Mr. Chairman and Members of the Committee. It’s a real pleasure to appear before this Committee today on this issue. I am appearing solely on my own behalf and represent no organization. By way of identification I served as Director of Central Intelligence, 1993-95, one of the four Presidential appointments I have held in two Republican and two Democratic administrations; these have been interspersed in a career that has been generally in the private practice of law and now in consulting. The substantial majority of the points I will make today are drawn from an August 2005 paper by former Secretary of State, George P. Shultz, and myself, although I have updated some points due to more recent work; the two of us are Co-Chairmen of the Committee on the Present Danger and the full paper may be found at the Committee’s web site (www.fightingterror.org).

Just over four years ago, on the eve of 9/11, the need to reduce radically our reliance on oil was not clear to many and in any case the path of doing so seemed a long and difficult one. Today both assumptions are being undermined by the risks of the post-9/11 world, by oil prices, and by technological progress in fuel efficiency and alternative fuels.

There are at least seven major reasons why dependence on petroleum and its products for the lion’s share of the world’s transportation fuel creates special dangers in our time. These dangers are all driven by rigidities and potential vulnerabilities that have become serious problems because of the geopolitical realities of the early 21st century. Those who reason about these issues solely on the basis of abstract economic models that are designed to ignore such geopolitical realities will find much to disagree with in what follows. Although such models have utility in assessing the importance of more or less purely economic factors in the long run, as Lord Keynes famously remarked: “In the long run, we are all dead.”

These dangers in turn give rise to two proposed directions for government policy in order to reduce our vulnerability rapidly. In both cases it is important that existing technology should be used, i.e. technology that is already in the market or can be so in the very near future and that is compatible with the existing transportation infrastructure. To this end government policies in the United States and other oil-importing countries should: (1) encourage a shift to substantially more fuel-efficient vehicles within the existing transportation infrastructure, including promoting both battery development and a market for existing battery types for plug-in hybrid vehicles; and (2) encourage biofuels and other alternative and renewable fuels that can be produced from inexpensive and widely-available feedstocks -- wherever possible from waste products.

PETROLEUM DEPENDENCE: THE DANGERS:
1. The current transportation infrastructure is committed to oil and oil-compatible products.
This fact substantially increases the difficulty of responding to oil price increases or disruptions in supply by substituting other fuels.

There is a range of fuels that can be used to produce electricity and heat and that can be used for other industrial uses, but petroleum and its products dominate the fuel market for vehicular transportation. With the important exception, described below, of a plug-in version of the hybrid gasoline/electric vehicle, which will allow recharging hybrids from the electricity grid, substituting other fuels for petroleum in the vehicle fleet as a whole has generally required major, time-consuming, and expensive infrastructure changes. One exception has been some use of liquid natural gas (LNG) and other fuels for fleets of buses or delivery vehicles, although not substantially for privately-owned ones, and the use of corn-derived ethanol mixed with gasoline in proportions up to 10 per cent ethanol (“gasohol”) in some states. Neither has appreciably affected petroleum’s dominance of the transportation fuel market.

Moreover, in the 1970’s about 20 per cent of our electricity was made from oil – so shifting electricity generation toward, say, renewables or nuclear power could save oil. But since today only about three per cent of our electricity is oil-generated, a shift in the way we produce electricity would have almost no effect on the transportation or oil market. This could change over the long run, however, with the advent of plug-in hybrid vehicles, discussed below.

There are imaginative proposals for transitioning to other fuels for transportation, such as hydrogen to power automotive fuel cells, but this would require major infrastructure investment and restructuring. If privately-owned fuel cell vehicles were to be capable of being readily refueled, this would require reformers (equipment capable of reforming, say, natural gas into hydrogen) to be located at filling stations, and would also require natural gas to be available there as a hydrogen feed-stock. So not only would fuel cell development and technology for storing hydrogen on vehicles need to be further developed, but the automobile industry’s development and production of fuel cells also would need to be coordinated with the energy industry’s deployment of reformers and the fuel for them.

Moving toward automotive fuel cells thus requires us to face a huge question of pace and coordination of large-scale changes by both the automotive and energy industries. This poses a sort of industrial Alphonse and Gaston dilemma: who goes through the door first? (If, instead, it were decided that existing fuels such as gasoline were to be reformed into hydrogen on board vehicles instead of at filling stations, this would require on-board reformers to be developed and added to the fuel cell vehicles themselves – a very substantial undertaking.)

