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Before a Department of Energy is established, Congress should address the issues relating to data, conservation, regulation, leasing, coordination, and GAO oversight of the Department's activities. The Professional Audit Review Team's continued existence should be discussed in the bill (H.R. 4236). The legislation should require the Department of Energy to have the same responsibility for automobile fuel economy standards as for energy conservation performance standards in new buildings. The administration's bill would place all economic regulatory functions in the Department of Energy, but omit the health and safety functions of the Nuclear Regulatory Commission (NRC), the Department of the Interior, and other agencies. There are three options available to the Congress in dealing with the issues of how to treat energy regulatory functions: include economic and health and safety energy regulatory functions in the new Department; include only economic regulations and create an independent Energy Health and Safety Regulatory Agency; or continue to separate energy regulation from energy policy formulation. GAO favors the second option. The administration's proposal transfers the responsibility for leasing policy to the Department of Energy in the areas of fostering competition, setting rates of production, and establishing diligence requirements. The Department of the Interior would retain responsibility for implementing leasing programs. There is a need for a high-level coordinating council in the executive office. (db/sw)

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Statement of
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Comptroller General of the United States
before the
Subcommittee on Legislation and National Security
House Committee on Government Operations
on
Energy Reorganization Legislation

The General Accounting Office has had a long-standing interest in reorganization of Federal energy activities, and I am pleased to be here today to discuss energy reorganization legislation, specifically H.R. 4263--the companion bill to S. 826, the administration's energy reorganization bill.

On March 24, 1977, we issued a report on energy policy decisionmaking, organization, and national energy goals pursuant to the request of the Chairman and the ranking minority member of the Senate Committee on Governmental Affairs.

On March 25, 1977, we testified before that Committee on S. 826. Since our report is directly relevant to the subject of this hearing, I would ask the Chairman to include it in the record. That report identified gaps and issues in energy decisionmaking which support the need for reorganization of Federal energy activities. It discusses, in detail, decisionmaking problems in energy conservation, nonrenewable

resource development, and energy price regulation. It also includes an analysis of several major energy reorganization proposals, including S. 826, and contains recommendations to the Congress regarding energy reorganization.

ENERGY REORGANIZATION

In general, we support the creation of a Department of Energy along the lines recommended by the administration. But, we believe there are a number of matters which require further consideration by the Congress which I will discuss shortly.

We continue to believe that the long-term national interest would be best served by creation of a Department of Energy and Natural Resources (DENR). H.R. 4263 and its companion bill--S.826 would establish a Department of Energy. Such action is consistent with the movement toward the establishment of a DENR. It is clearly a step in the right direction.

While we recommend that the Congress enact legislation to establish a Department of Energy, there are several issues which we believe this Subcommittee and the Congress should address. These issues relate to data, conservation, regulation, leasing, coordination, and GAO oversight of the activities of the Department of Energy.

Energy data

Regarding energy data, H.R. 4263 recognizes the need to insulate energy data collection and analysis functions from

energy policy formulation and development, through the creation of a separate Administration with statutory jurisdiction for energy data. In the past, considerable concern has been expressed over the need to statutorily insulate energy data activities from policy influence. We are pleased to see that H.R. 4263 would transfer existing statutory provisions designed to provide that insulation.

There is, however, one aspect of the data question that we feel obliged to comment on. This relates to the functions of the Professional Audit Review Team (PART), which was established for the purpose of monitoring and reporting on the operations of FEA's Office of Energy Information and Analysis. PART consists of at least six professionally qualified persons from other Federal statistical agencies, and a chairman designated by myself. Under H.R. 4263, the status of PART is unclear, since the bill has no specific discussion of it.

Before PART was established, we argued that such a function could be done by GAO in the course of our normal auditing and review activities. PART now exists, however, and it can be an effective mechanism for providing the Congress vital information. The Congress may want to make clear its view on the continued existence of PART.

Energy conservation

Another area that causes us some concern is the bill's treatment of energy conservation responsibilities as they relate to the Departments of Transportation and Housing and

Urban Development. Under the bill, the Secretary of the Department of Energy would have only an advisory role in recommending goals for the automobile fuel economy standards program which would continue to be the responsibility of the Department of Transportation. However, the bill would also transfer to the Department of Energy the existing statutory authorities for energy conservation performance standards for new buildings now vested in the Secretary of the Department of Housing and Urban Development. According to fact sheets accompanying the administration's proposal, actual implementation of the program would be redelegated to the Department of Housing and Urban Development; with the goal-setting responsibilities retained in the Department of Energy.

