

## Why Ethanol? The Facts About Oil

[Gasoline](#) is refined from [crude oil/petroleum](#), which is a finite resource that takes millions of years to form. [The U.S. reached its maximum production of crude oil in the 1970's, production in the Gulf of Mexico is declining](#) too, and as a result the nation has increased its reliance on imported oil by as much as 70%. [Industry and government leaders are concerned about oil imports](#), as well as the ownership, location, supply/demand, the real cost of oil, and the carcinogens and toxics in gasoline – which is why Congress passed the national renewable fuel standard (RFS) in 2005 and continues to research alternative and renewable transportation fuels. Why? Two oil embargoes, two price spikes unrelated to embargoes, and three wars in the Middle East region are placing increasing pressures on the nation's military, diplomatic community, and the national deficit. Why? [The U.S. has 3% of the world's oil reserves](#) and the Middle East has 88%. [About 60% of the oil imported into the U.S.](#) is from countries represented by the Organization of Petroleum Exporting Countries (OPEC). About 90% of the world's oil is owned by countries not companies, which places undue pressure on the “free market.” Only 2% of the nation's oil is used for generating electricity. Clean energy is important to reduce emissions and stimulate the economy, but will have little impact on national security. Over 70% of the U.S. demand for oil is used for transportation, and the majority of oil used in transportation is to make gasoline to fuel light duty cars and trucks for personal travel.