

**A Common Sense Approach to Implementing  
a National Energy Policy**

(and Use of Natural Gas as a Bridge to some undefined  
Promised Land)



By C. Birge Sigety

(birgesigety@hotmail.com)

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We have all read about our leadership and the failure to articulate a National Energy Policy for the United States. Newsprint has been expended at prodigious rates and our politicians talk a good game. You have heard them mention: alternative energy, wind power, solar power, hydro power generation, ethanol, nuclear

power. We have also heard that burning fossil fuels is somehow bad for the environment; it also sends our money overseas to people who don't much like us. What is the answer? What can we ask our government and our business leaders to do? How can we best move forward as a nation? Those are important questions. The answer is to put together a step by step plan that accomplishes the long term goal of reducing our dependence on oil so that our national security, our environment, and our freedom to move long and short distances at a reasonable cost is not jeopardized. Any plan has got to be based on assumptions. Here are mine:

1. You can only get to the place the politicians talk about, energy independence both politically and independence from reliance on fossil fuels (think foreign oil) in a gradual way. We therefore have to use what we have currently to get started on a plan while our inventors help visualize a future and invent

the things that will take us beyond fossil fuel dependence.

2. We have been a culture reliant on the automobile for almost 100 years and that is not going to change now or at least very fast. Mass transit is hideously expensive, seems to rely on our government to pay the entire cost and takes decades. It also tries to change behavior that is centered on the freedom the automobile represents. Once in place it never fulfills its promise, is underutilized, has ongoing operating and cost overruns and is a huge source of community angst.

3. Even though the economists tell us that oil is cheap on an "inflation adjusted basis" that really doesn't mean much to us, going from one or two dollars a gallon for gasoline to four or five dollars or more a gallon is a big deal if you actually pay for your gas yourself.

4. Reducing our dependence on oil produced by people who mostly don't like us (think Hugo Chavez in

Venezuela, Mid East countries dominated by fundamentalist zealots like Saudi Arabia and Libya) is an important national security issue. It certainly is a huge economic drain on our country.

5. There is no "magic bullet" solution out there. Every one of the alternatives has problems, whether they are things like nuclear waste from reactors as we are reading about every day in the post tsunami Japan, or the painful and quite puny goals we have set for solar and wind which will still be a minor source of power for many years.

By the time you got to number five you knew this wasn't easy or we would have solved this energy policy issue easily. It's hard. Here is how we do it.

We have lots of natural gas in the US. Most of us have now heard the commercials underwritten by T. Boone Pickens (<http://www.pickensplan.com/act/>) and others. It's not being used as much as it could be. It really is a good "transition fuel" to get us to some undefined

promised land where we don't have to burn any fossil fuel. I suspect that the reason that we haven't got a national energy policy that works is the typically human hope that we can just wish ourselves to the Promised Land. That doesn't work as 250 years of struggle to get where we are in this country has proved. There is of course a lot of inertia in our present system that has to be overcome as well: vested business interests, an in place distribution system, vehicles that only run on gasoline made by large companies who expect the status quo.

Back to the natural gas: While it is not as compact an energy source as say gasoline or diesel fuel

([http://en.wikipedia.org/wiki/Gasoline\\_gallon\\_equivalent](http://en.wikipedia.org/wiki/Gasoline_gallon_equivalent)) it is so plentiful that we could operate our country for many years if we could use it for more things.

Official estimates are between 8 and 9,000 years supply

(<http://www.truebluenaturalgas.org/how-much-natural-gas-does-the-us-have>). The 8 assumes that no new gas is found, no new methods to get it are found, and that

the definition of natural gas is relatively fixed. We all know that the one sure thing is change so I would be optimistic about our ability to find more and change that allows us to get to the gas, the press is full of the pluses and minus' of getting fossil fuel out of the ground. Gas exploration does have tradeoffs but the net result is a cleaner burning, non-foreign source for the elixir of post industrial civilization, energy to run everything. The problem we face is that we have to figure out how to distribute it and how to use it, if we are serious about getting our energy problems solved in our lifetime.

Here is how I would do that:

Use the interstate highway system to start. We have almost 47,000 miles of interstate highways in the US today

([http://en.wikipedia.org/wiki/Interstate\\_Highway\\_System](http://en.wikipedia.org/wiki/Interstate_Highway_System)

). The highway, and the right of way (that is the green grass or brown, depending on your location, stuff that goes up to the fence along the road) are owned by

the government, mostly the states it runs through (<http://www.fhwa.dot.gov/interstate/faq.htm#question5>).

We are bombarded by our press telling us that the US has crumbling infrastructure and that we need to spend more on it. Well how about spending money, private money, on putting a gas line on as many interstate right-of-ways as possible. We do this by auctioning off the right of way for a gas line, that's right auctioning it off to the highest bidder. This would not be a project for the US Government to do, it would be a private project (this is the US after all, or have we all forgotten that important fact?). The auction would be open anyone who wanted to bid. Now that might not be all of us because you would have to have some bidding rules to make sure that winning bids would result in action. There are already some 2.2 million miles of gas pipelines

(<http://www.wisconsinpublicservice.com/safetyforkids/gas/html/teachers2.html#q11>) in the US and they operate safely. That is many times the number of miles of Oil

Pipelines at 200,000 (<http://www.aopl.org/>). We seldom have a problem so part of what the Government has to do is back the bidders and hand out permits with the auction approach making any groups attempt to stop the pipe a non-event. If we can allow the inspections we all endure when we go to the airport we can certainly bear the risk reduction of this plan and trade the pipeline for that risk. To assure that the pipeline was built we could have an after bid market in the rights to build, own and operate the gas lines. We did this very successfully all through the cell phone spectrum auction period

(<http://www.phonescoop.com/articles/article.php?a=99>).

