



U.S. Oil Dependence

More Drilling Doesn't Make the U.S. More Energy Secure



American Security Project

Fact Sheet

—
Esther Babson

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Alejandro Brito

Alejandro Brito is President of Brito Development Group (BDG), LLP. In the last twenty years, Mr. Brito has overseen the design, construction, development and management of over 1,500 luxury housing units in Puerto Rico.



The Honorable Donald Beyer

Congressman Donald Beyer is the former United States Ambassador to Switzerland and Liechtenstein, as well as a former Lieutenant Governor and President of the Senate of Virginia.



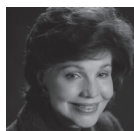
Lieutenant General Daniel Christman, USA (Ret.)

Lieutenant General Christman is Senior Vice President for International Affairs at the United States Chamber of Commerce.



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Robert B. Crowe is a Partner of Nelson Mullins Riley & Scarborough in its Boston and Washington, DC offices. He is co-chair of the firm's Government Relations practice.



Lee Cullum

Lee Cullum, at one time a commentator on the PBS NewsHour and "All Things Considered" on NPR, currently contributes to the Dallas Morning News and hosts "CEO."



Nicholas Clark

Nicholas Clark is the former CEO and Executive Director of Alexium International. He is also co-founder and Managing Partner at Viaticus Capital.



Admiral William Fallon, USN (Ret.)

Admiral Fallon has led U.S. and Allied forces and played a leadership role in military and diplomatic matters at the highest levels of the U.S. government.



Scott Gilbert

Scott Gilbert is a Partner of Gilbert LLP and Managing Director of Reneo LLC.



Vice Admiral Lee Gunn, USN (Ret.)

Vice Admiral Gunn is the President of the Institute of Public Research at the CNA Corporation, a non-profit corporation in Virginia.



The Honorable Chuck Hagel

Chuck Hagel served as the 24th U.S. Secretary of Defense and served two terms in the United States Senate (1997-2009). Hagel was a senior member of the Senate Foreign Relations; Banking, Housing and Urban Affairs; and Intelligence Committees.



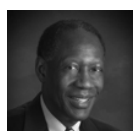
Lieutenant General Claudia Kennedy, USA (Ret.)

Lieutenant General Kennedy was the first woman to achieve the rank of three-star general in the United States Army.



The Honorable John F. Kerry

John Kerry is a distinguished fellow for global affairs at Yale University. In 2013, Kerry was sworn in as the 68th secretary of state of the United States. Kerry served for more than twenty-five years as a U.S. senator from Massachusetts.



General Lester L. Lyles, USAF (Ret.)

General Lyles retired from the United States Air Force after a distinguished 35 year career. He is presently Chairman of USAA, a member of the Defense Science Board, and a member of the President's Intelligence Advisory Board.



Dennis Mehiel

Dennis Mehiel is the Principal Shareholder and Chairman of U.S. Corrugated, Inc.



Stuart Piltsch

Stuart Piltsch is the Co-Founder and Managing Director of Cambridge Advisory Group, an actuarial and benefits consulting firm based in Philadelphia.



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Edward Reilly is Global Chief Executive Officer of the Strategic Communications practice of FTI Consulting.



LtGen Norman Seip, USAF (Ret)

Lieutenant General Norman R. Seip, USAF (Ret) served in the Air Force for 35 years. His last assignment was Commander of 12th Air Force.



David Wade

David Wade is a consultant helping global corporations and organizations with strategic advice, public affairs and thought leadership, crisis communications, political intelligence gathering, and federal and legislative strategy.

