

# National Energy Policy under Changing Conditions



We are now four decades removed from the energy turmoil of the 1970s, events that profoundly shaped energy debates and policies ever since. To a wide segment of the American public, the dramatic increase in world oil prices may not have immediately registered, but skyrocketing gasoline prices brought home the nature of the crisis, prompting a recognized need for a national energy policy.

In 1979, RFF released a landmark book, *Energy in America's Future*. It began with four observations about the state of policy discussion at that time:

- » There is disagreement—even widespread ignorance—about some fundamental facts.
- » Great uncertainty exists about the potential results of the most commonly suggested energy policies.
- » It is painful to choose between short-term and long-term objectives.
- » There is no clear consensus on what the major long-term goals of US energy policy should be.

Fast-forward to today, and these observations are still relevant. I would add two others. First, our ability to forecast the future remains highly imperfect. Second, the policies we put in place today very likely may outlive the context in which they were created—and by quite a long time.

Take, for example, the profound revolution under way in our understanding of our

fossil fuel supplies. Just a decade ago, the question on the table was “peak oil.” That seems a distant memory as technological advances have added significant new reserves in the United States and across the world. At the same time, one cannot sidestep the paradox of how a more bountiful fossil resource base must be seen in light of the carbon-constrained world with which global warming may oblige us to deal.

Three pieces in this issue of *Resources* highlight my second point: Joel Darmstadter’s retrospective on the energy crisis, Stephen Brown and Charles Mason’s examination of removing the crude oil export ban created in its wake, and Joseph Aldy’s argument for eliminating domestic fossil fuel subsidies. Many view the export ban and fossil fuel subsidies as anachronistic, but the intervening years have shown that as hard as it is to put policies in place, it may be even more difficult to change existing ones.

For those who design policy, these examples provide a reminder of the importance of building in sound principles, including flexibility in how goals are achieved and the ability to adapt to new knowledge, experience, and information. At RFF, contributing to the creation of such policies remains one of our highest priorities.

A handwritten signature in blue ink that reads "Phil Sharp".

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