



## Wherein lies the military?

Posted by [Yankee](#) on August 24, 2005 - 7:25am

Topic: [Demand/Consumption](#)

In a comment, [Jando asked](#) where the military fits into the picture of overall oil consumption. In [answering him](#), I linked to something that had [old data](#), but which suggests that some of the military's consumption is actually folded into the general US numbers reported by the EIA. For example, bases and operations in the US are reported as part of the total US consumption (e.g. the [9,105,000 barrels/day](#) of US motor gasoline consumption includes military consumption). This sentiment seems to be confirmed by [a story](#) in the [Monthly Energy Review](#), which exhaustively details what the DOE means by the different sectors that they report on (residential, commercial, industrial, transportation, and electric power). Note that this story discusses all energy use, not just oil/petroleum.

(As an aside, Lou Grinzo gave us a link to a [DOE flowchart](#) that may help you better understand where the oil comes from and where it goes.)

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It turns out that the total oil or energy consumption of the military is hard to determine, probably because there's a distinction between the energy consumed by the military in the US and by the military abroad. Furthermore, it looks like the DOD is the organization that tracks military oil consumption, not the DOE. Here's an interesting statement about the situation from the DOE:

Overseas U.S. military energy consumption of nonpetroleum fuels and some petroleum sources is generally included in the national energy statistics of the countries (such as Britain, Germany, Japan, and Korea) where the U.S. military operates. However, a substantial portion of U.S. military oil consumption is treated as an export in national energy statistics, but without any corresponding record of imports or consumption, since the fuel is loaded on tankers (recorded as an export) and then transferred directly to U.S. warships and military facilities without ever reappearing in the energy statistics of any country.

I guess this means that some of the data is just disappearing into the ether. Shocking, I tell you. I did a search for "oil consumption" on the DOD website and came up with nothing useful.

So, what *could* I glean about military oil consumption? The best information came from an article by Elizabeth Book called "Pentagon needs accurate accounting of fuel" in the journal *National Defense* (Unfortunately, this is only available if you have access to an academic library. If you want a copy of the 2-page report, write me at [ianqui AT gmail DOT com](mailto:ianqui AT gmail DOT com)). Book's report contains snippets of information such as:

The Defense Department is the largest single consumer of fuel in the United States,

using approximately 1.8 percent of the country's total transportation fuel.

And:

One recommendation that appears to be taken seriously is the notion that the Pentagon should have standardized pricing methods to assess the cost of fuel. "The military needs to properly price fuel," said Sherri W Goodman, former deputy undersecretary of defense for environmental security...The Defense Department, she said, currently prices fuel based on the wholesale refinery price, and does not include the cost of delivery.

"Fuel efficiency has never been a military priority largely because the Pentagon's accounting system considers fuel costs separately from delivery costs," a Center for Naval Analysis document said.

Goodman said that the true cost of fuel is much higher than what is recognized in today's military accounting systems. "In fact, the cost in the accounting system is \$1 or so a gallon, but the true cost of fuel delivered to the battlefield is closer to \$17. You must consider that there are also other hidden costs related to the impact on logistics force structure and manpower requirements," she said.

Much of this information was uncovered in a study undertaken by the Defense Science Board, which included Amory Lovins as a member. This is a memorable quote from Lovins:

"To add a little irony, much of the energy used by the military is exhausted moving fuels around," said Lovins. Logistics takes roughly a third of the Defense Department's budget, but the cost of delivering fuel has been assumed to be zero, he said. "This practice understates delivered fuel costs by a factor that I estimate to average about three to 12, and tens or hundreds in some particular cases," Lovins said.

From all of this information, it seems that there might be a reasonable way of determining how much fuel the military purchases (they have to buy it from somewhere, right?), but no good way of breaking it down into how they use it. Indeed, that seems pretty irresponsible.

There may be some good news, though: it looks like the military may be using a [considerable amount of biodiesel](#), though that of course only accounts for motor transportation, and not for jet fuel.



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