It is because of such complications that the National Commission on Energy Policy concluded in its December, 2004, report “Ending The Energy Stalemate” (“ETES”) that “hydrogen offers little to no potential to improve oil security and reduce climate change risks in the next twenty years.” (p. 72)

To have an impact on our vulnerabilities within the next decade or two, any competitor of oil-derived fuels will need to be compatible with the existing energy infrastructure and require only modest additions or amendments to it.

2. The Greater Middle East will continue to be the low-cost and dominant petroleum producer for the foreseeable future.

Home of around two-thirds of the world’s proven reserves of conventional oil -- 45% of it in just Saudi Arabia, Iraq, and Iran -- the Greater Middle East will inevitably have to meet a growing
percentage of world oil demand. This demand is expected to increase by more than 50 per cent in
the next two decades, from 78 million barrels per day ("MBD") in 2002 to 118 MBD in 2025,
according to the federal Energy Information Administration. Much of this will come from
expected demand growth in China and India. One need not argue that world oil production has
peaked to see that this puts substantial strain on the global oil system. It will mean higher prices
and potential supply disruptions and will put considerable leverage in the hands of governments
in the Greater Middle East as well as in those of other oil-exporting states which have not been
marked recently by stability and certainty: Russia, Venezuela, and Nigeria, for example (ETES
pp. 1-2). Deep-water drilling and other opportunities for increases in supply of conventional oil
may provide important increases in supply but are unlikely to change this basic picture.

Even if other production comes on line, e.g. from unconventional sources such as tar sands in
Alberta or shale in the American West, their relatively high cost of production could permit low-
cost producers, particularly Saudi Arabia, to increase production, drop prices for a time, and
undermine the economic viability of the higher-cost competitors, as occurred in the mid-1980’s.
For the foreseeable future, as long as vehicular transportation is dominated by oil as it is today,
the Greater Middle East, and especially Saudi Arabia, will remain in the driver’s seat.

3. **The petroleum infrastructure is highly vulnerable to terrorist and other attacks.**
The radical Islamist movement, including but not exclusively al Qaeda, has on a number of
occasions explicitly called for worldwide attacks on the petroleum infrastructure and has carried
some out in the Greater Middle East. A more well-planned attack than what has occurred to date
-- such as that set out in the opening pages of Robert Baer’s recent book, *Sleeping With the Devil*,
(terrorists flying an aircraft into the unique sulfur-cleaning towers in northeastern Saudi Arabia) -
could take some six million barrels per day off the market for a year or more, sending petroleum
prices sharply upward to well over $100/barrel and severely damaging much of the world’s
economy. Domestic infrastructure in the West is not immune from such disruption. U.S.
refineries, for example, are concentrated in a few places, principally the Gulf Coast. The recent
accident in the Texas City refinery-- producing multiple fatalities--points out potential
infrastructure vulnerabilities, as of course does this fall’s hurricane damage in the Gulf. The
Trans-Alaska Pipeline has been subject to several amateurish attacks that have taken it briefly out
of commission; a seriously planned attack on it could be far more devastating.

In view of these overall infrastructure vulnerabilities policy should not focus exclusively on
petroleum imports, although such infrastructure vulnerabilities are likely to be the most severe in
the Greater Middle East. It is there that terrorists have the easiest access, and the largest
proportion of proven oil reserves and low-cost production are also located there. Nor is anything
particularly useful accomplished by changing trade patterns. To a first approximation there is
one worldwide oil market and it is not generally useful for the U.S., for example, to import less
from the Greater Middle East and for others then to import more from there. In effect, all of us
oil-importing countries are in this together.

4. **The possibility exists, particularly under regimes that could come to power in the Greater
Middle East, of embargoes or other disruptions of supply.**

It is often said that whoever governs the oil-rich nations of the Greater Middle East will need to
sell their oil. This is not true, however, if the rulers choose to try to live, for most purposes, in the
seventh century. Bin Laden has advocated, for example, major reductions in oil production and
oil prices of $200/barrel or more.

In 1979 there was a serious attempted coup in Saudi Arabia. Much of what the outside world
saw was the seizure by Islamist fanatics of the Great Mosque in Mecca, but the effort was more widespread. Even if one is optimistic that democracy and the rule of law will spread in the Greater Middle East and that this will lead after a time to more peaceful and stable societies there, it is undeniable that there is substantial risk that for some time the region will be characterized by chaotic change and unpredictable governmental behavior. Reform, particularly if it is hesitant, has in a number of cases been trumped by radical takeovers (Jacobins, Bolsheviks). There is no reason to believe that the Greater Middle East is immune from these sorts of historic risks.

