

**“The Politics of Energy”**  
featuring  
**Michael Levi**  
February 11, 2014

Dr. Levi made the broad point that the relatively favorable, although not guaranteed, developments in America’s current energy picture have illustrative historical parallels.

The Arab oil embargo of certain Western countries, including the United States, during 1973-74 contributed to highly deleterious consequences -- including a US economy confounded by both stagnant growth and high inflation. Other circumstances, such as peaking US oil production, a low contribution from nuclear energy, and an awakening environmental movement, meant that a resolute and immediate domestic response to the oil crisis would not be easy to achieve.

Market mechanisms kicked in, however, and soon compensatory steps were occurring. Among these steps were drilling for hydrocarbons in Alaska, and statutory mileage standards for newly produced automobile fleets.

Despite these relatively ameliorative responses, battle lines for the way forward were being drawn.

- Amory Lovins in a seminal 1976 Foreign Affairs article contrasted factions characterized by traditional oil and gas interests on one side, and an alternative path emphasizing efficiency and cleaner/accessible fuels on the other.

These sides in the energy debate, and politics more broadly, thwarted one another, producing policy gridlock. And without coherent national regulatory policy, markets are not properly incentivized for the achievement of important strategic goals.

- Consequently, energy policy stumbled throughout the 1980s and ‘90s.

In the last decade or so, we find ourselves attentive to energy in a situation roughly analogous to the 1970s.

- The terrorist strikes of 9/11 2001 reminded us of the links between American wellbeing and Middle Eastern affairs.
- And Hurricane Katrina in 2005 prompted thoughts about the links between carbon fuel combustion, greenhouse gas emissions, global climate change, and the advent of more extreme weather events.

And like the 1970s, beneficial compensatory developments are occurring.

- American oil consumption is falling.
- New technology hybrid cars are selling.
- Renewable energy sources such as wind and solar are making a greater contribution.
- But most importantly, enhanced recovery techniques such as hydraulic fracturing (“fracking”) which extract energy from shale formations are making the United States a global leader in oil and natural gas production.

And like the late 1970s, Levi worries that the currently favorable developments will not be sustained.

- His first worry involves simple complacency. Naïve observers may mistakenly conclude that a favorable trend, such as increased natural gas use, solves all problems.
- His second worry is that lax regulation may permit accidents, such as environmental ones, which produce a backlash against otherwise useful energy supply enhancements.
  - Levi pointed out that the importance of controversial issues such as the Keystone XL pipeline from Canada, and the environmental impacts of fracking, are less about reliable energy supplies, and more about potential disputes which could polarize energy policy making broadly.

Levi cautioned that this was no time for sides to engage in tearing each other down. He advocated a policy of everything, all the time.

- Only by pursuing numerous options will the United States maximize economic, environmental, and national security spin-offs from its energy policy.

**Paul F. Herman, Jr.**  
**Florida State College at Jacksonville**