

## **Testimony of Michael Breen, Vice-President, Truman National Security Project**

**March 7<sup>th</sup>, 2012**

Chairman Whitfield, Ranking Member Rush, members of the Committee, Ladies and Gentlemen, I am deeply honored to have the opportunity to appear before this distinguished panel today to discuss the critically important issue of our national dependence on oil as a single source of fuel, and the impact of that dependence on our national security.

I come before you first and foremost as a fellow citizen, deeply concerned about the future prosperity and security of our great nation. I serve as the Vice President of the Truman National Security Project, a leadership institute dedicated to forging strong, smart and principled national security policy for America. As a former Army Captain and an Iraq & Afghanistan combat veteran, I am also proud to be one of the leaders of Operation Free, a non-partisan nationwide coalition of patriotic veterans who stand together in the common belief that our national addiction to oil poses a clear national security threat to the United States.

The veterans of Operation Free have seen the consequences of our dependence on oil as a single source of energy first-hand, on the battlefields of Afghanistan and Iraq. As a young Lieutenant on my first combat tour, in Iraq, I served on a isolated fighting camp south of Baghdad in an area known as the "Triangle of Death." My unit was entirely dependent on a daily fuel convoys to power our generators and fuel our vehicles. Recognizing this, Iraqi insurgents consistently ambushed the convoys while my infantry company fought to protect them – leading to almost-daily firefights we jokingly called "fighting for our supper." The insurgents had recognized a crucial weakness, one that Osama bin Laden referred to as America's "Achilles heel": our dependence on oil as a single source of fuel.

We pay a high price for that single source dependence, in both treasure and blood. A \$10 increase in the price of a barrel of oil costs the Department of Defense an estimated \$1.3 billion –

almost equal to the entire procurement budget for the Marine Corps.<sup>i</sup> The fully burdened cost of fuel is \$40 a gallon in parts of Afghanistan. Meanwhile, half of the convoys that have braved the harrowing highways of Baghdad and the narrow mountain passes of Afghanistan carry the oil our force cannot fight without. And one in twenty-four of those convoys ends in an American casualty.<sup>ii</sup>

For our troops in harm's way, the reality of oil dependence is stark. Yet we confront an equally stark reality as a nation. Over 95% of the American transportation sector runs on oil.<sup>iii</sup> Our economy is overwhelmingly dependent on this single, globally-traded strategic commodity. Unfortunately, the price of that commodity is almost certain to continue to rise by fits and starts, draining our economy and benefiting our enemies. Reliance on this single source of fuel is a security risk we can no longer tolerate.

U.S. demand for crude oil and its derived products has held roughly flat for years now. Meanwhile, domestic production has been robust, increasing in the last several years. Yet, despite stagnant U.S. demand and increasing U.S. production, relentlessly increasing global demand continues to push the price of oil ever higher, driving a massive transfer of our national wealth to other nations.

America sends over \$1 billion per day overseas for oil.<sup>iv</sup> It should not be a surprise, then, that oil is the single largest contributor to our foreign debt, outpacing even our trade deficit with China. Worse, far too many of those dollars wind up in the hands of regimes that wish us harm.

A Truman Project colleague conducted an analysis on the impact that increases to crude oil prices have on the gross revenue streams of certain nations. This research concluded that for every \$5 rise in the price of a barrel of crude oil, Putin's Russia receives more than \$18 billion annually, Chavez's Venezuela an additional \$4.9 billion annually, and Ahmadinejad's Iran an additional \$7.9 billion annually. I do not believe that anyone in this room today would support an energy policy that transfers our national wealth to such regimes.

Today, our nation remains locked in a high-stakes confrontation with a volatile Iran. Iran's pursuit of a nuclear weapons capability and support for terrorism are among our gravest national security challenges. As we grapple with those challenges, we must not forget that neither terrorism nor nuclear technology is free. According to the CIA, over 50% of Iran's entire national budget comes from the oil sector.<sup>v</sup> That's enough to pay for their nuclear program, support terrorism, and back dictators like Syria's Assad.

Iran is not America's only oil-funded security threat. Even Afghanistan's Taliban benefits from ever-increasing oil prices. According to former Special Envoy Richard Holbrooke, the Taliban's largest source of funding is not drug trafficking, as is commonly believed.<sup>vi</sup> Rather, private foreign donations from individuals in oil-rich Iran, Saudi Arabia and other Persian Gulf states keep the insurgency running.

Our military leaders have not been idle in the face of this challenge. They are acting decisively to increase efficiency and pursue alternatives that break our force's singular dependence on oil. The U.S. Navy is committed to reducing petroleum use by 50% by 2015, with the goal of 40% of total energy consumption from alternative sources by 2020. In 2010, the Navy conducted the first flight test of the "Green Hornet" – an F/A-18 strike fighter powered by a 50% biofuel blend derived from the camelina plant.

The Navy's efforts demonstrate that our military leaders understand the critical danger we face. They are acting to meet that danger, in the only way that makes sense: by developing alternatives to oil.

Congress must also act to ensure that Americans have alternatives to oil. There is no single solution, no silver bullet, that can break oil's grip on our national fortunes. Fortunately, Congress has silver buckshot in its arsenal. At a minimum, we need robust research and development into a broad range of alternative fuels and vehicle technologies, support for communities across America as they

transition their infrastructure to support alternative vehicles, and tax incentives for families and small businesses that purchase those alternative vehicles.

My earliest military training taught me to anticipate threats and take action to defeat them. Our military leaders understand this when it comes to the cost of oil – a cost that extends beyond the gas pump and onto the battlefield. Congress must take equally decisive action.

I respectfully conclude with a simple request: lead us in building an alternative energy economy that can break our dependence on oil, ensure our future prosperity and security, and finally put Americans in control of our own energy future.

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<sup>i</sup> CNA Report on “Powering America’s Defense: Energy and the Risks to National Security” (May 2009)

<http://www.cna.org/documents/PoweringAmericasDefense.pdf>

<sup>ii</sup> “Casualty Costs of Fuel and Water Resupply Convoys in Afghanistan and Iraq.” Army-Technology.com, February 26<sup>th</sup>, 2010. <http://www.army-technology.com/features/feature77200/>

<sup>iii</sup> “Petroleum & Other Liquids.” U.S. Energy Information Administration.

[http://www.eia.gov/pub/oil\\_gas/petroleum/analysis\\_publications/oil\\_market\\_basics/demand\\_text.htm](http://www.eia.gov/pub/oil_gas/petroleum/analysis_publications/oil_market_basics/demand_text.htm)

<sup>iv</sup> Powers, Jonathan. “Oil Addiction: Fueling Our Enemies.” Truman National Security Project, February 17<sup>th</sup>, 2010.

[http://www.trumanproject.org/files/papers/Oil\\_Addiction\\_-\\_Fueling\\_Our\\_Enemies\\_FINAL.pdf](http://www.trumanproject.org/files/papers/Oil_Addiction_-_Fueling_Our_Enemies_FINAL.pdf)

<sup>v</sup> CIA World Factbook. “Iran.” CIA, February 21<sup>st</sup>, 2012. <https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html>

<sup>vi</sup> Schmitt, Eric. “Many Sources Feed Taliban’s War Chest.” New York Times, October 18<sup>th</sup>, 2009.

<http://www.nytimes.com/2009/10/19/world/asia/19taliban.html>