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For additional information, contact:  
Jenny Constable  
970 927-3851  
[media@rmi.org](mailto:media@rmi.org)

## U.S. ENERGY SECURITY LINKED TO EFFICIENCY

SNOWMASS, Colo., MAY 14 –Americans spent \$285 billion on transportation fuel in the year 2000—about as much as on national defense—according to a new report issued today by Rocky Mountain Institute (RMI). The report, “U.S. Energy Security Facts,” makes clear that the U.S. can alleviate the vulnerabilities and costs of its oil supply by using oil in efficient, money-saving ways.

The report’s author, physicist Amory B. Lovins, said: “The Iraq war, the economic downturn, and the ongoing Congressional energy policy debate make this a ripe time to refocus attention on reducing America’s energy vulnerability by increasing her energy efficiency. Efficiency doesn’t require sacrifice, it makes money, it makes sense, and it’s the fastest, most powerful way we know to shift to energy sources that can’t be cut off.”

The report documents energy’s diverse threats and costs, and highlights the potential for achieving large and rapid gains in U.S. oil efficiency. Almost unnoticed, since 1975 the U.S. has doubled the economic activity wrung from each barrel of oil. Overall energy savings, worth about \$365 billion in 2000 alone, are effectively the nation’s biggest and fastest-growing energy “source,” providing two-fifths of all energy services—equivalent to 1.65 times the total amount of oil use or 12 times the amount imported from the Persian Gulf. Without gains in energy productivity since 1975, energy consumption in the United States would have grown by 253 percent more than it did.

Rather than further developing this enormous and largely unexploited “efficiency resource,” federal energy policy continues to focus on subsidizing and expanding the least competitive options—supplying more fossil and nuclear energy. The oil industry has dwindling reserves, falling output, and rising costs (including military), while the efficiency industry has expanding reserves, rising output, and falling costs.

The report finds that during 1977–85, GDP rose 27%, oil use *fell* 17%, net oil imports fell 42%, and imports from the Persian Gulf *fell* 87%. If the country had repeated that 5.2% annual gain in oil productivity starting in 1/2000, Persian Gulf imports could have been eliminated by 5/2002.

The key to the huge 1977–85 oil savings was Detroit’s 7.6-mpg-better cars. (Transportation uses the lion’s share of oil in this country—68%—while buildings use 6%, industrial fuel, 8%, and industrial feedstocks such as asphalt and petrochemicals, 17%). Two decades ago, vehicles gained 3.25 mpg every 21 months while improving safety, peppiness, and emissions. But efficiency gains were soon followed by a period of stagnation through the 1990s.

In 1991, the Gulf War cost the U.S. \$61 billion, of which allies reimbursed \$54 billion. If the nation had invested just the remaining \$7 billion in the cheapest available oil savings, the country could have displaced all of the oil it now imports from the Gulf.

The budget for the Iraq war through June 2003 exceeds \$80 billion. Since 1975, oil imports have cost Americans over \$2 trillion.

To download a free copy of RMI's new report, visit [www.rmi.org/sitepages/pid533.php](http://www.rmi.org/sitepages/pid533.php). Copies can also be ordered online or by calling 970-927-3851.

### ***About Rocky Mountain Institute***

Rocky Mountain Institute is a 21-year-old, independent, nonpartisan, nonprofit, entrepreneurial applied research center. Its ~50 staff foster the efficient and restorative use of resources to make the world secure, prosperous, and life-sustaining. Its work emphasizes advanced technologies and creative use of market forces, and is integrative, transdisciplinary, and transideological. One of its major current projects is writing a compelling technical, economic, and policy roadmap for getting the United States off oil rapidly, attractively, and profitably—even for oil companies.

### ***About the author***

Amory B. Lovins is cofounder and CEO of Rocky Mountain Institute. A consultant physicist, he has advised the energy and other industries for 30 years as well as the U.S. Departments of Energy and Defense. Published in 28 books and hundreds of papers, his work in ~50 countries has been recognized by the “Alternative Nobel,” Onassis, Nissan, Shingo, and Mitchell Prizes, a MacArthur Fellowship, the Happold Medal, eight honorary doctorates, and the Heinz, Lindbergh, Hero for the Planet, and World Technology Awards. He advises industries and governments worldwide, including major oil companies, and has briefed 17 heads of state. For the past dozen years, he has also led the development of quintupled-efficiency, uncompromised, same-price automobiles and of a profitable hydrogen transition strategy. Much of his wider work is synthesized in *Natural Capitalism: Creating the Next Industrial Revolution* ([www.natcap.org](http://www.natcap.org), with Paul Hawken and L. Hunter Lovins). His latest book, *Small Is Profitable: The Hidden Economic Benefits of Making Electrical Resources the Right Size* ([www.smallisprofitable.org](http://www.smallisprofitable.org), with RMI colleagues), was named by *The Economist* as one of the best three business and economics books of 2002.

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