

**OFFSIDE UNDO**

By Dutch Mandel



# The Call for a National Energy Policy

■ BEFORE THE EMPTY MOVING van departed 1600 Pennsylvania Avenue, newly anointed President Barack Obama in one proclamation sent shivers down the spines of environmentalists and automakers alike: Individual states should determine what emissions spew from cars and trucks.

Hey, New Hampshire! Why don't you dictate to every car company that wants to do business with you what fuel-economy ratings and emissions their cars and trucks must make for folks in the red-spotted-newt state to be happy?

Environmentalists wore gooseskin of delight. Carmakers shuddered at the bracing cold that impending and expensive bureaucracy would gust their way.

Truly, the first thing on Obama's agenda should be a well-thought-out energy policy. That will have a cascade effect: It will stimulate a woefully sluggish economy. It will boldly address national-security needs. It will focus direct investment on emerging technologies at the macro level (our infrastructure) and the micro level (our homes).

A sound energy policy is the big-picture fix that America must have.

You know what else we must have? We must have consumers *pull* the technology through the system. Do not shove it, Mr. Government, down the throats of the American buyer. If technology is plentiful and cost-effective, it will be embraced. Regardless of political party, that's a win-win.

We positively do not need state-level governments mandating what we drive. That takes the ludicrous on a fast track to the abominable.

So, then, how can we make technology happen?

If the feds want to reduce airborne emissions, if they want to increase the national-fleet fuel economy, if they want to reduce U.S. consumers' dependence on oil from the Middle East, the answer is here.

Diesel.

Diesel technology is cleaner than gasoline in terms of airborne emissions. In a head-to-head competition of comparable models, the diesel car will go 30 percent farther on a tank. Performance is nearly identical.

And how's this for a kicker? Across Europe, diesel-powered cars constitute 53 percent of the vehicle fleet. That is, every other car is diesel-powered. And the diesel-fleet population in the United States? A mere 5 percent.

The problem is the pump cost of diesel fuel. Diesel is more expensive than gasoline. And there's also the stigma of driving to a truck stop to fill up your Volkswagen Jetta. But what if the government placed diesel-fuel taxes on gasoline? What would happen then?

First, we'd have a baseline of diesel-fuel costs. Naturally, the diesel price at the pump would plummet. Owning diesel-powered cars would be more attractive. A diesel-technology premium on the stickers of cars would be miti-

**If the U.S. diesel-car fleet grew to just 30 percent . . . we would eliminate our need for that foreign oil.**

gated or eliminated. The benefits of driving diesel would drop to the bottom line and the pocket-books of America.

Sure, those people who drive gasoline-powered cars will bark. But they would not assume the

entire per-gallon diesel-tax burden; with a bigger car fleet, money lost from diesel taxes would be made up at a fraction by consumers with gasoline-powered vehicles. The gasoline-fleet size versus diesel would mean an immediate economic boon.

So, what does this have to do with national security? If the U.S. diesel-car fleet grew to just 30 percent, we would reduce the amount of oil we import by 1.5 million barrels per day—the entire allocation from Middle East OPEC nations. That's right—we would eliminate our need for that foreign oil.

See the logic? If that is not enough of an inspiration, then, Mr. President, I guess we don't need an energy policy after all.

—dmandel@crain.com