The Rise and Decline of Energy Bureaucracies

Howard Schwartz, Washington State Energy Office

The Republican ascendancy in Congress and many state capitols led to many attempts in 1995 to abolish or change government energy agencies. Many of these attempts were successful, some were not. They all reflect a profound change in the assumptions underlying energy policy since the 1970s. The United States Department of Energy and state energy offices were formed in response to the energy crises of the 1970. These crises were defined by a fear of shortage of energy supplies, especially petroleum, a corresponding concern for national security and a belief that only strong federal action could alleviate the crises. Since the 1970s, oil prices have fallen, supplies and reserves increased, energy is used more efficiently and the threat to national security has apparently faded. The Republican majorities used their new status to try to eliminate USDOE and state energy agencies. They argued that with energy crises long since behind us, these bureaucracies are no longer needed. They were unsuccessful at the national level because agency terminations are so highly political that they require greater expenditures of political capital than are usually available. State energy offices are more vulnerable. The Washington State Energy Office provides a case study in closure and dispersion.

Advocates of energy efficiency and environmentally sound energy policies might do well to abandon the use of 'crisis' to justify their policies. The American political system tends to support market-oriented policies in the absence of 'crisis,' and when crises end, there is a tendency to return to normal. Energy advocates need to evaluate what government structures can deliver their policies in a non-crisis environment and try to institutionalize them.

INTRODUCTION

Nineteen Ninety Five was a cruel year for government agencies. The Republican ascendancy in Congress and many state capitols led to many attempts in 1995 to abolish or change government energy agencies. These transformations have interested me both as a political scientist and as an employee of the Washington State Energy Office (WSEO) which is slated for reduction and dispersion. Our office has extensive dealings with the Bonneville Power Administration (BPA) and the U. S. Department of Energy (USDOE), both of which are undergoing fundamental changes in organization and mission, which may possibly include their elimination.

In this paper, I focus on the creation of the USDOE in 1977 as the zenith of broad and intrusive energy policies. I examine the assumptions underlying the creation of USDOE and the conditions at that time and then compare them to assumptions and conditions today. I show that assumptions and conditions regarding both energy and the role of government have become so different that there is a plausible case for dismantling DOE. After a review of the public administration literature on the termination of public agencies, I review the attempt in 1995 to eliminate DOE and conclude that the termination literature applies well to the DOE case: the forces of inertia are almost always stronger than any reasonable case for termination. I then briefly look at the case of the Washington State Energy Office, which like many other state energy offices has been dispersed and downsized. I try to suggest some reasons why the forces of change are more able to overcome inertia at the state level than the federal. Finally, I conclude that since agencies and policies born of crisis are vulnerable when crises end, an energy policy based on planning, conservation, renewables and environmental protection has to be justified by something other than crisis if it is to have a long term effect and be implemented by an appropriate governmental infrastructure which does not necessarily depend on the symbolism of a cabinet department.

THE CREATION OF USDOE

USDOE was born in the energy crises of the 1970s. By 1977 there was a national consensus that we faced a shortage of energy supplies, especially petroleum, which raised grave concerns for national security and supported the belief that only strong federal action could alleviate the crises. Fear of energy shortages, perceptions of threats to national security and belief in a strong governmental role in solving these problems underlay the creation of USDOE.

President Jimmy Carter signed the USDOE Organization Act (PL 95-91) on August 4, 1977, after a relatively smooth ride through Congress. He had urged its creation in a message sent to Congress on March 1. The Senate version passed on May 18 by a 74 to 10 vote; the House bill passed on June 3, 310 to 20. The conference committee fairly easily resolved the differences between the two versions, and the conference report passed on voice votes. (Congressional Quarterly, 1977; Report of the Conference Committee on S.826, 1977). The overwhelming support for the bill, however, did not necessarily indicate a consensus on a specific set of energy policies. Rather, it indicated that there was national consensus that there was an energy crisis and government action was needed to deal with it; what the action should be was much more controversial. Votes on specific policies, such as a "gas-guzzler" tax and natural gas deregulation, were very close and often reflected party-line and ideological differences that were hidden in the votes on the USDOE Act. (Congressional Quarterly, 1977, pp. 1137-1138). In fact, many of the energy policies passed under President Carter were abandoned after a few years.

Even opponents of the USDOE Act believed in its premises. Senate opposition centered on the haste of action, not on the substance: "I shall vote against the bill, *not because I believe there is no energy emergency facing the nation, nor because I believe that action need not be taken,* but rather because of the feeling I have that too many senators, including myself, do not understand many of specifics contained in the bill." (Sen. Clifford P. Hanson, R-Wyoming, quoted in Congressional Quarterly, 1977, p. 952, emphasis added.)

