

provide flexibility and response to crises through an adequate and reliable supply of traditional energy sources.”²⁴⁴

Amid all this talk of change, O’Leary did stress certain continuities. She pledged to continue the cleanup of contaminated waste sites and the emphasis on environment, health, and safety. Using the language of her predecessor, she committed herself to “changing the culture” within the Department by “clarifying personal values, the vision I have for the Department, and its mission.” She expressed the intent to use the national laboratories to “spur and support industrial competition.” She stated her support for the clean coal technology project and the filling of the Strategic Petroleum Reserve. Finally, as had all the secretaries of energy before her, she decried government “command-and-control regulation” of energy production and distribution. “I have learned through bitter experience,” she observed, “that it’s very hard to mandate on high.”²⁴⁵

CLINTON’S ECONOMIC PLAN

On February 17, in his State of the Union address, President Clinton revealed his economic recovery plan. The plan consisted of a short-term “jobs investment” economic stimulus package, a long-term investment program, and a deficit reduction program consisting of spending cuts and tax increases. Energy figured in all three aspects of the plan, but in his speech Clinton focused primarily on a “broad-based” energy tax increase. He recommended adoption of a BTU tax on the heat content of energy not only to raise revenue to reduce the deficit but also to combat pollution and promote energy efficiency and independence. He praised the BTU tax because it would not “discriminate” against any particular region of the country. He rejected both a carbon tax that would be “too hard on the coal States” and a gas tax that would be “too tough on people who drive a long way to work.” He pointed out that the United States had “maintained far lower burdens on energy than any other advanced country. Even with the BTU tax, the Nation would “still have far lower burdens.”²⁴⁶

In a statement following the address, Secretary O’Leary asserted that the Department would play a critical role in implementing the President’s economic plan. The \$30 billion short-term stimulus package contained over \$200 million of energy-related expenditures, including funding for weatherization grants, the federal energy management program, technology transfer partnerships between the Department, industry, and academia, and the purchase of alternative-fueled vehicles. The \$160 billion long-term investment program covering fiscal years 1994-1998 contained almost \$5 billion of energy-related expenditures. The administration earmarked \$1.9 billion of additional funding for conservation and renewable energy research and \$1.2 billion to initiate construction of the Advanced Neutron Source, a next generation research reactor at Oak Ridge National Laboratories. Natural gas research and development initiatives also increased substantially, with \$263 million of additional funding.²⁴⁷

The Department also sustained cuts of over \$8 billion in the \$703 billion deficit reduction program covering fiscal years 1994-1998. The bulk of the cuts—\$4.5 billion—came in defense programs, a reduction made possible, O’Leary noted, “by recognizing that the Cold War is over.” The administration slated cuts of \$1.8 billion for the Department’s uranium enrichment enterprise, which under the Energy Policy Act of 1992 was being converted from a Department program to a government-owned corporation. Savings would come from the phase out by 1996 of the Portsmouth Gaseous Diffusion Plant, lower power costs, and accelerated purchases of highly enriched uranium from the republics of the former Soviet Union. Perhaps the most controversial proposed cuts involved phasing out \$1.2 billion of funding for research and development of advanced nuclear reactors “that have no commercial or other identified application.”²⁴⁸

Secretary O’Leary applauded the President’s BTU tax proposal. Noting that the proposal demonstrated “leadership and a deep understanding of the energy problems facing our nation,” she said that the tax would increase energy efficiency and reduce reliance on unstable foreign sources of oil. Oil imports