We'll never pump enough oil

BY GAL LUFT
luft@iags.org

This week America transitioned from analog to digital television broadcasts, ushering what could be described as an open standard for television. This means that consumers will have a choice between buying a digital set or signing up to cable or satellite service and keeping their old antenna by installing a signal-dumbing converter box which allows them to get analog signal.

Without the converter, an analog TV began showing snow on the screen starting as of Friday morning. Regardless of whether the shift is a good idea or not -- it probably is as it allows better spectrum usage -- it is sad commentary of our priorities as a society. Strategic as Congress may imagine television is in our lives, it is not nearly as important as transportation.

Yet, the same Congress that mandated consumer choice in television reception modes denies us choice in transportation fuels: our cars, trucks, ships and planes can run on nothing but petroleum.

Such choice at the pump is neither more difficult nor more costly to achieve than choice at the screen. In Brazil, more than 80 percent of the new cars are flex fuel vehicles capable of running on any combination of gasoline and alcohols like ethanol and methanol. To make a new car flex fuel costs an automaker an extra $100 or less.

All that is needed is a chip and corrosion resistant fuel line. To convert our television, Congress has already allocated nearly $2 billion in taxpayer money to provide $80 worth of coupons per household to subsidize conversion boxes. Brazilians may not have as sophisticated television system but they can choose among fuels.

Last year, when oil prices were at their three-digit level more alcohol was sold in Brazil than gasoline, and the Brazilian economy was hardly touched by the oil crisis. At the same time, with no such fuel choice Americans shelled out hundreds of billions of dollars for foreign oil, a monumental loss of national wealth that popped the mortgage bubble and brought the United States to the brink of economic collapse.

Brazil's success story hasn't escaped the eyes of our leaders. President Obama pledged numerous times to pass a law that would mandate flex-fuel engines in all automobiles in order to break oil's virtual monopoly over transportation fuel. Secretary of Interior Ken Salazar, while still in the Senate, was the lead sponsor of legislation that would have ensured new cars sold in the United States offer fuel flexibility. Energy Secretary Steven Chu has also spoken on the merits of this policy. But judging from its recent actions Congress is not on board. What seems to be the signature energy legislation of the 111th Congress, the American Clean Energy and Security Act, (also known as the Waxman-Markey cap-and-trade bill) does almost nothing to break oil's monopoly in transportation fuels and provide Americans the kind of choice they have in choosing a television set, a cup of coffee or any other consumer product.

A provision that could have made a difference, an Open Fuel Standard to ensure 50 percent of new cars are flexible-fuel capable of running on any blend of alcohol and gasoline was watered down to meaninglessness by the House Energy and Commerce Committee. Such a standard which could enable consumers to choose
a fuel alternative at the pump next time gasoline prices rise to $5 a gallon was rejected by Chairman Henry Waxman due to pressure by the automakers.

The same distressed GM and Ford that, time after time, appeared before Congress asking for taxpayer money and promising that they would make 50 percent of their cars flex-fuel vehicles by 2012, ordered their lobbyists to scuttle any legislation that would require them to do just that.

Oil prices are rising, and pain will again be felt at the pump. Saudi Arabia's oil minister Ali Naimi has recently predicted $150-a-barrel oil within three years.

Yet, as if nothing was learned from the previous oil shock of last summer, we continue to roll onto our roads 10 million new cars annually that can run on nothing but petroleum each with an average street life of 16 years. We are in for a shock, and when it comes we'll again be able to view Americans' vulnerability contrasted with Brazilians' resiliency.

Only this time, we'll be watching on our digital sets.