

IEA wants brakes on fuel consumption

The International Energy Agency (IEA) is to propose drastic cutbacks in car use to halt continuing oil-supply problems. Those cutbacks include anything from car-pooling to outright police-enforced driving bans for citizens.

Fuel "emergency supply disruptions and price shocks" - in other words, shortages - could be met by governments. Not only can governments save fuel by implementing some of the measures suggested, but in doing so they can also shortcut market economics.

An advance briefing of the report, titled Saving Oil in a Hurry: Measures for Rapid Demand Restraint in Transport, states this succinctly.

"Why should governments intervene to cut oil demand during a supply disruption or price surge? One obvious reason is to conserve fuel that might be in short supply.

"But perhaps more importantly, a rapid demand response [especially if coordinated across IEA countries] can send a strong market signal."

The report goes on to suggest a whole series of measures that could be used to cut back on fuel consumption. They are cutting public-transport costs by a certain amount to increase its usage while simultaneously dissuading car use.

Sweeping proposals

Then more radically the idea of going further and cutting public-transport costs by 100%, making them free to use. Car-pooling, telecommuting and even corrections to tyre pressures are also suggested.

But the most hardline emergency proposals come in the form of drastic speed restrictions and compulsory driving bans. Bans could be one day in every 10 (10%) or more stringently on cars with odd or even number plates. They would be banned from the roads on corresponding odd or even days of the month (50%).

In forming its conclusions the IEA tacitly admits that extra police would be needed in these circumstances to stop citizens breaking the bans. Even the cost of those extra patrols are part of the IEA's study.

"Policing costs are more substantial and may consist of overtime payments for existing police or traffic officers or increases in policing staff. We assume this cost at one officer per 100 000

employed people."

As an example that means that the US workforce, currently around 138 million people, would need an extra 1380 officers to help enforce the bans. It may seem an optimistic figure. But even if this were so, the IEA is not put off.

"If our policing cost estimates are relatively low ... results clearly show that even a doubling of our estimate would make (bans) a cost-effective policy. The more stringent odd/even (day) policy is also more cost-effective than a one-day-in-ten ban, as the costs are the same ... maintaining enforcement is critical."

Tough love

Yet despite these measures, that many citizens would find quite draconian, the IEA concludes that tough love is better than none at all.

"Our main conclusion finds that those policies that are more restrictive tend to be most effective in gaining larger reductions in fuel consumption. In particular, driving restrictions give the largest estimated reductions in fuel consumption."

Here, however, they do strike a word of warning for governments and those in power.

"Restrictive policies such as this can be relatively difficult to implement and thus may come at higher political costs."

According to the IEA's little-known emergency treaty, the Agreement on an International Energy Programme (IEP), "measures to achieve demand restraint fall into three main classes - persuasion and public information, administrative and compulsory measures, and finally, allocation and rationing schemes".

This would mean that countries who signed up to the treaty, including the five biggest economies of the world - US, Japan, Germany, UK and France - would all have to institute cuts.

"In the event of an activation of IEP emergency response measures, each IEA Member country will be expected to immediately implement demand restraint measures sufficient to reduce oil consumption by 7% of normal demand levels. In a more severe disruption, this could be raised to 10%."

Effective ban?

There are some interesting asides in the report. As Americans have the most cars, the driving

bans could be got around by having one car with an odd, and one car with an even number plate.

Proportionately it makes the ban less effective than in other countries.

As well as this older cars may be kept in service longer if they have "useful" number plates which the IEA admits is "counter-productive from an air-pollution reduction perspective, as older vehicles would tend to pollute more".

However, curtailing the working week and home working would be more effective in the US as more people travel to work alone in their cars.

As would correct tyre pressures. In Japan speed reductions are less effective as there are less motorways on which to travel fast.

Families with only one car would also be hit harder than their richer friends as "bans may have some additional costs in terms of reduced accessibility and mobility options particularly for single-vehicle households with limited access to alternative modes".

Without doubt this report signifies that the IEA is searching for new ways to maintain supply security in a volatile oil market. Whether it can achieve its aims with this radical report is another matter.