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This Week's Climate Fact

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Want to Kick the Oil Habit? Cut Emissions.

Gas prices today are higher than ever, in part because of growing global demand from countries like China. While the U.S. can't fundamentally change the global oil market we can reduce our dependence on it by switching to new and cleaner alternatives and improving efficiency. And the single most effective way to do both is to cap greenhouse gas emissions.

Our transportation system today runs almost exclusively on oil. In fact, nearly 70 percent of the oil the U.S. consumes every day goes into the fuel tanks of our cars, trucks, trains, boats, and planes¹. Carbon dioxide – the chief cause of global warming – emitted from burning oil in the transportation sector accounts for nearly a third of the nation's total carbon dioxide emissions².

Capping emissions could improve our economy and our energy security, as well as our environment. You are probably already aware that a federal cap-and-trade system can help us avoid the most harmful and costly effects of global warming, like more severe storms, water shortages, rising sea levels, and more intense heat waves.

But cap and trade would also drive private sector investment in new alternatives, like more efficient vehicles and alternative fuels, saving oil and money and creating jobs. According to an analysis based on modeling from the Massachusetts Institute of Technology a strong climate bill, like the Climate Security Act considered by the Senate earlier this month, would cut U.S. oil imports enough to save the U.S. economy \$160 billion through 2020, and \$490 billion through 2030³. And that assumes oil prices of \$52 a barrel. At today's oil prices the savings could grow to about \$1 trillion through 2030.

And if gas prices continue to rise, the savings will grow even larger. Today, gas prices are at an all time high, and it looks like they'll just keep climbing. The average price of gasoline at the pump in May 2008 was almost 60 cents higher than a year ago, and almost double what it was four years ago. Since the majority of the cost of gasoline we pay is determined by world oil prices⁴, today's high prices are only going to increase: analysts predict that our current path may lead to gasoline prices as high as \$6 or \$7 per gallon⁵.

Instead of sending that money overseas to unstable or unfriendly regimes, we could be spending it here at home on alternative, low-carbon energy technologies that will carry the U.S. into the new clean economy.

We can make ourselves less vulnerable to rising oil prices by reducing and diversifying our energy supplies. A cap on carbon emissions will wean us off oil while reducing greenhouse gas pollution.

We'll be hostage to the price of oil until we break our addiction. A carbon cap is the most effective step we can take to kick the habit. *It's time to cap emissions.*

¹ Oak Ridge National Lab's "Transportation Energy Data Book" <http://cta.ornl.gov/data/chapter1.shtml>

² EPA's "Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990–2006" http://www.epa.gov/climatechange/emissions/downloads/08_CR.pdf

³ Paltsev et al, 2007, Assessment of U.S. Cap-and-Trade Proposals, MIT Joint Program on the Science and Policy of Global Change, Report No. 146.

⁴ EIA's "Gasoline and Diesel Fuel Update" <http://tonto.eia.doe.gov/oog/info/gdu/gasdiesel.asp>

⁵ *Wall Street Journal*, "Americans Cut Back on Driving," May 23, 2008