



Truman National Security Project

Oil Addiction: Fueling Our Enemies

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The U.S. sends approximately one billion dollars a day overseas to import oil. While this figure is staggering by itself, the dangerous implications of our addiction are even more pronounced when analyzing where our money goes – and whom it helps to support.

Examine what the true costs of our oil addiction meant during the year 2008:¹

- **One Billion Dollars a Day Spent on Foreign Oil:** In 2008, the United States imported **4.7 billion** barrels of crude oil to meet our consumption needs. The average price per barrel of imported oil for 2008 was \$92.61. This works out to **\$1.19 billion per day** for the year.²
- **Our Annual Oil Debt Is Greater than Our Trade Deficit with China:** Our petroleum imports created a \$386 billion U.S. trade deficit in 2008, versus a \$266 billion deficit with China. This national debt is a drain on our economy and an anchor on our economic growth.³
- **We Overwhelmingly Rely on Oil Imports...:** In 2008, we consumed 7.1 billion barrels of oil in the United States, meaning that the 4.7 billion barrels of crude oil we imported was **66%** of our overall oil usage.⁴ About **one out of every six** dollars spent on imports by the U.S. is spent on oil, representing 16% of all U.S. import expenditures in 2008.⁵ According to calculations from the Center for American Progress, U.S. spending to import foreign oil amounted to 2.3% of our overall GDP in 2008.⁶
- **...to the Detriment of National Security:** Vice Admiral Dennis McGinn, retired Deputy Chief of Naval Warfare Requirements and Programs, captured the national security dangers of our addiction to oil in 2009 testimony before the U.S. Senate Environment and Public Works Committee: “In 2008, we sent **\$386 billion** overseas to pay for oil – much of it going to nations that wish us harm. This is an unprecedented and unsustainable transfer of wealth to other nations. It puts us in the untenable position of funding both sides of the conflict and directly undermines our fight against terror.”⁷

Our oil addiction drives up prices worldwide, pouring funds into the coffers of foreign regimes that hold anti-American sentiments, harbor terrorists, and otherwise threaten America's national security.⁸ As the Council on Foreign Relations wrote, "major energy consumers—notably the United States, but other countries as well—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."⁹

The **one billion dollars** a day that Americans send overseas on oil floods a global oil market that enriches hostile governments, funds terrorist organizations, and props up repressive regimes. Former CIA Director Jim Woolsey explains it this way:

"Except for our own Civil War, this [the war on terror] is the only war that we have fought where we are paying for both sides. We pay Saudi Arabia \$160 billion for its oil, and \$3 or \$4 billion of that goes to the Wahhabis, who teach children to hate. We are paying for these terrorists with our SUVs."
- Jim Woolsey, former CIA Director

A comprehensive energy strategy – one that cuts our addiction to fossil fuels, boosts clean energy technology, and moves our nation dramatically towards greater energy independence – is vital to our national security, to the safety of our men and women in uniform, and to the fight against terrorism.

A Dangerous & Unstable Addiction

While the U.S. imports 66% of our oil, that figure includes both friendly nations such as Canada and Mexico, as well as a litany of countries whose regimes are either unstable, unfriendly, or both.

In 2008, the U.S. imported about **4 million** barrels of oil a day from countries labeled "dangerous or unstable" by the State Department.¹⁰ Using the \$386 billion total cost as cited by Vice Admiral McGinn, this means that about **39%** of our oil import costs were from "dangerous or unstable" nations.

Nearly **one-fifth** of the oil consumed by the U.S. in 2008 (18%), was imported from countries of the Middle East and Venezuela.¹¹ This total represents over **one-fourth** of our overall imported oil (28%) in 2008. While Venezuela is not on the State Department's "dangerous or unstable" list, it has maintained a distinctly anti-American foreign and energy policy under President Hugo Chavez. Venezuela was one of the **top five** oil exporters to the United States, and we imported **435 million** barrels of oil from it in 2008.¹²

U.S. Imported Crude Oil from Nations on State Department's Travel Warning List - 2008 ¹³

Country	Crude Oil Imports Per Day (Barrels)	Annual Cost of Imported Crude Oil
Saudi Arabia	1,529,000	\$56 billion
Nigeria	988,000	\$36 billion
Iraq	627,000	\$23 billion
Algeria	548,000	\$20 billion
Colombia	200,000	\$7 billion
Chad	104,000	\$4 billion
Syria	6,000	\$200 million
Mauritania	3,000	\$100 million
Democratic Republic of the Congo	1,000	\$30 million
Pakistan	1,000	\$30 million
TOTAL	4,007,000	\$146.36 billion

*Rebecca Lefton and Daniel Weiss, "Oil Dependence Is a Dangerous Habit,"
Center for American Progress, January 13, 2010*

Buying from Friendly Countries - or Even from the U.S. - Doesn't Help

The price of oil is set globally. That means that even when we buy oil from friendly countries, we drive up demand, inflating prices that enrich unfriendly countries. For instance, despite U.S. laws against purchasing oil from Iran, the global demand for oil - aided by U.S. consumption habits - helps to drive up the global price of oil and line the pockets of the Iranian regime. Oil wealth funded about **60%** of the Iranian national budget in 2008.¹⁴ *The Economist* calculated that, in his first term, Iranian President Mahmoud Ahmadinejad benefited from "a windfall of **\$250 billion** in oil sales."¹⁵ The United States currently consumes approximately one-fourth of the world's oil, inadvertently bolstering Iran's bottom line, despite the laws on the books.

