

Energy



Energy – Talking Points & Takeaways

Oil money is funding terrorists around the world. America sends \$1 billion a day overseas to import oil, 40% of it to dangerous or unstable nations. By funding Iran and Gulf extremists that give money to terrorists, some of that money ends up funding terrorist organizations and extremists fighting our troops in the mountains of Afghanistan and the cities of Iraq. *“Except for our own civil war, the [war on terror] is the first war in which we’ve funded both sides.” Former Director of Central Intelligence R. James Woolsey.*

We can’t drill our way out of our dependence on foreign oil. It’s like bailing out the Titanic with buckets. America gets 70% of its oil from other countries. If we drilled and produced all the known US oil reserves, we’d be fresh out in only about 4 years. Domestic production prolongs the problem, it can’t solve it.

Oil helps Ahmadinejad in Iran and Chavez in Venezuela. Oil enriches our enemies, which gives them the financial tools to frustrate US foreign policy. Every \$5 increase in the price of oil sends nearly \$8 billion to Iran, and \$18 billion to Russia.

The military is leading the charge to develop clean energy. The military understands that our oil addiction funds our enemies. They have developed plans to move away from dirty fossil fuels and create alternative fuels for ships, vehicles, planes, and buildings. The Navy intends to launch the “Great Green Fleet,” a strike group fueled completely by alternative fuels, by 2016.

Operation Free – Veterans Make the Case to break free from oil. Operation Free is a coalition of national security and veterans groups working to tell the American public that climate change and dependence on oil threaten America’s security. It’s time to fight those threats with clean energy, and put America in control of its energy future (www.operationfree.net).

The United States – Addicted to Oil



Oil Consumption. The United States has 3% of the world's population, but consumes 25% of the world's oil.

Petroleum Is Primarily Used for Transport. Petroleum products provide 96% of transportation fuel in the US; to move off oil, we need to change what goes into the gas tank; coal and other non-transport fuels won't affect oil consumption.



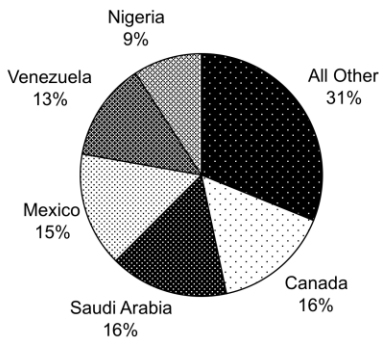
Foreign Oil. In the 1950s, the US was the Saudi Arabia of oil; we had plenty. By the 1970s and 1980s, about 33% of our oil was imported. Now, we import nearly 70%.

Domestic Production. The US tripled its oil imports from 1985 to 2008, while domestic production fell by nearly 50%. Of the nearly 5.5 billion barrels of oil the US consumed in 2009, only 1.8 billion were produced in the US.



Domestic Reserves. Oil in proven US reserves has declined from 31.8 billion barrels in 1977 to 21 billion barrels in 2007. If we drilled and produced all the US oil reserves it would be exhausted in only about 4 years. In other words, we cannot drill our way out of the problem.

Where's that Oil Coming From?



The Good News – 47% of our oil comes from allies. Nearly half of the oil imported by the US comes from countries that have positive relationships with the US: Canada, Mexico, and Saudi Arabia.

The Bad News – Supplies in Canada and Mexico are dwindling, and some of Saudi Arabia's oil money funds terrorists. Canada's oil production is likely to fall, while Mexico's already has. At the same time, US officials have identified Saudi Arabia—often private sources there—as al Qaeda's top source for money; oil revenue provides that wealth.

More Bad News – Half of America's imported oil comes from OPEC, which includes many Middle East countries and Venezuela. The Organization of Petroleum Exporting Countries (OPEC) controls half of America's oil supply, and they hardly have our best interests in mind. 28% of our imported oil in 2008 came from the Middle East and Venezuela.

The Cost of Addiction – Money



Cost of Foreign Oil. In 2008, the United States spent \$1 billion per day on oil from other countries.

Gas Prices. Gas in the US cost \$1.29/gallon in 1990. It went up to \$4.06/gallon in 2008 and stood at \$2.64/gallon in February 2010.

Trade Deficit. Oil is the single biggest contributor to our foreign debt. In 2008, 16% of America's import spending was spent on oil; our trade deficit from oil was greater than our trade deficit with China.

Cost of Oil and the Military. When the price of oil increases by \$10 per barrel, the Department of Defense is forced to spend another \$1.3 billion on fuel.

