



The National Security Case for Higher Fuel Standards

Washington, D.C.

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We believe America must reduce its dependence on oil. Our national security and welfare is imperiled by our dependence.

The joint rule proposed by the Department of Transportation and the Environmental Protection Agency regarding fuel economy standards is an important step in breaking that dependence. The Automakers (including Ford, General Motors, Chrysler, Toyota, and others), the United Auto Workers and the Administration have come together to agree a plan that would increase the average fuel economy to 54.5 miles per gallon by 2025. We strongly support this standard, as it will increase our national security by reducing our reliance on oil.

Our dependence on oil weakens international leverage and undermines our foreign policy. It entangles the U.S. with unstable and hostile regimes; in 2010 it transferred over \$600 billion of our wealth abroad; and it forces our military to protect the world's supply lines.

In addition, oil's unpredictable price volatility leaves American consumers and businesses vulnerable to sudden shifts in energy costs. For example, even though less than 1/2 of 1% of America's oil imports came from Libya, American consumers suffered in May from a price spike that saw oil rise to over \$110 per barrel due to the turbulence in Libya. So long as oil remains a large part of the average American budget, we will remain vulnerable to unforeseen price shocks from around the world.

The integrated global oil market means that oil vulnerability is not a problem that we can simply drill our way out of. Producing more oil here in the U.S. only adds up to a drop in a very large bucket: it will never be enough to reduce world prices.

This means that the only way to reduce American vulnerability to oil shocks is to reduce the amount of oil we need every day.

In the spring of 2011, as gasoline prices were spiking upwards, the average American driver spent over 7% of their income on gasoline; up from about 4% in 2009. In this economy that is a big difference in disposable income. By 2025, these new, higher fuel economy standards will have saved American families approximately \$1.7 trillion dollars in fuel costs.

The reliance on oil strangles our foreign policy choices by making the price of oil, not America's values or interests, the major concern of policymakers.

To release us from our dependence, it is essential we use less oil. New technologies and new fuels mean that we can do this without changing our everyday driving patterns.

Achieving an average of 54.5 mpg across the American fleet of vehicles by 2025 is essential to maintain and increase our national security. We support this proposal because it reduces our need for oil, by working with the private sector to develop and deploy the best technology - a truly American solution.

Signed,

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