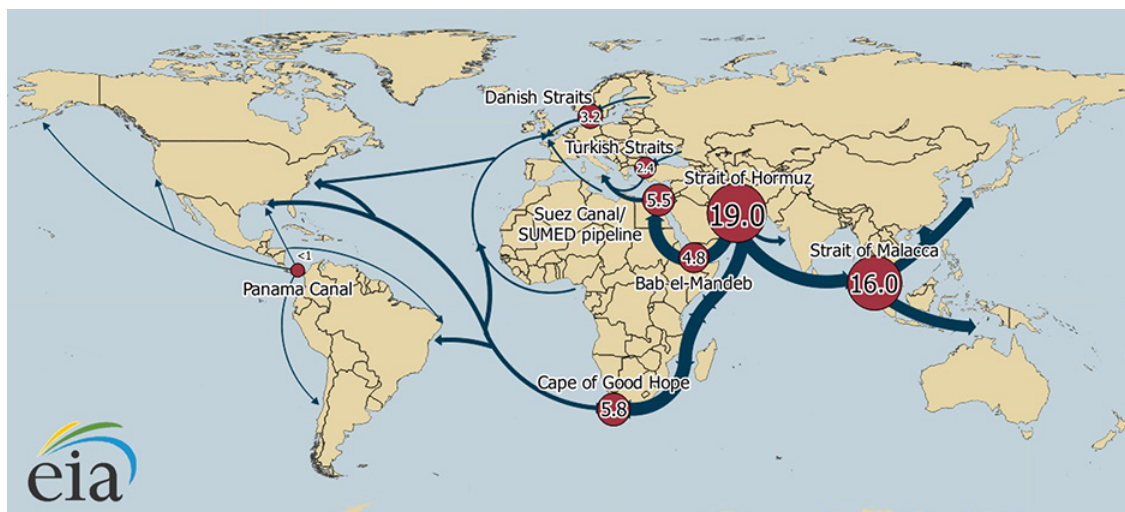
Introduction

Energy security is vital for the readiness of U.S. troops around the globe. The U.S. relies on oil for the majority of both civilian and military transportation. The changing price of a barrel of oil can have profound impacts on the budget of communities and the Department of Defense. The U.S. remains beholden to the pricing of oil by foreign nations, some with hostile attitudes towards the U.S. Due to the global nature of oil markets, further oil production in the U.S. does not alleviate that dependency. Only by investing in increasing fuel economy and alternative energy will the U.S. be energy secure.

Oil Dependence Harms National Security

U.S. dependence on oil leaves the American economy vulnerable to price shocks, entangles security policy in unstable regions, and weakens American international leverage. Oil is a global market, so more domestic production does not insulate the U.S. from price fluctuations. In 2018, petroleum consumption in the United States increased to 20.5 million barrels per day (b/d).¹ At the same time, U.S. exports of crude oil rose to 2.0 million barrels per day (b/d), nearly double the 1.2 million b/d rate in 2017.²

Furthermore, increased production doesn't mean the U.S. is more energy secure. For example, in 2010, Libya provided less than half of 1% of America's oil imports. Even so, in the spring of 2011, the price of oil in the U.S. rose above \$120 per barrel due to the turbulence in Libya.³ This increase has a clear impact on economic security.



Oil chokepoints around the globe. Image credit: U.S. Energy Information Administration

Oil dependence also entangles the U.S. in unstable regions like the Persian Gulf. The U.S. has been heavily involved in the region since the Carter Doctrine in January 1980, both diplomatically and militarily. Concerns about stability have shaped U.S. foreign policy. Further, the U.S. has expended substantial financial resources to protect the transport of oil within the region and around the globe. A study by Securing America's Future Energy found that the U.S. military spent approximately \$81 billion per year protecting global oil supplies.⁴

Due to the dependence on oil, the U.S. is beholden to a region with often conflicting foreign policy priorities. Saudi Arabia and other nations are often not held to the same standards as other U.S. allies due to their control of oil supplies. To maintain U.S. international leverage and superiority, the U.S. must invest in true energy security.

Energy Security

‘Energy security’ is not ‘energy independence’ in the sense that all of the energy used in a country must come from within its borders without international trade. Further, ‘energy dominance’ is neither obtainable nor desirable in a globalized world. Energy security does not depend on the percentage of supply that is imported. In a world of globally traded commodities, it is no longer possible to be truly energy independent: even domestically produced energy sources are subject to fluctuations in global commodity markets.

