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A COMMON SENSE APPROACH TO COAL'S ROLE IN RESOLVING AMERICA'S ENERGY CRISIS

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In my various roles as Governor of West Virginia, as Chairman of the President's Commission on Coal, and as an American citizen, I have become fully convinced of the seriousness of America's energy situation and specifically the seriousness of our dependence on imported oil. This dependence pervades every aspect of our lives, and its effect can be measured in terms of economic, military, and foreign policy consequences.

The United States' dependence on foreign oil has become so acute that it jeopardizes the ordered society to which we have become accustomed. The danger is manifested by a predicament in which foreign governments, some friendly and stable and others quite the opposite, control much of the oil which our industrialized society craves. Against this setting, the United States appears unable to weld its politics, its public policies, and its private interests into a common alloy strong enough to meet this threat of foreign oil dependence.

I am convinced that the American people are capable of freeing themselves from this plight. This nation has been tested before and its people have always met the challenge. We can meet this challenge if we perceive the peril clearly and correctly and if we chart our course of action with an ample dose of common sense.

It was less than a decade ago that the OPEC embargo sent perhaps the first chill of modern reality through the oil-dependent nations. The American people were rudely awakened to reality by waiting through long lines at the gasoline pumps. The effects, however, were far more pervasive. The 1973 OPEC embargo should not have been treated as an isolated incident. It was instead a signal of a chronic, fundamental reality that threatens to constrain this nation's domestic and foreign policy for years to

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come.

Since the 1973 embargo, much precious time has passed. Three Presidents have occupied the Oval Office and three Congresses have been elected. Fortunately, the period since 1973 has been one of relative calm, both domestically and internationally. The United States, therefore, was presented an ideal opportunity to confront head-on the challenge of the OPEC embargo. We had time to reduce our dependence on imported oil, time to signal to oil exporting and importing nations the seriousness of our resolve, and time to regain control of our strategic and economic options.

But how have we used this grace period to meet our energy dilemma? Since 1973 we have *increased* our consumption of oil. Since 1973 we have *decreased* our domestic production of oil substantially. Since 1973 we have *increased* our imports of oil substantially.

The first point to be emphasized is neither complex nor original. Rather, it is fundamental. We have emerged from the period of relative calm following the 1973 embargo *more*, not less, dependent on imported oil. Therefore, any disruption in supply will have a far greater impact on our life style than was the case in 1973. Furthermore, many of the alternatives which have been suggested will simply not be at our disposal in the immediate future.

Therefore, there are presently three available options for decreasing our dependency on imported oil:

- 1) We can attempt to produce more oil domestically;
- 2) We can consume less oil through conservation; or
- 3) We can substitute alternative energy sources for oil.

One or more of these options is the basis of every "solution" for America's energy problems whether it be in the long or short term.

The first two options can serve to alleviate many of the short term pressures caused by the increased importation of oil. However, both of these options also have severe limitations. No matter how attractive increased domestic production becomes to oil producers under the decontrol of oil prices (to be completed by 1981), the best estimates suggest that domestic production cannot be expected to rise dramatically in the 1980's. Likewise, because the American people can only conserve so much energy, conservation cannot be expected to solve the energy crisis which we will be

facing in the next decades. These factors, combined with the estimates by the Department of Energy that energy needs in the late 1980's will require the equivalent of 54 million barrels of oil per day, compared with the equivalent of 37 million barrels in 1977, compel the conclusion that increased domestic production and conservation alone cannot solve our long-term energy problems.

Therefore, the third option, the substitution of alternative energy sources for oil, is the only viable solution. That "alternative energy source" which we must move toward more deliberately and aggressively is *coal*, of which we possess a 400 year supply.

In an effort to assess the potential of coal to meet our energy demands, President Carter in April of 1979 established the President's Commission on Coal. The hearings and investigations conducted by the Commission were aimed at eliciting from members of the coal industry and the energy consuming industries the means by which coal could be substituted for oil so as to lessen our dependency on foreign energy sources. As the Commission has recently reported, those investigations and hearings confirmed what many had suspected for a long time: coal *can* be the solution to our energy crisis if the American government, the American industrial community, and the American citizens want it to be. The coal necessary to free the United States from its dependence on foreign oil is available, and the only impediment to its use is our own timidity to face the problem squarely and make the concerted effort necessary to place coal at the center of our energy future.

Energy policymakers must aggressively seek to substitute coal for current oil consumption wherever possible. This can be accomplished in the short term by replacing oil with coal in boiler uses in the utility and industrial sectors while directing our supply of oil to transportation uses. We can also reserve natural gas for home heating and industrial uses where coal is not practical. Over the longer term, we can expect major contributions toward a lessened dependence on domestic and foreign oil reserves from coal liquefaction and gasification. However, to achieve this we must take the appropriate, farsighted, and courageous actions immediately.

Today there is reason for concern as we see a nation dependent on foreign oil still reluctant to tap its vast coal reserves,

which stand ready to alleviate many of the long term problems associated with foreign oil. There is reason for concern as the coal industry limps along at approximately eighty-four percent of capacity in what should be its finest hour. One can see the frustration of the coal operator, anxious to respond to the call for increased production, yet battered by an avalanche of regulations and endless uncertainties. One must sympathize with the bitterness of the coal miners, who see thousands of their brothers out of work due to slack demand for coal but nonetheless pay ever-increasing prices for personal travel because oil, which should be refined into gasoline, is instead being burned by electric utilities in increasing quantities. And one can understand the confusion of the American citizen, who is skeptical of the government's explanations of an incomprehensible energy policy and who is even more skeptical of the existence of any oil shortage at all.

This leads to many pertinent questions: What has gone wrong? Why should common sense be the enemy of national policy? How can the proper balance be restored?

Many commentators hastily point to the regulators in Washington as the cause of the problems facing the coal industry. It is true that they are a part of the problem, but they are more the symptoms than the cause. For every regulatory agency in Washington, with its multiplicity of rules, there is a congressional committee writing more laws that require still more rules and regulations. And there appears no coordinated policy whatsoever. Further, lobbying behind both of these groups is a multitude of interest groups made up of citizens, businesses, or public officials. This so-called "iron triangle" of bureaucratic interests, congressional committees, and outside lobbyists is a problem confronting those desiring to lead the effort to give coal its rightful place in America.

It appears to me that much of the problem is a result of a failure of communication among those who should be working together to bring coal to the forefront of our national energy policy. If the EPA and the DOE must talk together, as surely they must, then we must also agree that management and labor in the coal industry must learn to communicate better with one another. If we agree that OSM must talk with DOE, as surely they must, then coal management and labor must make their contract work. If the ICC must talk to the DOE, as surely they must, then man-

agement and labor must put aside a history of confrontation and distrust and work anew for the public good. Only in such a new dialogue can America find the solution to its dependence on foreign energy.

Also as a result of this new dialogue, America will find the basis for a national strategy of energy independence that will bode very well for coal. This is true because solar energy cannot be ready on a large scale until the year 2000, and nuclear energy is subject to many serious questions. Coal energy, however, makes sense today.

The question is not *whether* America needs to rely on coal. Rather the question is *when* America will realize it *must* rely on coal as the solution to its energy crisis. Common sense tells us that such a realization and the actions necessary to implement it are long overdue. America can wait no longer to face that reality.

