



America is addicted to foreign oil.

It's an addiction that threatens our economy, our environment and our national security. It touches every part of our daily lives and ties our hands as a nation and a people.

The addiction has worsened for decades and now it's reached a point of crisis.

**In 1970, we imported 24% of our oil.
Today it's nearly 70% and still growing.**

Oil prices have come down from the staggering highs of last summer, but lower prices have not reduced our dependence on foreign oil or lessened the risks to either our economy or our security.

If we are depending on foreign sources for nearly 70% of our oil, we are in a precarious position in an unpredictable world.

In addition to putting our security in the hands of potentially unfriendly and unstable foreign nations, we spent \$475 billion on foreign oil in 2008 alone. That's money taken out of our economy and sent to foreign nations, and it will continue to drain the life from our economy for as long as we fail to stop the bleeding.



Projected over the next 10 years the cost will be \$10 trillion — it will be the greatest transfer of wealth in the history of mankind.

America uses a lot of oil. Every day 85 million barrels of oil are produced around the world. And 21 million of those are used here in the United States.

That's 25% of the world's oil demand. Used by just 4% of the world's population.

Can't we just produce more oil?

Consider this: America imports 12 million barrels a day, and Saudi Arabia only produces 9 million a day. Is there really more undiscovered oil here than in all of Saudi Arabia?

World oil production peaked in 2005. Despite growing demand and an unprecedented increase in prices, oil production has fallen over the last three years. Oil is getting more expensive to produce, harder to find and there just isn't enough of it to keep up with demand.

The simple truth is that cheap and easy oil is gone.

But America is focused on another crisis: The economy.

All Americans are feeling the effects of our recent downturn. And addressing this problem is the top priority of our nation. This is more than bailing out a bank, an insurance firm or a car company. The American economy is huge and has many facets.

To make a real and lasting impact we must seek do more than create new jobs and opportunities today, we must build the platform on which our economy can continue to grow for decades to come.

There is nothing more important to the present and future of our economy than energy. Any effort to address our economic problems with require a thorough understanding of this issue and willingness to confront our dependence on foreign oil and what domestic resources we can use.

It is a crisis too large to be addressed by piecemeal steps. We need a plan of action on scale with the problems we face. That is the spirit in which the Pickens Plan was conceived. The Pickens Plan is a collection of steps that together form a comprehensive approach to America's energy needs.

The Pickens Plan.

There are several pillars to the Pickens Plan:

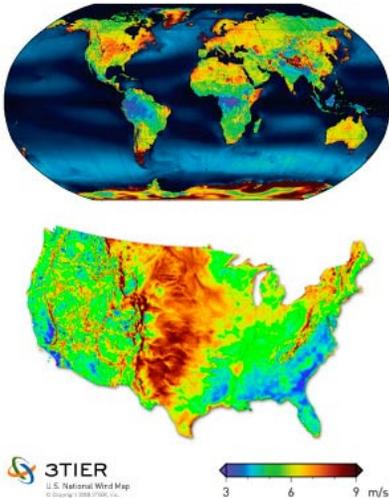
1. Create millions of new jobs by building out the capacity to generate up to 22 percent of our electricity from wind. And adding to that with additional solar capacity;
2. Building a 21st century backbone electrical grid;
3. Providing incentives for homeowners and the owners of commercial buildings to upgrade their insulation and other energy saving options; and
4. Using America's natural gas to replace imported oil as a transportation fuel.

While dependence on foreign oil is a critical concern, it is not a problem that can be solved in isolation. We have to think about energy as a whole, and that begins by considering our energy alternatives and thinking about how we will fuel our world in the next 10 to 20 years and beyond.

New jobs from renewable energy and conservation.

Any discussion of alternatives should begin with the 2007 Department of Energy study showing that building out our wind capacity in the Great Plains – from northern Texas to the Canadian border – would produce 138,000 new jobs in the first year, and more than 3.4 million new jobs over a ten-year period, while also producing as much as 20 percent of our needed electricity.

Wind speed over land



Building out solar energy in the Southwest from western Texas to California would add to the boom of new jobs and provide more of our growing electrical needs – doing so through economically viable, clean, renewable sources.

To move that electricity from where it is being produced to where it is needed will require an upgrade to our national electric grid. A 21st century grid which will, as technology continues to develop, deliver power where it is needed, when it is needed, in the direction it is needed will be the modern equivalent of building the Interstate Highway System in the 1950's.