The Cost of Addiction – Unfriendly Regimes



Based on British Petroleum's 2008 production estimates, a \$5 rise in the price of a barrel of oil results in:

An additional \$7.9 billion for Iran.

An additional \$4.7 billion for Chavez's Venezuela.

Although the US does not purchase oil from Iran, American oil purchases drive up world prices, which benefits Iran. As for Venezuela, it was one of the top five oil exporters to the United States in 2008.



While it should be noted that unfriendly nations are unlikely to "cut off" the United States for financial reasons – indeed, the US buys more than half of Venezuela's oil, and Venezuela needs the revenue – it provides them the means with which to oppose US policies around the world, and fund their own nefarious activities.

The Cost of Addiction – Terrorism

Oil As Achilles' Heel – A Target for Terrorists. Al Qaeda has called upon its supporters to attack oil facilities and infrastructure throughout the Middle East:

"One of the main causes of our enemies' gaining hegemony over our country is their stealing our oil; therefore, you should make every effort in your power to stop the greatest theft of history." – Osama bin Laden

His followers have listened. Before 9/11, less than 50 attacks on oil and natural gas installations took place per year. By 2005, that number jumped to 265; by 2006, it had reached 344.

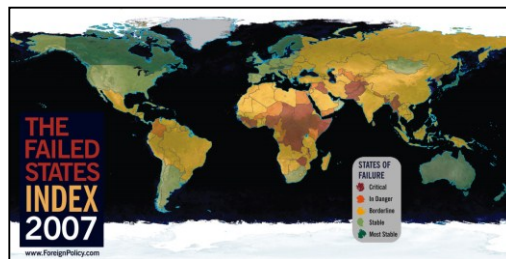
Oil – Bankrolling Terrorists. Not only have US officials determined that oil money from Saudi Arabia is al Qaeda's top source of funding, US Special Envoy to Afghanistan and Pakistan Richard Holbrooke has confirmed that oil money is also funding the Taliban in Afghanistan.



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The Cost of Addiction – Democracy & Stability

Oil kills democracy. There are twenty-three countries in the world whose oil and gas products constitute more than 60% of their total exports. None of them are democracies. With massive energy revenues, governments do not need taxes, so they have no need to create accountable democratic structures.



Many oil-rich states totter on the brink of instability. Of the top ten holders of oil reserves in the world as of April 2008, all but one are considered to be failed states or in danger of becoming failed states. The US military is often called upon to respond to cases of state failure, because weak and failed states provide breeding grounds for terrorists. Furthermore, state failure in a major oil-producing nation would produce shockwaves in oil prices that reverberate throughout the world economy. Neither contingency – safe havens for terrorists or drastic swings in the price of oil – bodes well for American security.

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Cost of Addiction – Pinching the Military’s Pocket

The Department of Defense (DoD) accounts for 80% the US government’s total energy consumption. 75% of that total goes to liquid fuels for vehicles and generators, consuming more than 300,000 barrels of oil every day. The other 25% goes toward electricity for facilities and bases. DoD operates almost 600,000 buildings.



\$400 per gallon? The “Fully Burdened Cost of Fuel.” When the military began accounting for its fuel prices by adding in the cost of the people and operations required to deliver the fuels around the world, it found that the price per gallon of delivered fuel was anywhere between 2 – 20 times higher than the pump price. In places like Afghanistan, some scenarios estimate a cost of \$400 per gallon.



Fuel Convoys – A Terrorist Target. As much as 70% of the tonnage the Army delivers to any given battlefield is fuel and water related. This leaves convoys vulnerable to terrorist or insurgent attacks, especially with improvised explosive devices (IEDs).



Energy Budget. The DoD’s energy budget in 2008 hit \$20 billion.

Fluctuating Oil Prices. When the price of oil increases by \$10 per barrel, the Department of Defense is forced to spend another \$1.3 billion on fuel.

Oil and the Military – The Bottom Line

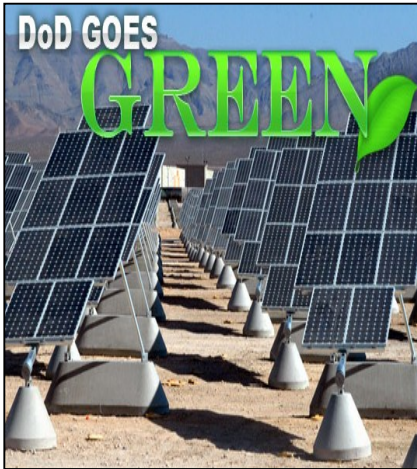


“DoD’s reliance on fossil fuels compromises combat effectiveness by restricting mobility, flexibility and endurance on the battlefield. Fuel logistics inhibited progress of American forces driving into Iraq in 2003, and such limitations continue to impede operations in Iraq and Afghanistan. In a single month of combat in June 2008, DoD officials tallied the loss from attack of 44 vehicles and 220,000 gallons of fuel.”

