# Mission Statement

Oil's virtual monopoly over transportation fuel - more than 95 percent of transportation energy is petroleum based - has made it the lifeblood of the global economy and a strategic commodity second to none. Oil's status as a strategic commodity – a product whose disruption or extravagant cost could cause the collapse of our economy – poses significant economic, security and health vulnerabilities for the United States. These vulnerabilities drain pocket books, skew American foreign policy and burden our military.

Today, about half of U.S. oil is imported, and thereby subject to disruption or extravagant cost – the latter being a result of the global price of oil being set by the Organization of Petroleum Exporting Countries (OPEC) cartel.

Reducing oil demand through fuel economy, absent competitive markets, is insufficient to change the strategic status of oil or the influence of OPEC, which controls 78 percent of world oil reserves. OPEC, striving to maximize the revenue of its members, has constrained production to the point where, despite accounting for the bulk of world oil reserves, it provides only a third of global supply. When oil-consuming countries reduce net demand (or increase non-OPEC production), OPEC can respond by reducing supply to drive prices back up. To overcome this strategic vulnerability, consumers must have viable choices that enable them to respond quickly to changes in oil prices, rendering the cartel's actions ineffective. Drivers can't rapidly change the fuel economy of their vehicles, but with the right policies they could quickly change what fuel their vehicles use — and even how frequently they use those vehicles.

In a bygone era, salt held the same strategic importance that oil does today because it was the only means of preserving food. The advent of canning, and later electricity and with it refrigeration, rendered salt just another commodity, eliminating its strategic importance. We consume more salt now than ever before, yet it has no geopolitical importance and our economy is not vulnerable to its price swings. To reduce the strategic importance of oil, consumers must be able to respond in a dynamic fashion - on the fly - to changes in oil price by switching to competing fuels. That means that just as salt's monopoly over food preservation was eliminated, oil's monopoly over transportation fuel must be broken. Fortunately, we have the means at hand today to do that.

The goal of the **United States Energy Security Council** is to highlight and promote a fresh approach to solving America's oil predicament, one that addresses the roots of our vulnerability - oil's monopoly over transportation fuel. The Council advocates proven transformational policies designed to diminish oil's strategic value by opening the transportation fuel market to competition. To this end, the Council works to ensure that new cars sold in the U.S. and, by extension, consumers throughout the world, will accommodate and benefit from a competitive fuel market, and that non-petroleum fuels, whether liquids, gas or electricity can compete against oil in a free market environment.