

The National Defense Council Foundation

Issue Alert

The ANWR Imperative

August 5, 2005

THE NEED

For most of human history the only power required in battle was provided by bone, muscle and sinew. But the advent of industrialization profoundly transformed the battlefield. The motive power of man and beast would never again be sufficient to meet military requirements.

The invention of the internal combustion engine again transformed the nature of military energy needs making oil among the most important military commodities. Its importance has grown with each succeeding decade.

To illustrate:

- During Operation Desert Storm, in active combat, a U.S. Army heavy armored division used more than twice as much oil as entire World War II field army.
- In fact, the 540,000 troops deployed to the Persian Gulf for Desert Storm used more than twice as much oil daily as the entire 2-million man Allied Expeditionary Force that liberated Europe during World War II.
- In Operation Iraqi Freedom, the amount of oil required per deployed soldier increased by 20% from Desert Storm levels.

In the future, energy needs will be even greater.

The Department of Defense states in FM 100-5 the US Army Statement of Doctrine that:

“The global realities of today are in a period of significant change. Army forces may find themselves called upon to fight under conditions of rapid force projection that can build to major sustained operations in war and peace or that can terminate quickly only to lead to other commitments elsewhere.”

To fulfill this requirement, the Department of Defense is going through a process of “*transformation*” intended to make forces even more mobile and responsive. The template for the future is found in the new “*Stryker Brigade Combat Teams*” (SBCT) which are modular, self-contained units that can be deployed by air within 96 hours and can be tailored to operational needs.

Each 3,900 man brigade will be equipped with over 300 Stryker combat vehicles as well as 1,200 additional trucks, utility vehicles and support equipment. Deploying the 14,663 tons of supplies and equipment and 3,900 personnel that comprise a Stryker Combat Brigade Team will require flying 243 C-17 sorties.

But the SBCT's mobility and responsiveness can only be employed, if there are adequate supplies of fuel to power the vehicles that make those attributes possible. And that is the problem.

THE PROBLEM

Although more than three decades have passed since the 1973 Arab Oil Embargo first alerted our nation to the vulnerability its growing dependence on imported oil had created, little has been done to address this issue. At the time of the AOPEC Embargo, the United States imported 34.5% of its oil. Today that figure stands at 64.4% and continues to increase. Of this figure, 45.3% accounting for 25.4% of domestic supplies currently come from OPEC countries, and almost 20% of imports from the Persian Gulf.

At the same time, domestic production has steadily declined, falling by 2.1% in just the last year, while domestic consumption increased by 1.2%.

The dangers of our undue oil import dependence are aggravated by a number of other factors.

- First, the competition for global oil resources has intensified due to a surge in economic growth in the emerging economies of China, India and Eastern Europe. China, alone, accounted for 40% in the TOTAL increase in world oil consumption over the past several years. To meet its ravenous appetite for oil, China has moved aggressively to secure oil supplies around the world, even seeking to establish supplier relationships with countries that are principal sources of U.S. imports such as Mexico, Venezuela and Canada. China has even made a tender offer to purchase the major U.S. oil company UNOCAL.
- Second, the ability of producing nations to expand their production to keep pace with global demand is in doubt. Recently ExxonMobil added its voice to the increasing number of experts who believe that global oil production has hit its peak and will decline in the decades ahead.
- Third, of the six largest sources of U.S. oil supplies at least four are dangerously insecure. The Chavez government in Venezuela is hostile to the West and has threatened to cut off shipments to the United States. Nigeria is torn with ethnic strife and banditry, losing at least 135,000 barrels per day to theft. Iraq is still struggling to control Islamist insurgents. Saudi Arabia has seen a pattern of escalating attacks on oil facilities over the past several years. Moreover, in December, Osama bin Laden issued a fatwa urging his followers to attack U.S. oil supplies, especially in Saudi Arabia and Iraq. Together, Saudi Arabia, Venezuela,

Nigeria and Iraq provide 40.2% of all U.S. oil imports accounting for more than 23% of domestic consumption.

This combination of declining global oil production, growing competition for oil supplies and the inherent instability of our principal suppliers make the reduction of America's import dependence an urgent national priority. The question is how can we accomplish this objective?

THE ANSWER: ANWR

In addressing America's import dilemma it is important to recognize certain facts:

- First, there are currently 220 million privately owned vehicles on the road in America with a service life of up to 25 years. Therefore, it will be 25 years before the need for conventional motor fuels is eliminated.
- Second, for the vehicles in the military's tactical fleet and aircraft, the average service life is even longer – 40 years or more. For example, the Abrams tank has been in service for 25 years, and the first HUMVEE's rolled off the assembly line 20 years ago. The B-52 bomber is now 54 years old, and the C-130 has just marked its 50th year of service.
- Third, the only truly secure sources of supply are those that exist within our borders.

Among the most important untapped domestic sources of supply is the Arctic National Wildlife Refuge (ANWR).

With recoverable reserves of at least 10.4 billion barrels oil, and possibly as much as 30 billion barrels ANWR is the last remaining “*Supergiant*” oil field in North America. According to the Department of Energy, ANWR could increase domestic production by up to 1.5 million barrels, for 30 years. This is also enough to supply **ALL** defense-related oil requirements for up to 90 years.

Bringing ANWR into production can help in other ways as well.

If North Slope production falls below 325,000 barrels per day, the Trans-Alaska Pipeline System (TAPS) would not be enough throughput to operate. As a result remaining production would be stranded, effectively throwing away more than a billion barrels of oil. Developing ANWR would extend the TAPS useful life by up to 20 years.

Developing ANWR would create hundreds of thousands of jobs, not only in Alaska, but in the lower 48 states.

Developing ANWR would extend the useful life of West Coast refineries that are specifically configured to process Alaskan crude.

In an era of declining oil supplies, increasing competition and uncertain security, development of the oil supplies on Alaska's Arctic Coastal Plain is one of the few actions that can provide near-term concrete relief to America's import problem. As such it must be an urgent national priority.