To be consistent, we believe that the Department of Energy should also have responsibility for automobile fuel economy standards, in the same way that it would have such responsibility for the performance standards for new buildings.

We believe that it is desirable to have all energy functions in an agency having energy responsibility. However, we recognize that the implementation of both the automobile fuel economy standards program and the energy conservation performance standards program could be carried out by the other departments, if policy responsibility for these programs were kept within the Department of Energy. Therefore, we would not object to the administration's proposal subject to the responsibility for automobile fuel economy standards

being included in the Department of Energy. Even so, the Congress should closely monitor whether the actual implementation of the programs might later also be transferred.

Energy regulation

The treatment of regulatory functions--both economic and health and safety related--is one of the most difficult areas to decide in arriving at a viable energy reorganization.

Our earlier position on this matter was to keep all regulatory functions separate from the policy and promotional aspects of energy.

The administration's proposal has taken a different tack. It would place all economic regulatory functions in the Department of Energy, but leave out the health and safety functions of the Nuclear Regulatory Commission, the Department of the Interior and other agencies.

Within the Department of Energy, an Administrator of the Energy Regulatory Administration would supervise overall regulatory policy, and a somewhat insulated Board of Hearings and Appeals would conduct the quasi-judicial work in the economic regulatory area. Such an arrangement could possibly provide an adequate degree of independence.

The key argument for including economic regulatory functions in the new Department of Energy revolves around the importance of establishing energy price regulatory policies

which are consistent with energy conservation and resource development goals.

As to health and safety regulation, we are skeptical that such regulation can any longer be construed as truly "non-economic" in nature. For example, recent citizen pressures and court rulings requiring the Nuclear Regulatory Commission to give greater consideration to energy conservation and long-term concerns of nuclear waste management in its regulatory actions indicate that it will have to reassess its appropriate role in the Nation's energy policy. More than anything else, the regulatory decisions of the Nuclear Regulatory Commission are likely to pace nuclear development in the years ahead.

Some other examples of how health and safety regulatory decisions affect economic decisions include:

--In the nuclear area, the costs of nuclear power plants do not currently include any of the costs of closing the backend of the fuel cycle, such as plutonium reprocessing or nuclear waste disposal, nor do they include the ultimate costs of decontaminating and decommissioning nuclear power plants. All of these areas will require health and safety regulatory decisions which will have significant implications for the economics of nuclear power on a societal and a plant-by-plant basis.

--In the natural gas area, decisions will be required on the safety of liquefied natural gas facilities as we move to increased imports of liquefied natural gas. These include such problems as the need for specialized tankers and receiving terminals.

--Along with other factors, it is generally agreed, that the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 801) had some impact on the significant decline in underground mine productivity in the last 6 years. In addition, this law has had some impact on raising the price of coal produced from underground mines.

We believe the Congress should consider creating an energy health and safety regulatory organization which combines all energy health and safety regulation. In addition to the Nuclear Regulatory Commission, such an agency could include the Mining Enforcement Safety Administration of the Department of the Interior, the pipeline safety functions of the Department of Transportation and certain noneconomic responsibilities regarding the licensing of liquefied natural gas facilities now carried out by the Federal Power Commission.

This new organization could be a regulatory body completely independent of the new department. Or, it could be included within the Department of Energy with strong statutory

provisions to insure its insulation from the promotional activities of the department. In any case, the Environmental Protection Agency should still retain the responsibilities for setting air and water quality standards which affect and influence various forms of energy development.

In summary, we believe it is increasingly difficult to separate economic energy regulation issues from health and safety regulation issues. It seems clear to us that the health and safety regulation of energy--particularly nuclear energy--will be a key to the pace of energy development. Therefore, the problems which the regulators perceive must be taken into consideration in planning for future energy supply mixes. Conversely, the regulators must have a policy perspective against which they can measure the implications of regulatory decisions.

In deciding the ultimate composition of a new energy department, the Congress must carefully examine the implications of the inclusion of energy regulatory functions within an energy department and the degree to which statutory provisions and congressional oversight can assure the insulation of regulatory decisions from the policy process.

