Truman National Security Project

Progressives for American Strength

October 2010

Tackling Oil Addiction

Reducing Dependency on Our Enemies

America's military and security leadership have made it clear that oil dependence and climate disruption are threats to our national security. Making smarter use of energy resources with new 60-mpg cars is necessary to reduce oil use and carbon emissions.

— Jonathan Powers, Truman National Security Project

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Americans depend on their cars for over 90% of all travel. Those cars are fueled almost entirely (94%) by oil. Depending on oil to run our nation makes America vulnerable, while paying enormous sums to those who could do us harm. It is time for America to take control of its energy future, cut dependence on oil, and defund terrorist threats. Increasing fuel economy to 60 miles per gallon by 2025 is a major step to bolster U.S. security.

The U.S. sends nearly $1 billion a day overseas to import oil.[1] This staggering figure has dangerous national security implications. Scaling back the magnitude of our oil addiction will allow America to reduce dependency on oil supplies from countries that don't share our values. By tackling our oil addiction, we reduce economic waste, environmental damage, political complications, and military involvement.

U.S. Imported Crude Oil from Nations on State Department's Travel Warning List (June 2010)*

Country	Crude Oil Imports (BPD)
Saudi Arabia**	1,353,000
Mexico	1,208,000
Nigeria**	1,109,000
Iraq**	630,000
Algeria**	550,000
Columbia	407,000
Azerbaijan	90,000
Democratic Republic of Congo	82,000
Chad	24,000
Syria	9,000
Mauritania	4,000
Subtotal Security-Risk Nations	5,466,000
Total U.S. Oil Imports	12,590,000

* The U.S. does not currently import any oil from Iran, however, because Iran is a significant oil exporter, our demand increases the price of oil, indirectly adding to Iran's GDP.

** OPEC member

Sources: U.S. Department of State, Travel Warnings, September 2010; EIA, U.S. Net Imports, by Country, August 30, 2010.

A Dangerous and Unstable Addiction

America depends heavily on troubled nations who are (or have recently been) on the U.S. State Department travel advisory due to long-term, protracted turmoil.[2] The nations that pose the greatest security risk to the U.S. (listed in the table) account for 43% of U.S. oil imports.[3] Reducing U.S. dependence on the most dangerous or unstable nations for nearly one-half of U.S. oil supplies is prudent and in our long-term strategic interests.

In 1973, OPEC nations caused our economy to grind to a halt with an oil embargo. At the time, the U.S. only imported 35% of its oil. Today U.S. oil imports have more than doubled.[4] Barring the current economic downturn, U.S. oil imports have increased unabated since the mid-1980s (figure below), despite oil crises, political skirmishes, and wars in the Middle East. America's long-term goal should be to reduce its oil demands, closing the gap and ultimately eliminate the need to import oil.

Bolstering Security through a 60 mpg Standard

New Corporate Average Fuel Economy (CAFE) standards of 60 mpg by 2025 could help reduce America's oil addiction. By 2030, as 60-mpg cars spread through in the market, the U.S. could cut one in every four barrels of oil imports. The oil savings resulting from a 60-mpg CAFE standard are equivalent to an estimated 58 percent of current U.S. crude oil imports from OPEC.[5] This could eliminate about one in every 2 barrels of the U.S.' OPEC imports, at current supply levels. These savings are even more remarkable considering just U.S. imports from Persian Gulf nations. A 60-mpg fuel economy standard could free the U.S. entirely from Persian Gulf and Venezuelan crude oil imports, reducing dependency on potential enemies and defunding individuals and nations that support extremist groups.

