



# Protect Section 526 for America's National and Energy Security

In the House, several appropriations bills and the National Defense Authorization Act contain a provision that would repeal Section 526 of the Energy Independence and Security Act of 2007. Under Section 526, the Department of Defense and other federal agencies are not permitted to purchase fuels that are less efficient than conventional petroleum fuels.

DOD is the largest U.S. consumer of energy, and Section 526 has been a key tool in its efforts to reduce its reliance on foreign oil and find alternatives to increase its energy independence and security. Repeal of Section 526 would counter its progress and Pew strongly opposes attempts to repeal it.

*Section 526 is a critical component of America's national security. We urge you to oppose the repeal of Section 526.*

## Repealing Section 526 would:

- ***Stymie critical research and development activities.*** The U.S. military is one of the leading organizations in the country in developing advanced biofuels. The Navy and Air Force, in particular, have focused on introducing these fuels into their fleets.
- ***Unnecessarily hinder a growing sector of the American economy.*** The DOD is helping bring these domestically-produced renewable fuels to market by serving as an early adopter and prime customer. With the support of DOD, the advanced biofuels industry is steadily growing and establishing itself across the country, in turn providing much-needed jobs and economic activity.
- ***Undermine the long-term strategic interests of the DOD and the United States.*** Developing and bringing advanced biofuels to scale is a critical step in reducing the nation's dependence on foreign oil. The actions of DOD in developing and procuring these fuels are serving not only to improve the military's operational effectiveness, but also improving the long-term security of the United States.

## The Department of Defense opposes the repeal of Section 526<sup>1</sup>

Section 526 has provided the legislative foundation of the military's pioneering development of advanced biofuels that can benefit the future energy security of the United States. In the four years since its bipartisan passage, Section 526 has never prevented the Department of Defense from acquiring fuel that it needs to operate.

Repealing the provision would likely cause the military to turn to traditional petroleum fuels or alternatives such as coal-to-liquids—a scenario that the Department says “degrades our national security, negatively impacts our economy,

<sup>1</sup> Letter from Assistant Secretary of Defense Elizabeth L. King to Senator Jeff Bingaman, Chairman of the Energy and Natural Resources Committee, 12 Jul 2011.

and harms the environment.”<sup>2</sup> The Navy and Air Force are near completion of the multi-year testing and certification process for biofuels and a repeal of Section 526 would nullify the time and effort expended.

## The U.S. military leads the world in development of advanced biofuels

The DOD is the largest single consumer of energy in the United States, making up approximately 1 percent of the nation’s total energy use and 2 percent of the nation’s petroleum use. The DOD is also the single largest consumer of energy in the federal government, accounting for 93 percent of the federal government’s energy consumption.<sup>3</sup> The Department’s consumption is so high that every \$10 increase in the price of a barrel of oil costs DOD \$1.3 billion annually.

In recent years, the DOD has also become one of the nation’s leading organizations in exploring alternative liquid fuels. Due in part to the provisions of Section 526, the Navy and Air Force have been particularly aggressive in developing alternatives to petroleum fuels. In October 2009, Navy Secretary Ray Mabus, issued a plan to have a Carrier Strike Group sailing on 100 percent non-petroleum fuels by 2012, and sail the “Great Green Fleet” by 2016.<sup>4</sup> The Navy and the Air Force have designated that 50 percent of the fuels they consume will be non-petroleum based blends by 2016. Both Services are completing the process of certifying their platforms—fleets of fighters, bombers, transport planes, and surface ships—to run on a 50/50 blend of biofuels and conventional petroleum fuel.<sup>5</sup>

*“The Department of the Navy’s interest in this topic of alternative fuels is fundamentally about improving our national security and our long-term energy security... The more we replace foreign sources of oil with more diverse, domestically produced alternative fuels the better we are as a military and the better we are as a nation.”*

Thomas Hicks, Deputy Assistant Secretary of the Navy for Energy, testimony before the House Subcommittee on Energy & Power, June 3, 2011

## Section 526 supports a vital and growing sector of the American economy

The development of clean and renewable fuels is creating a vibrant new sector of America’s economy. Advanced biofuels that do not compete with food crops can be grown and refined in all 50 states, providing widespread economic benefits.

The demand signals from the military are already spurring innovation in the private sector to provide the types of fuels that will allow them to meet their goals. The fuels that the military services require are “drop-in” fuels—that is, fuels that are chemically equivalent to traditional petroleum fuels, obviating the need to do expensive retrofits or adjustments to existing weapons platforms. As this drop-in technology is also compatible with commercial airline and seafaring transport, researching and developing these fuels is an important step for the nation as a whole in reducing dependence on oil from many unstable regions of the world.

**The military cannot develop these fuels on its own—it needs the help of the private sector. But for private businesses to attract the financing they need to bring these fuels to scale, they need certainty. Section 526 provides the legislative certainty that the Defense Department will serve as an early adopter and prime customer for these fuels. Without Section 526, the burgeoning advanced biofuels industry in America will be put at risk.**

<sup>2</sup> *Ibid.*

<sup>3</sup> Department of the Navy’s Energy Program for Security and Independence

<sup>4</sup> *Ibid.*

<sup>5</sup> United States Air Force Energy Strategy.