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## Presidential Climate Action Project

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### Climate Action Brief: Oil Importers Unite!

One of the hard realities of the world oil market is that importing nations such as the United States have placed their destiny in someone else's hands. And they aren't the friendly hands of Allstate. Even if we could eliminate all of our oil imports tomorrow, we'd still be vulnerable to embargoes, blackmail and price manipulation by producing nations.

In this global economy, our economic health is linked to that of others. Five of America's top 10 trading partners (China, Japan, Germany, South Korea and France) are net oil importers. If they experience oil shocks, we too will feel the jolt. It's time to ask some blunt questions about national energy policy:

- If we are addicted to oil, then why are we still subsidizing the drug?
- Several of our presidents over the past 30 years have contended that we can achieve energy independence by producing more oil at home. But America's oil production peaked in the 1970s. Besides, can you end an addiction by changing suppliers?
- Oil producing nations have banded together to control supplies. Shouldn't oil-importing countries band together to control demand?

The Presidential Climate Action Project has some ideas about starting America's withdrawal from oil in earnest – a goal that would reduce our trade deficit, give us greater economic stability, save money on national defense and cut one of our biggest sources of climate-warming emissions.

1. The next president should invite other oil-importing nations to join the U.S. in an Organization of Petroleum Importing Countries (OPIC). Members would collaborate to develop technologies, strategies and policies that reduce their reliance on petroleum.
2. Congress should phase out subsidies for oil and for other finite fuels. At a time when we need dramatic reductions in greenhouse gas emissions, we shouldn't be paying one another to produce them.

3. We should set a floor on the price of oil. That will give the marketplace confidence that if it invests in oil-saving technologies, the market will not disappear in the unlikely event that oil prices plummet.
4. The new president should champion a United Nations declaration of the Persian Gulf as a “zone of international interest” whose shipping lanes are policed by a multi-national peacekeeping force of oil-importing nations. The U.S. has been the world’s Gulf policeman for too long. Many nations depend on Gulf oil; all of them should help protect it.
5. The next president should challenge the nation to reduce its oil consumption 50 percent by 2020 and to offset virtually all oil imports by 2040 by reducing vehicle miles traveled, increasing vehicle efficiency standards and rapidly perfecting low-carbon liquid fuels.

The case for ending our oil addiction could hardly be more compelling. We need to address climate change. We need to protect the economy from oil shocks. We need to stop sending our dollars to countries that support terrorism. We need to stop exporting American wealth to nations that have plenty of their own. We need to avoid the international conflicts that are anticipated as more and more nations compete for the same finite oil supplies.

And we need to prepare now for the day that oil supplies peak and begin to disappear. A study funded by the U.S. Department of Energy warned three years ago that the approaching peak in world oil production needs “immediate, serious attention” and a decade of intense preparation. According to the authors:

The peaking of world oil production presents the U.S. and the world with an unprecedented risk management problem... Peaking will result in dramatically higher oil prices, which will cause protracted economic hardship in the United States and the world.<sup>1</sup>

If that seems alarmist, then consider the warning issued earlier this year by Jeroen van der Veer, the chief executive of Royal Dutch Shell: “After 2015, easily accessible supplies of oil and gas probably will no longer keep up with demand.”

The symptoms all point to the same conclusion: It’s time for oil-addicted nations like the United States to begin a rapid withdrawal from the drug.

*This brief was prepared by the nonpartisan Presidential Climate Action Project at the University of Colorado Denver. PCAP, which is developing a 100-day climate action plan for the next President of the United States, issues briefs from time to time for the use of the presidential candidates as they consider policies to deal with climate change. Details are available at [www.climateactionproject.com](http://www.climateactionproject.com).*

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<sup>i</sup> “Peaking of World Oil Production: Impacts, Mitigation & Risk Management,” Hirsch, Bezdek and Wendling, February 2005.