We have given much additional thought to the matter and believe that there are three options available to the Congress in dealing with the issue of how to treat energy regulatory functions. Two of the three options

include placing regulatory functions within the Department of Energy. These are:

- Include energy regulatory functions--both economic and health and safety related--in the Department of Energy. Under this approach, economic and health and safety regulation could be separate entities but both would fall under a single Assistant Secretary. Statutory provisions should be included to assure maximum insulation of regulatory decisions from the promotional aspects of the department. Provisions could also be included regarding GAO monitoring and reporting as appropriate on the relationship of regulatory decisionmaking to the promotional aspects of the Department of Energy.
- Include only economic regulation in the Department of Energy because of the perceived importance of establishing energy price regulatory policies which are consistent with other energy goals. Statutory provisions should be included to assure maximum insulation of economic regulation from the promotional aspects of the department. Consolidate health and safety regulation of energy in an independent Energy Health and Safety Regulatory Agency. Provisions could also be included regarding GAO monitoring and

reporting as appropriate on the relationship of regulatory decisionmaking to the policy process in the Department of Energy.

I want to strongly emphasize that if any regulatory functions are located within a new Department of Energy, there must be clear statutory provisions to properly insulate them from the promotional aspects of the Department. We are including as attachment I to our statement a listing of the types of statutory provisions that we believe could effectively insulate energy regulatory functions.

The third option is:

--Continue to separate energy regulation--both economic and health and safety related--from energy policy formulation. Should this be done, we believe that creation of a single energy regulatory agency is desirable. Such an agency could provide a forum for more carefully considering the trade-offs among problems involved in different forms of energy development.

Choosing among these three options is at best a difficult decision. There is clearly room for disagreement among reasonable people. However, on balance, we favor the option of including both economic and health and safety legislation in the Department of Energy, provided there are adequate insulating provisions included in the legislation. Inclusion of both types of regulatory functions should improve the

interface and dialogue between policymakers and regulators and aid in the development of both a cohesive and attainable national energy policy.

Energy leasing

The relationship between Federal land management policy and energy policy is one that we have struggled with for many years. We have issued a series of reports, the latest on March 7, 1977, 1/ which clearly indicates that the present system is inadequate. We have recommended a series of actions to the Department of the Interior to strengthen its system of leasing and producing from the public lands. We have had remarkably little success in changing the Department's leasing policy. However, very recent statements by the Secretary of the Interior indicate a new outlook on these issues. 2/

The administration's proposal on the leasing of public energy resources is complex and much of the detail of how it would work is left to Executive orders, agreements, and regulations which are yet to be worked out.

The administration's proposal transfers the responsibility for leasing policy to the Department of Energy in

1/Outer Continental Shelf Sale #35 -- Problems Selecting and Evaluating Land to Lease. EMD-77-19, Mar. 7, 1977.

2/Statement of Cecil D. Andrus, Secretary of the Interior, before Hearings of Ad Hoc Select Committee on the Outer Continental Shelf, House of Representatives. Mar. 3, 1977.

such areas as fostering of competition, setting rates of production, and establishing diligence requirements. The Department of the Interior would retain responsibility for implementing leasing programs consistent with the Department of Energy's policy guidance. Ultimately, however, we do not think that it will be advantageous to the Department if the actual leasing functions and operations remain in the Department of the Interior.

In our report on "Energy Policy Decisionmaking, Organization, and National Energy Goals" (EMD-77-31, March 24, 1977), we explain that we would be of a mind to go along with the administration's proposal, subject to close congressional monitoring. Preferably, the responsibility for, and the personnel engaged in, all energy leasing functions of the Department of the Interior should be transferred to the Department of Energy. At the same time, the Secretary of the Interior should be given clear responsibility for making the determination--with respect to both proposed sale areas and specific tracts--whether leasing for energy resource development is the highest and best use of the public lands. Our reasons for favoring this transfer are:

--The energy minerals leasing function is essentially energy-related and as such, should be included in the Department of Energy. This will allow the management of this function to be more closely integrated with overall energy policy and goals.

The importance of such an interface is underlined by the fact that the public lands are estimated to contain most of our remaining domestic oil, natural gas, and coal supplies.

--The Secretary of the Interior would be in a stronger position to examine specific leasing decisions of the Department of Energy from a truly environmental/multiple use perspective. We believe that the Secretary of the Interior can better emphasize the environmental/multiple use considerations if the leasing function is removed from his area of responsibility since the predominant mission of the Department of the Interior will be environment/multiple use and the Secretary can more fully raise these issues without conflicting with collateral energy development responsibilities.