All oil demand hurts our national security—regardless of whether the oil is produced here at home or bought overseas. Whether oil is directly purchased from nations on the State Department's "Dangerous or Unstable" list, or is bought from West Texas, U.S. demand increases global oil prices that fund our enemies.

According to testimony from Truman National Security Project Chief Operating Officer Jonathan Powers, every \$5 increase in the global price of crude oil represents:

- An additional **\$7.9 billion** for Iran and President Ahmadinejad;
- An additional **\$4.7 billion** for Venezuela and President Chavez; and,
- An additional **\$18 billion** for Russia and Prime Minister Vladimir Putin.¹⁶

Unfortunately, even if we buy oil from a friendly country like Mexico, problem countries in the Middle East can hold us hostage by forcing up global oil prices – as Middle Eastern countries in OPEC have done time and time again.¹⁷ Buying from friendly or domestic sources does not solve our problem, because the countries with the greatest reserves— notably, Saudi Arabia—are such major producers that they set the global supply. Even if we drilled in every untapped well in America, we simply do not have enough oil from friendly countries and under the earth at home to offset OPEC's power. 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.

“Unleash us from the tether of fuel.”
- U.S. Marine General James Mattis

A Better Alternative

Depending on oil to produce the energy that runs our nation makes America vulnerable, while simultaneously providing enormous resources to those who would do us harm. It is time for us to take control of our energy future, cut our dependence on oil, and defund terrorist threats with comprehensive energy legislation.

National security, military, and intelligence experts have spoken out about the need for a comprehensive strategy that takes on the destabilizing effects of fossil fuel dependence and global climate change.

“Without bold action now to significantly reduce our dependence on fossil fuels, our national security will be at greater risk,” testified Vice Admiral Dennis McGinn, before a U.S. Senate panel. “Fierce global competition and conflict over dwindling supplies of fossil fuel will be a major part of the future strategic landscape.”

“Moving toward clean, independent, domestic energy choices lessens that danger and significantly helps us confront the serious challenge of global climate change. Because these issues are so closely linked, solutions to one affect the other. Technologies and practices that improve energy sources and efficiency also reduce carbon intensity and carbon emissions, and, most critically, increase our national security.”¹⁸

A panel of 11 former generals and admirals echoed Vice Admiral McGinn’s testimony in a report entitled *National Security and the Threat of Climate Change*, stating, “Climate change, national security, and energy dependence are a related set of global challenges... dependence on foreign oil leaves us more vulnerable to hostile regimes and terrorists, and clean domestic energy alternatives help us confront the serious challenge of global climate change.”

Marine General James Mattis put it more succinctly when he was asked at a Brookings meeting in 2007 about the most important area of research for aiding the men and women under his command: “Unleash us from the tether of fuel.”¹⁹

America’s military leaders are not waiting to take action on the threats posed by our dependence on fossil fuels. The Defense Department considers climate change such a strategic threat that it is part of the military’s long term planning. The CIA has opened a center to track the threat of climate change. The Army, Navy, Air Force and the Marines have all committed to reducing their carbon pollution.

For example, in October 2009 the Navy launched the *USS Makin Island*, a first-of-its-kind hybrid powered amphibious assault vehicle that emits less carbon and saved the Navy \$2 million in fuel costs during its maiden voyage alone. The Marine Corps has even created a model Forward Operating Base (FOB) in Quantico, VA, which will allow the Marines to test a hybrid power station that is set to be deployed in Afghanistan by mid-2010.²⁰

Just as the military is innovating its own energy habits, America as a nation must do the same, with a comprehensive approach to clean energy and climate change that will have a measurable impact on these threats.

The need is immediate. “We have less than ten years to change our fossil fuel dependency course in significant ways,” testified Vice Admiral McGinn. “Our nation’s security depends on the swift, serious, and thoughtful response to the inter-linked challenges of energy security and climate change.”

The views expressed here belong to the author alone, and are not to be construed as necessarily reflecting the views of the Truman National Security Project or an attempt to aid or hinder the passage of any legislation.

