

from Kuwait. When this deadline was ignored, coalition forces launched Operation Desert Storm during the night of January 16-17. The Department, meanwhile, had activated a round-the-clock Gulf Crisis Watch Team. Headed by an official at the assistant secretary level, the Watch Team was tasked with keeping the secretary fully informed, coordinating the response to all incoming inquiries, overseeing all outgoing communications, and developing the Department's response actions. The Watch Team kept in daily contact with the Gulf.

Oil prices, to almost everyone's surprise, soared briefly and then dropped dramatically soon after the initial coalition air strikes. So overwhelming was the success of the first strikes that the markets became convinced that Saudi production facilities would not be disrupted. With supplies ample and prices low, the IEA stockdraw contingency plan, nonetheless, went forward. The Department received fifty-six offers from twenty-six firms for Strategic Petroleum Reserve oil. Because of buyers' lack of interest, however, the Department withdrew half the offered oil.

Operation Desert Storm drove Iraqi forces from Kuwait with little attendant oil supply disruption. The Department, therefore, played a relatively minor role during the conflict. The Department did provide support and technical assistance to the Defense Department and other government agencies during both the war and its aftermath when international efforts were turned to restoring Kuwait's oil-producing capacity and ameliorating the environmental damage done by the Iraqis.¹⁹⁸

THE NATIONAL ENERGY STRATEGY

On February 20, 1991, President Bush presented the National Energy Strategy to the Congress and the American people. Noting that the plan reflected his administration's commitment to "the power of the marketplace," the President declared that it offered the Nation an energy future that was "secure, efficient, and environmentally sound." The proposals would "maintain an uncompromising commitment to energy security and environmental protection," he observed,

"and put America on the road to continued environmental growth."¹⁹⁹

Admiral Watkins, who met with reporters after Bush announced the plan, concurred with the President. Calling the National Energy Strategy "powerful ideas for America," Watkins said that it was the first such effort designed to provide energy security, environmental quality, and affordable energy through "free market incentives, reduced regulation, and increased federal investment in research and development." Past attempts at charting an energy policy, the secretary of energy noted, "have relied on controls, taxes, subsidies, and regulation. Government alone cannot be the answer. This strategy lays the foundations for our future by protecting and improving our standard of living and increasing the international competitiveness of American industries. It addresses the challenge of supplying our necessary energy without imposing harsh command and control measures, such as taxes, on our people and restrictive regulation on our business and industry."²⁰⁰

Specifically, the 214-page *National Energy Strategy* offered what it termed a "balanced" program of greater energy efficiency, alternative fuels usage, and "environmentally responsible" development of all energy resources. Noting that the Nation's basic energy vulnerability involved oil, the strategy called for a "broad array" of actions to reduce the vulnerability. These included maintaining adequate energy reserves, increasing transportation efficiency, increasing domestic petroleum production, and further deregulating natural gas. Fossil fuels, nuclear power, and renewables would all play a role in the energy mix. Domestic petroleum production could be increased by 1.8 million barrels per day above projected levels for the year 2000—and 3.8 million barrels for the year 2010—partly by advanced oil recovery technology and partly by opening the outer continental shelf and the Arctic National Wildlife Refuge (ANWR) for production. Domestic petroleum consumption could be decreased by 1.3 million barrels per day by 2000—and 3.4 million barrels by 2010—largely by using alternative fuels in vehicles.