Opinion

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Guest commentary: We can't drill our way to lower gas prices

By Dan Becker and James Gerstenzang Apr 3, 2012

The drill babies are back, touting Exxon-Mobil's wish list under the guise of cutting the price of gas. But the truth is we're already on the way to reducing what we spend on it.

In this political season, we're hearing the broken-record answers to $4 gas: Drill, baby, drill, build the Keystone XL pipeline and raid emergency reserves.

None will solve the price problem today or in years to come. Each feeds the United States' oil addiction. Each risks damaging the environment or draining strategic supplies. Most important, this noisy debate over supply misses the point: Nothing will cut gas prices right now. But by reducing how much gas we use — by reducing demand — we are already on the road to cutting fuel bills.

With 98 percent of the world's oil reserves in the hands of other countries and an international cartel exerting a powerful hand on prices, the United States cannot control what we pay each day at the pump. Under President Barack Obama, drilling already is up 12 percent. Nonetheless, prices have risen. Even new drilling every place that has the oil industry panting would not provide enough to reduce prices significantly.

The U.S. Energy Information Administration estimates that new drilling on the outer continental shelf would not affect prices over the next decade and would cut them by only three cents a gallon in 2030.

As Oppenheimer & Co.'s top oil analyst, Fadel Gheit, told CBS News, "If we drill in the middle of Manhattan and everybody drilled in their backyard we would not have enough oil to move the global market."

The proposed Keystone XL pipeline also is a dry hole. It would pump heavily polluting low-grade tar sand oil from land-locked Alberta, Canada, to Texas portside refineries. Most of the finished product would be loaded onto tankers and sent to foreign ports, not U.S. gas stations. We'd shoulder the potential environmental pain — pipeline leaks and refinery pollution — for little domestic supply gain.

Tapping the Strategic Petroleum Reserve makes no sense. Iran is threatening to shut the Strait of Hormuz, through which nearly 20 percent of the world's oil passes each day. Do we want to reduce our emergency reserve just before we might need it? Besides, the modest amount that it would add to supply would have only a small and short-lived impact on prices at the pump. It's another non-starter.

In short, we're in a hole. We can't drill or pump our way out. That is why cutting demand is imperative for a country that gulps 20 percent of the world's oil production each day.

Taking the biggest single step we can to cut our oil addiction and global warming pollution, too, the Obama administration convinced automakers to double the fuel efficiency of cars and light trucks. Like increased drilling, the administration's new mileage and emissions standards won't cut prices today. But, unlike drilling, they will help forestall the impact of future price hikes by weaning us off oil.

Cars and light trucks average 29.6 mpg, only about 4 mpg better than 20 years ago. It is obvious the carmakers haven't been burning rubber to improve fuel efficiency.

But just wait.

The administration's rules require that new cars and light trucks average 35.5 mpg in 2016. The standards increase to 54.5 mpg in 2025. They will save 12 billion barrels of oil.

To be sure, there are potential speed bumps: The people who make the cars — the auto companies and the United Auto Workers union — support the stronger rules. But the people who sell them, the National Automobile Dealers Association, have tried to block the standards from becoming final this summer.

The dealers are standing between you and saving money at the pump. More cars that sip gas rather than guzzle it are headed to showrooms. The rules will lead to more hybrids, which will become less expensive when they are produced in greater numbers. That is why more Americans are just one hybrid away from a once-elusive goal: spending less for gas because they need less of it.

We are cutting our oil addiction. This will inoculate us against future price spikes, halve autos' carbon dioxide pollution, and give us a 50 percent discount at the pump.

That's like finding a vast new oil supply — under Detroit.

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