5. Wealth transfers from oil have been used, and continue to be used, to fund terrorism and its ideological support.

Estimates of the amount spent by the Saudis in the last 30 years spreading Wahhabi beliefs throughout the world vary from $70 billion to $100 billion. Furthermore, some oil-rich families of the Greater Middle East fund terrorist groups directly. The spread of Wahhabi doctrine – fanatically hostile to Shi’ite and Sufi Muslims, Jews, Christians, women, modernity, and much else – plays a major role with respect to Islamist terrorist groups: a role similar to that played by angry German nationalism with respect to Nazism in the decades after World War I. Not all angry German nationalists became Nazis and not all those schooled in Wahhabi beliefs become terrorists, but in each case the broader doctrine of hatred has provided the soil in which the particular totalitarian movement has grown. Whether in lectures in the madrassas of Pakistan, in textbooks printed by Wahhabis for Indonesian schoolchildren, or on bookshelves of mosques in the US, the hatred spread by Wahhabis and funded by oil is evident and influential.

On all points except allegiance to the Saudi state Wahhabi and al Qaeda beliefs are essentially the same. In this there is another rough parallel to the 1930’s -- between Wahhabs’ attitudes toward al Qaeda and like-minded Salafist Jihadi groups today and Stalinists’ attitude toward Trotskyites some sixty years ago. The only difference between Stalinists and Trotskyites was on the question whether allegiance to a single state was required or whether free-lance killing of enemies was permitted. But Stalinist hatred of Trotskyites and their free-lancing didn’t signify disagreement about underlying objectives, only tactics, and Wahhabi/Saudi cooperation with us in the fight against al Qaeda doesn’t indicate fundamental disagreement between Wahhabis and al Qaeda on, e.g., their common genocidal fanaticism about Shia, Jews, and homosexuals. So Wahhabi teaching basically supports al Qaeda ideology.

It is sometimes contended that we should not seek substitutes for oil because disruption of the flow of funds to the Greater Middle East could further radicalize the population of some states there. The solution, however, surely lies in helping these states diversify their economies over time, not in perpetually acquiescing to the economic rent they collect from oil exports and to the uses to which these revenues are put.

6. The current account deficits for a number of countries create risks ranging from major world economic disruption to deepening poverty, and could be substantially reduced by reducing oil imports.

The U.S. in essence borrows about $2 billion a day, every day, principally now from major Asian states, to finance its consumption. The single largest category of imports is the approximately $1 billion per working day borrowed to import oil. The accumulating debt increases the risk of a flight from the dollar or major increases in interest rates. Any such development could have
major negative economic consequences for both the U.S. and its trading partners.

For developing nations, the service of debt is a major factor in their continued poverty. For many, debt is heavily driven by the need to import oil that at today’s oil prices cannot be paid for by sales of agricultural products, textiles, and other typical developing nation exports.

If such deficits are to be reduced, however, say by domestic production of substitutes for petroleum, this should be based on recognition of real economic value such as waste cleanup, soil replenishment, or other tangible benefits.

7. **Global-warming gas emissions from man-made sources create at least the risk of climate change.**
   Although the point is not universally accepted, the weight of scientific opinion suggests that global warming gases (GWG) produced by human activity form one important component of potential climate change. Oil products used in transportation provide a major share of U.S. man-made global warming gas emissions.

**THREE PROPOSED DIRECTIONS FOR POLICY:**

The above considerations suggest that government policies with respect to the vehicular transportation market should point in the following directions:

1. **Encourage improved vehicle mileage, using technology now in production.**
   Three currently available technologies stand out to improve vehicle mileage.

   **Diesels**
   First, modern diesel vehicles are coming to be capable of meeting rigorous emission standards (such as Tier 2 standards, being introduced into the U.S., 2004-08). In this context it is possible without compromising environmental standards to take advantage of diesels’ substantial mileage advantage over gasoline-fueled internal combustion engines.

   Substantial penetration of diesels into the private vehicle market in Europe is one major reason why the average fleet mileage of such new vehicles is 42 miles per gallon in Europe and only 24 mpg in the US. Although the U.S. has, since 1981, increased vehicle weight by 24 per cent and horsepower by 93 per cent, it has actually somewhat lost ground with respect to mileage over that near-quarter century. In the 12 years from 1975 to 1987, however, the US improved the mileage of new vehicles from 15 to 26 mpg.

