Changing the World: Indy's Move to Post-Oil Vehicles
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Introduction

Indianapolis will be the first major city in the United States to institute a formal policy to convert its entire fleet to post-oil technology by 2025. Given current technology, the time is now to begin this process. The United States’ current transportation energy model, driven by oil, exacts an enormous cost financially and in terms of strategic leverage. To reduce our dependence on oil, developing and diversifying viable American energy sources is required.

Indianapolis will lead the way, but we cannot change the world alone. We need a strong, dedicated coalition of cities and states, car manufacturers, non-profits, corporate partners, and domestic utilities to make this vision a reality.

Consumers need a choice, our nation needs a choice, oil-dependent nations need a choice, and the world needs a choice. American lives will be protected, unnecessary costs will be avoided, and the balance of strategic power will shift. This can be done and this must be done. When others join this cause, together, we will change the energy policy of the United States.
POLICY

1. Indianapolis’ Approach

By 2025, every vehicle owned and operated by the city of Indianapolis will run on an energy source other than exclusively oil. This begins with Executive Order #6, signed on December 12, 2012, dictating that every non-responding sedan purchased by the city going forward will be an electric or plug-in hybrid electric vehicle. The city will save up to $12,000 per vehicle over the life of the vehicle on fuel and maintenance costs.¹

To achieve this, the city has formed a coalition of strong partners. Energy Systems Network (ESN), a local non-profit, has led the effort by installing over 200 charging stations throughout the city to raise awareness of plug-in vehicles for residents.² Our local domestic utility companies also played a role in these public charging stations, and Indianapolis Power & Light has further agreed to purchase and install charging units in the garages of the city’s fleet. Large corporate entities, such as Simon Property Group, Eli Lilly, and IU Health, have all been supportive of the city’s effort and have begun exploring alternative fuel vehicles themselves.

Further, the city will work with partners to convert its heavy fleet of snowplows, trash trucks and eventually fire apparatus to compressed natural gas (CNG). Government and corporate fleets have already begun to move to this domestic energy source as an alternative to oil. CNG is a viable alternative today and will continue to expand.

As a third phase, Indianapolis will work with car manufacturers to develop a true electric or plug-in hybrid electric police car. Our current police fleet gets only eight to ten miles per gallon.³ If a car manufacturer could produce a police car that gets 40-50 miles per gallon, while meeting all the necessary power, safety, range and size needs of a modern urban police force,

¹ City of Indianapolis analysis.
² http://www.energysystemsnetwork.com/ppi-home.
³ Indianapolis Metropolitan Police Department internal statistics.
Indianapolis and similarly sized cities could save up to $10 million per year.⁴ We are willing to be the test market for this innovation. If a car company is able to develop a true, viable plug-in hybrid electric police car, I have no doubt that Indianapolis and other cities would purchase these by the thousands.

2. Viable Alternatives are now a Reality

Alternatives are available now and will become more efficient and consumer friendly in the near future. Although oil-based transportation will be with us for a while, technological improvements now allow us to make different transportation choices.

Electricity is an emerging, true alternative. At a minimum, plug-in hybrid electrics are an effective bridge technology that will begin to allow Western nations to rely primarily on grid-based electricity for transportation. It is hard to believe, but plugging your car into a simple wall socket in your garage could be the key to unlocking our national dependence on foreign oil.

The price for electricity has been stable for decades, the price is not subject to wild price swings based on world events, and, most importantly, most electricity is controlled by domestic, regulated entities.⁵ Further, cars and light trucks, which can now be powered by electricity, currently account for about 40% of total oil consumption in the United States.⁶ A change in this light transportation consumption model is critical to reducing our dependence on oil.

Although we are not there yet, the dynamics of energy security would dramatically change if there was a competitively priced mid-sized sedan with a 400-mile battery range that could be fully recharged in five minutes. The enormous cost of our annual military expenditures to protect oil supply lines around the world would immediately and exponentially decrease and our national security would be greatly enhanced.

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⁴ Indianapolis Metropolitan Police Department internal statistics.
⁵ http://www.prtm.com/uploadedFiles/Thought_Leadership/Articles/External_Articles/EC-Fleet-Roadmap-print.pdf.
⁶ http://www.nrdc.org/air/transportation/gasprices.asp.
As noted earlier, multiple fleets, both public and private, have moved to compressed natural gas (CNG) for their heavier vehicles. This is a proven energy alternative that saves money. More importantly, it too is a domestic energy source under our own soil.

