

# Market Research

## *Attacking The Foreign 'Oil Addiction'*

Nearly every US citizen would agree the US is dependent on foreign oil sources. Most would also agree this is a national security issue. According to the Department of Energy (DOE), foreign oil makes up approximately 60% of total US petroleum consumption.

The Obama-Biden comprehensive New Energy for America plan calls for, within ten years, saving more oil than we import from the Middle East and Venezuela combined. According to the DOE, the US imports approximately 15% and 10% of its petroleum demand from the Persian Gulf and Venezuela, respectively. This equates to roughly 3.0 mbpd. The Obama-Biden plan includes additional goals related to environment, technology, fuel efficiency, etc. and is worth a read ([http://www.whitehouse.gov/agenda/energy\\_and\\_environment/](http://www.whitehouse.gov/agenda/energy_and_environment/)).

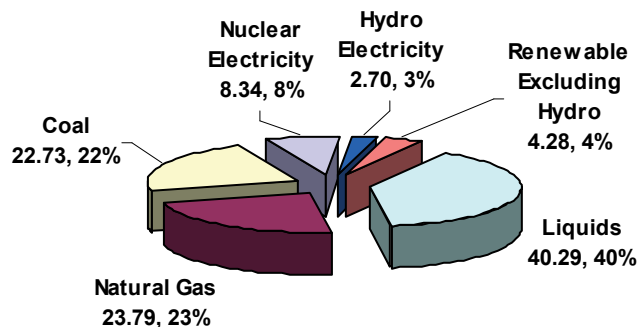
So how do we attack the problem of foreign 'oil addiction'? The charts below, courtesy of the DOE, help us begin to understand .... The chart on the left identifies US energy consumption by fuel type. Take particular note that every piece of the pie is primarily domestically sourced energy, but for one ..... liquids (40.29 quadrillion Btu/year and 40% of our total energy consumption). Liquids include crude oil, condensates, and petroleum products.

The chart on the right identifies US energy consumption by sector. While industrial, commercial and residential consumption is primarily met via electricity and natural gas, transportation fuels are primarily petroleum liquids based (jet, diesel, gasoline, bunker fuels, etc.). So how do we attack the problem? ..... new transportation fuel technologies. The US must actively, urgently, and passionately engage a new era of transportation fuel technology in order to eliminate the foreign 'oil addiction'.

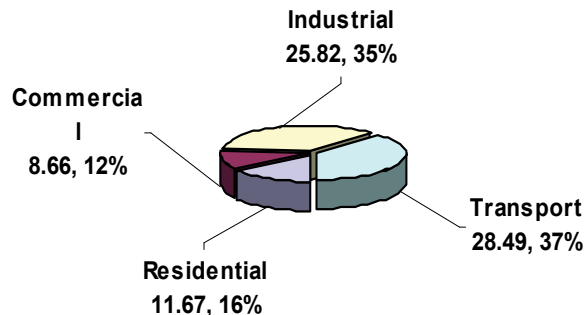
Currently, the leading alternative transportation fuel technologies include natural gas engines and hybrid electric vehicles. The market place will, and should, decide on the best technology. The long run policy issues of resource availability and emissions likely favor the electric vehicle, assuming sufficient electricity supplies can be generated from renewable sources. One thing is certain, the infrastructure challenge associated with either technology is massive.

Finally, those serious quants who tallied up the Btu's represented in the two charts below will notice the totals are different—102 quadrillion Btu's by fuel type vs. 75 quadrillion Btu's by sector. Yes, these two should add up. Inserting a government sector to the right chart helps solve the mystery.

**2008 US Energy Consumption By Fuel**  
Quadrillion Btu, % of Total



**2008 US Energy Consumption By Sector**  
Quadrillion Btu, % of Total



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