

US On Collision Course with China and India Over Use of the World's Oil

New INFORM Report Analyzes the Coming Oil Crisis and Warns That, Unless Congress Restructures US Transportation Policy the Path to Hydrogen Will Go Through Beijing and New Delhi, Not Through Washington DC.

NEW YORK, NY, January 12, 2005: Today INFORM, Inc., a national, non-profit environmental research and outreach organization released a major new report: *The Transportation Boom In Asia: Crisis and Opportunity for the United States*. The study, written by INFORM's senior research fellow James S. Cannon, details how soaring oil use and expanding transportation in China and India have put these countries on a collision course with the US.

Specifically, the 42-page report addresses in detail the trends in transportation development and oil consumption in China and India and the implications for the US; what these three countries' goals are for developing sustainable transportation in the long run; and, the steps they are taking today to mitigate the effects of the growing competition for access to oil – the world's most rapidly dwindling fossil fuel.

“Both China and India have launched aggressive programs to reduce their dependence on oil-derived fuels in transportation for reasons of fuel security and pollution reduction. Both countries, being relatively free from the political dominance of oil-based energy and vehicle interests that exists in the US, have chosen natural gas vehicles (NGVs) as their preferred option,” said James S. Cannon, the INFORM report's author. “In barely a decade, both India and China have become two of the ten top countries using NGVs in the world; India, with 200,000 NGVs has surpassed the US. While the US initiated ambitious alternative-fuel programs in the 1990s, government support for its programs has eroded in recent years,” Cannon added, “By not continuing to strongly support its NGV programs, the US is missing an opportunity to take advantage of a technology that can not only meet critical near-term national security, economic and environmental needs, and serve the rapidly growing NGV markets in Asia, but would also be paving the way to the era of pollution-free hydrogen-powered transportation.”

China, India and the US are part of a growing world consensus that hydrogen fuel cell vehicles may be the ultimate solution to the problems of energy supply and pollution associated with oil-derived fuels. All three countries have launched their own hydrogen development programs. “While it may be several

decades before commercial use of hydrogen-powered transportation becomes widespread, natural gas vehicle use today can facilitate and accelerate the transition,” said Cannon, “because of the synergies between these two gaseous fuels.”

“What is new and unique about INFORM’s report is that it focuses on transportation – the core of the US problem – which deeply affects not only how much oil is used on a global basis, but is putting the health of 158 million Americans at risk – especially the most vulnerable our children, sapping our economy and endangering the very security of the United States,” said Joanna D. Underwood, INFORM president.

“INFORM carefully lays out the nexus between transportation policies, usage, crisis and opportunity in China, India and the US, and offers practical long- and short-term steps that can be taken today to reduce the already terrible price we are paying for our addiction to oil.”

The report concludes with a series of eight recommendations, which lay out a cogent framework for addressing these issues and for taking advantage of the opportunities for export growth in the alternative fuel vehicle markets. To read the forward of *The Transportation Boom in Asia: Crisis and Opportunity for the United States* please see www.informinc.org.

About INFORM:

INFORM is a national, nonprofit research and outreach organization that examines the effects of business practices, technologies, and products on the environment and human health. For 30 years, INFORM has sought practical solutions to the environmental challenges of safeguarding humans and ecosystems from toxic chemicals, shifting to pollution-free transportation, and preventing solid waste. INFORM’s objective and constructive recommendations have helped guide members of government, industry, environmental groups, and communities around the world in decisions promoting both economic and ecological sustainability.

For Further Information:

Laurie Rich
Communications Director
212.361.2400 ext. 250
rich@informinc.org

Anne Segerson
Communications for INFORM
202-905-4848
a.segerson@verizon.net

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