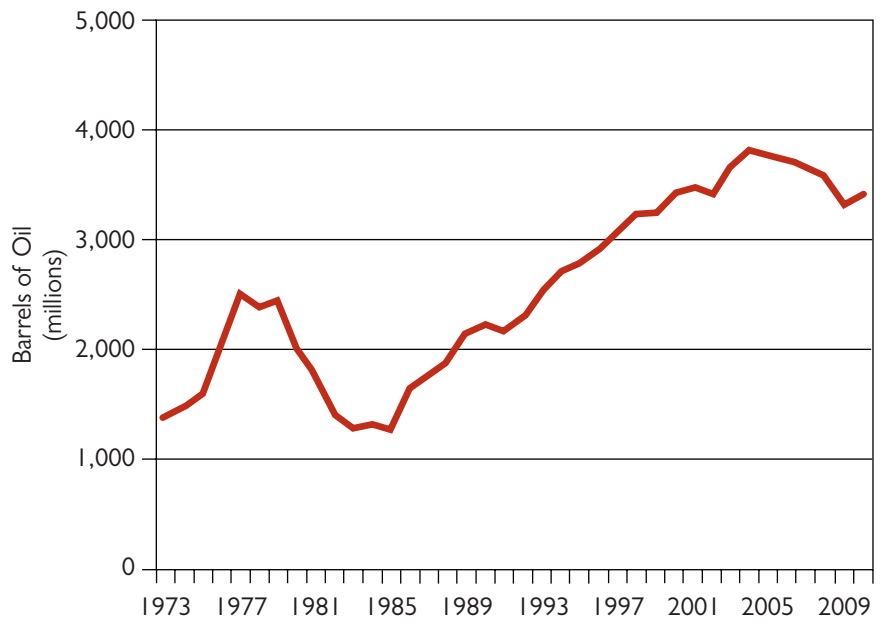
These savings will keep growing as new, fuel-efficient cars enter the market. Given that OPEC nations control the vast majority of the world's oil supplies (see figure, page 4), the only viable way to reduce U.S. dependence on these nations is to reduce American demand for petroleum.

Adopting a 60-mpg standard is projected to save over $140 billion a year spent on foreign oil by 2030.[6] Oil is also creating a foreign trade deficit that is greater than the current (year-to-date) U.S. deficit with China as of July 2010.[7] In addition to keeping billions of dollars at home, the savings from a 60-mpg fuel econ-omy standard could eliminate the deficit in our current oil trade balance.[8] The estimated 50 billion gallons saved annually by 2030 are projected to put $180 billion back into Americans' pockets, and possibly more if gasoline prices rise higher than projected in the future.[9]

All Oil Sources Have Security Risks

Oil has proved to be political oxygen for dictatorships and hostile nations. In his first term, as world gas prices rose, Iranian President Mahmoud Ahmadinejad benefited from a windfall of $250 billion in oil sales. Oil wealth funded about 60% of the Iranian national budget in 2008.[10] Likewise, in Venezuela, oil pays for what Hugo Chavez calls, "21st century socialism" and finances anti-American alliances

U.S. Crude Oil Imports, 1973–2010 (est.)



Source: U.S. Census Bureau, Foreign Trade Division, September 9, 2010.

Major energy consumers (the U.S. and others) are finding that their growing dependence on imported energy increases their strategic vulnerability and constrains their ability to pursue a broad range of foreign policy and national security objectives.

— John Deutch and James R. Schlesinger, Council on Foreign Relations, 2006

between Venezuela, Bolivia, Nicaragua, and El Salvador.[11]

The price of oil is set globally. That means that even when we buy oil from friendly countries, like Canada, we drive up demand, inflating prices that enrich those hostile to our interests. The U.S.' immense appetite for oil bolsters dictators despite trade sanctions. And when oil prices fall, as they have since their high in 2008, this can destabilize nations that depend on oil to fund the majority of their national budgets. Many of these nations are already struggling with internal political tensions and social disruption, increasing the chances that oil-driven economic downturns could lead to regime failure or extremist empowerment. There are significant security risks whether the price of oil is high or low.

