

“The Federal Government’s credibility is not too good on the energy issue, ” a mid-western farmer told us. “One agency announces one thing on Monday, then another Federal agency announces just the opposite on Tuesday, ” Similar remarks were heard throughout the country. Most respondents felt the energy situation was more a political problem than a supply shortage at present, although they readily acknowledge concern about the limitations of all natural resources.

An Alaska workshop participant voiced a recurrent comment we heard: “When there is an abundance, we waste the i tern, whatever it is. ” The often expressed desire for conservation measures stemmed, of course, from the concern about supply limitations. The prevailing opin-

ion, however, was that the “energy crisis” was contrived by industry to justify increased prices.

Fuel cost was the central theme in discussions about energy. Several respondents urged that consumers and Government policy makers

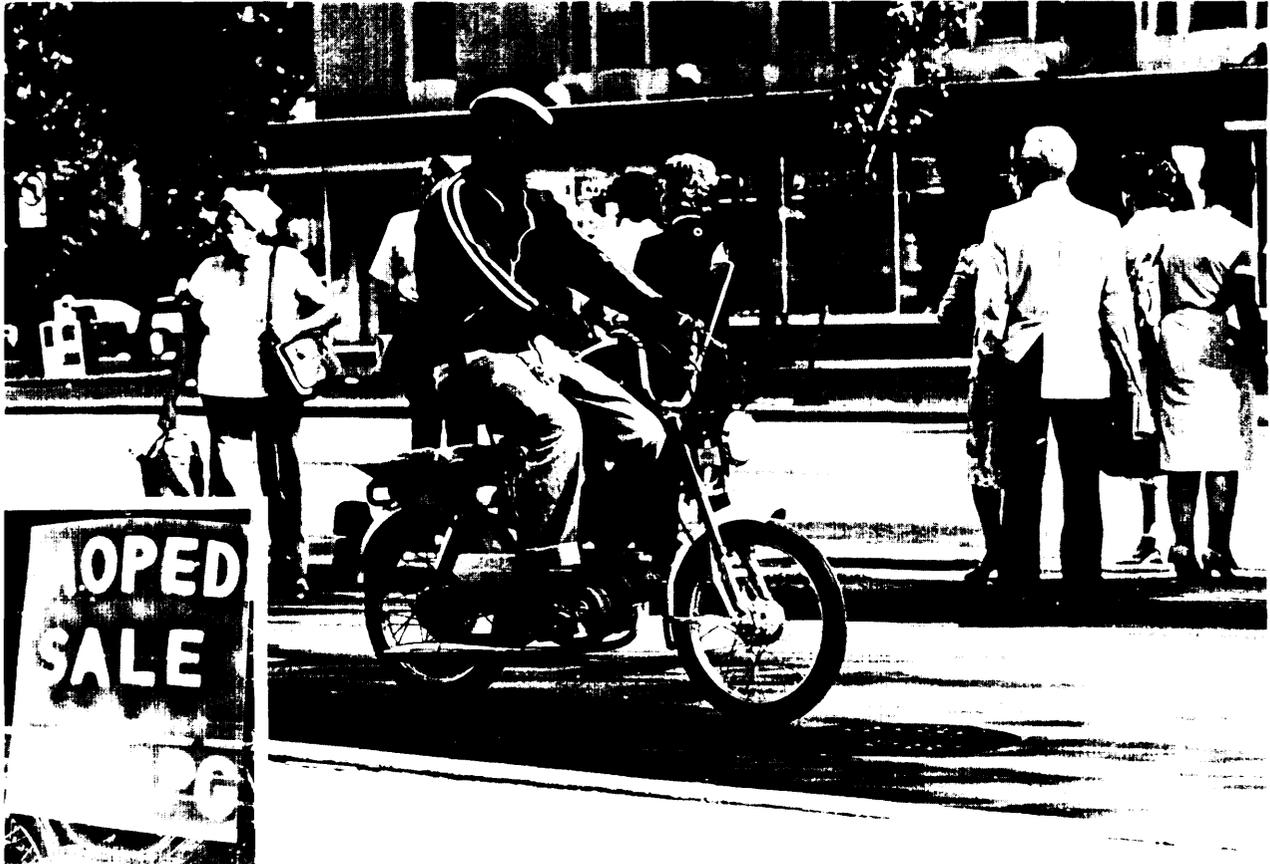


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Miles per gallon is a selling point for this transportation mode

“look at the cost, not the price” of fuel in their deliberations on the subject. Despite respondents’ annoyance at what they perceived as unfair fuel price increases by the oil industry, they most often suggested deregulation of gas for seemingly contradictory reasons.

