

An Energy and Industrial Recovery Plan

By
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The American people are counting on President Obama and Congress to create a new America. We need a vision of a new future that all Americans can come together and rally behind. Sure we need to do all we can to prevent another Great Depression and jumpstart America's economy but we need more than that and we need action now. To ensure action, the Obama Administration needs overwhelming support from the American people. Here is a proposal most Americans may enthusiastically endorse:

A \$1 trillion Energy and Industrial Recovery Plan to produce and retrofit one-half of America's vehicle fleet to compressed natural gas (CNG) by 2015 at little net cost to the U.S. economy. Saved payments to foreign oil producers will offset the Plan's cost by 2017. And we will profit from the trillions more saved over the long-term. Americans paid about \$4 trillion for SUVs, light trucks, and gas-guzzlers they love. In these difficult times, we shouldn't expect them to buy new, more efficient cars to replace perfectly good ones.

America's vastly abundant, clean, affordable natural gas is the only scalable alternative to gasoline and diesel that can make a big energy and environmental difference in the near-term because much of the infrastructure is already in place. America's 2.2 million mile natural gas pipeline grid connects most metropolitan gasoline stations and industrial facilities where CNG fueling tanks can rapidly be installed. Most importantly, 63 million American homes are connected to the grid where 130 million automobiles reside and can fill-up at home. Automobile dealers can maintain jobs by beginning a massive CNG retrofitting program, along with the installation of fueling appliances at those homes.

Any automobile industry bailout should require automakers to produce CNG vehicles they manufacture in Europe here in America as a first step toward clean, efficient vehicles. Ford, GM and Chrysler could also retrofit their millions of unsold SUVs, light

trucks and gas-guzzlers. The Big Three should continue to develop hydrogen fuel cell vehicles and electric plug-ins. But until most electricity is produced by sources other than coal, now generating 50% of America's electricity, plug-in vehicles are premature because they will actually increase CO₂ emissions. The Chevy Volt only goes 40 miles before it needs gasoline, whereas a CNG retrofitted SUV will drive about 200 miles or more. The ideal transition vehicle would be Toyota's recently announced CNG/electric hybrid.

Let's look at what this Plan will accomplish:

- pay for itself many times over in reduced foreign oil payments,
- save millions of jobs in the automobile industry,
- reduce oil imports by between 5 and 6 million barrels per day,
- significantly enhance energy security,
- save trillions of dollars in payments to foreign oil producers that can instead be invested in America,
- stimulate our domestic economy by increasing natural gas demand that will trigger \$100s of billions in new private sector capital expenditures that will guarantee a two to three times economic multiplier,
- add about 250,000 new jobs in the natural gas sector,
- increase payments to American farmers and landowners by \$10s of billions annually,
- help America dodge the economically deadly peak oil bullet,
- reduce CO₂ emissions by over 200 million tons annually,
- eliminate much of the pollution in major metropolitan areas and reduce related health costs, and
- restore America's global leadership in energy and climate and help regain soft power.

The Obama Administration's plan to save the financial system and rebuild America's deteriorating infrastructure is imperative, but a \$1 trillion Energy and Industrial Recovery Plan to retrofit half of America's vehicles to CNG has a larger multiplier because it will go much further toward stimulating the economy and saving and adding American jobs. And the owners of SUVs, light trucks and gas-guzzlers will get full value from their \$4 trillion investment. This Plan would be a major leap toward President Obama's energy and environmental goals and would set America on the course for an unprecedented economic expansion.

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