



## Fighting Oil Addiction: Ranking States' Vulnerability to Oil Price Spikes

The summer driving season is upon us again, and gasoline prices are through the roof, reminding us that America's addiction to oil continues to threaten our economic viability, our national security, and global environmental health. To curb this perilous addiction, we need effective government policies that will increase the availability and use of efficient vehicles and clean fuels and that will promote smart growth and public transit. New NRDC analysis identifies the states that are most vulnerable to spikes in oil prices—and those states that are doing the most to break their addiction to oil.

To see rankings for all 50 states, read the full report online at [www.nrdc.org/energy/states/contents.asp](http://www.nrdc.org/energy/states/contents.asp).

For more information, please contact  
**Deron Lovaas** at  
(202) 289-2384

or **Brian Siu** at  
(202) 289-2417.

We calculate oil vulnerability based on how heavily each state's drivers are affected by increases in oil prices, determined by the average percentage of income that a state's drivers spend on gasoline. States are then ranked on their implementation of solutions to reduce their oil dependence: measures they are taking to lessen their vulnerability and to bolster America's security. The data yield two clear conclusions:

■ Oil dependence affects all states, but some are hit harder economically than others.

■ While some states are pioneering solutions and many are taking some action, a fair number of states are still taking few (if any) of the steps necessary to reduce their oil dependence.

### State Action on Oil Dependence: The Best and the Worst

Although some states are implementing strong measures to reduce their oil dependence, too many others are still taking little or no action.

NRDC has developed solutions rankings, based

on the range of key actions that states can take to reduce oil dependence, with particular focus on policies that can have substantial impact and can be replicated by other states. The 10 states doing the *most* to wean themselves from oil are:

- |                 |                 |
|-----------------|-----------------|
| 1) California   | 6) New Jersey   |
| 2) New York     | 7) Rhode Island |
| 3) Connecticut  | 8) New Mexico   |
| 4) Washington   | 9) Colorado     |
| 5) Pennsylvania | 10) Maryland    |

In contrast, the 10 states doing the least to reduce their oil dependence are:

- |                  |                   |
|------------------|-------------------|
| 41) Alaska       | 46) Montana       |
| 42) Mississippi  | 47) West Virginia |
| 43) Alabama      | 48) Arkansas      |
| 44) South Dakota | 49) Missouri      |
| 45) Wyoming      | 50) Delaware      |

The failure of these states to take meaningful action to reduce oil dependence exacerbates the national security and environmental harms associated with our current transportation habits.



[www.nrdc.org/policy](http://www.nrdc.org/policy)

July 2008

© Natural Resources Defense Council

## Fighting Oil Addiction: Ranking States' Vulnerability to Oil Price Spikes

### Which States' Drivers Are Most at Risk?

NRDC research shows that the 10 states with the highest degree of oil vulnerability are:

- 1) Mississippi (also #1 last year)
- 2) South Carolina (also #2 last year)
- 3) Georgia (also #3 last year)
- 4) Louisiana (up from #8)
- 5) Kentucky (down from #4)
- 6) New Mexico (down from #5)
- 7) Indiana (up from #12)
- 8) Arkansas (up from #9)
- 9) Oklahoma (down from #6)
- 10) Iowa (up from #17)

Generally, the most vulnerable states are in the South and the least vulnerable are in the Northeast and Mid-Atlantic region. And the differences are significant. Average drivers in the most vulnerable state, Mississippi, spend almost 8 percent of their income on gasoline, while those in the least vulnerable state, Connecticut, spend about 3 percent of theirs. As oil prices go up, citizens in the vulnerable states feel the pinch more.

### The Benefits of Reducing Oil Dependence

With gasoline and diesel prices in the United States at record levels, reducing oil dependence can yield significant benefits. These can include lowering the economic vulnerability that many residents face and creating new income from the sale of biofuels. Decreasing oil consumption also enhances America's national security by reducing dependence on sources of oil that are politically unstable or controlled by unfriendly national governments. In addition, reduced oil consumption decreases both air pollution and the greenhouse gas (GHG) emissions that cause global warming.

### State Policies for Reducing Oil Dependence

In the absence of strong national policies on issues such as oil independence and global warming, states have begun assuming responsibility for promoting less oil-intensive transportation habits. Strategies include:

■ **Clean cars (and efficient use).** Vehicles that cut global warming pollution also reduce oil consumption considerably. Eighteen states have or are adopting vehicle GHG emission standards based on California's "clean cars" program, which places increasingly stringent limits on global warming pollution from new vehicles. And 14 states offer incentives for the purchase of new hybrid-electric and plug-in hybrid cars and trucks. Several states are also taking action to encourage cars already on the road to use less gasoline, for example, by placing restrictions on idling.

■ **Clean fuels.** Biofuels—from sustainably grown nonfood sources—can make a significant dent in our oil dependence and greenhouse gas emissions. Twenty-nine states offer incentives for fueling stations selling biofuels. California stands alone in having a low carbon fuel standard, which seeks to reduce the greenhouse gas intensity of motor vehicle fuel by 10 percent by 2020, although other states are considering adopting such a standard.

■ **Research and development.** States are sponsoring grants to support research and development on clean fuels and clean vehicles, looking to foster the technologies that will help reduce oil dependence in the near future.

■ **Smart growth and public transit.** States can reduce oil dependence significantly by integrating land use and transportation policies and designing them to promote alternatives to driving. Ten states have created agencies or offices to develop and coordinate smart-growth policies, and three states have set targets for reducing vehicle-miles traveled. In addition, some states—led by New York and Maryland—have prioritized the funding of public transit through the allocation of state funds and/or by transferring portions of their federal dollars from highways to transit.

As policies to reduce oil dependence take root, states that implement cutting-edge plans will be making the nation more secure, protecting citizens' wallets, and enhancing global environmental health. These states' policies can serve as examples for the many states that have thus far taken little or no such action—and can guide the way for federal policies as well.

### Federal Recommendations for Reducing Oil Vulnerability

Confronting the twin challenges of global warming and oil dependence is a tall order. That is why the federal government must enact strong energy policies that complement and support state actions. Specifically, the federal government must: 1) Set stringent fuel economy standards for autos and heavy trucks, as required by the Energy Independence and Security Act of 2007; 2) Adopt an economy-wide climate strategy that caps and cuts carbon dioxide emissions and includes a low-carbon fuel standard; and 3) Fundamentally reform federal transportation policy to include incentives for smart, transit-oriented development and ample funding for energy-efficient transportation alternatives, including rail and bus lines, bike paths, and sidewalks.