



From the office of Texas Workforce Commission

Chairman Tom Pauken

Opinion/Editorial

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Lessening Our Dependence on Foreign Energy Important for Economy and National Security By Tom Pauken

Texas leads the nation in private sector growth as our state added more than 220,000 jobs this past year. A key factor in that job growth has been a robust energy sector.

Some 170,000 Texans are employed in fields like oil and gas extraction; petroleum products manufacturing; electricity generation and distribution; natural gas distribution; and pipeline transportation. Over the past 12 months Texas added 5,400 jobs in these fields. It is estimated that the energy industry accounts for nearly 400,000 total jobs across Texas and provides \$35 billion in wages.

A robust domestic energy sector is important for a number of reasons: 1) It is one of the few areas of the economy where U.S. manufacturing is still strong. 2) A healthy domestic energy industry provides good-paying jobs for Americans. 3) The more we produce energy here in the United States, the less we are dependent on unstable, foreign energy sources from the Middle East and Venezuela, where Hugo Chavez (a would-be Fidel Castro) remains in power. 4) The stronger our domestic energy industry here in the United States is, the lower our trade deficits will be.

Speaking of our trade problems, we currently are heading toward a \$600 billion trade deficit annually if recent trends continue. Much of that trade deficit results from our need to import oil from overseas. In the month of May, the United States ran a trade deficit of \$50 billion. Petroleum imports amounted to nearly \$40 billion in that month.

By making it a priority to produce our energy here – and keep it here – we would be able to lower our trade deficits substantially while providing good-paying jobs here in the United States.

Unfortunately, the Obama administration is promoting tax and regulatory policies which increase our dependence on unstable foreign energy sources. For example, the President continuously has advanced proposals to take away incentives for domestic oil and gas production during his two and half years in office. Moreover, his bureaucratic appointees to run the Environmental Protection Agency (EPA) have been

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extraordinarily aggressive in our state, as well as nationally, in imposing heavy-handed regulations on refineries, coal powered plants and other key components of our domestic energy industry. The President attacks “big oil,” but he neglects to mention that our energy companies have paid more than \$2.2 trillion in taxes to state and federal governments over the last 25 years, according to a study by the Tax Foundation.

President Obama keeps touting “green energy” jobs as he follows a model promoted by the Socialist government in Spain (where the unemployment rate is more than 20 percent). Yet, according to a study conducted by Professor Gabriel Calzada for the Universidad Rey Juan Carlos, those “green energy” jobs cost in excess of \$750,000 per job in government subsidies.

Instead of targeting the energy industry with higher taxes and burdensome regulations, we should implement a business tax system that rewards employment and capital investment in the United States. That’s a real stimulus plan which will begin rebuilding our manufacturing base, bring jobs home to America, and lessen our dependence on foreign energy.

Tom Pauken is Chairman of the Texas Workforce Commission and author of Bringing America Home.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.