--The Secretary of the Interior would be far less susceptible to direct pressures of the energy industry, thereby creating a better system of checks and balances between energy and competing interests. Such independent checks, as the authority of the Secretary of the Interior to make the determination whether resource development is the highest and best use of public lands, is essential in view of the broad powers authorized for the Department of Energy.

--The visibility of the decisionmaking process would be much greater. Issues would be raised to cabinet level, rather than at lower levels in the Department of the Interior which has traditionally been the case.

Mr. Chairman we have developed legislative language to implement such a change in Federal energy leasing responsibilities if the Congress thinks it desirable. This language is included as attachment II to our statement.

Energy coordination

We believe there is a need for a high-level coordinating council in the Executive Office of the President. The administration's proposal abolishes the existing Energy Resources Council. There will always remain energy and energy-related issues which are not within any new Department of Energy. Energy is such a pervasive issue that no organizational structure could capture all of its parts. A high-level council could coordinate all Federal activities related to energy. It should be headed by the Secretary of the Department of Energy.

Even more important than coordinating energy issues, however, is the simple fact that, as a Nation, we have many multiple goals, and each is sought to be reached simultaneously. Providing a strong, visible interface at the highest level to air differences of opinion and arrive at a consensus on the reconciliation of those goals with energy goals seems to us to be a high order of priority on the

Nation's agenda. We believe, therefore, that the Congress should statutorily provide for such a council in any legislation which would create a Department of Energy.

Mr. Chairman, we recently furnished to Senator Javits, at his request, a proposal on long-range energy planning. The proposal, which was based on a synthesis of our evaluation of the energy situation over the past several years, discusses long-range planning from an organizational standpoint, including the need for planning efforts to be effectively coordinated. As part of the proposal we developed possible legislative language to implement such a proposal, including the establishment of an energy coordinating council to coordinate energy goals with other national goals. The proposal along with the legislative language is included as attachment III to our statement.

GAO oversight

Whatever its final form, H.R. 4263 is likely to provide for a number of interfaces both within the Department of Energy and between other Federal agencies. These relate to the implementation of the energy conservation performance standards program for new buildings, implementation of the automobile fuel economy standards program, the relationship of energy regulatory decisionmaking to energy policy formulation and development, and operation of the public lands leasing program. They will require close congressional oversight.

GAO will monitor the activities of the Department of Energy closely to provide the Congress with information for assessing performance. Because of the importance of energy as a national issue, the Congress may find it useful to reaffirm GAO's existing authority and restate in this legislation GAO's responsibility to continuously monitor, evaluate, and report as it deems appropriate on the policies, plans, and programs of the Department of Energy, including access to all data and information within the possession or control of the department.

The Nation needs a cohesive national energy policy. It needs a strong cohesive organization to administer that policy. Subject to our comments in this testimony and as expressed in our March 24 report on this subject, we support enactment of H.R. 4263.

Mr. Chairman, we are working on technical comments on the bill and will furnish them for the record. One of these relates to an issue which we understand is of particular interest to this Subcommittee--the appointment of not more than 600 scientific, engineering, professional, and administrative personnel at high levels exempt from civil service laws. While we recognize the need for the Secretary to have some flexibility in meeting the staffing requirements of the department, the Congress will want to explore fully

with the administration the intended purpose of so large a number of exempt positions before they are authorized.

Mr. Chairman, this concludes my statement. We will be glad to respond to questions.

SUGGESTED ACTIONS TO
INSULATE ENERGY REGULATORY
FUNCTIONS FROM ENERGY POLICY FUNCTIONS

- Give the head of the regulatory activities (who would be appointed by the President and confirmed by the Senate) a specified term of office. The term of office should exceed that of the Secretary of the department within which the regulatory administration is located.
- Give the deputy head of the regulatory activities the same term of office as the head of the regulatory activities.
- Require that the head of the regulatory activities report directly to the Secretary of the department within which the regulatory activities are located.
- Stipulate by specific legislative provisions the responsibilities of the regulatory administration emphasizing its independence from energy policy formulation and development. In this regard, provide through legislative history the intent of the Congress that the head of the regulatory activities be able to speak independently on matters relative to energy regulation, including testimony before the Congress.
- Provide for close congressional monitoring and oversight of the regulatory administration's activities.
- While providing a basis for relating the overall thrust of regulatory actions with broad energy policy guidance, do not provide the regulatory administration with any energy policy functions.
- Vest the regulatory responsibilities directly in the head of the regulatory activities.
- Require that any request for appropriations for the department within which the regulatory administration is located identify the portion of the request intended for the support of the regulatory activities and a statement of the differences, if any, between the amounts requested and the head of the regulatory activities assessment of the budgetary needs of the administration.
- Stipulate by specific legislative provisions the responsibilities and, authorities of the Board of Hearings and Appeals, emphasizing its independence from the head of the department within which the regulatory administration is located.

