



SET AMERICA FREE **Cut dependence on foreign oil. Secure America.**

Dependence on foreign oil is a national security issue

- Much of the world's oil is controlled by countries that are sponsors of or allied with radical Islamists who foment hatred against the U.S.
- We are fighting a war against radical Islam and paying for both sides.
- Control of oil reserves is a warping factor on the world stage, giving countries that would otherwise be pariah states inordinate leverage.
- Jihadists have marked oil as a target.

Dependence on foreign oil bleeds our economy

- Oil's virtual monopoly in the transportation sector has allowed OPEC to inflate fuel prices, effectively imposing a harmful tax on the economy of the United States of nearly \$500,000,000,000 per year. That's a toll of \$1600 on every American.

Key points

- **Only 2% of US electricity is generated from oil.** Therefore, increased use of nuclear, solar, wind power, useful technologies all, has little to do with reducing oil dependence.
- **Oil is a fungible commodity;** therefore shuffling around sources of supply will do nothing to eliminate the security issues associated with our oil dependence.
- **Transportation** accounts for two-thirds of U.S. oil consumption and the bulk of growing consumption in the developing world, mostly due to cars and trucks.
- **Oil's strategic status derives from its near monopoly on the transportation sector.**
- **Salt was once a strategic commodity.** With the advent of electricity and refrigeration salt became irrelevant to global affairs.
- **Fuel choice in the transportation sector can strip oil of its strategic status.**
- **The U.S. has a wealth of non-petroleum energy sources** from which liquid transportation fuel can be affordably and cleanly generated. Among them 25% of the world's coal reserves, billions of tons of biomass—forest residue, agricultural and municipal waste.
- **Deployment rather than just R&D:** Turnover of the US vehicle fleet takes 17 years. Therefore it is imperative to deploy technologies that exist today and ready for widespread use rather than focusing only on research stage technologies.

Two Basic Policy Recommendations

- **New cars should be flexible fuel vehicles.** This feature costs under \$100 per car, yet provides a platform on which fuels can compete by enabling the vehicle to run on any combination of gasoline and a variety of alcohol fuels including ethanol and methanol. An Open Fuel Standard requiring that new cars sold in America are FFVs will send an immediate signal to investors in alternative fuel that their market potential will grow year to year. It will also reduce concerns by the domestic ethanol industry about eventually removing the 54cent/gallon tariff on ethanol imports (there is no equivalent tax on oil imports).
- **Encourage the use of electricity as a transportation fuel** by doubling the tax credit for plug in hybrids as compared to no-plug hybrids.

Set America Free is a coalition of leading national security, religious, and environmental leaders working to reduce our nation's dependence on foreign oil.
For more information please visit www.SetAmericaFree.org