

President Obama Vows to Enhance Energy Security under the Prevailing New Situation

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On March 30, U.S. President Barack Obama made a speech at Georgetown University in Washington on the importance of efforts to enhance U.S. energy security. The speech has attracted attention due to the importance of the background behind the speech or the problem consciousness leading to the speech.

At the outset of his speech, President Obama pointed out two new problems involving the U.S. energy security environment or the international energy situation. The first problem covers the destabilization of the Middle Eastern and North African situation, represented by the Libyan turmoil, and relevant crude oil price spikes. President Obama pointed out that the destabilization of the Middle East and North Africa represents a great risk to the U.S. economy and citizens that depend on oil and oil imports. As the second problem, President Obama mentioned the devastating March 11 Japanese disaster including a terrible earthquake, a catastrophic tsunami and a nuclear emergency. While mourning the huge damage the disaster inflicted on Japan, as one of the United States' very important allies and closest friends, he said people in US were deeply moved by the perseverance of the Japanese people. At the same time, however, President Obama said that “the situation in Japan leads us to ask questions about our energy sources.”

Based on these new developments, President Obama discussed how to enhance US energy security in a comprehensive manner. Citing his realistic recognition that oil has been an important part of the U.S. energy portfolio, he repeatedly emphasized that the United States should reduce its reliance on imported oil to enhance its energy security. While noting that most of the various energy security measures, as cited below, would take some time to produce effects, President Obama presented a goal of cutting U.S. oil imports by one-third in a little more than a decade from some 11 million barrels per day at present.

President Obama called for achieving this goal by employing various measures including the development of domestic oil and gas resources, the diffusion of electric vehicles, the enhancement of energy conservation efforts such as the improvement of vehicle fuel efficiencies, the promotion of high-speed rail and mass transit systems, the development of renewable energies, and stepped-up development and utilization of cleaner energies.

In Obama's speech, two key points – the development of domestic oil and gas resources and the importance of nuclear power generation – attracted particular attention in regard to the new developments as cited at the outset of this report. On the first point, President Obama recognized the importance of oil as an energy source and pointed out that an increase in domestic output could work directly to reduce oil imports, that actual U.S. oil output last year increased to the highest level since 2003, that production expansion potentials exist in offshore and frontier regions, and that the expansion of domestic oil development would contribute to not only enhancing energy security but also increasing oil industry employment. He noted that these facts would be important. But President Obama touched on last year's crude oil spills in the Gulf of Mexico and concluded that oil resources should be developed under tougher safety standards in line with environmental conservation requirements.

The president also emphasized that the shale gas revolution had given the United States the opportunity to tap large reserves on which the country could depend for a long period of time, citing as “a century’s worth of reserves”. While noting that natural gas should be extracted safely without polluting water, in line with environment conservation as well as oil, President Obama interestingly and clearly indicated that the gas development and use would be an important policy on which some broad bipartisan agreement can be expected.

On the second point, it is significant for President Obama to have clearly indicated that nuclear power generation accounts for an important part of the U.S. energy portfolio and would remain important while putting priority on its safety. He emphasized that nuclear power generation is an important electricity source, capturing one-fifth of the total electricity output in the United States, and an excellent energy source that emits no carbon dioxide and contributes to preventing global warming. At the same time, the president indicated that safety would be the most important point regarding nuclear power generation and noted that he had requested a comprehensive safety review by the Nuclear Regulatory Commission to make sure that all of US existing nuclear energy facilities are safe. He also stated that it was important to take advantage of lessons from the serious Japanese nuclear plant accident for future U.S. measures.

As I noted in “A Japanese Perspective on the International Energy Landscape (36),” major countries are expected to devise and implement various measures in response to the two destabilizing factors in the international energy situation. In this respect, it is interesting that President Obama first indicated initiatives and problem consciousness in the United States that leads the international community. From now on, we may have to pay attention to measures that other major countries will take in response to the destabilizing factors.

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