

# ajc Sunday

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GUEST COLUMN

## Face the realities, true costs of our dependence on oil

By David Kyler

In spite of overwhelming facts, wishful thinkers still call for more drilling off our coastline. Sen. Johnny Isakson (R-Ga.) and at least one candidate in Georgia's race for governor insist that we need to get more domestic oil, wherever it may be, so that we can end dependence on "foreign dictators" who control our energy supplies.

Unfortunately, that goal cannot possibly be reached, no matter how much drilling is done within our borders, unless we cut our use of petroleum by more than 75 percent.

Because of the immense quantity of oil consumed in the United States compared with the small amount from all our domestic sources of supply – both existing and yet-to-be-tapped combined – as long as we depend so heavily on petroleum, the United States will be at the mercy of foreign suppliers.

Not only will offshore drilling fail to serve the goal of American energy independence, but

tation and patterns of development that enable people to be less dependent on motorized travel.

● As rapidly as possible, transfer to using other forms of energy that are not constrained by supply. The most obvious and abundant sources are wind, solar, geothermal, and tidal energy, all of which can be used to produce electricity. For transportation, this would mean converting to the use of electric vehicles and intensifying research in development of new battery technology.

The real costs of various energy sources also deserve closer examination.

We often hear claims about how "cheap" oil and nuclear power are relative to renewable sources such as wind and solar. Yet consider the study done by the International Center for Technology Research.

The study found that if all hidden costs were tallied – including U.S. military protection of access to oil fields in the Mideast, medical expenses for treating respiratory diseases linked to burning petroleum

products, federal tax credits to oil companies (some \$35 billion annually), and environmental protection (even prior to the BP disaster in the Gulf) – the price per gallon of gas would be \$12 above the current amount. Imagine paying \$14.50 a gallon at the pump!

In other words, if all hidden costs were included in the price of fuel, many uses of petroleum would already be obsolete because the market would support alternatives such as electric cars recharged from renewable power sources. With these costs concealed, consumers falsely think petroleum is their best choice. Political motives for supporting oil are another matter.

Comparable hidden costs in the form of tax subsidies and other public bailouts are tied to every single dominant form of energy – including coal and, above all, nuclear power.

In a truly free market, all conventional energy forms would be significantly higher in price than they now are, making renewables comparatively cheaper.

for similar reasons it will not help reduce prices at the pump either.

Under congressional testimony, experts recently stated that the amount of additional oil to be tapped from new offshore oil wells would, at most, bring a savings of 3 cents a gallon, and no sooner than 10 years to 15 years from now when such oil could possibly become available.

Those arguing in favor of more offshore drilling fail to grasp some of the most essential facts about supply and demand for oil as a globally traded commodity:

- The U.S. has less than 5 percent of the world's total remaining supply of petroleum, while using about 20 percent of it.

- The price of oil is determined by the amount available around the world compared with total global demand for it, at any given time.

- Given limited supplies and growing worldwide demand, the price of oil will be rising and amounts remaining will be declining relative to global use.

Therefore, there are only two ways for the United States to reduce energy costs and to achieve energy independence.

- Drastically decrease use of oil by converting to mass transpor-

**If all hidden costs were included in the price of fuel, many uses of petroleum would already be obsolete because the market would support alternatives such as electric cars recharged from renewable power sources.**

Consequently, it is completely misleading to compare lavishly subsidized oil, coal, gas and nuclear power with modestly supported capital investments in wind, solar and other clean energy sources.

Moreover, once the clean energy infrastructure is built, fuel is literally free. Defenders of free markets cannot justify continuing dependence on conventional forms of energy.

One last inconvenient fact: corporate spokesmen testified in the recent congressional hearings on the BP oil spill – including reps of BP and Halliburton.

Every one of them said that they could *not* prevent another disaster like the current one from reoccurring. Thus, there simply is no fail-safe way of saving even 3 cents a gallon by tapping U.S. offshore resources.

The risks of offshore drilling are simply not justified by the trivial benefits, if any. Responsible energy policy relies on the public being aware of the real costs and consequences of our choices.

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