The Act rested on the assumptions expressed in the "Findings" in Title I (emphasis added):

Sect. 101: The Congress of the United States finds that-

- (1) the United States faces an *increasing shortage of non*renewable energy resources;
- (2) this energy shortage and *our increasing dependence on* foreign energy supplies present a serious threat to the national security of the United States and to the health, safety, and welfare of its citizens;
- (3) a strong national energy program is needed to meet the present and future energy needs of the Nation consistent with overall national economic, environmental, and social goals;
- (4) responsibility for energy policy, regulation, and research, development and demonstration is fragmented and thus does not allow for *the comprehensive*, *centralized focus necessary for effective coordination* of energy supply and conservation programs; and
- (5) formulation and implementation of a national energy program require the integration of major Federal

Based on these assumptions, the President and Congress embarked upon an ambitious program of "decontrol of domestic gas and petroleum prices, new energy conservation regulations, massive increases in federal R&D spending for new energy technologies, further controls on imported oil prices and petroleum industry profits, more environmental safeguards on energy use," all orchestrated by the new Department of Energy. Congress also appropriated funds to the states to pass through to hospitals, schools and other public buildings for investments in energy efficiency. (Rosenbaum, 1987, p.7.) These gains were short lived, however, since the Reagan administration opposed much of this agenda. Within five years of the passage of the USDOE Act, most of the Carter policies, especially petroleum related ones, had been reversed, funding for conservation and R&D drastically cut, and proposals to abolish USDOE introduced. (See Vlcek and Spivey, 1982, and Rosenbaum, pp. 8-11.)

The Democratic majority in Congress prevented the complete elimination of some key conservation and renewables programs, which survived to see the false dawn of the Clinton Administration. Under Clinton, Congress passed large increases in funding for conservation and renewables and moved vigorously to implement the Energy Policy Act of 1992, which was neo-Carterian and reflected the exhaustion of the Reagan-Bush administrations and the resurgence of the Democrats in Congress. However, the current Republican Congress reversed direction once again, passing appropriations reducing USDOE funding to Bush administration levels, while once again considering elimination of the department itself.

THEN AND NOW

Looking back now at the assumptions underlying the creation of USDOE, we find that they reflected the imperatives of the 1970's energy crisis and are no longer valid as the underpinnings of either energy policy or its administration. The first assumption, that the United States faced an increasing shortage of non-renewable energy, was disproved through the breaking of the OPEC cartel, the development of new foreign and domestic oil fields and the introduction of new technology that has increased the yield of old fields while making it easier to find new ones. The deregulation of the well-head price of natural gas, along with the vast commercialization and discoveries of natural gas in Canada increased supplies and drove prices down. Proven world reserves of both natural gas and oil are greater now than they were in the 1970s. As the known/proven supply of oil and natural gas increased, it became clear that the second assumption-that increasing dependence on foreign energy supplies posed a threat to our national security—was much less urgent. The Persian Gulf war demonstrated that while the concentration of the world's oil reserves in the Middle East still has the capacity to pose a long term threat, and oil importers are better equipped to deal with such crises than there were in the 1970s, the ability of oil exporters are a much less united force. In addition, the threat is further reduced because natural gas is becoming more substitutable for petroleum and much more efficient uses of petroleum products are easy to obtain if necessary. (*The Economist*, "The Future of Energy," Oct. 7 1995, provides an excellent summary of these issues.)

The first two assumptions, scarcity and a threat to national security, defined the energy crises of the 1970s. If these assumptions are no longer valid, then the third congressional finding-that "a strong national energy program is needed" to meet the crisis-necessarily has less weight today. In other words, once the USDOE Act justified a large governmental role in energy by the need to respond to a crisis, that governmental role could not continue to be justified once the crisis ended, even if there were other good reasons for continued, forceful governmental policies. Similarly, the fourth and fifth findings-that a comprehensive, centralized, focused set of energy policies and programs need to be carried out by integrating them into a single energy department-sound hollow today since the crisis has receded. In addition, they are out of favor not only politically-big, command-and-control government is not popular-but academically-recent writings in public administration and organizational theory decentralization, customer focus and employee empowerment. And, in fact, Secretary Hazel O'Leary, through her "Strategic Alignment and Downsizing Initiative," has claimed the language of government reinvention for herself and today's USDOE.

WHY THE PICTURE HAS CHANGED

The interrelated factors that combined to cause these changes in the American energy picture can be summarized as follows:

- (1) Collapse of the Organization of Petroleum Exporting Countries (OPEC) cartel through reduced consumption, new domestic and foreign discoveries, and internal divisions within OPEC.
- (2) Collapse of nuclear power as a safe and economic source of electricity.
- (3) Domestic policies:
 - Conservation policies reduced demand, keeping prices lower than they otherwise would have been,

and led to conservation being treated as a costeffective resource for electric utilities.

- The Public Utility Regulatory Policies Act of 1978 (PURPA) encouraged competition in electricity generation by requiring utilities to purchase power from independent power producers, thus beginning competition in electricity generation.
- The Clean Air Act Amendments clearly established a market value for the costs of pollution from coalfired plants and made alternatives (wind, gas-fired combustion turbines) comparable to coal.
- Deregulation of natural gas reduced prices while increasing supply, making natural gas highly competitive as a fuel for the generation of electricity.
- The national Energy Policy Act of 1992 (EPACT) forced partial deregulation of electricity transmission, thus creating more competition.
- Creation and filling of the Strategic Petroleum Reserve, which acts as a buffer against threats to foreign sources of oil.
- (4) Technological breakthroughs:
 - Oil exploration, discovery, and recovery increased through vastly improved technology; proven reserves are now larger than in 1977.
 - The price of renewables, especially wind and solar photovoltaic (PVs), has fallen while their reliability has increased. (For similar assessments, see Miller, 1995, and Flavin and Lenssen, 1994.)

