## January 2010 Issue: The Costs of Taking Energy for Granted

Written by Kevin Rosner Tuesday, 12 January 2010 00:00

Energy and its availability cannot be taken for granted even in the best of times. This issue of the *Journal of Energy Security* reflects this reality on a multitude of fronts. We often take for granted those things best known to us. In the energy sphere this includes the relationship of the United States with Mexico as its third largest supplier of oil. The ability of Mexico to deliver ever increasing volumes of this liquid hydrocarbon to the US market is being thrown into jeopardy due to a variety of factors: geologic exhaustion, technical inefficiencies, managerial ineptness, and corruption which is often the bane of resource-rich nations. Jeremy Martin enlightens us on the future of the US-Mexican relationship in oil with a studied look at the future of this relationship and what it means for US oil supply security.

Another key energy issue often overlooked but altogether important for a greener and cleaner energy future are rare earth elements. These 17 distinctly unique elements are critically important as inputs into both military and civilian technologies that make our world both safer and less carbon intensive. Yet the vast majority of these elements are mined in China and the Chinese, albeit for their own domestic purposes, are cutting back on the availability of these materials to world markets. While countries such as South Africa and the United States have minable deposits of many of these elements governments and markets alas have been slow to respond. Jack Lifton, a Senior Fellow with the Institute for the Analysis of Global Security, fills us in on the dilemma this presents and what, by way of example, the US Congress might do to remedy the situation. As an addendum, over 17-18 March IAGS is co-sponsoring an internatio nal conference

in Washington, D.C. along with the International Lithium Alliance, to explore the issue of rare earths in more detail.

IAGS, the publisher of the *JES*, announced this past month the launch of a new 'Mobility Coalition 'to

complement its strong push to provide alternatives in the fuels' market with a blueprint to provide alternatives in transportation modalities. The mobility coalition is dedicated to making sure consumers 'get what they pay for and pay for what they get' in physically transporting themselves, their goods and services in smarter ways that reduce America's dependence on foreign oil. This blueprint, in its entirety, is presented herein.

Returning to China (but not to the issue of rare earths), the Chinese have been on the march over the past month bringing to fruition years of planning and preparation to further tap Russian and Central Asian hydrocarbon resources. The results are impressive and should alert other net energy consuming nations to their ability to persevere and secure their own hydrocarbon supply and in doing so Chinese energy security. Finally, the Organization for Security and Cooperation in Europe has been mandated to look into energy security and to examine where it

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might add value to dialogue among nations on the issue. It turns out their unique mandate, and membership involving some of the world's largest energy producers and consumers, may advance forward the oft-wanting producer-consumer dialogue and the development of intelligence products both energy producers and consumers could benefit from.

As always, we welcome your comments at the Journal.

Best regards
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