These new sources are just the beginning. Indianapolis will continue to push innovators of alternative energy to make these emerging sources more efficient and cost effective. Indianapolis is willing to be the test market for these new technologies to prove these innovations are effective, allowing these technologies to then be sold to other cities or entities, continuing to expand the coalition and lessen our national dependence on oil.

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DEPENDENCE ON OIL

1. History

Why is the City of Indianapolis doing this? In his 2006 State of the Union Address, President George W. Bush declared that “America is addicted to oil” – this coming from an oilman.\(^8\) As a retired Marine officer and a veteran of the Gulf War, there is no denying this statement. I have personally experienced the sacrifices that veterans and their families have made and continue to make for this energy source, and I pledge to make Indianapolis the model for other cities to join in reducing our dependence on foreign oil.

The history of our dependence on oil stretches four decades, with unintended consequences that have cost thousands of American lives and trillions of dollars.

In 1973, the oil rich countries of the world, primarily OPEC, levied an oil embargo in response to the United States support of Israel during the Arab-Israeli conflict.\(^9\) This act not only resulted in Americans standing in lines for hours to get $10 of gas, but also caused oil prices to triple.\(^10\) More ominously, OPEC discovered that it could exert enormous political leverage through its asset.

Despite the embargo, reliance on foreign oil continued to increase, moving from 28% in the early 1970s to 42% in the mid-1980s.\(^11\) (This would eventually reach 60% in the 2000s.\(^12\)) In the 1980s, oil was plentiful, economies were strong, and no issues related to our dependence on oil seemed imminent.

This unrealistic thinking was turned upside down by the Gulf War of 1990-1991. Some argue this war was fought to maintain the world economy; however, there can be no serious

\(^12\) [http://www.whitehouse.gov/blog/2012/03/01/our-dependence-foreign-oil-declining](http://www.whitehouse.gov/blog/2012/03/01/our-dependence-foreign-oil-declining)
dispute that the underlying reason of the Gulf War was oil – and the West’s dependence on it. Saddam’s burning of the oil wells was a potent visual synopsis of this fact.

James Baker, former Secretary of State, stated that the vital national interest was to “secure access to the energy resources of the Persian Gulf.” Senator Richard Lugar wrote that the “underlying goal of the U.N. force, which included 500,000 American troops, was to ensure continued and unfettered access to petroleum.”

Unfortunately, this war only began the cost of our dependence on oil in terms of American lives and dollars. Al-Qaeda’s actions, borne out of the Soviet’s invasion of Afghanistan in the early 1980s, shifted its focus to the United States, in part, due to our activity in the region during the Gulf War.

2. Unintended Consequences

A. The Global War on Terror

While the Global War on Terror is not directly tied to oil, the stabilization of the oil-rich Middle East cannot be completely divorced from it. A serious case can be made that the United States is financing both sides of the War on Terror. Senator Lugar stated that America transfers “hundreds of billions of dollars each year to some of the least accountable regimes in the world.” This money flows directly to those hostile to the values of the United States. These regimes use this money to fund terror cells that buy weapons used to kill American men and women.

16 Id.
18 http://lugar.senate.gov/energy/security/.
B. Compromised Federal Decision Making

The decision making of federal officials is consistently hampered by our necessity to make domestic and military decisions based on our dependence on oil. Simply, our national dependence on oil compromises our national security.¹⁹

It forces our leaders to make critical strategic, military and financial decisions with an eye toward oil, costing American lives and billions of dollars every year. For example, as our military works to disrupt terror cells in the Middle East, they must also protect vulnerable oil infrastructure in order to ensure our supply at home is not disrupted. According to a Rand Corporation study, protection of this oil supply infrastructure costs nearly $85 billion per year.²⁰

Senator Richard Lugar, in an address to Purdue University, stated, “adversarial regimes, from Venezuela, to Iran, to Russia, are using energy supplies as leverage against their neighbors…energy is becoming a weapon of choice for those who possess it.”²¹ In another speech to the Brookings Institute, Senator Lugar said that “no one who is assessing the decline of American leverage around the world due to our energy dependence can fail to see that energy is the albatross of U.S. national security.”²²

Movement toward alternative energy sources would lessen the need of the United States to negotiate with any country from an energy-dependent mindset. The United States and other nations could influence Hugo Chavez in Venezuela, agreeing to buy or not buy his oil, depending on his actions. The influence of Iran and other hostile nations would wane significantly.