- Provide the Board of Hearings and Appeals with authority to collect whatever data and information may be necessary to effectively carry out its functions.

- Provide that neither the head of the regulatory activities or the deputy head could be removed from office for purposes other than being permanently incapacitated, guilty of neglect of duty, malfeasance in office, guilty of a felony, or conduct of moral turpitude.

SUGGESTED LANGUAGE TO IMPLEMENT GAO
RECOMMENDED CHANGES IN FEDERAL
LEASING RESPONSIBILITIES

The following suggested language would amend H.R. 4263 to (1) transfer the leasing functions from the Department of the Interior to the Department of Energy, (2) provide for the interface between the two departments on leasing matters, and (3) provide a mechanism for referring to the President any matters where the two Secretaries cannot reach agreement.

Suggested language
authorizing transfer

To authorize the transfer, Section 302(d)(1) of H.R. 4263 would be deleted and the following section inserted.

"(d)(1) All the authority of the Secretary of the Interior, the Department of the Interior, and officers and components of that Department as they relate to entering into a Federal lease on public lands and administering such leases under the Outer Continental Shelf Lands Act, the Mineral Lands Leasing Act, the Mineral Leasing Act for Acquired Lands, the Geothermal Steam Act of 1970 and the Energy Policy and Conservation Act."

Section 304(a) of the bill defines a "Federal lease" as a lease covering rights to oil and gas, coal, oil shale, tar sands, and geothermal resources on public lands.

Suggested language to provide for interface and a mechanism for resolving differences

If the language authorizing the transfer is adopted, sections (d)(2) through (d)(4) of H.R. 4263 should be deleted. In their place the following sections should be substituted:

"(d)(2) The Secretary of Energy shall provide the Secretary of the Interior complete information on (a) planned leasing schedules and (b) specific tracts to be leased within a scheduled sale area. The Secretary of the Interior shall have up to 120 days from receipt of the information to complete his evaluation and make the decision whether areas planned for leasing under a leasing schedule or the specific tracts to be leased in a scheduled area represent the highest and best use of the lands in question taking into consideration multiple-use values and environmental concerns. The basis for the Secretary of the Interior's determination in each case will be made public. The decision of

the Secretary of the Interior shall be final, except as provided below.

"(d)(3) Should the Secretary of Energy disagree with the decision of the Secretary of the Interior, he may, at his discretion, refer the issue in question to the President for final resolution."

PROPOSAL PREPARED AT THE REQUEST
OF SENATOR JAVITS ON
LONG-RANGE ENERGY PLANNING

Long-range energy planning should be carried out within the Department of Energy if such a Department is created. This planning effort should be comprehensive, national in scope, and include realizable goals and an implementation plan--detailing Federal resource management actions and incentives or disincentives for the private sector--designed to achieve the goals.

While planning should be a separate component within the Department and given high visibility, it should work in conjunction with (1) departmental elements responsible for program implementation, development, and operation, (2) data collection and analysis, and (3) both economic and health and safety regulation.

Interface, cooperation, and coordination of these functions is essential to the development of a balanced, attainable plan. It is critical that the plan drive the actual operations of the Department and not serve merely as "window-dressing". Operational planning, not planning for its own sake, is key.

The Current Situation

Many of the problems in formulating a coherent national energy policy are the result of the diffusion of responsibility for major energy programs among several Federal agencies. There are two national energy planning systems--one produced by FEA and one by ERDA--using essentially independent assumptions and with inadequate mechanisms to relate these plans to program management decisions of the energy agencies--either policy or regulatory.

FEA's planning system produced the original Project Independence report and the more recent National Energy Outlook. ERDA produced the ERDA-48 and the more recent ERDA 76-1 National Plan for Energy Research, Development, & Demonstration: Creating Energy Choices for the Future. Also, the Bureau of Mines in the Department of the Interior prepares forecasts of future energy consumption and supply. Moreover, the collection and analysis of energy data is done by numerous agencies. This situation should improve, however, with the establishment under the Energy Conservation and Production Act of a separate Office of Energy Information and Analysis within FEA. Among other things, this new office has the responsibility and authority to review all Federal energy information gathering activities with a view toward avoiding duplication of effort and minimizing reporting burden. The creation of the Office of Energy Information and Analysis in FEA begins to solve some of the problems with respect to data.

