, California imported almost \$3 billion dollars of oil from Iraq and Saudi Arabia alone. Do we Californians want to be that dependent on Middle East oil?

America imports 8.5+ million barrels³ of oil every single day. At \$30 per barrel Americans spend over \$93 billion every year for foreign oil imports. 30%⁴ of that \$93 billion (\$28 billion) is spent on Middle East oil.

Europe does not worry about the current "Middle East crisis" as Americans do. Why? Europeans use less oil drive smaller cars and have an excellent mass transit system.

In 1992 Californians used 13,106,435,261 gallons of gas. Eight years later Californians purchased 14 (billion),715,765,344⁵ gallons of gas (12% increase).

In 1992 Californians owned 22,210,417 vehicles. Eight years later we drove 25,557,332⁶ vehicles. In eight years we added 3,346,918 more vehicles to our roads. Each year we add 400,000 more vehicles. It's no surprise we now have gridlock and road congestion everywhere.

California has a \$30 billion budget deficit. Our state legislature proposes to eliminate that debt through tax increases and cuts to education, mass transit and other state programs. Californians are going to pay more taxes and have fewer services. Californians have a unique opportunity to reduce oil imports and balance the state budget at the same time. We could increase the gasoline tax instead of taking money away from education and increasing other taxes. With a little adjustment most of us can offset the cost of an additional gas tax by switching to a more gas efficient car.

Californians currently pay about 48¢ a gallon in gasoline taxes and for 20 years have been talking about reducing our dependency on foreign oil. Europe solved the problem 20 years ago by putting about \$2 of new tax on each gallon of gas. As a result Europeans use smaller cars and they depend less on Middle East oil.

We can balance our budget without increasing sales taxes, without increasing income taxes and without increasing car registration fees. We don't have to take money away from our cities, our schools and our counties. Raise the gasoline tax and Californians will have the money they need for our schools, libraries, police or we can purchase more oil from other countries.

U.S. Dept. of Energy reports, that in 2001, America imported 55% of our domestic oil use.⁷ One of the reasons many Europeans believe our interest in Iraq is more about our oil needs than about our security.

A 75¢ a gallon tax, phased in at 15¢ per year over five years, could raise enough money to avoid increasing sales taxes, income taxes or car registration fees. A motorist who switches to a 25% more gas-efficient vehicle would hardly even feel the gas tax increase. Every one wins. The state balances its budget. We have less highway congestion and we use less imported oil.

A gas tax gives us the incentive to purchase fuel-efficient cars, carpool or use mass transit. All of which reduce highway congestion. Increasing sales taxes, payroll taxes and car registration fees does nothing to reduce highway congestion nor do these taxes reduce our dependency on Middle East oil.

CONTRACT WITH CALIFORNIANS:

Our legislature agrees to reducing state spending by \$20 billion (no smoke and mirrors) and we Californians agree to a 75¢ gas tax phased in over five years (15¢ per year). A win-win for everyone.

We could let the legislature squeeze the extra money out of us with a 100 different tax schemes to balance the budget. Or, with a gas tax, we can make California a better place to live in and less dependant on foreign oil.

Want to help promote a gasoline tax? Send an e-mail to StanShore@ihot.com Write your state senator and assemblyperson. Want to help pay for more gas tax ads? Send your \$25, \$50, \$75 or \$100 check to:⁸

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Thank you.



Stan Shore
A concerned Californian citizen.

1. www.energy.ca.gov
2. Bloomberg Energy News; www.bloomberg.com
3. Energy Information Agency; <http://eia.doe.gov>
4. Oil Imports <http://www.cis.state.mi.us/impsc/reports/energy/>
5. Gross Taxable Gasoline; California Board of Equalization

6. Table J-5, Dept. of Motor Vehicles.
7. News release Energy Information Administration, U.S. Dept. of Energy, 20 November, 2002
8. Donations are not tax deductible. Donors receive accounting of all money received and spent.