Former Secretary of State Condoleezza Rice echoed these sentiments when she told the Senate Committee on Foreign Relations that the “politics of energy is warping the diplomacy around the world.”

C. Dependence upon Foreign Players

By itself, an increase in domestic oil production will not lower the price of oil or reduce the influence of foreign powers. The Energy Security Leadership Council, which includes over a dozen retired generals and admirals, offers that even though increased domestic oil production is good, “it alone will not insulate America from the risks of oil dependence. This can only be accomplished by reducing the role of oil in our economy.”

The price of oil is also highly inelastic, meaning the current increases in the price of oil reduce consumer spending on other goods and services. This reduction on spending for other goods and services greatly hampers economic growth. The world spot price of oil is derived from the global market, but the majority of oil in the world is controlled by people who manipulate market forces. Seventy-nine percent of oil is controlled by government entities, not private companies. These players know they can affect the market by simply shutting off the tap and will do so in their best interests, not ours.

We simply cannot be independent of the current global oil market, and all indications point to the Middle East supplying over 30% of the oil to the world by 2020 and beyond. Thus,

25 Id.
26 Id.
27 Id.
28 http://lugar.senate.gov/energy/security/.
as the Middle East’s total percentage of production grows, we are destined to engage the Middle East at the same or an enhanced level, at great cost, for the foreseeable future.

More troubling, growing economies such as India and China, who need oil to fuel their growth, have established ties to nations like Iran, enhancing the power and influence of a nation at odds with our core values. Would it be better if the people of China and India were driving in cars not dependent on oil? Would the world be safer?

We are not tied to this destiny if we act now and dramatically change our behavior, with a coalition of like-minded cities, states and companies taking the first step to reducing our oil dependence. While no one solution can solve the problem, everyone must do their part and someone must take the lead. Indianapolis will take the lead.
COSTS

There are many costs attributable to our continued dependence on foreign oil, both in dollars and in poorly leveraged strategic decisions. However, before defining those, we cannot forget that there is a more personal cost in human life. From the deaths, injuries, and lingering trauma of the Gulf War, to the terror attacks against the United States, to the nearly 10-year Global War on Terror, there is unfathomable human pain and suffering that will endure in the lives of American citizens, veterans, and their families for several decades to come.

The financial cost to support the West’s oil dependence is also very real. According to the Congressional Research Service, the Gulf War, just in direct terms, cost approximately $61 billion. In addition, the aforementioned Rand Study estimates that protection of the world oil supply costs nearly $85 billion per year. This is a significant percentage of the annual United States’ military budget. The Global War on Terror has run over $1 trillion. And soft costs, including Veterans’ Administration claims and loss of productivity by injured veterans, also exceed well over $1 trillion dollars, as estimated by a Brown University study.

Oil dependence also has an impact outside of military operations. Imported oil accounted for over half of our trade deficits, even as recently as 2008 and 2009. Almost all economic downturns in the last three decades have had an oil price spike associated with them. The costs of our dependence on oil are staggering and, without a dramatic change, unsustainable.

35 https://www.nrsservicecenter.com/content/media/retail/pdfs/NRSFORU/Publications/Publication_FramingMkt.pdf.
CONCLUSION

Historians will not be kind to the West when referring to the last forty years, a period that experienced the greatest voluntary transfer of wealth in world history, with much being transferred to those who seek to do us harm.

Energy should not be a weapon. Right now, it is. The time has come to reverse this trend. There are alternatives to reduce our dependence, and we must act to give consumers, dependent nations, and the world a choice.

I hope that by our action, Indianapolis can begin to change the course of harmful actions and results of the last four decades. The United States has yet to formulate a national program in pursuit of energy security. We currently lack the national will to do so.

Because of this fact, I ask that other cities, states, and companies follow the lead of Indianapolis, and hope that the federal government will eventually rise to the occasion. We must heed Senator Lugar’s words: “We have made choices, as a society, which have given oil a near monopoly on American transportation. Now we must make a different choice in the interest of American national security and our economic future.”36 Lives will be saved, dollars will be saved, and the balance of strategic power will shift.

The Vietnam veterans revere their legacy that no serviceperson will ever return to the United States to the shameful reception they received. Let the legacy of the veterans of the Gulf War and War on Terror be that no serviceperson will set foot on a future battlefield due to energy dependence by Western nations – a dependence that often leads to poorly leveraged strategic decisions based on needed energy sources. It can be done. It must be done. And we will do it.

36 http://lugar.senate.gov/news/record.cfm?id=262155&