Planning, however, remains uncoordinated. The best solution is, of course, development of a single comprehensive national energy plan. Creation of a Department of Energy would provide the necessary framework to develop a balanced, consolidated national energy plan which could drive the energy program.

Organizational Aspects of Planning

In order to insure the closest coordination with program formulation and operation, the planning effort itself should be carried out within the Department of Energy. This is necessary so that the people

to operate the programs can be closely involved in the planning process and be well aware of the contribution the programs are to make to the overall national effort. Likewise, their input to the planning process is necessary to insure that realistic, attainable goals are set for the programs.

Data collection and analysis would be within the Department, but insulated as provided by S. 826 in the same way that FEA's Office of Energy Information and Analysis is now. This insulation is necessary to insure that data are not manipulated to fit the needs of the planners and policymakers. While it is essential that energy data activities be consolidated within a single Department, it is equally important that they be free from any improper influence by policymakers. With proper legislative safeguards, an independent data collection unit within the Department offers the best long-term solution to energy data problems and needs.

Energy regulation--both economic and health and safety--must be given careful consideration in the planning process. In economic regulation, a significant issue that requires careful attention is the role that price regulation should play with respect to overall national goals because of its current and potential effect on the Nation's (1) dependence on energy imports, (2) growth in energy demand, (3) energy supplies, and (4) energy production. Essentially, two options are available. One is to move to create a stable regulatory environment which clearly signals the Government's regulatory intentions to industry, perhaps coupled with incentives for resource development.

The alternative is deregulation. In health and safety regulation, the relationship between planning goals and the Government's licensing authority in such areas as nuclear plants and LNG facilities would need to be carefully recognized.

While the planning process should be within the Department, there would still be a need for a high-level coordinating body, similar to the existing Energy Resources Council. This body would act as a mechanism for energy coordination but moreover, and perhaps just as important, it would serve to interface and coordinate energy with other national goals and issues. This body should have a statutory base, staff resources, consist of members from departments and agencies having responsibility for programs that interface with energy, and be chaired by the head of a Department of Energy. Other members would be the heads of departments and agencies having responsibilities for other programs that interface with energy.

Within the planning context, the function of this body would be advisory in nature and would review the energy plan from the perspective of coordinating energy issues and goals with other national issues and goals, a function which is extremely important and needed.

As discussed below, the energy plan should be submitted by the Secretary of the Department of Energy to the President for approval and submission to the Congress.

Functions of the Planning System

The primary purpose of the planning system would be the development of a comprehensive, long-range national energy plan which would anticipate needs, measure available resources, assure an adequate supply of

materials and manpower to meet the anticipated needs and set goals and establish policies to carry out a balanced national energy program. This could be done along the lines of S. 1975, (94th Congress, the Humphrey/Javits bill), which called for

1. developing a plan with realizable goals and policies to attain them;
2. providing for access to the necessary data and information to prepare, review, and revise the plan;
3. participation of State and local governments; and
4. coordination and cooperation among Federal agencies to assess and implement the plan.

While the results of this planning should be communicated to the Congress (perhaps through an annual report timed for release at approximately the same time as the annual budget submission, as is now done with the annual Council of Economic Advisors report). The Congress would not have direct approval power over the actual plan. Formal congressional approval of the plan as a total system would likely be a highly sensitive and lengthy process which would require new mechanisms in the Congress to coordinate and integrate such a process into existing Congressional approval and oversight processes.

Rather, Congress could influence it through the normal authorization and appropriation processes associated with the individual components of the Department of Energy and through its consideration of substantive energy legislation. In this sense, the energy plan would become a guide for executive branch action within the confines of existing authority, and provide a framework for debate between the two on proposed new authority, appropriations, and oversight.

The planning system outlined here would identify and focus on areas of the national energy program needing support from the public sectors. It would serve as a mechanism to exhort public participation and to set the tone and pattern of the overall national effort. Moreover, it would serve to guide and focus Government efforts, primarily through leasing, licensing and pricing programs, in order to maximize and harmonize the efforts of the public and private sectors in fulfilling energy planning goals.