   **Hybrid gasoline-electric**
   Second, hybrid gasoline-electric vehicles now on the market show substantial fuel savings over their conventional counterparts. The National Commission on Energy Policy found that for the four hybrids on the market in December 2004 that had exact counterpart models with conventional gasoline engines, not only were mileage advantages quite significant (10-15 mpg) for the hybrids, but in each case the horsepower of the hybrid was higher than the horsepower of the conventional vehicle. (ETES p. 11

   **Light-weight Carbon Composite Construction**
Third, constructing vehicles with inexpensive versions of the carbon fiber composites that have been used for years for aircraft construction can substantially reduce vehicle weight and increase fuel efficiency while at the same time making the vehicle considerably safer than with current construction materials. This is set forth thoroughly in the 2004 report of the Rocky Mountain Institute’s Winning the Oil Endgame (“WTOE”). Aerodynamic design can have major importance as well. This breaks the traditional tie between size and safety. Much lighter vehicles, large or small, can be substantially more fuel-efficient and also safer. Such composite use has already been used for automotive construction in Formula 1 race cars and is now being adopted by BMW and other automobile companies. The goal is mass-produced vehicles with 80% of the performance of hand-layup aerospace composites at 20% of the cost. Such construction is expected to approximately double the efficiency of a normal hybrid vehicle without increasing manufacturing cost. (WTOE 64-66).

2. Encourage the commercialization of alternative transportation fuels that can be available soon, are compatible with existing infrastructure, and can be derived from waste or otherwise produced cheaply.

Biomass (cellulosic) ethanol.

The use of ethanol produced from corn in the U.S. and sugar cane in Brazil has given birth to the commercialization of an alternative fuel that is coming to show substantial promise, particularly as new feedstocks are developed. Some six million vehicles in the U.S. and all new vehicles in Brazil other than those that use solely ethanol are capable of using ethanol in mixtures of up to 85 percent ethanol and 15 per cent gasoline (E-85); these are called Flexible Fuel Vehicles (“FFV”) and require, compared to conventional vehicles, only a somewhat different kind of material for the fuel line and a differently-programmed computer chip. The cost of incorporating this feature in new vehicles is trivial. Also, there are no large-scale changes in infrastructure required for ethanol use. It may be shipped in tank cars (and, in Brazil, in pipelines), and mixing it with gasoline is a simple matter.

Although human beings have been producing ethanol, grain alcohol, from sugar and starch for millennia, it is only in recent years that the genetic engineering of biocatalysts has made possible such production from the hemicellulose and cellulose that constitute the substantial majority of the material in most plants. The genetically-engineered material is in the biocatalyst only; there is no need for genetically modified plants.

These developments may be compared in importance to the invention of thermal and catalytic cracking of petroleum in the first decades of the 20th century – processes which made it possible to use a very large share of petroleum to make gasoline rather than the tiny share that was available at the beginning of the century. For example, with such genetically-engineered biocatalysts it is not only grains of corn but corn cobs and most of the rest of the corn plant that may be used to make ethanol.

Such biomass, or cellulosic, ethanol is now likely to see commercial production begin first in a facility of the Canadian company, Iogen, with backing from Shell Oil, at a cost of around $1.30/gallon. The National Renewable Energy Laboratory estimates costs will drop to around $1.07/gallon over the next five years, and the Energy Commission estimates a drop in costs to 67-77 cents/gallon when the process is fully mature (ETES p. 75). The most common feedstocks will likely be agricultural wastes, such as rice straw, or natural grasses such as switchgrass, a variety of prairie grass that is often planted on soil bank land to replenish the soil’s fertility. There will be decided financial advantages in using as feedstocks any wastes which carry a
tipping fee (a negative cost) to finance disposal: e.g. waste paper, or rice straw, which cannot be
left in the fields after harvest because of its silicon content.

Old or misstated data are sometimes cited for the proposition that huge amounts of land would
have to be introduced into cultivation or taken away from food production in order to have such
biomass available for cellulosic ethanol production. This is incorrect. The National Commission
on Energy Policy reported in December that, if fleet mileage in the U.S. rises to 40 mpg --
somewhat below the current European Union fleet average for new vehicles of 42 mpg and well
below the current Japanese average of 47 mpg -- then as switchgrass yields improve modestly to
around 10 tons/acre it would take only 30 million acres of land to produce sufficient cellulosic
ethanol to fuel half the U.S. passenger fleet. (ETES pp. 76-77). By way of calibration, this would
essentially eliminate the need for oil imports for passenger vehicle fuel and would require only
the amount of land now in the soil bank (the Conservation Reserve Program ("CRP") on which
such soil-restoring crops as switchgrass are already being grown. Practically speaking, one
would probably use for ethanol production only a little over half of the soil bank lands and add
to this some portion of the plants now grown as animal feed crops (for example, on the 70 million
acres that now grow soybeans for animal feed). In short, the U.S. and many other countries
should easily find sufficient land available for enough energy crop cultivation to make a
substantial dent in oil use. (Id.)