Every $5 increase in the global price of oil represents:[12]

- An additional $7.9 billion for Iran and President Ahmadinejad
- An additional $4.7 billion for Venezuela and President Chavez
- An additional $18 billion for Russia and President Medvedev

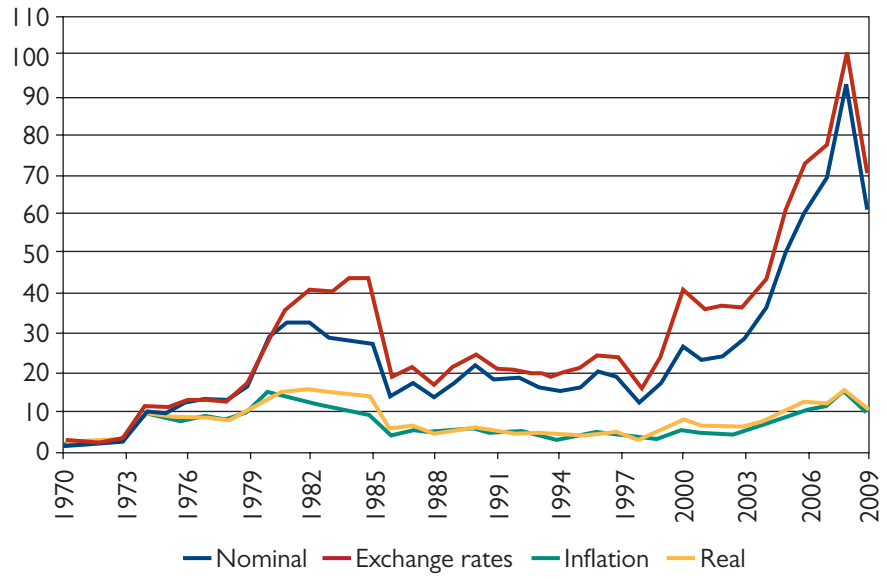
Even if America drilled every untapped well at home, we simply do not have enough oil to offset OPEC's pricing power or to fuel ever increasing domestic demand. America only has 1.5% of the world's oil reserves, estimated at 21 billion barrels.[13] Reserve estimates are based on reasonable recovery under existing economic and operating conditions. Even if tomorrow's technological capabilities and economic factors facilitate tapping more oil, Alaskan and deepwater oil in the Gulf are not expected to relieve U.S. dependence on oil imports. By staying addicted to oil, regardless of where we purchase it, we give OPEC countries the power to cripple our economy and bring America to its knees.

Even Canada cannot save us in our quest to procure safe oil. While more stable and friendly than any other oil trade partner, relying on Canada for vast sums of oil may actually do more harm than good. Today, Canada is the U.S.' largest oil trade partner at 2.7 million barrels of oil per day in June 2010.[14] America imports more oil from its North American neighbor than any other country, including Saudi Arabia, the nation with the world's largest oil reserves. This may reduce dependence on OPEC, but relying on high-carbon Canadian tar sands as a fossil fuels source, while

Much of the money we send overseas for oil puts us in the untenable position of funding both sides of the conflict and directly undermines our fight against terror.

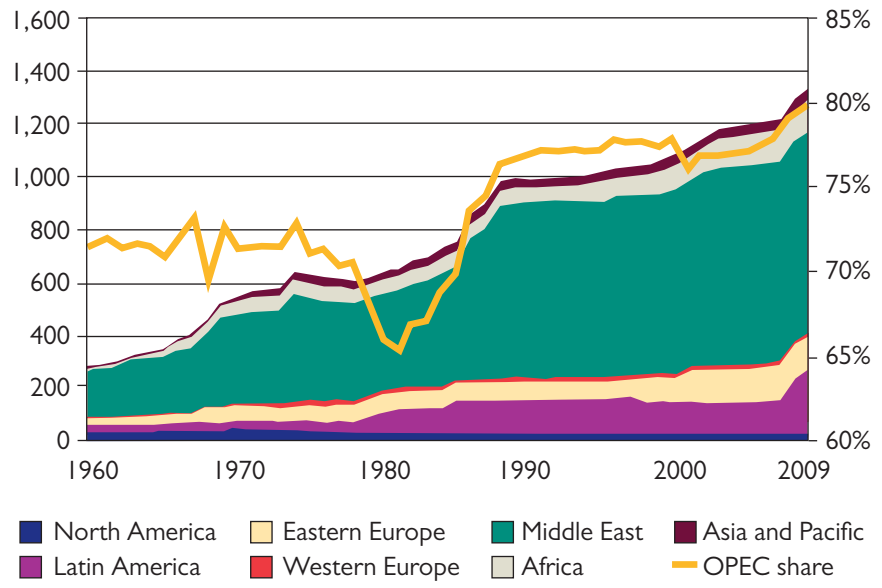
Vice Admiral Dennis McGinn,
Retired Deputy Chief of Naval Warfare Requirements Programs,
July 30, 2009 Testimony,
Senate Environment and Public Works Committee