End Notes

- 1.) 2008 is the last year for which we have comprehensive data to make these calculations.
- 2.) Information on crude oil imports and average price from U.S. Department of Energy, Energy Information Administration (EIA). Note that the average price of imported oil dropped to \$58.85 per barrel in 2009, meaning that the price per day of our foreign oil addiction also dropped compared to 2008. However, complete data for total imports in 2009 remain unavailable, making a specific calculation difficult.
- 3.) U.S. Census Bureau, Foreign Trade Statistics, Annual Report 2008.
- 4.) EIA data used for percentage calculation.
- 5.) Information from Central Intelligence Agency, "The World Factbook: United States" (2009) as quoted by Christopher Beddor, Winny Chen, Rudy deLeon, Shiyong Park, and Daniel J. Weiss, "Securing America's Future: Enhancing Our National Security by Reducing Oil Dependence and Environmental Damage," Center for American Progress, August 2009: http://www.americanprogress.org/issues/2009/08/pdf/energy_security.pdf.
- 6.) Christopher Beddor, Winny Chen, Rudy deLeon, Shiyong Park, and Daniel J. Weiss, "Securing America's Future: Enhancing Our National Security by Reducing Oil Dependence and Environmental Damage," Center for American Progress, August 2009: http://www.americanprogress.org/issues/2009/08/pdf/energy_security.pdf.
- 7.) Statement of Vice Admiral Dennis McGinn, USN, Retired, Member, Military Advisory Board, CNA before the U.S. Senate Environment and Public Works Committee Hearing on "Climate Change and National Security," July 30, 2009: http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=1909f092-e750-4b29-b526-378ee5db1423
- 8.) Operation Free website, <http://www.operationfree.net/energy-security-threats/to-oil-addiction/>.
- 9.) John Deutch and James R. Schlesinger, "National Security Consequences of U.S. Oil Dependency," Council on Foreign Relations Independence Task Force Report No. 58 (2006).
- 10.) Rebecca Lefton and Daniel Weiss, "Oil Dependence Is a Dangerous Habit," Center for American Progress, January 13, 2010: http://www.americanprogress.org/issues/2010/01/oil_imports_security.html.

- 11.) Calculation by Carl Pope of the Sierra Club, as quoted by Margaret Kriz, National Journal Energy and Environment Expert Blog, "Oil Imports: Can Obama Break U.S. Addiction?" April 6, 2009: <http://energy.nationaljournal.com/2009/04/oil-imports-can-obama-break-th.php>.
- 12.) Rebecca Lefton and Daniel Weiss, "Oil Dependence Is a Dangerous Habit," Center for American Progress, January 13, 2010: http://www.americanprogress.org/issues/2010/01/oil_imports_security.html.
- 13.) Rebecca Lefton and Daniel Weiss, "Oil Dependence Is a Dangerous Habit," Center for American Progress, January 13, 2010: http://www.americanprogress.org/issues/2010/01/oil_imports_security.html.
- 14.) Thomas Erdbrink, "Oil Cash May Prove A Shaky Crutch for Iran's Ahmadinejad," *Washington Post*, June 30, 2008: <http://www.washingtonpost.com/wp-dyn/content/article/2008/06/29/AR2008062901978.html>.
- 15.) As quoted by Christopher Beddor, Winny Chen, Rudy deLeon, Shiyong Park, and Daniel J. Weiss, "Securing America's Future: Enhancing Our National Security by Reducing Oil Dependence and Environmental Damage," Center for American Progress, August 2009: http://www.americanprogress.org/issues/2009/08/pdf/energy_security.pdf.
- 16.) Written Statement of Jonathan Powers, Retired U.S. Army Captain, Chief Operating Officer, Truman National Security Project, Senate Committee on Environment and Public Works on Climate Change and National Security, July 30, 2009: http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=d02d0aaa-3b6d-4747-8e3c-96e53eb551eb.
- 17.) Operation Free website, <http://www.operationfree.net/energy-security-threats/to-oil-addiction/>.
- 18.) Statement of Vice Admiral Dennis McGinn, USN, Retired, Member, Military Advisory Board, CNA before the U.S. Senate Environment and Public Works Committee Hearing on "Climate Change and National Security," July 30, 2009: http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=1909f092-e750-4b29-b526-378ee5db1423
- 19.) "Fueling the "Balance" A Defense Energy Strategy Primer" Brookings Institution Foreign Policy Program: http://www.brookings.edu/~media/Files/rc/papers/2009/08_defense_strategy_singer/08_defense_strategy_singer.pdf. Quotes Gregory J. Lengyel, Colonel USAF, "Department of Defense Energy Strategy: Teaching an Old Dog New Tricks," Brookings 21st Century Defense Initiative, 2008."
- 20.) "Greenery on the March," *The Economist*, December 10, 2009: http://www.economist.com/sciencetechnology/tq/displaystory.cfm?story_id=15048783.

About the Author

Jonathan Powers, Chief Operating Officer of the Truman National Security Project, is a U.S. Army veteran whose service as an officer included a 15 month tour in Iraq. In 2005, Jon founded War Kids Relief, returning to Iraq as a civilian to develop programs engaging teenagers in Iraq to minimize recruitment by radicals. His youth and counterterrorism efforts made War Kids Relief a leading advocacy organization bridging American and Iraqi youth to build a foundation for peace. In 2008, Jon was a Democratic candidate for New York's 26th Congressional District. He subsequently served as the Veterans Program Director for the Eleison Group, LLC before joining the Truman National Security Project.