There was a belief that deregulation would encourage more competition within the fuel industry and consequently serve as a control on price levels. “We feel strongly that the free market should be allowed to set the price of fuel . . . This would be a strong form of control,” a group of southwesterners said. “There would probably have to be some allowance made for the poor, though.” It was also believed that deregulation would result in the surfacing of the “true cost” of fuel which would most likely be higher than current levels. These higher levels would then induce supply conservation -- higher prices would encourage less purchasing and more efficient use of petroleum. In line with this second belief was the oft-repeated request that the Federal Government raise gas taxes substantially —“not in dribs and drabs” —to serve essentially the same purpose: conservation.

Rationing was seen by many as a plausible conservation tool and the most equitable in terms of distribution. Another mechanism for saving fuel that was often mentioned was accessibility —changes in land use development patterns to minimize travel needs. In the North, East, South, and West, we heard that “most people favor the 55-mph speed limit, but don’t follow it. The Government must enforce this law to save gas, and more importantly, lives.” Better traffic management is needed, they added, to reduce congestion and save fuel. “It makes no sense to have 55-mph speed limits, 70-mph road designs, and 125-mph engine capacity,” said a woman race car driver. In some places, we were told that “lifestyle and driving must slow down to save energy.” Overall, respondents seemed to agree that, while individuals shared the responsibility for using natural resources wisely, the stimulus for conservation probably would “still have to come through external forces,” i.e., the Federal Government.

The ever-present threat of another oil embargo and the prospect of severe depletion of worldwide petroleum supplies led the OTA auto staff to consider policy options that would reduce auto fuel consumption and expedite de-

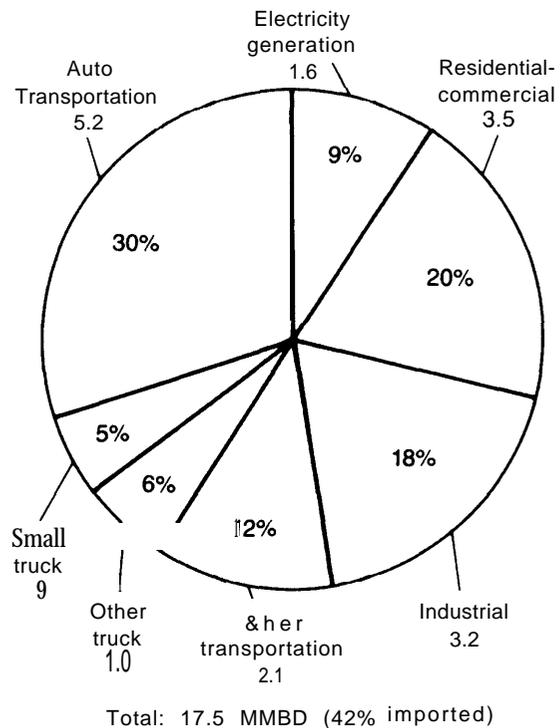


Rationing coupons designed as a result of the 1973-74 energy crisis

velopment of alternative energy sources. The petroleum conservation policies considered were:

- more stringent fuel economy standards,
- a u t o use controls and transit promotion,
- improved transportation system management,
- increased gasoline taxes, and
- gasoline rationing.

