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## The big lesson Iran can teach the U.S.

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What do you call a world leader who faces a strategic threat stemming from his country's energy dependence and introduces a crash program for energy independence that taps into his country's domestic resources?

Ahmadinejad.

With 43 percent of Iran's gasoline imported, Iranian President Mahmoud Ahmadinejad knows that a comprehensive gasoline embargo could cause social unrest that could undermine his regime. In response, he recently announced a three-part crash program for energy independence.

One tenet of the plan is massive expansion of the country's refining capacity. While no refinery has been built in the United States in decades, Iran's refinery infrastructure is undergoing one of the world's fastest expansions, including the construction of two large new refineries.

A second pillar is to secure imports of refined products from Venezuela, one of Iran's staunchest allies against the West.

The third, and most innovative, part of the plan is to convert Iran's vehicles to run on natural gas rather than gasoline within five years. Iran has the world's second-largest natural-gas reserve after Russia - 16 percent of the world's total - which guarantees an uninterrupted supply of cheap transportation fuel for decades. The cost of conversion of both the cars and refueling stations is heavily subsidized by the government.

The conversion of cars is simple, particularly in a country where unemployment surpasses 10 percent and labor is cheap. All that is needed is a minor engine adaptation and the installation of a gas cylinder in the trunk of the car. More than 105 conversion centers have already been built.

A shift from petroleum to natural gas will save Iran between \$3 billion and \$8 billion per year on gasoline imports. It will also leave refineries free to produce a greater proportion of essential non-gasoline petroleum products like jet fuel, which will keep Iran's air force and commercial airlines intact, and diesel to power its army and navy.

Ahmadinejad's gas revolution is a clear sign that Iran is preparing itself for the possibility of war and is developing a comprehensive economic warfare strategy to supplement its military and diplomatic initiatives.

Yet, while Iran is taking meaningful steps to reduce its strategic vulnerability, the United States is doing the exact opposite when it comes to energy security. Despite President Bush's statement in January that "America is addicted to oil," neither Congress nor the administration has done much to address this vulnerability. We still impose a stiff, 54-cent punitive tariff on imported Brazilian ethanol; our fuel-efficiency standards have been stagnant; and severe limits on domestic exploration of oil and gas are still in place. This year, imports account for more than 60 percent of U.S. oil supply. Barring policy changes, U.S. dependence five years from now will have swelled further, with profound implications for its national security. At that point, economic sanctions against Iran would likely hurt the United States

far more than Iran.

With the sanctions option waning, we must begin to answer Iran's economic warfare strategy with one of our own. Therefore, the United States should:

Require that every new car sold here be a flex-fuel vehicle capable of running on any combination of gasoline and alcohol fuels, such as ethanol and methanol, that can be generated from vast domestic resources of biomass, wastes and coal. The extra cost to the automaker to make a car fuel flexible is less than \$150, about a quarter the cost of converting an Iranian gasoline-powered car to run on natural gas. Requiring fuel flexibility will provide investors in alternative fuel plants the confidence that there will be a growing market for such fuels.

Tap into domestic resources by encouraging the use of electricity as a transportation fuel. Plug-in hybrid electric vehicles can shift our transportation sector from oil to made-in-America electricity generated from coal, nuclear power, and renewable sources.

Remove the ridiculous 54-cent-a-gallon tariff on imported ethanol, and encourage friendly Latin American countries to ramp up ethanol production from sugar cane. Nothing would improve America's posture in Latin America more than dollars invested in the region's farming communities.

Energy dependence presents a serious and urgent national security problem. This is something America's staunchest enemy clearly understands and is sparing no effort to address. Will we be smart enough to do the same?

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