Beyond that, tremendous improvements in electricity use can be made by creating incentives for owners of homes and commercial buildings to retrofit their spaces with proper insulation. Studies show a significant upgrading of insulation would save the equivalent of one million barrels of oil per day in energy by cutting down on both air conditioning costs in warm weather and heating costs in winter.

A domestic fuel to free us from foreign oil.

Conserving and harnessing renewable forms of electricity not only has incredible economic benefits, but is also a crucial piece of the oil dependence puzzle. We should continue to pursue the promise of electric or hydrogen powered vehicles, but America needs to address transportation fuel today. Fortunately, we are blessed with an abundance of clean, cheap, domestic natural gas.

Currently, domestic natural gas is primarily used to generate electricity. It has the advantage of being cheap and significantly cleaner than coal, but this is not the best use of our natural gas resources.

By generating electricity from wind and solar and conserving the electricity we have, we will be free to shift our use to natural gas to where it can lower our need for foreign oil – helping President Obama reach his goal of zero oil imports from the Middle East within ten years – by replacing diesel as the principal transportation fuel for heavy trucks and fleet vehicles.

Nearly 20% of every barrel of oil we import is used by 18-wheelers moving goods burning imported diesel. An over-the-road truck cannot be moved using current battery technology. Fleet vehicles like buses, taxis, express delivery trucks, and municipal and utility vehicles (any vehicle which returns to the “barn” each night where refueling is a simple matter) should be replaced by vehicles running on clean, cheap, domestic natural gas rather than imported gasoline or diesel fuel.

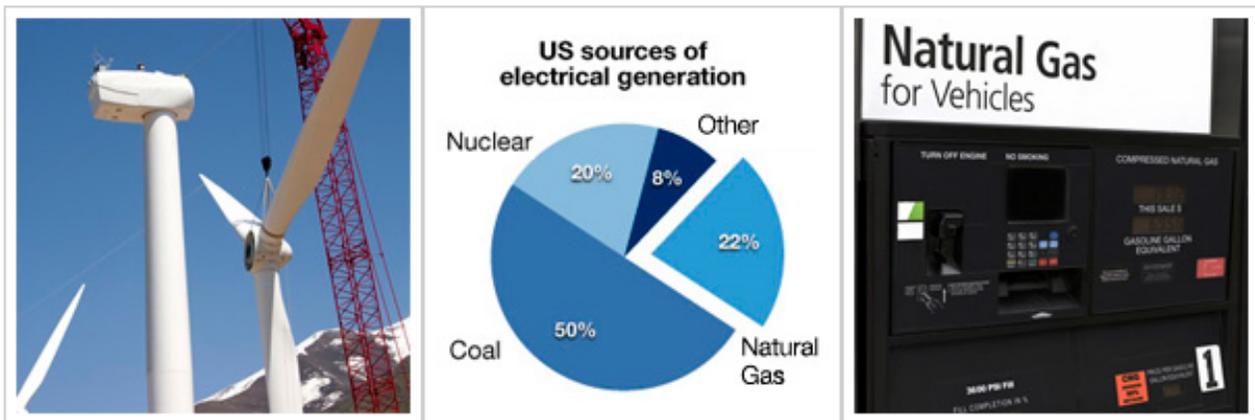


The Honda Civic GX Natural Gas Vehicle is the cleanest internal-combustion vehicle in the world according to the EPA.

A plan that brings it all together.

Natural gas is not a permanent or complete solution to imported oil. It is a bridge fuel to slash our oil dependence while buying us time to develop new technologies that will ultimately replace fossil transportation fuels. Natural gas is the critical puzzle piece that will help us keep more of the \$350 to \$450 billion every year at home, where it can power our economy and pay for our investments in wind energy, a smart grid and energy efficiency.

It is this connection that makes The Pickens Plan not just a collection of good ideas, but a *plan*. By investing in renewable energy and conservation, we can create millions of new jobs. New alternative energies allow us to shift natural gas to transportation; securing our economy by reducing our dependence on foreign oil, and keeping more money at home to pay for the whole thing.



How do we get it done?

The Pickens Plan is a bridge to the future — a blueprint to reduce foreign oil dependence by harnessing domestic energy alternatives, and to buy us time to develop even greater new technologies.

Building new wind generation facilities, conserving energy and better utilizing our natural gas resources can replace more than one-third of our foreign oil imports in 10 years. But it will take leadership.

We're organizing behind the Pickens Plan now to ensure our voices will be heard.

Together with President Obama and the new Congress, we can take down the old barriers and provide energy security for generations to come, while helping dig out of the recession we are in today.

As our new President has said, "Yes, we can." And together, as never before, we will.

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