

DRIVING TOWARDS DISASTER



AS LOCAL BUSINESSES AND MANUFACTURERS ACROSS THE COUNTRY LOOK TO RING IN THE NEW YEAR, THE LATEST FINANCIAL SHOCKS FROM HIGHER ELECTRICITY, NATURAL GAS, AND DIESEL PRICES WILL INCREASE BUSINESS COSTS BY AT LEAST \$41.4 BILLION IN 2022.

Unfortunately, this is just the latest hit for businesses throughout America, many of which are already reeling from inflation, broken supply chains, and a lack of workers.

Oil has not been more than \$80 per barrel since 2014. As of November 2021, the per-gallon price of the gasoline and diesel needed to transport goods hit seven-year highs. Tractor-trailer drivers are paying **\$378** more to fill their tanks than they did last year. That is, if they can find enough diesel when they need it. **A third of independent trucking operators** recently reported limitations on diesel fuel purchases or outright shortages throughout the country, from Ohio all the way to the Southwest.

While businesses spend more to transport products - coupled with rising energy costs - consumers will end up paying more as those expenses are passed on. As those costs creep into the prices families pay for household necessities from milk and eggs to cars and trucks, the **highest inflation rate in 39 years** is likely to climb further.

This is an unfortunate and unnecessary turnaround from just a decade ago, when America's small businesses and manufacturers witnessed dramatic energy savings. As a result of the American energy renaissance, commercial and industrial users alone saved an average of **\$24 billion a year** on natural gas. These real savings made American manufacturing competitive again, leading to the reshoring of tens of thousands of jobs back to the U.S. from across the world.

As the Biden Administration **asks** OPEC to increase oil output, a major ingredient of the solution to this pandemic-sparked energy crisis lies right here at home. Current federal policies are

designed to discourage investment in American energy resources. Add in the inconsistent application of regulations, impractical solutions to achieve our environmental goals, and negative government signals to investors, and the result is no relief from higher energy costs. With policies that encourage investment in all of our nation's energy resources in a way that maintains America's world-leading environmental record, we can help American businesses remain competitive, strengthen economic growth, and secure our energy future.

INCREASED ELECTRICITY AND NATURAL GAS COSTS ON AMERICAN BUSINESSES

New England	\$1,068,349,580
Mid-Atlantic	\$4,274,213,410
East North Central	\$6,298,607,000
West North Central	\$1,957,178,580
South Atlantic	\$3,182,044,240
East South Central	\$1,863,333,000
West South Central	\$7,727,096,080
Mountain	\$1,350,795,300
Pacific	\$5,778,681,230
Total	\$33,500,298,420

Increased Diesel Cost for American Truckers

\$ 7,941,948,195

Source: EIA