Figure 3.—U.S. Demand for Oil in 1976 (millions of barrels per day (M M B D))



SOURCE: Executive Office of the President, *The National Energy Plan*, April 29, 1977

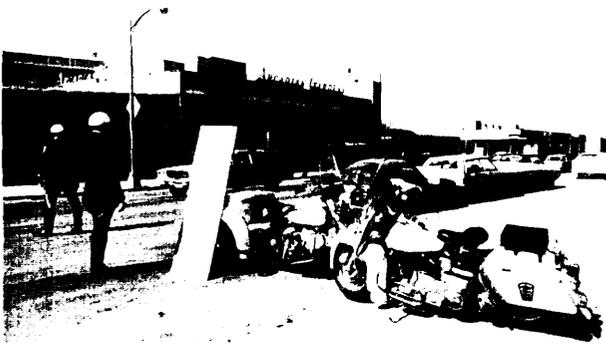


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Energy crisis 1979

The results of the OTA analysis indicated that the first three might be beneficial, but would have only a small effect on conservation of fuel consumption. If the Nation were to face a serious or prolonged scarcity of petroleum, only rationing or very large fuel price increases through taxation or deregulation would reduce petroleum consumption in the automobile sector by a significant amount. The OTA study concluded that sooner or later, a shift would have to be made from petroleum to alternative energy

sources for the automobile, and a strong Government program of support and incentives might be necessary to accomplish this.

Talk about conservation during the public participation effort often sparked discussions about the effect of decreased fuel usage on the Nation's economy. Automobile transportation is the largest consumer of petroleum in the United States, constituting about 30 percent of the total demand, and consumption is rising. The OTA research showed that deregulation of petroleum prices could allow market forces to balance supply and demand, but might have inflationary effects on the national economy, impose a disproportionate burden on low-income persons, and generally restrict the use of the automobile.

When asked about tradeoffs—energy conservation versus environmental protection versus safety and so on—the general feeling of the respondents was that there was no need for tradeoffs. Technology could solve these problems, most respondents claimed. It is institutional constraints that slow the development and application of technological solutions, they said. Many felt that the technology for solving these problems was already available but not being used, due either to “bungling bureaucratic red tape” or the “less-than-virtuous profit motive” of industry. Although they often debated the tradeoff issue at some length, the respondents were firm in their desire for no reduction in mobility. At present, of course, mobility is automobility.

“If the current car is unsatisfactory, then let's improve it,” said a midwestern auto owner, giving voice to a popular notion. On the west coast, representatives of a State auto club told us about their “target car” program which was designed to encourage the domestic auto industry to improve their products. Eleven factors were chosen for rating. “Imports were way ahead when we began the program, but the United States has caught up fast because of competition, Government regulations, cost, and people's interest in fuel economy,” they told us.

We also heard from inventors who were working on alternatively fueled vehicles and industry officials who were experimenting with new engine designs. In addition to improved cars, respondents called for more and improved mass transportation vehicles in response to im-

pending energy shortages. Improved engines, the use of alternative fuels, energy efficient modes-all were supported by most of the respondents.

The lack of an effective national energy policy was frequently criticized. "We don't want an energy policy dictated by . . . Iran," one New Englander told us. A southerner complained that the Federal Government "should get out of the oil industry's bed." A college student asserted that "Congress has blown the energy situation." In general, respondents said that under a national energy policy, the Federal Government should provide support for industry research and development of alternative fuels, decrease the Nation's dependence on foreign oil, and continue to pressure the automobile industry for better engines and smaller cars. Respondents also stressed the need "to get at more basic energy issues, beyond the auto alone," such as the tradeoffs between residential, transportation, and industrial energy

needs; the amounts of energy needed to produce energy; and the "true" relationship of energy to the U.S. economy.

"True" is an adjective that surfaced repeatedly during the public participation program. What are the true costs, true relationships, what's the true story?, we were asked over and over again. People were hungry for information and were often uneasy with opinions they expressed due to uncertainty about the "facts" on which they were basing their viewpoints. Respondents were critical of "misleading" advertisements and "contradictory" Government pronouncements. They emphasized the need for accurate information about industry products and problems facing the Nation as a result of using these products. It was mainly during discussions of energy (because of the widespread confusion over the existence of an "energy crisis") and cost that the need for improved consumer communications was most frequently emphasized.