

Toward A U.S. National Energy and Energy Security Strategy

The Oil Embargo of 1973, the Iranian revolution of 1978-79, the Iraqi invasion of Kuwait in 1990, and the Iraqi situation in early 2003 made abundantly clear the direct link between energy supplies and U.S. economic vitality. The men and women in the U.S. armed forces who lost their lives to protect American security are not forgotten. We will never forget the loss of American lives, on American soil on September 11, 2001, killing more than 3,000 people, at the World Trade Center, the Pentagon, and a field in Pennsylvania.

Those closest to these tragic events responded intuitively in memorable, heroic, even inspired ways. Government leaders stepped forward, armed with resolve, and began taking the necessary diplomatic, intelligence-gathering and military actions. Business and labor contributed, lending technical skills, financial resources, office space, workers, a hand, ideas.

Now, in the spring of 2003, we are part way through a more deliberative and difficult process. In our industry people are rightly asking how can we better prepare against future attacks on critical infrastructures, including U.S. energy systems? Are our energy supplies vulnerable to attack? If so, how? Where? How can energy production and storage facilities be made safer? What about transportation systems and transmission lines? Are government and industry leaders working together to develop contingency plans to protect the public? What policies would enhance U.S. energy security? U.S. national security?

One important answer is an obvious one: U.S. energy security cannot be achieved by closing our borders to energy imports or by limiting energy exports. Attempts to do so would cripple the economy, limit trade, slow the creation of wealth around the globe, and delay the spread of technology (and, oftentimes, open markets) to developing nations. Such isolationism would also deprive our statesmen of an important foreign policy tool. Energy is much more than an essential commodity; it is woven into the very fabric of our social order. Consider these facts:

- More than 50% of the gasoline, aviation fuel, heating oil, diesel fuel and other petroleum products come from a dozen or more nations abroad. Some are friendly, some are not. The answer to increased energy security is diversifying our sources of supply, and the U.S. continues to do so.
- Hydroelectric, nuclear and coal plants in Canada light, heat and power a growing number of New England homes and industries, just as natural gas pipelines run from Alberta into the Upper Great Lake states to meet energy needs there. U.S. and Mexican officials are working closer than ever before to provide energy supplies to U.S. industry, business and consumers and to supply technology and energy to Mexico.

- The fall of the Berlin Wall opened much of Eastern Europe to American business practices and technologies. This is particularly evident in the electric utility sector, where U S E A members regularly exchange views on utility operations and train East Europeans in market economics and best practices.
- U.S. petroleum and natural gas exploration and production technologies are the envy of the world, particularly in deep water, and the spread of these technologies continues to create wealth in less developed nations.
- An agreement between the U.S. and Russia is turning stockpiled Soviet nuclear weapons, once pointed at America, into nuclear fuel to generate electricity for U.S. homes, businesses and industries.
- The potential demand for clean energy technologies-from clean coal to carbon sequestration to nuclear and renewable technologies-is large, especially in the developing world as countries expand their energy use and want to do so in the most efficient and environmentally acceptable way possible.

No less important to national security are the considerable, and on-going, energy savings produced by sensible conservation practices and improvements in energy efficiency. Renewables, too, contribute to U.S. energy security, and their contributions in the future undoubtedly will increase. In our view, the most effective way to improve U.S. energy security today is to increase the discovery and production of domestic energy; accelerate the development of innovations and technologies that could increase production from existing reserves and/or ensure their transmission or delivery to end-users; remove financial barriers that may slow investment in these improvements; and continue to get the greatest productivity possible from every unit of energy, regardless of its source.

Creating, or expanding on existing public policies that improve U.S. energy security will not be easy. No agency, industry or task force can possibly identify every vulnerability in the U.S. energy infrastructure, and, if they did, limitless funds are not available to eliminate all risk. But of course that should not be our goal. Instead, we should seek to sustain a way of life-our institutional vitality and our personal health, wealth, mobility and freedoms-by accepting and intelligently managing the unavoidable risks of living in an energy-intensive society. Fortunately, a number of tools are at our disposal to help us do so. We possess an abundance of domestic energy in many forms. We are the world's leader in innovation and technology. We have in place vigorous safety regulations and industry practices that contribute to U.S. energy security. Moreover, the energy industry, like other critical components of our society, continually updates contingency plans and practices emergency preparedness drills with state, local and federal agencies. The key to improving our nation's critical energy infrastructures lies in building on existing resources, balancing a number of sometimes competing policy objectives-economic vitality, environmental protection, national security-while preserving the personal freedom and institutional flexibility needed to meet tomorrow's challenges.

The challenges of the 21st century will be unlike any other. Technological innovation, global information systems, expansive capital markets, and the ability to move vast energy supplies rapidly across national borders has enriched lives, countries, continents-and given terrorists the tools to attack our citizens, our economy and our way of life on our soil. The quicker we get our house in order, the sooner we will prevail.

Please visit our website at www.usea.org to obtain a copy of USEA's report "National Energy Security Post 9/11" or call 1-800-818-USEA.