There is also a common and erroneous impression that ethanol generally requires as much
energy to produce as one obtains from using it and that its use does not substantially reduce
global warming gas emissions. The production and use of ethanol merely recycles in a different
way the CO2 that has been fixed by plants in the photosynthesis process. It does not release
carbon that would otherwise stay stored underground, as occurs with fossil fuel use, but when
starch, such as corn, is used for ethanol production much energy, including fossil-fuel energy, is
consumed in the process of fertilizing, plowing, and harvesting. Even starch-based ethanol,
however, does reduce greenhouse gas emissions by around 30 per cent. Because so little energy
is required to cultivate crops such as switchgrass for cellulosic ethanol production, and because
electricity can be co-produced using the residues of such cellulosic fuel production, reductions in
greenhouse gas emissions for cellulosic ethanol when compared to gasoline are greater than 100
per cent. The production and use of cellulosic ethanol is, in other words, a carbon sink. (ETES p.
73)

Biodiesel and Renewable Diesel

The National Commission on Energy Policy pointed out some of the problems with most current
biodiesel “produced from rapeseed, soybean, and other vegetable oils – as well as . . . used
cooking oils.” It said that these are “unlikely to become economic on a large scale” and that they
could “cause problems when used in blends higher than 20 percent in older diesel engines”. It
added that “waste oil is likely to contain impurities that give rise of undesirable emissions.”
(ETES p. 75)

The Commission notes, however, that biodiesel is generally “compatible with existing
distribution infrastructure” and outlines the potential of a newer process (“thermal
depolymerization”) that produces renewable diesel without the above disadvantages, from
“animal offal, agricultural residues, municipal solid waste, sewage, and old tires”. (This has
recently been designated “Renewable Diesel” in the Energy Act of this past summer.) The
Commission points to the current use of this process at a Conagra turkey processing facility in
Carthage, Missouri, where a “20 million commercial-scale facility” is beginning to convert turkey
offal into “a variety of useful products, from fertilizer to low-sulfur diesel fuel” at a potential
average cost of “about 72 cents per gallon.” (ETES p. 77)
Other Alternative Fuels
Progress has been made in recent years on utilizing not only coal but slag from strip mines, via
gasification, for conversion into diesel fuel using a modern version of the gasified-coal-to-diesel
process used in Germany during World War II.

Qatar has begun a large-scale process of converting natural gas to diesel fuel.

Outside the realm of conventional oil, the tar sands of Alberta and the oil shale of the Western
U.S. exist in huge deposits, the exploitation of which is currently costly and accompanied by
major environmental difficulties, but both definitely hold promise for a substantial increases in
oil supply.

3. Plug-in hybrids and battery improvements

A modification to hybrids could permit them to become “plug-in-hybrids,” drawing power from
the electricity grid at night and using all electricity for short trips before they move to operating
in their gasoline-electric mode as hybrids. With a plug-in hybrid vehicle one has the advantage of
an electric car, but not the disadvantage. Electric cars cannot be recharged if their batteries run
down at some spot away from electric power. But since all hybrids have tanks containing liquid
fuel plug-in hybrids have no such disadvantage.

The “vast majority of the most fuel-hungry trips are under six miles” and “well within the range”
of current (nickel-metal hydride) batteries’ capacity, according to Huber and Mills (The,
Bottomless Well, 2005, p. 84). Current Toyota Priuses sold in Japan and Europe have a button, that
Toyota has removed for some reason on American vehicles, that permits all-electric driving for
up to a kilometer; all that is really needed is to equip hybrids with adequate batteries so that this
capability can be extended. Over half of all US vehicles are driven less than 30 miles/day, so a
plug-in hybrid that can obtain that range might go for many weeks without visiting the gasoline
station. Other experts, however, emphasize that whether with existing nickel-metal-hydride
battery types or with the more capable lithium-ion batteries now commercially available for
computer and other applications, it is important that any battery used in a plug-in hybrid be
capable of taking daily charging without being damaged and be capable of powering the vehicle
at an adequate speed and argue that battery development will be necessary in order for this to be
the case.

