

VIEWS FROM THE NATIONAL SCENE

Senator Pete Domenici

Let me first say that when I was asked to come here and participate with you in this rather historic and tremendously important conference, it was with a little reluctance. Not because I did not know of the significance of it, but because we do have some tremendous experts in this field, right here in this audience, far more expert than I.

They asked me to talk about National and/or Federal overview on the subject matter, water for energy development. That's pretty tough to do because if you want the true facts, the Federal Government is doing little or no thinking about the relationship of water to the concept of energy independence. I need not remind you who are talking about new ways to meet America's growing energy needs, of the tremendous dilemma that America finds itself in today and why. Nor need I remind you of how hard it is going to be to shift gears.

I believe about 2 or 3 minutes of history would be in order so we can put it into prospective. About 23 years ago, the United States of America made an overt conscious decision to become a petroleum and natural gas oriented economy. At that point in America's history, crude oil could be brought to the surface of America, whether it be in the Permian Basin or in the shallow wells of Kansas, for about \$2.65 a barrel. And it was beginning to flow in abundance, but there were some grave limitations. So very consciously America asked it's business people to go and see if they could find that very versatile

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black crude oil somewhere else in the world, in large quantities, and see if we could figure out a way to tie it into our supply and bring it here. The response was loud and clear and you all know what happened. In short order, the huge crude oil deposits of the Middle East were found and the startling information came fast across the ocean to America's industrial machine that we found it and it cost only 10 cents a barrel. And from that point in time, America went its merry way, with that kind of energy being developed over there and America's crude oil domestically rising from the astronomical amount of \$2.65 to \$3.25 in 23 years. We matched that 10 cent oil with our supply, and the great American industrial machine moved on. We reached the point where we began, adding natural gas and petroleum together, and became about 77% dependent upon those two commodities to generate the energy to move America ahead. Everything about our economic growth was suddenly tied to oil and gas. Never did we think that the Middle East would dare to take a look and see that we were 30% dependent upon that cheap oil, and then tell us that we could not have any more. Who would ever think that a cartel would be formed to call the great economic bluff. A cartel saying that we will give you some, but that we will charge you whatever we want. And while all that occurred, the search for crude oil in America, in particular by its independent developers and wildcatters, went in reverse of the American growth graph. All of a sudden we find ourselves as the world's greatest industrialized nation, greatest producer of material goods that man-kind has ever seen, and greatest energy consumer, strutting a bit. We wonder how we are going to be able to keep the brisk pace we have in the past. Some say that we are going to have to walk and there are some pessimists who say that's too tough. As I view our national government's effort at moving toward energy independence, we have done a rather deplorable job in 18 months. Yes, we have created ERDA (Energy Research Development Administration). We are optimistic about it being the focal point for research and development moving toward maximizing alternative sources of energy for the people of America. But, it's not moving very fast. There are many reasons it isn't, but among them are that the jurisdiction in the energy field in the Congress of the United States has historically been spread among four or five committees. There is a great reluctance to put it all into one and get on with the job. I just checked the other day and in the last year of Congress, most energy related bills got referred to three major committees, a number got referred to four and some got referred to five, and that's only in the United States Senate. So I am delighted that here on this campus our best talents come together to talk about something we're not talking about in the Congress. Would you believe that the energy office of America, the one that's doing all the coordinating and predicting, have a statement in the summary of energy independence that says there is not concern about water as it relates to energy independence in America? According to this office, there seems to be no significant shortage, and we will get there with out any significant changes in our national policy. That is quite different from what other people are saying and I don't have to even read much about it or study it much to say that.

There is no doubt that water supply, will be an important consideration in energy development, and an analysis of water needs for future energy

development should begin. People knowledgeable about energy matters should begin immediately with the available information to make judgments about water supply problems. In addition, an analysis of the water resources needs for energy development should be undertaken now.

Continued delay in developing a water resource plan for energy development could cause severe economic problems in the future.