



THE SECRETARY OF ENERGY
WASHINGTON, D.C.

Dr. Zbigniew K. Brzezinski
Assistant to the President
for National Security
National Security Council
Washington, D.C. 20506

Dear Zbig:

Last October, at my urging, an interagency task force under the direction of the NSC was formed to assess U.S. policy options and alternatives to ensure U.S. energy security.

In view of the time that has elapsed since October, I think it is important that this work be completed in the near future. During the past few weeks, I and representatives of the Department have testified on several occasions before Committees on Capitol Hill deeply interested in the issues under consideration by the task force. We have responded to questions regarding the Administration's planning to ensure secure supplies of energy by noting that specific policy measures were under review in the NSC-led task force and that this work would be completed in the next month.

We have advised the Congress that the task force is considering policy options to deal with the following general areas:

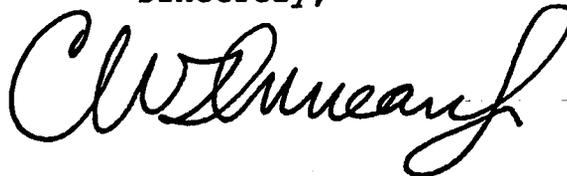
- o Specific initiatives to improve the U.S. security position and access to oil supplies in the Middle East;
- o Assessment of all other possible bilateral and multi-lateral initiatives to improve our relations with producing countries outside the Persian Gulf and secure U.S. access to oil supplies from those nations, including not only direct U.S. action but indirect co-operative approaches through those allies with better relations to certain producing countries;
- o Assessment of new approaches for encouraging energy development in the potentially resource-rich LDC's;
- o Contingency strategies for immediate action in response to supply interruptions such as a blockade of the Straits of Hormuz or a catastrophe to major Mid-East oil fields.

In more specific terms, we have noted during the course of these hearings that the task force is assessing USG policy options with regard to:

- o Government-to-government arrangements for long-term supply commitments with the Government of Venezuela to encourage the production of conventional and heavy crude oil;
- o R&D cooperative agreements with Venezuela to initiate joint activities to encourage the development of their heavy oil resources;
- o The need to address a broader range of economic and social issues in Mexico which are closely intertwined with Mexico's decisions on oil and gas production, such as U.S. assistance in developing labor-intensive industries to alleviate the unemployment problem and the relationship between oil revenues and increased inflation;
- o Securing access to LNG from Indonesia; and
- o Increased assistance to China (i.e., hydroelectric technology) in an effort to increase their longer-term export potential.

I hope review of these matters will be included in the work of the Task Force, and that this critical re-assessment of U.S. policy options in terms of energy and national security can be completed within the timeframe of the next month.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. W. Murray". The signature is written in black ink and is positioned below the typed name "C. W. Murray".