

A black and white photograph of an oil field. Several tall, lattice-structured oil derricks are visible, some with drilling equipment. The field is surrounded by trees, and there are some structures and equipment in the foreground. The overall scene is industrial and somewhat desolate.

# The Oil Depletion Protocol

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ASPO USA, Boston  
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# Why Another Plan?

- **Cap and trade**
- **Carbon taxes**
- **Emissions-based protocols**

...are designed to deal with the problem of **climate change**. This is an end-of-tailpipe problem. **Peak Oil** is related, but it is also different (an into-the-fuel-tank problem).

# Why is Peak Oil different?

- Peak Oil is both a **supply** problem and a problem of **adaptation** and **planning**.
- While climate protection strategies are essential and will overlap with Peak Oil mitigation strategies, the latter also require separate consideration.

- Gasoline taxes will be politically difficult when prices are already soaring
- Cap and trade addresses emissions, not supply problems and the instability and vulnerability they generate
- The ***Oil Depletion Protocol*** is designed specifically to deal with vulnerability from supply constraints and to aid adaptation and planning
- Emissions-based strategies still needed to discourage climate-damaging substitution

# *Without an Oil Depletion Protocol*

- Extreme price **volatility** will make planning and investment difficult
- **Conflict** over remaining oil reserves could engulf much of the world
- **Lack of preparation** and planning will leave societies vulnerable to economic disruption or collapse

# *The General Direction*

- We need an agreement to gradually, cooperatively **reduce oil consumption** in order to discourage competition, stabilize prices, and aid with planning and preparation for the imminent, inevitable decline of petroleum
- The rate of reduction should be pegged to some objective datum so as to avert lengthy negotiations

“The overwhelming thing we need is a national plan to deal with oil depletion.”

—*Christine Milne, Green Party member of the Australian Senate*

“Foreign oil’s undeniable ties to terror, to global instability and to continued environmental degradation make immediate, decisive action to reduce our petroleum consumption absolutely critical.”

—*George Pataki, Governor of New York State*

“America is addicted to oil.”

“We’ve got to wean ourselves  
off of petroleum.”

—*George W. Bush*

# *History of the Oil Depletion Protocol*

- Proposed by Dr. Colin Campbell in 1996, again in 2002 at first ASPO conference
- Has been known as “Uppsala Protocol” and “Rimini Protocol”
- Initiation of the Oil Depletion Protocol adoption effort in July, 2006 by Post Carbon Institute

# *The Oil Depletion Protocol*

- The world and every nation shall aim to reduce oil consumption by at least the world depletion rate.
- No country shall produce oil at above its present depletion rate.
- No country shall import at above the world depletion rate.

- The depletion rate is defined as annual production as a percentage of what is left (reserves plus yet-to-find).
- The preceding provisions refer to *regular conventional* oil—which category excludes heavy oils with cut-off of 17.5 API, deepwater oil with a cut-off of 500 meters, polar oil, gas liquids from gas fields, tar sands, oil shale, oil from coal, biofuels such as ethanol, etc.

# *Why no special provision for less-industrialized countries?*

- During the 20<sup>th</sup> century, more oil usage generally meant more economic **growth**.
- During the 21<sup>st</sup> century, more oil dependence (created by usage) will mean economic **vulnerability** to high and volatile prices, geopolitical conflict, and periodic or prolonged shortages.
- In any case, adoption by poorer countries would be mostly symbolic; it is aimed at rich consuming nations
- Better ways to achieve equity

*How to prevent cheating?*  
*How to know real reserves, import/  
export, and production figures?*

The Protocol calls for the creation of an international **Secretariat** and requires adopting nations to submit to an independent audit of reserves, production, and imports/exports—thus yielding **better data**

“The proposal to cut oil imports to match depletion rate seems to be simple common sense.”

—*The Right Honourable Michael Meacher,  
Member of Parliament, UK*

# *What would this achieve?*

- If generally adopted, the Oil Depletion Protocol would **stabilize prices** at a high level, **discourage conflict** over resources, and **leave oil in the ground**
- It would also **establish a precedent** for dealing with other depleting fossil fuels
- If adopted by only a few nations, **those nations would benefit** by being better able to plan their transition away from petroleum

# *What's in it for the producers?*

- With high, stable prices, **revenues would remain high** even as production declined
- However, there would be the incentive to prepare now for the end of oil by **diversifying their domestic economy**
- Remember: **production will decline anyway** (most producers are already declining); make a virtue of necessity
- If importers adopt, they will be less likely to interfere with producing nations' governments and economies

***Dealing with  
Diminishing Oil:  
Options and Strategies***

# *No prescription in the Protocol for how to adapt*

- Each nation will find a different path, based on its patterns of dependence and its opportunities for **substitution** and **conservation**
- Areas needing to be addressed: transportation, agriculture, chemicals and plastics, urban design

# *Domestic Implementation: Rationing (only a suggestion)*

- Some form of rationing is inevitable—by **price** or by **quota**
- Quota rationing works well in case of shortages of essential goods
- David Fleming's proposal for **Tradable** Energy Quotas (**teqs.org**)

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***How Can the Oil  
Depletion Protocol Be  
Adopted?***

# ***Countries in full or partial de facto compliance with the Protocol***

- Sweden
- Iceland
- Cuba
- Kuwait (?)
- Declining producers (Indonesia, etc.)
- Poor nations unable to afford oil at \$70+

# ***Municipal Efforts (U.S.)***

- San Francisco, CA
- Bloomington, IN
- Sebastopol, CA
- Denver, CO
- Plymouth, NH
- Portland, OR
- Tompkins County, NY
- Willits, CA

# *Personal implementation of the Oil Depletion Protocol*

- Assess current oil consumption: gasoline, food, plastics
- Plan to reduce the total by 3% per year
- Reduce transportation energy
- For most people in industrial countries, food accounts for about 30% of petroleum consumption; to reduce this, eat locally, buy organic, and garden
- Publicize personal and group efforts

# *Strategy and Goals*

- First year: Raise awareness
- Second year: Adoption by one nation
- Third and fourth years: Adoption by several nations
- Fifth year: Convening of an international conference to create a Secretariat—and/or proposal of the Protocol at the United Nations

# ***What if no nation adopts the Protocol?***

- In that case, efforts to publicize the Protocol will have served to educate policy makers and the general public about the problem of oil depletion
- Can still be adopted by municipalities, businesses, other organizations, and individuals
- Whoever adopts the Protocol will benefit by being better prepared for the impacts of the global oil production peak

“The very idea of accepting oil depletion protocols and treaties to guard against irresponsible levels of emissions may not be popular or easily endorsable. Yet, in the annals of history it is clear that epochal crises must be faced. The question is whether they are met with intelligence, resolve, and sacrifice or whether decision makers procrastinate to everyone’s eventual peril and suffering.”

—*The Rt. Hon. Edward Schreyer, former Premier of Manitoba, Governor General of Canada, and High Commissioner to Australia and the South Western Pacific*

# *The Energy Transition: the essence of the new century*

- The challenge of Global Climate Change makes a shift away from fossil fuels **necessary** for planetary survival
- The impending peak in oil and gas production means that the transition is **inevitable**—our only choice is whether to undertake it proactively and cooperatively, or put it off at our peril
- Peak Oil provides an opportunity and a spur to action

***oildepletionprotocol.org***