



Republican
National
Committee

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TO: Michigan Republicans/Conservative Activists and other Interested Parties

FROM: Saul Anuzis, Republican National Committeeman-Michigan

RE: A Conservative's Case For "All of the Above"

DATE: August 17, 2012

Republicans and Conservatives ARE "green" and we ARE committed to preserving the health, economic, and spiritual benefits of our natural world for our children, grandchildren and future generations to come.

In the spirit of Teddy Roosevelt, most conservatives and Republicans are "conservationists" vs. "environmentalists." We believe in preserving our natural resources for the responsible use of all citizens. As Barry Goldwater said, "While I am a great believer in the free enterprise system and all that it entails, I am an even stronger believer in the right our people to live in a clean and pollution-free environment" (*The Conscience of a Majority* (1970)).

I'm all for "drill here and drill now," and nuclear, coal, natural gas, wind, sun and biofuels as well. I firmly believe we must be supporters of an "all the above" policy.

The United States is rich in its natural resources and can be much more energy independent than we are now. Too much of our foreign policy and military excursions are based on U.S. energy interests and our dependence on foreign energy sources.

In fact, to support and sustain our troops and bases at home and overseas, the U.S. Military is the largest American energy customer – meaning they too have a vested interest in the toll this dependence causes. Just in Iraq/Afghanistan, 10% of all casualties came while protecting fuel lines – all because of a misguided public policy that we have the power to influence and control.

The energy market, particularly here in Michigan is NOT a market-based system. We have a government-created monopoly that actually limits competition by law. Republicans and conservatives have an obligation to promote public policy reflecting that economic reality, and one that insures Michigan has viable options, reserves and resources to use.

DTE and Consumers Energy are government granted monopolies with unprecedented political clout, PACs and influence. As an example, they were able to get the legislature to pass a bill "limiting" competition to ONLY 10% of the market...by law. This is NOT a free market or even any semblance of a market economy for energy. On average, the federal government provides the fossil fuel energy industry more than \$12 billion in annual subsidies. Many have referred to this as "crony capitalism" at its best. It's no surprise therefore, that Consumers Energy and DTE Energy are opposing the "25 in 25" ballot proposal in order to protect their market position – the status quo. Each gave more than \$2.9 million, either directly or through a parent company or subsidiary, to the committee opposing the initiative.

DTE also made nearly \$200,000 in in-kind contributions and Consumers gave \$81,000 in in-kind contributions. Not to mention their considerable “investment” in political contributions and civic involvement that they’ve parlayed into political power and influence.

In fact, DTE and Consumers both used shareholder dollars, with government guaranteed rates of returns/profits to fund the campaign. See the article attached.

In the Heritage Foundation’s adaptation of their First Principles Essays, they summarized Friedrich Hayek’s insights in the Road to Serfdom that “made it clear he was not advocating a system of pure laissez-faire, but one with a general system of rules that would enable individuals to carry out their own plans. Hayek’s contribution was to stress the importance of institutions – a market system, in a democratic policy, with a system of well-defined, enforced, and exchangeable property rights, protected by a strong constitution, and operation under the rule of law, in which laws are stable, predictable, and equally applied.”

While many government and regulatory enforcement schemes have threatened marketplace competition in the past, it’s worth remembering that antitrust laws were developed by Republicans—and refined under the Rehnquist Court—to protect free enterprise. The telecommunications revolution began when Ronald Reagan enforced antitrust law and took the final step in dismantling AT&T’s government-sanctioned monopoly—and deregulating the industry. Unfortunately, once again being challenged by crony capitalism.

As someone who started a Competitive Local Exchange Carrier in Michigan, I have first-hand knowledge how important a limited and targeted regulatory structure can be. There is precedence for the conservative application of regulatory and statutory guidelines for companies that have benefited from growing too close to government protectors.

Another frustration so many of us share is that so much of our foreign policy is based on our dependence on foreign sources of energy.

Today, the United States has the potential to be totally independent of foreign oil and foreign sources of energy within some 25 years. That also means we could then base our foreign policy and more importantly, our commitment of our military men and women in harm’s way based on something else than a gallon of gas.

On a recent trip to Michigan, retired Marine Corps General Richard Zilmer said “Here at home, our oil dependence makes all Americans less secure. Our over-reliance on oil ties our hands economically. We send a billion dollars a day to other countries for oil, and some of that money ends up in the pockets of unfriendly regimes, and even finances terrorism.”

Adopting an “all the above” energy policy that encourages not only a “green” approach to consumption and production, but effectively and prudently uses every energy source available, enhances our peaceful existence in this world. With the resources available in North America, we have the ability to be self-sufficient in terms of energy for some 700 to 1,000 years by using nuclear, coal, wind, sun, natural gas and various bio-fuels. This is also allows us to continue to innovate, create and discover new sources of energy to power our needs for generations to come.

This November there is a ballot proposal to add a requirement in our constitution that would require that the government-sanctioned monopolies increase their renewable energy proposal to 25% of their production by 2025. Although I prefer this kind of proposal be done through the

legislative or regulatory process, given the political realities of the political strength and power of these government granted monopolies, this is the only viable proposal on the table.

Renewable, Michigan-made energy is vital to rebuilding our state's manufacturing sector. Credible research shows that increasing our Renewable Energy Standard to 25% by 2025, as proposed in the Michigan Energy Michigan Jobs proposal, is estimated to create 94,000 local jobs and generate billions of dollars in new [investments](#), opening the door for new opportunities for Michigan businesses, innovators and entrepreneurs.

One thing we have learned is that businesses look for certainty. A positive aspect of a constitutional amendment would be to immunize the renewable energy standard from the manipulation of power politics. Businesses will welcome the fact they know that the regulatory scheme put in place is set in stone and going forward, and they can plan and invest accordingly.

Growing Michigan's renewable energy will help us compete for jobs and opportunities with other states that are already significantly ahead. Midwest states with standards higher than Michigan's are reaping large economic benefits making parts for wind turbines and solar panels – work that could be taking place right here in communities across the state. There are 8,000 parts in a wind turbine – and every one of them can be made in Michigan.

I am proud of the fact that many of the states that are at the forefront of responsible renewable energy standards are led by Republican Governors and legislators – states like Iowa, New Jersey, Ohio and Illinois. Michigan is uniquely positioned with our industrial base and growing energy sector to be a national leader in manufacturing of renewable energy equipment and systems.

Having a diversified energy policy in Michigan and throughout our country insures we can move closer and closer to being energy independent. It creates jobs right here in Michigan. I long for the day we shed our last drop of American blood of our sons and daughters for oil.

“What is a conservative after all but one who conserves, one who is committed to protecting and holding close the things by which we live... And we want to protect and conserve the land on which we live — our countryside, our rivers and mountains, our plains and meadows and forests. This is our patrimony. This is what we leave to our children. And our great moral responsibility is to leave it to them either as we found it or better than we found it.”

President Ronald Reagan,

Remarks at dedication of National Geographic Society new headquarters building

June 19, 1984

I am a conservative, and I am supporting the 25% by 2025 ballot initiative. I urge you to join me.

Saul Anuzis
National Committeeman-Michigan