United States Energy Association Releases
“Toward a National Energy Strategy”

WASHINGTON, D.C., February 21, 2001 – The United States Energy Association (USEA) today released “Toward a National Energy Strategy” that makes recommendations in six major areas to assure that consumers can benefit from an increased supply of affordable energy resources that are available in a ready, reliable and environmentally responsible manner.

The USEA paper, “Toward a National Energy Strategy,” was developed by a broad range of energy interests. It recommends six areas of action: enhance energy supplies; encourage energy efficiency and affordable prices; stimulate global energy trade and development; promote energy technology development and long-range research and development initiatives; balance energy use and environmental concerns; and unify the energy policy process.

On releasing the report, Richard Lawson, chairman of the USEA National Energy Policy Committee, said: “Such an energy policy must meet several challenges, including overly burdensome environmental regulations that prevent access to new energy sources; the adverse national security implications of rising oil imports; an energy delivery infrastructure that is aging and increasingly overwhelmed by growing demand; a regulatory process that is often unfair and counter-productive; and a lack of foresight in developing new, more efficient energy technologies and alternative energy sources.”

“Economic efficiency, energy security, energy technology and regulation and incentives are the four core principles we believe a sound national energy strategy should be anchored by,” said Barry Worthington, executive director, USEA.

Worthington explained that, in many markets, increased demand outstrips reliable supplies. Key industries are being deregulated and technology is advancing at an unprecedented rate. Environmental regulations have grown increasingly costly and complex and, moreover, consumers often express confusion at the array of energy choices now available. In addition, energy companies confront both greater competition and increasing regulatory uncertainty can heavily penalize those companies that expand production to meet the increased energy demands of our growing population and economy.
Industry groups involved in preparing the report were: American Gas Association, American Petroleum Institute, American Public Power Association, Edison Electric Institute, Electric Power Research Institute, National Mining Association, National Rural Electric Cooperative Association, and Nuclear Energy Institute.

For copies of "Toward a National Energy Strategy," please contact the USEA at 202.312.1230.

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The United States Energy Association (USEA) is the U.S. Member Committee of the World Energy Council (WEC). USEA is an association of public and private energy-related organizations, corporations, and government agencies. USEA represents the broad interests of the U.S. energy sector by increasing the understanding of energy issues, both domestically and internationally.
Toward a National Energy Strategy
Policy Recommendations Summary

Obtained and made public by the Natural Resources Defense Council, March/April 2002
The record cold winter and the resulting consumer reaction to rising energy prices, the critical energy shortages that have caused rolling blackouts in California, and the possibility that the situation in California could be duplicated elsewhere, have had one beneficial effect. They have made a diverse group of public and private interests — including policymakers from the president and the Congress on down — aware of the clear need for a national energy policy that will allow all energy providers to more effectively meet the ever growing energy demands of American families and businesses.

Such an energy policy must meet several challenges, including overly burdensome environmental regulations that prevent access to new energy sources; the adverse national security implications of rising oil imports; an energy delivery infrastructure that is aging and increasingly overwhelmed by growing demand; a regulatory process that is often unfair and counter productive; and a lack of foresight in developing new, more efficient energy technologies and alternative energy sources.

The members of the United States Energy Association (USEA) are united in our belief that the time has come to develop a national energy strategy that meets these challenges and also tackles head on the many other critical energy choices we must make. Therefore, we have outlined a strategy that will increase the supply of affordable energy and deliver it to the American consumer in a safe, reliable and environmentally responsible manner. This paper, which was developed after much debate by a broad range of energy interests, outlines that strategy. Specifically we recommend the following steps:

**Enhance Energy Supplies**

- The nation should encourage energy supply expansion with policies that fully recognize no single source can meet our growing energy needs.
- Current policies should be amended to allow environmentally sound access to domestic resources in order to reduce dependence on foreign supplies, and ensure that American consumers continue to have access to energy at reasonable, affordable prices.
- Tax reform should be enacted to spur capital investment in reliable, affordable and environmentally effective energy technologies and supporting infrastructure.

**Encourage Energy Efficiency and Affordable Prices**

- Governmental policies should promote energy efficiency.
- There should be free and competitive markets regarding pricing, technology deployment, energy efficiency, and selection of fuels and energy suppliers.
- Funding for the low-income home energy assistance program and weatherization program should be increased.
Stimulate Global Energy Trade and Development

- U.S. leadership in energy development, services and technology should be promoted on a global basis.
- Tax provisions that diminish the international competitiveness of U.S. multinational energy companies by exposing them to double taxation (i.e., the payment of tax on foreign source income to both the host country and the U.S.), and to restrictive anti-deferral rules, should be eliminated.
- Any U.S. foreign policy and development assistance should increase supplies of reliable, affordable and market-based energy for developing countries and countries in economic transition in a way that opens markets to U.S. goods and services, creates cooperative partnerships between the U.S. and overseas energy firms, and enhances international economic and political security.
- The U.S. should foster more open political, legal and institutional structures in developing and reforming countries that facilitate energy trade and investment.
- Federal policymakers should avoid unilateral trade and economic sanctions that exclude U.S. companies from key markets in which foreign-based companies are free to invest.

Promote Energy Technology Development and Long-Range R&D Initiatives.

- Investment in energy technology research and development should focus on energy sources that can realistically expect to have a significant impact in meeting U.S. energy needs over the next 20 to 30 years.

Balance Energy Use and Environmental Concerns

- Government-sponsored education programs should emphasize the importance of energy infrastructure and energy sources as essential to continued economic security and development.
- Government programs intended to advance environmental technologies should measure environmental performance and be available to any energy source that achieves environmental goals rather than favoring selective fuels or technologies.
- The safe and efficient movement of energy goods and services requires significant improvement of the U.S. transportation infrastructure.

Unify the Energy Policy Process

- Rulemaking should promote regulatory predictability to stabilize investment decisions.
- Comprehensive electric industry restructuring should promote efficient competition by encouraging flexible approaches to electricity markets and new investment in transmission and generation.
ABOUT USEA AND THE NES STUDY

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In conjunction with the U.S. Agency for International Development and the U.S. Department of Energy, USEA sponsors our nation's Energy Partnership Program.

USEA sponsors policy reports and conferences dealing with global and domestic energy issues as well as sponsors trade and educational exchange visits with other countries.

The USEA Board of Directors agreed that the year 2000 was an appropriate time to take an in-depth look at United States energy policy. Previously the USEA had published 11 Annual Assessments of U.S. Energy Policy. The Board approved the USEA National Energy Strategy project under the leadership of Richard Lawson, Chairman of its National Energy Policy Committee. The project was directed by Guy Caruso. Informed by the results of workshops on key energy issues, a working group representing all sectors of the industry has prepared the following report.

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