

High Gas Prices: Supply and Demand: Efficiency and better cars will fuel America faster than drilling

Rich Heffern | Apr. 6, 2011 | Eco Catholic

The following article from the Natural Resources Defense Council outlines a better strategy for fueling our transportation than increased offshore drilling -- and a way out of high gas prices.

The United States consumes 19 million barrels of oil a day, 25 percent of the global supply, but we have less than 2 percent of the world's proved oil reserves. That means no amount of domestic drilling will reduce gas prices or provide enough to meet America's daily demand for oil. The only solution: develop better cars and cleaner, safer sources of fuel. By 2025, we can reduce our reliance on oil through increased efficiency, transit, and alternative fuels, saving more oil than we can drill.

The United States will never control world oil supplies or gas prices?we don't have the oil.

The United States has been drilling aggressively for the past century, with more active wells than the rest of the world combined. But even if we were to drill a hole everywhere in the country we know to have oil, and drain out every drop of proved reserves, we'd have enough to last us 1,094 days ? just three years.

That trickle won't ease gas prices. The price for a gallon of gas is set globally, determined by a number of things, including how much each country is pumping, how much they have in reserves, and geopolitical stability. Just look at Canada ? they produce about one million barrels more than they consume daily, and have almost ten times more proved reserves than we do. But it doesn't matter ? price spikes at the pump there mirror ours.

OPEC dominates the world oil market ? and therefore it controls prices.

OPEC nations own 70 percent of the world's proved oil reserves, and 40 percent of production capacity. Nearly 90 percent of the world's oil is controlled by oil companies owned by foreign governments.

The largest, Saudi Aramco, produces about 10 percent of world supply. Next in line is the National Iranian Oil Company, an agency of the same government the U.S. State Department regards as a state sponsor of terrorism, a nuclear outlaw and a human rights violator. Along with counterparts in Iraq, Kuwait, Mexico, China, Abu Dhabi, Libya, and elsewhere, these governments control world oil supplies.

We've spent trillions of dollars to protect mid-East oil and crafted American foreign policy around tenuous relationships with oil-producing countries, no matter the record of their governments, the diplomatic price, or the unsustainable burden on our men and women in uniform.

Calls for more drilling will pad Big Oil's pockets ? with money from your pockets.

While American families worry about how rising gas prices will fit into tight budgets, oil companies are working to protect their staggering profits. The five largest privately held oil companies ? BP, Chevron, ConocoPhillips, ExxonMobil and Shell ? earned profits totaling \$951 billion between 2001 and 2010, nearly \$1 trillion in a decade. Despite that, American taxpayers will be shelling out \$46 billion in subsidies to the industry

in the next decade.

Big Oil companies and their allies in Congress want to block the crucial transition toward more fuel-efficient cars and cleaner sources of energy. In 2010, Big Oil spent over \$146 million lobbying Congress. They're using the latest price hikes to convince us that we need more domestic drilling, and that stronger worker and environmental protections would drive prices even higher. But we know that's not the case, and they're putting profits ahead of Americans.

The solution: new car technology, mass transit and alternative fuels that reduce our dependence on oil.

We don't have to pay high gas prices if we end our extreme reliance on oil. And we can start with our cars. Raising average fuel efficiency of cars to 60 miles per gallon by 2025 would reduce gasoline consumption by 2.8 million barrels per day by 2030.

Oil is a lousy way to power cars. Only two out of every ten gallons of gas in your tank actually moves your car? the rest is wasted or idled away. Sixty-two percent of fuel in your tank is wasted on the inherent inefficiency of the internal combustion engine. Another 17 percent is lost while the engine idles. Electric cars apply 75 percent of the energy stored in their batteries to actually moving the car. And we can produce electricity in the United States from clean and sustainable sources.

A combined investment in more efficient cars and trucks, cleaner fuels, and more transportation options for Americans could cut our oil imports in half by 2030. Setting higher fuel-efficiency standards for heavy-duty trucks and retrofitting existing cars and trucks to be more efficient, with better tires, for example, reduces the need for oil. And an aggressive expansion of transit in cities and suburbs, coupled with measures such as smart traffic management and better neighborhood designs, could save us even more oil.

We can choose better cars and technology or we can continue to subsidize the oil industry. Where do you want to go?

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