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Enlightenment on Energy

The events of Sept. 11 have inspired some serious rethinking of a whole range of issues, from airline safety to intelligence gathering. On the face of it, this should also be the perfect time for a measured reassessment of the nation's energy strategy. Turmoil in the Persian Gulf and Middle East has again raised fears about disruptions in the oil supply while providing yet another reminder of the country's increasingly precarious dependence on imported oil. Regrettably, Congress and President Bush, transfixed by the notion that America can drill its way to energy independence, are in danger of letting this opportunity for enlightened policy-making slip away.

Tom Daschle, the Senate majority leader, has actually been forced to go to great lengths to prevent his colleagues from making the country's energy policies worse than they already are. Fearful that a coalition of Republicans and conservative Democrats on the Energy Committee would approve a bill authorizing drilling in the Arctic National Wildlife Refuge, Mr. Daschle took the bill away from the committee with the promise that he would write a more balanced measure and present it to the Senate in the coming months.

Congress's basic problem is that it tends to look at only one side of the energy equation — the supply side — while giving short shrift to the demand side. That means giving the oil and gas industries more money and broader license to punch holes in the ground, while shortchanging investments in energy efficiency. Lawmakers have also shown little interest in the development of alternative energy sources. In August, for example, the House approved an alarmingly one-sided bill that contained \$27 billion in subsidies for traditional energy producers and only \$6 billion for conservation.

That is neither a sensible energy policy nor the right strategy for reducing our reliance on imported oil. Since the first oil crunch of 1974, America's dependence on overseas oil has grown. Imports account for 60 percent of daily oil consumption today compared with 47 percent 10 years ago. A bit less than one-quarter of that imported oil comes from the Persian Gulf, and the volume is growing. In 1974 America imported 1 million barrels a day from the Persian Gulf; now the figure is more than 2.5 million.

Proponents of Arctic drilling say that the wildlife refuge alone could make up a good part of this deficit — 1.5 million barrels a day at peak production in, say, 2020. That is a significant amount of oil. It also assumes the discovery of 15 billion barrels under the refuge's coastal plain, which the United States Geological Survey regards as an extremely remote possibility. Official estimates of "economically recoverable" oil are in fact much lower than 15 billion barrels. Yet even if the most optimistic estimates prove to be right, the Arctic reserves — or any other major domestic discoveries, for that matter — would not guarantee anything approaching energy independence. The reason is simple: the United States, which accounts for about 25 percent of global oil consumption, has about 3 percent of proven global oil reserves.

Plainly, the road to reduced dependence leads in a different direction — toward conservation (meaning increased efficiency) and development of non-oil energy sources. Increasing fuel-efficiency standards for automobiles to 40 miles per gallon — a reasonable expectation, even with existing technology — would save about 2.5 million barrels a day by 2020. That is considerably more than the refuge can be expected to yield in the same time frame. As it happens, 2.5 million barrels is just about what we are now importing every day from the Persian Gulf.

In addition to making conventional cars and trucks more efficient, there is much more we can do to reduce our dependence on imports — including a serious national effort to develop hybrid cars or cars powered by fuel cells. The House bill pays no attention to ideas like these. It is to be hoped that Mr. Daschle will include them in his. What is needed here is a sense of history. The oil shocks of 1974 led not only to the creation of the Strategic Petroleum Reserve but also to the first set of fuel economy standards. This crisis should lead to equally enlightened results.

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