

the “keystone” of the strategy would be the continuation of the “successful policy of market reliance.” In his mandate to the Department, Bush noted that the need for reasonably priced energy, a safer and healthier environment, a vital economy, and reduced dependence on unreliable energy suppliers must all be “balanced” in the strategy. Watkins seconded the President’s enthusiasm, observing that the development of an integrated National Energy Strategy was among the “highest priority actions” that the Department and administration would undertake. The secretary detailed a “top-down, bottom-up” process consisting of public hearings, energy modeling, departmental task forces, including participation by the national laboratories, and interagency give-and-take. Watkins projected that an interim report would be to Congress by April 1, 1990, with final submission to the President by December 1990.¹⁸⁴

The Department held five “fact-finding” hearings in August and September 1989. The Department designed these hearings to set the stage, seek information, and define the nature and the scope of the issues. Ten “issue-oriented” hearings were held during winter 1989-1990. The Department organized these hearings around specific energy-related themes: the domestic energy resource base, national security, environment, transportation, industrial productivity, international competitiveness, agriculture, energy regulations, science, and taxes.¹⁸⁵

Following seven months of gathering information, the Department issued its interim report in April 1990. The Department had originally intended to include in the report several “first step” action items, including measures calling for enhanced energy efficiency and increased use of renewable resources. Opposition from other agencies concerned with inadequate time to review the items, however, caused the cabinet-level Economic Policy Council to delete the action items from the report. Instead, the report was a compilation of the public comments received by the Department. The interim report identified 49 goals, 449 obstacles, and 756 options. In summarizing

the public comments, the Department noted that the “loudest single message was to increase energy efficiency in every sector of energy use.”¹⁸⁶

A third round of hearings, examining in particular energy and public health and energy pricing as a policy tool, were held during summer 1990. A total of 499 witnesses presented testimony at eighteen hearings. In addition, interested parties submitted more than 2,000 written comments. Also during the summer, the Department held workshops on energy efficiency, renewable energy, and energy technology for developing countries. Simultaneously, the Department began its internal analysis, attempting to winnow down the available options and prepare a draft strategy to present to the President. At the interagency level, an Economic Policy Council working group, headed by Deputy Secretary Moore, formed subgroups to focus specifically on energy security, electricity, and the environment. In October, the Department presented its draft options to the Economic Policy Council. Five cabinet meetings were held, two of which were led by the President. On December 21, Watkins and other members of the Economic Policy Council presented President Bush with a report that included some sixty options for the new strategy. Watkins noted that it was “a very good document in the making,” and he predicted that the President would present the new National Energy Strategy, with budget and legislative proposals, to Congress by early February.¹⁸⁷

THE PERSIAN GULF CRISIS

In the midst of the making of the National Energy Strategy, a major international crisis loomed suddenly in the oil-rich Persian Gulf. Following several weeks of saber-rattling, the troops of Iraqi President Saddam Hussein on August 2, 1990, invaded and occupied Kuwait. The United Nations condemned Saddam’s illegal seizure of Kuwait and embargoed both Iraqi and Kuwaiti oil. Meanwhile, President Bush spearheaded Operation Desert Shield, the buildup of a coalition military force in the Persian Gulf to prevent further aggression.