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Does US Need a "No Oil" Contingency Plan?

With Current Global Chaos and Risks, One Pundit Says It is Critical, but US doesn't have one; Keeping the Trucks Rolling

SCDigest Editorial Staff

To say that there are some stress points in the world right now is an understatement. From the global financial crisis to accelerating Russian aggression, the "hot spots" in both a geographic and political/economic sense are many.

With that backdrop, does the US need a national plan that lays out a blueprint for something almost unthinkable – a highly restricted flow of oil?

Yes, says **Edwin Black**, an author who has just written a new book titled ***The Plan: How to Save America When the Oil Stops — or the Day Before***.

"Government has prepared for hurricanes, anthrax, terrorism and every other disaster, but not the one threatened daily — a protracted oil stoppage, whether caused by terrorism, intervention in the Persian Gulf or a natural disaster," Black says.

Is such a scenario worth planning for?

It would seem so. The US currently imports about 60% of its total oil consumption. While friendly neighbors Canada and Mexico are the number 1 and 3 sources of those oil imports, much less secure and stable sources such as Saudi Arabia, Venezuela and Nigeria make up the rest of the top 5 (see chart below). In a global crisis, no one can be sure how much oil might move even from friendly countries.

Even a modest disruption in the flow of oil could have a devastating impact on the economy and commerce, especially the flow of goods.

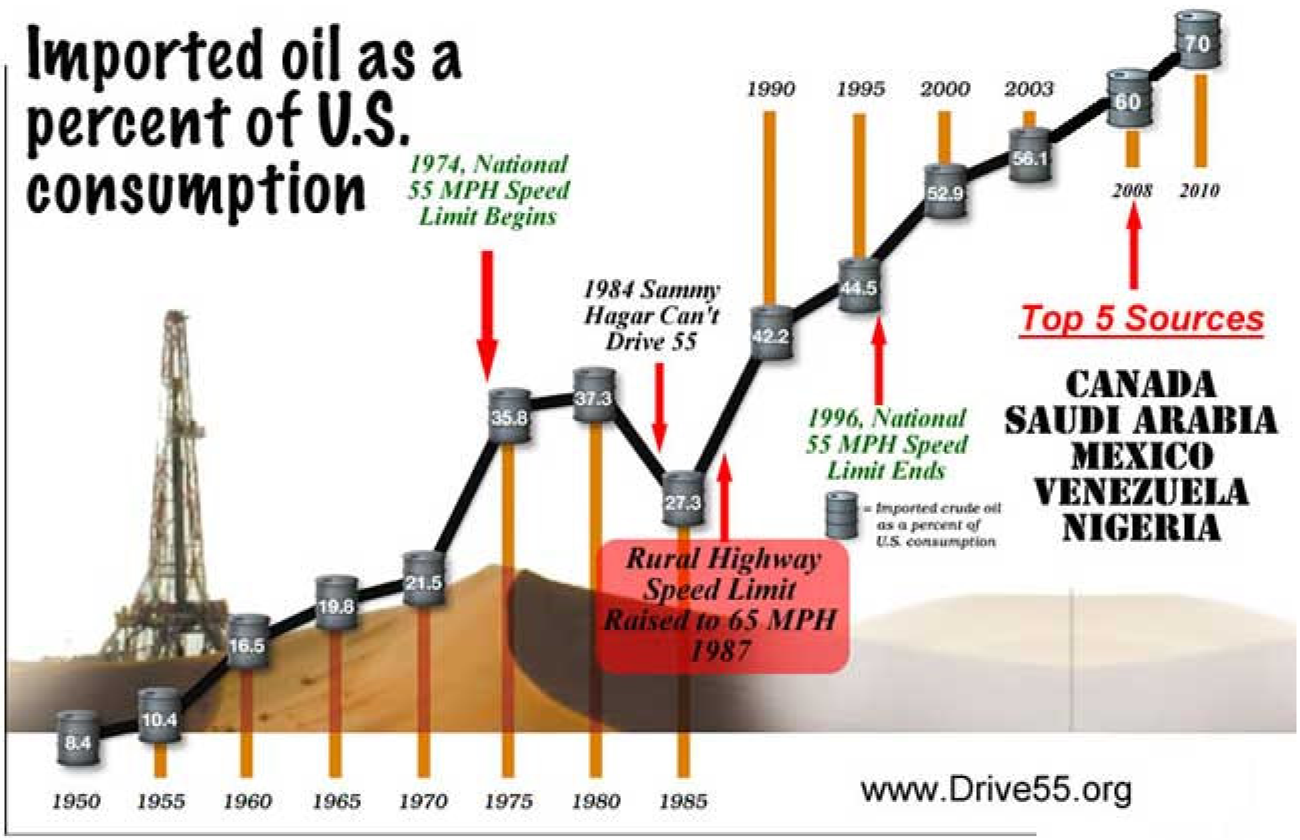
"First the trucks and shippers will curtail shipments. Shelves will become scant and in some cases bare," Black cheerfully notes in the book's first pages. "Quickly, unemployment will become epidemic as people are laid off due to economic contraction or because many will simply be unable to get to work. That in turn will worsen the country's economic convulsion. Mobile America will cease to exist as we knew it because transportation via automobiles, taxis, buses, planes and other vehicular traffic will become an ever more unaffordable luxury. When people cannot get from Point A to Point B, the nation's economic vitality will quickly wither."

"Like any snow emergency, water drought or natural disaster, a national oil supply emergency should be governed by a plan," Black states. "A Plan? America does not have such a plan. No Plan A. No Plan B."

There are a variety of risks, ranging from those that would curtail the flow of oil modestly to ones where global trade in oil would be significantly stanched. Example scenarios that would impede the flow of oil could include war in the Middle East, further Russian aggression and energy extortion, terrorist actions against pipelines or ports, etc.

Black says, for example, that should there be a military strike in the Strait of Hormuz near Iran,

Does US Need a "No Oil" Contingency Plan? Con't)



the US would have to tap its Strategic Petroleum Reserve immediately.

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Black's book lays out such a plan. He calls, for example, for the building of an infrastructure that would be capable of retrofitting cars by the millions to run on natural gas, if required.

Another key component is the enactment of an "Open Fuel Standard" requiring that new cars be capable of operating on a broad spectrum of alcohol fuels in addition to gasoline. This idea is similar to ideas offered by another author, **Robert Zubrin,** earlier this year. (See **Is the Quick Answer to Soaring Fuel Costs Ethanol and Methanol in the End?**

Black says The Open Fuel Standard would immediately break the transportation fuel monopoly of oil and can be accomplished for as little as $100 per new vehicle.

Black makes a compelling case that in today's world, a plan to deal with different scenarios in which the flow of oil is constricted at varying levels, and how the country should react both now to minimize the impact and what to do as it happens, is more than necessary.