



Admiral Watkins, assisted by Donald J. Hein, Chairman of Washington Gas, gasses up a government staff car at the opening on capitol hill of a natural gas fueling station. The fuel goes in under the hood.

Source: U.S. Department of Energy

During the drafting of the National Energy Strategy, the administration had examined oil import fees, large gasoline taxes, subsidies for certain fuel production, mandated use of alternative fuels, and sharply higher fuel efficiency standards for cars. Implementing these measures could reduce oil imports substantially, but the administration rejected them because “the cost would be very high—in higher prices to American consumers, lost jobs, and less competitive U.S. industries.”²⁰¹ Indeed, certain measures promoting energy efficiency and renewable energy production for which the Department had pushed hard were stricken from the National Energy Strategy because they would have cost the federal treasury too much money. J. Michael Davis, the Department’s assistant secretary for conservation and renewable energy, noted, however, that eventually some of these measures would “probably be added back in some form or another.”²⁰²

IMPLEMENTING THE NATIONAL ENERGY STRATEGY

Public response to the National Energy Strategy was mixed. Environmentalists decried what they perceived to be the strategy’s pro-production bias at the expense of energy efficiency and conservation. Missing, according to environmental and consumer groups, was the one essential measure: increases in the corporate average fuel economy (CAFE) standard for automobiles. The oil, gas, and nuclear power industries, in contrast, widely acclaimed the pro-production strategy. The American Petroleum Institute said that the plan “appropriately encourages” domestic oil and natural gas exploration and production, and the Interstate Natural Gas Association of America expressed its pleasure with provisions concerning expediting construction of new pipelines and increasing exploration for new gas supplies.²⁰³

Congressmen praised Energy Secretary Watkins for his efforts, but few Democrats were too enthusiastic with the plan itself. House Majority Leader Richard A. Gephardt (D-MO) charged that the plan would leave the Nation as dependent on foreign oil in the year 2001 as it was in 1991. Senator Timothy Wirth (D-CO) commended Watkins but blamed the White House for “whittling away” the Department’s proposals until little was left but “a rehash of oil ideas and unsound policy.” House Energy and Commerce Committee Chairman John Dingell (D-MI) said that the emphasis on production was the “one needed component of any energy policy.” He added, however, that the energy problem would not be solved without the imposition of energy taxes—a position also taken by various editorial page pundits, most conservative, free-market economists, and a growing number of environmentalists. Some Democratic leaders were more positive in their reaction to the National Energy Strategy. Senator Johnston declared that the President “put out a good package.” Congressman Philip Sharp (D-IN), chairman of the energy and power subcommittee of the Energy and Commerce Committee, said that Bush had taken a “dramatic step” on energy