



Thomas R. Cambridge

M E M O

To: P.I.R.I. Supporters

From: Tom Cambridge

Subject: Updated on the Panhandle Initiative

Date: August 18, 2016

In addition to the attached synopsis of Dr. Fine's draft on the Initiative, other exciting things are happening.

Dr. Fine is making headway on channeling information into the Trump campaign. He is also reviewing the embargo on Chinese steel which happened at the behest of U. S. steel producers during the Bush Administration. China did not even say "they want to drive U. S. producers out of business". They just arbitrarily lowered the price of China's industrial steel and flooded the world market. Similar things are happening in the oil market.

Executive action to protect American business by our government is not unprecedented! Also you may have noted that President Obama has said "I would rather use our own oil, which has been produced under environmentally cleaner conditions than foreign oil." An advisor to the Secretary of Energy, Dr. Ernest Moniz, has publically commented that "we will need fossil fuels (oil) for the next several decades" at least.

We will not totally exclude the Democratic Administration, current and future, from our objective.

Thanks,

Tom Cambridge

Energy Self-sufficiency (Security)
Synopsis by Tom Cambridge

This is a synopsis of Dr. Daniel Fine's white paper to be presented to the next president. The draft can be found at our website (www.panimportreduction.org). Dr. Fine points out the national security implications involved from the OPEC "price war" which was instituted in November 2014 and has caused the U. S. to reduce production by about 800,000 bbls/day while OPEC increased U. S. imports by a similar amount, preventing North American producers from working toward self-sufficiency in oil production.

The shale oil revolution, horizontal drilling and multi-fracing has opened new oil reserves in North America (275 billion barrels). However, we continue to import from unstable foreign sources and parts of the world that are unfriendly to us.

Most folks may not be aware the U. S. defense spending to protect the borders and water-ways of Persian Gulf countries is estimated to cost us \$50-\$70/bbl and that much of this oil actually goes to China. U. S. troops and money should not be put at risk for this purpose.

Dr. Fine calls for a plan similar to the Eisenhower plan of 1959 where quotas were put in place over time to reach a goal of only 10-12% of consumption. This was credited with encouraging domestic exploration which increased 36%.

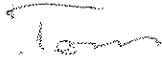
The plan lasted for 14 years, secured national reserve depletion and aided domestic exploration and jobs. The plan can also eliminate the over \$65 billion/year we are sending to the exporters and keep those dollars in our economy for reinvestment and jobs here. This transfer of wealth needs to stop.

The current situation of OPEC flooding North America with cheap oil to capture our markets has put hundreds of public and private companies with negative cash flow and inability to service debt into bankruptcies. Also approximately 400,000 people are out of work.

The current price of oil is being governed by speculation in the financial futures market, over whether OPEC will freeze production volumes or continue to produce full out. OPEC sources fuel this speculation with threats to get more market share and drive U. S. producers out of our own market. A new "proclamation of adjustment" is needed that would limit the Saudi Arabian-OPEC current crude exports to the U. S. of light crude oil of 690,000 barrels. This would then have quota of zero. This proclamation (requiring no congressional action) would be mandated by executive order no later than 30 days after the new terms of office in 2017.

The goal would be for the U. S. to be more self-sufficient and less reliant on imported oil from ISIS involved states. The price of oil would be stabilized by supply and demand in North America, and the U. S. economy and jobs would get a positive reaction.

Have a Great Labor Day,

A handwritten signature in black ink that reads "Tom". The signature is written in a cursive style with a prominent horizontal line above the letters.

Tom Cambridge