Characteristics of the Energy Plan

Any comprehensive national energy plan must provide choices for future energy development to insure flexibility to meet and deal with changing situations. As a minimum, it should include

- goals which are achievable;
- a balanced plan to attain the established goals (this plan should identify the policies and actions necessary to achieve the goals including the proper roles of economic and health and safety regulation; and the relations between the Federal Government, State and local governments; and the energy industry and other involved private groups);
- consideration of energy fuel mixes needed to meet demand;
- regionalized consideration of supply and demand;
- a means to review and revise the plan, on both an annual basis, and more frequently, as necessary. It should provide for measurement of actual performance against established goals and how to fill gaps in that timeframe;

- identification of resources (capital, equipment, and manpower) needed to meet the established goals;
- consideration of the energy situation for the short-, mid-, and long-term.

SUGGESTED LANGUAGE TO IMPLEMENT
THE LONG RANGE PLANNING PROPOSAL

- Delete the last sentence of existing section 624(a) on page 34 of the bill.
- Renumber existing section 624(a) as 624(d)(1).
- Renumber existing sections 624(a)(1); 624(a)(2); 624(a)(3); 624(a)(4); and 624(a)(5) as 624(b)(4); 624(b)(5); 624(b)(6); 624(b)(7); and 624(b)(8), respectively.
- Renumber existing section 624(b) as 624(d)(2).
- Renumber existing sections 625 and 626 as 626 and 627, respectively.
- Add new sections 624(a) and 625 as follows.

"THE LONG RANGE NATIONAL ENERGY PLAN

"Sec. 624(a) The President shall annually receive from the Secretary a long range, comprehensive national energy plan prepared by the Secretary and reviewed for advice from the perspective of coordinating energy issues and goals with other national issues and goals by the Energy Coordination Council established by section 625 of this Act. Following receipt of the plan, and by January 31 of each year, the President shall review and transmit to the Congress

this long range, comprehensive, national energy plan. Such plan shall:

(1) establish long-range energy goals, which recognize the relationship between the energy goals and employment, price stability, economic growth, international relations and meeting other national goals relating to transportation, housing, the environment, the economy, agriculture, raw materials, public services and other energy-related national issues;

(2) identify the resources necessary to achieve the energy goals by forecasting levels of energy supply and demand by fuel and by region, for the period of time covered by the plan; and

(3) recommend a program of legislative and administrative actions necessary to achieve the objectives of the plan, including possible alternative courses of action,

"(b) The plan shall be included in a report which shall provide

(1) data and analyses in support of the projections of energy supply and demand as well as the basis for the estimates of resource needs,

(2) a quantified analysis of the expected outcome of the program of legislative and administrative actions as well as any alternative courses of action,

(3) a comparison of the actual results of actions referred to in subsection (a)(3) since the submission of the last report

to the expected outcome, and an analysis of the differences, including (A) the reasons for failing to meet any of the goals, (B) the steps being taken to meet the goals, and (C) any necessary revisions to the plan.

- "(c) In preparing the plan and report, the Secretary shall insure
- (1) that all necessary data to support the scope and purposes of the planning effort is made available by the Administrator of the Energy Information Administration,
 - (2) that procedures have been established to involve regional, State and local governments in the planning effort, and
 - (3) that the plan is fully coordinated with other Federal agencies having energy responsibilities as well as with those agencies having energy-related responsibilities."

"ENERGY COORDINATION COUNCIL

"Sec. 626 (a) There is established in the Executive Office of the President an Energy Coordination Council. The Council shall be composed of the Secretary of Energy, the Secretary of the Interior, the Secretary of Transportation, the Secretary of Housing and Urban Development, the Secretary of State, the Director, Office of Management and Budget, the Administrator of the Environmental Protection Agency, and such other officials of the Federal Government as the President may designate. The Secretary of Energy shall be the Chairman of the Council.

"(b) It shall be the duty and function of the Council to

- (1) insure communication and coordination between the Department of Energy and other Federal agencies carrying out energy and energy-related activities,
- (2) provide a visible interface to air differences of opinion and reconcile differences between energy goals and other national goals with energy implications, and
- (3) advise the Secretary, from the perspective of coordinating energy issues and goals with other national issues and goals, in the preparation of the plan and report required by section 625 of this title.

(c) The Chairman of the Council shall be available to the Congress to provide testimony on such subjects under his authority and responsibility as the Congress may request, including but not limited to interagency coordination of energy policies and activities."