- Pew Charitable Trust, *Re-Energizing the Nation’s Defense*



The US Military – Leading the Energy Revolution



Reducing Energy Intensity. This year, DoD is on track to reduce energy intensity at its facilities by 15%, compared to 2003 energy usage.

Energy Security Task Force. In 2006, DoD established a Defense Energy Security Task Force with the aim of reducing fuel intensity and increasing combat capability.

Transformative Priority. After the experience of price spikes and fuel problems in Iraq, Defense Secretary Robert Gates has identified energy as one of the Department's top-25 transformational priorities.

Renewable Energy. DoD currently obtains more than 12% of its electricity from renewable energy sources – more than the national average of 9%.

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Clean Energy in the Military – Branch by Branch



Installation of a 500-megawatt solar power generation plant at Fort Irwin, California
 Development of a 30-megawatt geothermal project at Hawthorne Army Depot in Nevada
 Transition to the use of 4,000 electric vehicles – will save 100,000 tons of CO₂ and cut the use of liquid fossil fuels by over 11 million gallons



Investing \$550 million in energy efficiency efforts; will yield \$400 million in annual savings
 Launching of the "Great Green Fleet," a strike group fueled completely by alternative fuels, by 2016
 Reducing the Navy's petroleum use in the non-tactical fleet by 50% by 2015



Increasing the percentage of renewable electric energy to 25% by 2025
 Using energy efficient foams for temporary structures; reduce energy consumption 50%-75%
 Experimental Forward Operating Base – a demonstration project will test expeditionary energy and water efficient products and systems for accelerated deployment in theater



Obtaining 50% of aviation fuels from bio-fuel blends by 2016
 Nellis Air Force base in NV – Solar provides 30% base energy, saving \$1 million annually
 Soaring Heights community at Davis-Monthan Air Force Base in AZ – expected carbon offsets equivalent to taking approximately 50,000 cars off the road for a year

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Operation Free – Veterans for Clean Energy



Operation Free is a coalition of veterans and national security groups led by the Truman National Security Project who recognize that climate change is a major national security threat, and that America's dependence on oil is making the United States less safe.

As part of Operation Free, hundreds of veterans around the United States have appeared in the media, met with their elected leaders in Washington, and spread the word about the need for America to take control of its energy future by passing comprehensive legislation that will break our dependence on oil and develop clean energy.

To learn more about Operation Free or contact Operation Free veterans, please visit www.operationfree.net or contact Matt Oberhoffner at matto@trumanproject.org.



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President Obama – Energy in the Stimulus Package

The American Recovery and Reinvestment Act – better known as the Stimulus Package – included more than \$80 billion in clean energy investments.



Clean Energy for US Military. Included \$300 million to support DoD initiatives for clean energy innovation in generation, transmission, end-use and storage.

Updating the Grid. \$11 billion for a better grid system that will help move renewable energy from the rural places where it is produced to the urban and industrial centers where most electricity is consumed.

Cutting Government's Energy Bill. \$4.5 billion to green federal buildings, which will save taxpayers billions of dollars over the years.

Helping States Help Themselves. \$6.3 billion for renewable energy and energy efficiency projects at the state and local level.

Green Jobs Programs. \$600 million in green job training programs – \$100 million to expand line worker training programs and \$500 million for green workforce training.



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Clean Energy in Congress



The American Recovery and Reinvestment Act passed Congress in February 2009, on an almost party-line vote. It passed the House of Representatives by a margin of 246-183 (all "Yes" votes were Democrats), and the Senate by a margin of 60-38 (two Republicans voted "Yes"). See previous slide for its clean energy accomplishments.

The House of Representatives passed the American Clean Energy and Security Act (ACES) in summer 2009. ACES would institute a "cap and trade" system that would put limits on greenhouse gas emissions and create incentives for the production of clean energy technologies.



The Senate is currently working on its own version of comprehensive energy and climate change legislation. Leading the effort is the tri-partisan team of John Kerry (D-MA), Joseph Lieberman (I-CT), and Lindsay Graham (R-SC); the final bill was introduced by Kerry and Lieberman.

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