U.S. Crude Oil Prices in Nominal and Real Terms: Base 1973=100 $/b)



Source: OPEC, Annual Statistical Bulletin, 2009.

Majority of World Proven Oil Reserves Lie in the Middle East (billion bbls)



Source: OPEC, Annual Statistical Bulletin, 2009, Graph 3.1.

Note: Graph does not reflect the 500 billion barrels (bn Bbl) crude oil equivalent reserves from Canadian tar sands.

feeding our domestic oil addiction, increases the risks associated with climate disruption.

Climate Security

Military experts caution that climate change is a threat multiplier, accelerating conflict through climatic events such as droughts and floods, and the resulting famines and crop failures. These warnings have gone unheeded. Cutting carbon from America's gas-guzzling vehicle fleet has proven difficult. From 1990 to 2008, car and light truck greenhouse gas (GHG) emissions increased 20 percent.[15] Business-as-usual oil consumption is extremely problematic for the climate. A 60-mpg fuel economy standard is estimated to cut 535 million metric tons of CO_2-equivalent GHG emissions annually in 2030.

Lt. General Norman Seip, US Air Force, Retired, addresses reporters at the announcement of 33 senior military leaders in support of climate legislation.

Climate change is likely to create new geopolitical dilemmas as waterways, resources, and precipitation levels shift. Military operations would be affected as bases near waterways are inundated. Empirical evidence suggests that climate change can cause domestic and international conflict. Long-term fluctuations of global wars and death rates are correlated with shifts in temperatures. According to the UNEP, military conflict in Darfur has been exacerbated by climate change, with extreme droughts and creeping desertification resulting in up to 500,000 deaths.[16] Scientists have determined that long-term fluctuations of war frequency followed cycles of temperature change.[17]

Expanding oil supplies at home will make us less secure due to greater climate effects. The ultra-deep oil trapped in the Gulf of Mexico, over 5 miles below the surface, requires significantly more energy to produce under extreme conditions. Likewise, the oil trapped in shale in the Rocky Mountains is enormously energy intensive to produce. The U.S. is no more secure drilling at home, as domestic oil supplies drive up carbon emissions. A 60-mpg fuel economy standard could cut passenger vehicle greenhouse gas emissions by over 50 percent.

Climate change, and its resultant weather effect, is directly connected to national security. Military experts underscore the potential for climate-induced food and water shortages contributing to political instability, which could be exploited by extremists. Extreme weather conditions that lead to mass migrations are expected to be "threat multipliers."