It can be a bit messy to run an auction but it will work. Just imagine getting this done, if one dollar were paid and the auction was pulled off and the distribution network was up and running we would not be as concerned about what is going on in the Mid East. Our involvement in two or three wars, depending on your point of view on Libya has cost us some Three Trillion

Dollars so far

([http://www.timesonline.co.uk/tol/comment/columnists/guest\\_contributors/article3419840.ece](http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article3419840.ece)) and we are still

spending. Part of the auction would include a definite schedule to completion with sanctions for not getting done on time. I think that our national success in bringing the East and West coast rail road's together over 150 years ago (May 10, 1869

[http://en.wikipedia.org/wiki/Transcontinental\\_railroad#United States](http://en.wikipedia.org/wiki/Transcontinental_railroad#United_States)) shows that we should be able to contract

with our US business to undertake the feat of getting a pipeline with an outlet at most off ramps in a few years time. As an aside we could also run pipes along all the rail road right of ways in the US as a second phase. There are over 233,000 miles of tracks in the US currently

([http://wiki.answers.com/Q/How many miles of railroad tracks in US](http://wiki.answers.com/Q/How_many_miles_of_railroad_tracks_in_US)).

While this is going on we have to figure out how to use the gas. Natural Gas today costs a fraction of the

cost of an equivalent amount of Gasoline or Diesel Fuel, about 40% of the cost in high cost California today

(<http://www.consumerenergycenter.org/transportation/afvs/cng.html>). I think that once armed with the fact

that Natural Gas is going to be widely available we won't have much trouble prodding our manufacturing and distribution companies to action. Millions of consumer will demand vehicles that burn natural gas and so will all the truckers in the US. That means that gas station owners along the interstate, that is a huge number, 121,000 in the entire US in

2002 ([http://en.wikipedia.org/wiki/Filling\\_station#Number\\_of\\_petrol\\_stations\\_worldwide](http://en.wikipedia.org/wiki/Filling_station#Number_of_petrol_stations_worldwide)), will sign up by

installing dispensing equipment and once enough do the rest is history. The car and truck manufacturers would have a field day producing new cars and we would go a long way toward improving employment in both sectors. Think of all the steel we would use for the pipelines, all those jobs, good paying jobs. This is a good

stimulus without any Government intervention, all our legislators have to do is run the auction, well almost all they have to do is run the auction. Well we might need a little more. I would ask the Government to allow all new purchases, be they rolling stock like cars and trucks, or filling station purchases to be depreciable in the year in which the new item was purchased. Coming out of the recession we have been in the last few years this is revenue that doesn't exist for the tax man anyway. You could stretch this to the consumer as well with credits for installing Natural Gas filling stations at home. A lot of households in the US have Natural Gas already; all being used intermittently (think heaters and hot water). Almost 50 million homes have Natural Gas already there ([http://www.naturalgas.org/overview/uses\\_residential.asp](http://www.naturalgas.org/overview/uses_residential.asp)).

If we could reduce our use of refined oil by say 50% we would really solve our near term problems.

Transportation represents over 27% of our usage

[http://en.wikipedia.org/wiki/Energy\\_in\\_the\\_United\\_States#Oil\\_consumption](http://en.wikipedia.org/wiki/Energy_in_the_United_States#Oil_consumption)). If we could reduce the overall consumption by 13% we will greatly improve our lot. Remember we are making all our vehicles more fuel efficient and the move to Natural Gas powered rolling stock will accelerate this immensely so our real use could go down by a quarter over the few years it would take to accomplish the plan. We import 67% of our needs currently, fortunately the largest imports come from Canada, close to 19% of the total represented by the top ten countries from whom we import oil (<http://askville.amazon.com/percentages-oil-buy-countries/AnswerViewer.do?requestId=5430673>). So if we cut our oil use related to transportation needs in half we solve our immediate problems. Because the pipeline now covers most of the country many more oil based fuel uses will be replaced in our homes and businesses as well, a great additional benefit. This gives us the time and the resources to pursue the next technology and to reduce our reliance on the unfriendly nations

who sell us oil. This is what having a National Energy policy means and the blocking and tackling that we could do to make it happen.

Now if only we could get our politicians to take this up and get serious. Even our government would save billions as they are one of the largest consumers of oil for transportation as an organization on the planet.

So let's recap:

1. We can have a policy that actually makes a major dent in our consumption of oil by substituting Natural Gas now.
2. We don't need the government to spend the money; our industrial capitalistic system will do this for us if we lead them.
3. We can get the money back into the US that now goes to people who don't like us and solve our near term economic problems. Just imagine how many

terrorists we will put out of work and how many US troops lives' will be saved.

4. We avoid what could be a major, maybe after our reliance on debt, the major national security problem of this generation, our reliance on unreliable and unfriendly countries.

5. We buy the time we need to solve the longer term problems and the resources to do it, reducing unemployment, reducing our balance of payments deficit, our trade deficit. We solve some big problems.

I would look forward to getting your feedback. Let's make the plan better and see if we can convince the people around us to do this. It's important.

C. Birge Sigety is the founder and principal of Bison Investments, Inc. This specialty financial firm, located in Tampa, has funded many companies since Birge formed it in 1996. An affiliate of Bison participated

in the funding of a fiber optic data loop around, and into, downtown Boston several years ago by using the Interstate Right-of-Way and an unused oil pipeline to run the fiber.