In FY 2017, the Department of Defense consumed over 85 million barrels of fuel to power ships, aircraft, combat vehicles, and contingency bases at the cost of nearly \$8.2 billion.⁵ The DoD estimates that every 25 percent increase in the price of a gallon of petroleum-based fuel costs the military \$1 billion in additional fuel costs.⁶

True energy security is the ability for a country to act in its foreign policy independently of how it uses energy domestically. Obtaining energy security does not come from increased domestic production alone: it comes from flexibility, competition, and redundancy.

Flexibility, Competition, and Redundancy

There must be a shift in current U.S. policy away from the over-reliance on a single source, fossil fuels. Increasing fuel efficiency and integrating electric vehicles and other advanced technology into military operations both at home and in the field would have significant benefits for readiness.

Flexibility

- Increasing fuel economy on military vehicles gives forward-deployed troops greater flexibility and mobility as they can operate longer without having to refuel.
- Advanced energy options offer greater flexibility than traditional fuels as well.
 - For example, electric vehicles can accelerate faster and move quieter through enemy terrain compared to those with internal combustion engines. Such developments could significantly lower casualties as troops move undetected without the need to transport fuel with them.
 - This can save lives as fewer troops are put in harm’s way transporting fuel. The DOD estimates that more than half (52%) of the casualties during Operation Iraqi Freedom and Operation Enduring Freedom occurred from hostile attacks during land transport missions.

Competition

- In a globalized world, energy prices will always be dependent on foreign nations. However, lowering usage can save both civilian and military communities huge sums while limiting their dependence.
- In addition, alternative energy and electric vehicles create competition which can help protect the entire energy market from artificial price manipulation.
 - Europe's dependence on Russian natural gas is a clear example of how overreliance can be a significant vulnerability.
- Further, competition spurs innovation. In recent years, new technology out of companies like Tesla has led to major improvements in battery storage in both the civilian and defense sectors.

Redundancy

- While oil will likely remain the primary source of fuel for the foreseeable future, increased fuel economy and further integration of alternative energy bolsters military readiness.
 - As bases become more reliant on technology, redundancy, and back-up systems will be critical.
 - Alternative energy allows bases to have back-up systems that are quieter and do not require the same transportation challenges of oil.
- Microgrids connected to multiple sources establish redundancy and protection from any disturbance to the electric grid.
 - Alternative energy options are ideal as solar arrays can continue to produce power on a micro-grid regardless of external variables.
 - Multiple bases are already investing in micro-grids and similar energy resiliency measures to enhance their security.⁸

Conclusion

The U.S. is dangerously dependent on oil. U.S. dependence on oil leaves the American economy vulnerable to price shocks, entangles security policy in unstable regions, and weakens American international leverage. True energy security is the ability for a country to act in its foreign policy independently of how it uses energy domestically. Further, it comes from flexibility, competition, and redundancy. In order to achieve true energy security, the U.S. must invest in alternative energy and increasing fuel efficiency.

Endnotes

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The American Security Project (ASP) is a nonpartisan organization created to educate the American public and the world about the changing nature of national security in the 21st Century.

Gone are the days when a nation's security could be measured by bombers and battleships. Security in this new era requires harnessing all of America's strengths: the force of our diplomacy; the might of our military; the vigor and competitiveness of our economy; and the power of our ideals.

We believe that America must lead in the pursuit of our common goals and shared security. We must confront international challenges with our partners and with all the tools at our disposal and address emerging problems before they become security crises. And to do this we must forge a bipartisan consensus here at home.

ASP brings together prominent American business leaders, former members of Congress, retired military flag officers, and prominent former government officials. ASP conducts research on a broad range of issues and engages and empowers the American public by taking its findings directly to them via events, traditional & new media, meetings, and publications.

We live in a time when the threats to our security are as complex and diverse as terrorism, nuclear proliferation, climate change, energy challenges, and our economic wellbeing. Partisan bickering and age old solutions simply won't solve our problems. America – and the world - needs an honest dialogue about security that is as robust as it is realistic.

ASP exists to promote that dialogue, to forge that consensus, and to spur constructive action so that America meets the challenges to its security while seizing the opportunities that abound.



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