A panel of eleven former generals and admirals stated that climate change, national security, and energy dependence are a related set of global challenges. In 2010, an unprecedented 33 retired Generals and Admirals announced their support for comprehensive climate legislation. Many

> Recent scientific evidence has . . . given us a picture of the physical impacts on our world that we can expect as our climate changes. And those impacts go far beyond the environmental. Their consequences reach to the very heart of the security agenda.
>
> — Margaret Beckett, UK Foreign Secretary, UN Security Council debate in New York, 17 April 2007

Junior ROTC cadets welcome OperationFree's Veterans for American Power Tour to Pennsylvania.

former military leaders have lobbied Congress to regulate GHG emissions and advance clean domestic energy alternatives (including reducing fuel consumption through significantly improved vehicle fuel economy) to help us confront the serious challenge of global climate change.[18]

The Road to Security

A 60-mpg fuel economy standard beginning in 2025 will cut our addiction to fossil fuels, boost clean energy technology, and move our nation dramatically toward greater energy independence. This policy is vital to our national security, to the safety of our men and women in uniform, and to the fight against terrorism.

The need is immediate. Increasing fuel economy standards to 60 mpg must be our overarching goal. Our national security depends on the swift, serious, and thoughtful response to the inter-linked challenges of energy security and climate change.

> Unleash us from the tether of fuel.
>
> — U.S. Marine General James Matis

Courtesy of Southall Pakistan Floods

Endnotes

1 Annualized value for Jan-July 2010 is $700 million/day. US Census Bureau, Foreign Trade Division, September 9, 2010; OPEC Crude Oil Reference Basket price, ICIS.com; (Note: the amount the U.S. spends on imported oil varies with U.S. demand and world oil prices, which fluctuate. Amounts vary from $500 million to $1 billion daily over the past decade. Additional risks arise from the uncertainty in the future price of oil, which could move higher without warning.

2 U.S. Department of State, "Current Travel Warnings," 2010, *http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html* and EIA, "Crude Oil and Total Petroleum Imports Top 15 Countries, August 30, 2010.

3 EIA, "U.S. Imports by Country of Origin," Petroleum Navigator, August 30, 2010. EIA, *www.eia.doe.gov/dnav/pet/pet_sum_snd_d_nus_mbblpd_m_cur-1.htm*. June 2010 data used.

4 ibid.

5 EIA, Petroleum Statistics, January 26, 2010.

6 Fuel savings estimates from "The Road Ahead," September 2010, *www.go60mpg.org*. This assumes an oil price of $123.50 per bbl according to EIA projections, EIA, Petroleum Price Projections to 2035, Dec 2009, *http://www.eia.doe.gov/oiaf/forecasting.html*.

7 U.S. Census Bureau, "U.S. Trade Balance with China," September 9, 2010. *www.census.gov/foreign-trade/balance/c5700.html#2010*.

8 U.S. Census Bureau, Foreign Trade, September 9, 2010.

9 Assumes gasoline costs $3.68 per gallon in 2030, based on EIA projections, *http://www.eia.doe.gov/oiaf/forecasting.html* .

10 Thomas Erdbrink, "Oil ash may Prove a Shaky Crutch for Iran's Ahmadinejad," Washington Post, June 30, 2008.

11 *The Economist Magazine*, "An Axis in Need of Oil," October 23, 2008.

12 Jonathan Powers, "Oil Addiction: Fueling our Enemies," Truman National Security Project, February 17, 2010. *www.trumanproject.org*

13 EIA, "World Proved Reserves of Oil and Natural Gas," March 9, 2009, *http://www.eia.doe.gov/emeu/international/reserves.html*.

14 EIA, "U.S. Net Imports by Country," July 29, 2010, *http://tonto.eia.doe.gov/dnav/pet/pet_move_neti_a_ep00_IMN_mbblpd_a.htm*

15 U.S. Environmental Protection Agency, "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2008," April 2010, Table 2-15, *http://epa.gov/climatechange/emissions/usinventoryreport.html*

16 UNEP, "Sudan: Post-conflict environmental assessment," 2007.

17 David Zhang, Peter Brecke, Harry Lee, Huang-quing He, and Jane Zhang, "Global climate change, war, and population decline in recent human history," Proceedings of the National Academy of Sciences (PNAS), October 23, 2007, *http://www.pnas.org/content/104/49/19214.full*

18 National Security and the Threat of Climate Change, 2007, *http://securityandclimate.cna.org/report/*

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