But the California experience with electric vehicles (EV’s) in the 1990’s suggests otherwise. It
demonstrated that batteries used in those vehicles, particularly the nickel-metal-hydride ones
that were used in later EV models (some of which are still on the road), have easily shown the
capability for being charged daily for a number of years. And at U. Cal. (Davis) Professor Andy
Frank has been designing and operating plug-in hybrids for years that now, with commercially-
available batteries, operate all-electrically for 60 miles at up to 60 mph before the hybrid gasoline-
electric feature needs to be used. Whether development is needed for some improvements to
lithium-ion batteries or only financial incentives for mass production of them or the more mature
nickel-metal-hydride batteries, such efforts should have the highest priority because plug-in
hybrids promise to revolutionize transportation economics and to have a dramatic effect on the
problems caused by oil dependence.

Moreover the attractiveness to the consumer of being able to use electricity from overnight
charging for a substantial share of the day’s driving is stunning. The average residential price of
electricity in the US is about 8.5 cents/kwh, and many utilities sell off-peak power for 2-4 cents/kwh (id at 83). When one takes into consideration the different efficiencies of liquid-fueled and electric propulsion, then where the rubber meets the road the cost of powering a plug-in hybrid with average-cost residential electricity would be about 40 per cent of the cost of powering the same vehicle with today’s approximately $2.50/gallon gasoline, or, said another way, for the consumer to be able to buy fuel in the form of electricity at the equivalent of $1/gallon gasoline. Using off-peak power would then equate to being able to buy 25-to-50 cent/gallon gasoline. Given the burdensome cost imposed by current fuel prices on commuters and others who need to drive substantial distances, the possibility of powering one’s family vehicle with fuel that can cost as little as one-tenth of today’s gasoline (in the U.S. market) should solve rapidly the question whether there would be public interest in and acceptability of plug-in hybrids.

Although the use of off-peak power for plug-in hybrids should not require substantial new investments in electricity generation for some time (until millions of plug-ins are on the road), greater reliance on electricity for transportation should lead us to look particularly to the security of the electricity grid as well as the fuel we use to generate electricity. In the U.S. the 2002 report of the National Academies of Science, Engineering, and Medicine (“Making the Nation Safer”) emphasized particularly the need to improve the security of transformers and of the Supervisory Control and Data Acquisition (SCADA) systems in the face of terrorist threats. The National Commission on Energy Policy has seconded those concerns. With or without the advent of plug-in hybrids, these electricity grid vulnerabilities require urgent attention.

Conclusion

The dangers from oil dependence in today’s world require us both to look to ways to reduce demand for oil and to increase supply of transportation fuel by methods beyond the increase of oil production.

The realistic opportunities for reducing demand soon suggest that government policies should encourage hybrid gasoline-electric vehicles, particularly the battery work needed to bring plug-in versions thereof to the market, and modern diesel technology. The realistic opportunities for increasing supply of transportation fuel soon suggest that government policies should encourage the commercialization of alternative fuels that can be used in the existing infrastructure: cellulosic ethanol and biodiesel/renewable diesel. Both of these fuels could be introduced more quickly and efficiently if they achieve cost advantages from the utilization of waste products as feedstocks.

The effects of these policies are multiplicative. All should be pursued since it is impossible to predict which will be fully successful or at what pace, even though all are today either beginning commercial production or are nearly to that point. The battery development for plug-in hybrids is of substantial importance and should for the time being replace the current r&d emphasis on automotive hydrogen fuel cells.

If even one of these technologies is moved promptly into the market, the reduction in oil dependence could be substantial. If several begin to be successfully introduced into large-scale use, the reduction could be stunning. For example, a 50-mpg hybrid gasoline/electric vehicle, on the road today, if constructed from carbon composites would achieve around 100 mpg. If it were to operate on 85 percent cellulosic ethanol or a similar proportion of biodiesel or renewable diesel fuel, it would be achieving hundreds of miles per gallon of petroleum-derived fuel. If it were a plug-in version operating on either upgraded nickel-metal-hydride or newer lithium-ion batteries
so that 30-mile trips or more could be undertaken on its overnight charge before it began utilizing liquid fuel at all, it could be obtaining in the range of 1000 mpg (of petroleum).

A range of important objectives – economic, geopolitical, environmental – would be served by our embarking on such a path. Of greatest importance, we would be substantially more secure.