

“BALANCED AND MIXED ENERGY BASE”—A BUDGET STORY

President Reagan's energy policy remained in tune with his national fiscal policy, which sought a balanced federal budget while strengthening national defense. A comparison between Carter's fiscal 1982 Department of Energy budget and Reagan's 1985 budget showed little change: \$12.6 billion for Carter; \$12.8 billion for Reagan. Significant differences, however, were noted in energy research and development and defense sectors. Reagan's budget halved Carter's "energy" budget while doubling expenditures for the nuclear weapons program.¹⁰² Following the President's March 23, 1983, address to the Nation on defense and national security, Reagan's Strategic Defense Initiative (SDI), or "Star Wars" as it was popularly known, became the number-one research and development project in the Department's defense programs. Eventually, SDI, with its emphasis on a high-tech solution to the ballistic missile threat, would become the largest single item in the Department's defense budget.¹⁰³

During the first three years of the Reagan Administration, however, Congress had repeatedly appropriated more than the President requested for conservation, fossil energy, solar energy and other renewable energies. When the Office of Management and Budget drastically slashed energy research and development funding, Secretary Hodel won reinstatement of the Department's budget at the White House. Hodel hoped his success with the Office of Management and Budget and his promotion of a balanced and mixed national energy base with emphasis on conservation and renewable energy would moderate congressional pressures to inflate the Department's budget.¹⁰⁴

NUCLEAR, COAL, AND SOLAR ENERGY

The Reagan Administration reaffirmed the need to foster nuclear power, within the mix and balance of energy systems, as part of the national energy policy. A principal objective was to create the political and institutional climate in which nuclear power could prosper.

Passage of the landmark Nuclear Waste Act of 1982 offered hope that a program for the long-term management of the Nation's high-level radioactive wastes could be achieved. The administration also proposed the Nuclear Licensing Reform Act, designed to reduce the time required for nuclear plant licensing to seven years rather than twelve to fourteen years. In addition, the administration hoped that licensing reform would promote improved safety in nuclear plants, encourage more effective public participation, and provide a stable and reliable licensing process. Finally, under Hodel's leadership the Department revamped its uranium enrichment program to price the American product more competitively and recapture some of its lost world market.¹⁰⁵

The Reagan Administration's nuclear energy policy was dealt a severe blow when the Senate cut all funding for the Clinch River Breeder Reactor on October 26, 1983. The House had earlier repealed language authorizing the project. The breeder reactor project, which had been the Nation's priority in nuclear reactor research and development since the Nixon Administration, had been plagued by delays, rising costs, and an easing energy crisis. The Reagan Administration viewed the breeder reactor program, once hailed as the answer to America's energy needs, as a symbol of the United States commitment to nuclear power. Yet with growing uncertainties about breeder economics, fiscal conservatives in Congress decided the breeder project at Oak Ridge, Tennessee, was both wasteful and unnecessary.¹⁰⁶ Following the termination of the Clinch River project, the Department of Energy's nuclear research and development program focused on near-term initiatives to develop smaller, inherently safe nuclear power plants.

Coal and solar energy also provided Hodel with two opportunities to prove the administration's commitment to a mixed energy base. On October 25, 1984, he announced Reagan's appointment of the National Coal Council, an advisory committee modeled after the prestigious National Petroleum Council. The National Coal Council would assist both government and industry to improve