

## Energy

### Ending Oil Dependence

Protecting National Security, the Environment and the Economy

#### Background

Most Americans agree that oil dependence is a serious problem. National security hawks raise alarms about vast sums sent to the Persian Gulf. Environmentalists warn about global warming. Farmers see new fortunes in a transition to ethanol. Consumers cry out when oil prices rise. President Bush, Sen. Richard Lugar (R-Ind.), Sen. Tom Harkin (D-Iowa), and Democratic National Committee Chair Howard Dean have all called for an end to the American oil “addiction.”

Yet today, oil provides more than 97 percent of the fuel for our vehicles, barely different from a generation ago. Oil use continues to climb, in the United States and around the world. Meanwhile, game-changing technologies are moving closer to market, propelled by considerable investor interest. Plug-in hybrid engines and biofuels could reshape the transportation sector.

Previous efforts to address oil dependence have failed for lack of ambition. The widespread focus on oil imports has obscured a more fundamental problem – the near-total reliance of our transportation sector on oil. To solve the problems created by oil dependence, we must give drivers a choice between oil and other fuels.

#### Recommendations

The problem of oil dependence cannot be solved by tinkering at the margins. An unusual political consensus and game-changing technologies give the next President a rare opportunity to address several of the nation’s most important security, environmental and economic challenges. In the years ahead, a confluence of political, technological, and financial factors will create an opportunity for transformational change. The next President can help end the nation’s debilitating dependence on oil with steps that include:

- transforming the auto fleet with policies such as tax incentives for the purchase of plug-in hybrid vehicles paid for with the federal gasoline tax
- investing in research on advanced energy technologies
- transforming oil diplomacy by focusing on fuel efficiency in consuming nations,

- not just additional supply
- establishing an “Oil Addiction Index” to stimulate and track progress

## **Key Facts**

- between summer 2003 and summer 2006, world oil prices rose from roughly \$25 per barrel to more than \$78 per barrel
- in 2006, U.S. foreign payments for oil were more than \$250 billion
- in many Army deployments, oil makes up a staggering 70 percent of the tonnage transported to the front lines
- oil accounts for 42 percent of the world’s energy-related CO2 emissions
- oil emissions, greater than that of coal, are climbing sharply and are a major cause of urban smog and, as a result, of asthma and heart disease

A full version of this proposal, as well as supporting background material, is available at [www.opportunity08.org](http://www.opportunity08.org).

## **About the Author and the Project**

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David Sandalow is Energy & Environment Scholar at Brookings. He is an expert on energy policy and global warming. During the Clinton administration, Sandalow served as assistant secretary of state for oceans, environment, and science, and as senior director on the staff of the National Security Council.

Opportunity 08 aims to help 2008 presidential candidates and the public focus on critical issues facing the nation, presenting policy ideas on a wide array of domestic and foreign policy questions. The project is committed to providing both independent policy solutions and background material on issues of concern to voters.