

## Energy Insider by William Engdahl

### The administration's new energy plan

*Pronuclear, prodevelopment policies predominate, but implementation is left to 'market decisions.'*

**T**he Reagan administration's first comprehensive document on energy policy, the *National Energy Policy Plan: Securing America's Energy Future*, has just been presented to Congress.

The report was written by the office of Energy Secretary James Edwards and a 22-member task force headed by Tulsa oil equipment executive Robert L. Parker. It is worth a brief look because it is the first such official policy statement.

To its credit, the report states that it is part of a new "national energy policy for the nation," one which, unlike the Rand Corporation's "conservation" approach of the Carter years, will encourage the private and public sector to "produce and use energy resources wisely and efficiently."

The Edwards policy statement thus emphasizes the government's role (through the Department of the Interior), as steward of the Outer Continental Shelf and some 762 millions of acres of public lands with an estimated "85 percent of the nation's oil, 40 percent of our natural gas, 40 percent of our uranium, 35 percent of our coal, 85 percent of our tar sands, 80 percent of our oil shale, and 50 percent of our geothermal resources."

The new NEPP emphasizes none of the crackpot solar, biomass, and other negative-efficiency "alternatives" so loved by the "small-is-beautiful" planners that

infested Carter energy bureaucracies. It avoids the kind of hard-and-fast future energy demand-projections used by Carter planners to justify anti-growth policies.

On the nuclear front, the report hints tantalizingly at the plans I reported earlier to issue a specific nuclear policy statement. Here, it merely reaffirms the responsibility to "two areas that are integral to the future role of nuclear power"—radioactive-waste disposal, and development of fast breeder demonstration technology.

A separate section emphasizes the role of controlled thermonuclear fusion research, stating that "the federal government recognizes a direct responsibility to demonstrate the scientific and engineering feasibility of nuclear fusion, one of the most promising new approaches to the generation of electricity."

The report outlines its production policy beginning with oil as "the most appropriate starting point," as it represents about 40 percent of primary energy consumed. It promises increased relief from environmental and other regulations so as to spur further domestic production.

On the issue of removing the phased price decontrols on natural gas, the NEPP indicates that a review of "options for future natural gas policy" is underway. Since the document was written, Secretary Edwards' office has submitted a preliminary report June 11 which

states that "if we do not address the [decontrol] issue today, we are likely to see the extension of price controls beyond 1985."

Next priority is given to coal, "the nation's most abundant fossil fuel," with indications of easing restrictive past federal leasing and regulatory impediments to the wider use of coal for utility (steam) fuel.

The document is a brief, 35-page statement of general policy, not a detailed sector-by-sector policy map. But its vagueness and its almost religious recitation of "increased reliance on market decisions" to sort out and solve complex and tangled fundamental issues of the future growth potential of the entire world economy, is naive.

This is a precarious period, with usurious interest rates fostering negative industrial growth in the free market that is not essentially different from the anti-growth policies of the Carter administration. If Secretary Edwards has a knee-jerk reaction in favor of a "private marketplace" which has seen Canadian takeovers of energy production, and manipulation of energy supplies, especially oil, together with the legacy of antinuclear hysteria spurred by the media, the U.S. and the world are unlikely to make it past the decade.

The Reagan administration must address the urgent questions of formulating an aggressive federal nuclear policy, premised on broad-based advanced nuclear research, reprocessing (which is sidestepped in this report), high-temperature gas reactor development projects, and MHD-coal development. All of these fall within the domain of a necessary, and desirable, energy policy.