COMPREHENSIVE U.S. ENERGY SECURITY POLICY

Introduction

This National Security Study Directive establishes the Terms of Reference for an interagency study to develop a comprehensive framework for U.S. energy security policies and to assess the role, adequacy and relationship of existing policies within this framework.

Objective

The study will lead to a National Security Decision Directive establishing a comprehensive policy for U.S. energy security requirements.

Scope

The interagency study will produce a report for consideration by the National Security Council that addresses, at a minimum, the following issues:

I. Plausible projections of world (OECD, Communist countries, and LDCs) energy supply, demand and trade between now and the year 2000 (short, medium and long range).

   o Evaluation of plausible range of projections by private and governmental groups

   o Anticipated levels of U.S. and allied energy, particularly oil, imports under plausible best case and worst case assumptions.

II. Potential Disruptions of Energy Supplies

   o Size and duration of disruptions likely to create vulnerability under best case and worst case supply and demand projections

   o Sources of such disruptions

      -- internal instabilities

      -- international conflicts

      -- technical or accidental disruptions
Likelihood of such disruptions
Consequences of such disruptions
-- economic effects
-- political ramifications
-- effects on military preparedness

III. Pre-Crisis Planning for Disruptions

Policies to deter disruptions
-- assessment of secure and insecure sources of supply
-- key policies (security, diplomatic, political, economics, etc.) to reduce likelihood of disruptions in producing and exporting countries
-- physical security of energy resources in the United States

Policies to minimize at acceptable cost adverse effects of disruptions
-- national and international safety net measures (e.g. private and public stockpiles, surge capacity, IEA Emergency Sharing System, etc.)
-- removing national and international impediments to greater production and substitution of more secure energy supplies such as coal and nuclear power
-- long-term development of high-risk energy technologies (e.g. breeders, fusion technology, etc.)

IV. Crisis Management of Disruptions

Adequacy of crisis decision-making mechanisms
Meeting U.S. and NATO military requirements for energy
Use of the Strategic Petroleum Reserve in crisis
International strategies to contain and terminate disruptions
military measures (e.g. deployment of RDF, etc.)

-- diplomatic and military coordination with allies and friends

-- economic coordination through International Energy Agency and elsewhere

-- use of IEA Emergency Oil Sharing System

Administration

This study will be conducted by an interdepartmental group comprised of the Departments of State, Treasury, Defense, Commerce, Interior, Energy, the Director of Central Intelligence, Chairman of the Joint Chiefs of Staff, Director of Management and Budget, Chairman of the Council of Economic Advisers, Director of the Office of Policy Development, and Director of the Federal Emergency Management Agency. The scheduling and management of the study is the responsibility of the National Security Council staff. Working groups, chaired by the appropriate agencies, will be formed from existing interdepartmental groups or created when necessary to deal with specific aspects of the study.

A report will be completed for consideration by the National Security Council no later than July 15, 1982.

Dissemination of this NSSD, subsequent study material, and the resulting draft NSDD should be strictly controlled and handled on a need-to-know basis.

Ronald Reagan