The combined effects of these changes have produced a set of energy policies today that is, almost across the board, the opposite of the policies of the 1970s. Table 1 summarizes the key differences between the command-and-control policies of the 1970s and the more market-oriented policies of today. One of the most striking differences is the drop in the avoided cost of new energy supplies to electric utilities. In the West, for example, utilities can either build their own new combined-cycle natural gas combustion turbines or purchase electricity on long-term contracts from other utilities or independent power producers for less than half the cost of new generation assumed in the Northwest Power Plan of 1991. The collapse in the price of new generation, combined with the possibility of retail wheeling to large industrial customers as a result of EPACT, has set off the most frenzied changes in the electricity industry in sixty years. The end point appears likely to be a fully deregulated industry akin to the telecommunications industry. However,

	Late 1970s:1	<u>1996:</u>
Supplies	In doubt; appeared to be falling, especially petroleum.	Rising
Prices	Rising	Falling
Markets	Regulated; cartels	Opened or opening
Regulation model	Command and control; centralized; price and consumption regulated at the consumer and wholesale levels if needed; beginnings of end-use efficiency standards	Deregulation for all transactions except wholesale electric and gas transmission and state-level electric and gas end-use rates; efficiency standards for some end- uses (appliances, buildings, autos, etc.); standards unpopular and politically
Policy goals	Planning; conservation; efficiency, assurance of supply through direct subsidies	Maintain open markets; lower prices; encourage efficiency through market facilitation and transformation; address equity issues caused by opening of markets
Perceived best options for new supply	Nuclear, coal, synthetic fuels (large environmental consequences).	Natural gas; gas-fired combined cycle combustion turbines, wind and PVs for electricity (relatively benign environmental consequences); enhanced recovery for petroleum
Avoided (marginal) cost (nominal dollars) of new electric generation (threshold of cost-effectiveness of conservation)	50–100 mills (\$.05–.10/kWh)	25 mills (\$.025/kWh)
Real price of oil (1987 prices)	Average of about \$20/bbl	Average of about \$15/bbl
¹ Era of the creation of DOE (1977) and the passage of the NWPPA (1980)		

Table 1. Changing Models of US and Regional Energy Policy

while deregulation may produce short-term economic benefit to consumers, there is a risk of a failure to make investments in conservation and efficiency that are cost-effective in the long run. At issue in the debates over the future of DOE, is the question of how effective governmental policies were in reversing the energy situation of the seventies. Supporters of DOE, generally Democrats, have argued that, on the whole, United States energy policy administered by DOE, guided us into our new improved era. Opponents of DOE, generally Republicans, have argued that excessive government intervention caused the energy crises of the seventies and it has been the progressive reduction of government's role that has produced improvements. The Pacific Northwest is a microcosm of the changing forces buffeting the electricity industry. The 1980 Northwest Power Planning Act was based on the same assumptions as the USDOE Act, albeit on regional level: supplies would be tight and prices would rise sharply and indefinitely. Policymakers in the Northwest, therefore, thought it essential to create a new organization—the Northwest Power Planning Council—to establish centralized regional planning through BPA, internalize environmental costs, promulgate model conservation standards and mandate the financing of conservation as the resource of choice. After 10 years of great success, this model collapsed with the price of natural gas and new generation. The entire west coast has a huge surplus

of electricity that will last for at least 10 years. As a result, all utilities, including BPA, are finding it difficult to compete with electricity essentially being dumped on the market while they have to pay the huge debt and operating expenses for generation, especially nuclear power plants, acquired when prices were rising. BPA budgeted nearly \$200 million on conservation in Federal FY 95, but budgeted less than \$50 million in fiscal year (FY 96), while expecting customer utilities and direct-service industries to make up the difference. Even before Hazel O'Leary announced her Strategic Alignment of USDOE, BPA Administrator Randy Hardy embarked on a Bonneville "Re-invention." However, as in the case of USDOE, re-invention may not be enough to stave off moves to sell or dismantle BPA. A Regional Comprehensive Review is re-assessing the entire Pacific northwest power system and may very well recommend drastic changes for the BPA and the Power Planning Council.

TERMINATION IN THE PUBLIC ADMINISTRATION LITERATURE

USDOE survived the 1995 Congressional session, although it is threatened again in 1996. The failure, thus far, of the House Republican freshman effort should not be surprising to readers of the academic literature on public policy and organization termination, which reveals how hard it is kill government organizations. The unlikely coalitions that formed around this issue were entirely predictable from the scholarly literature, but the fact that energy policy played almost no role in the final outcome of the debate over USDOE's existence is surprising to all but the most sophisticated Washington insiders.

At the risk of oversimplification, the public administration and political science literature on the termination of public organizations, policies, and programs consists mainly of case studies and a few theoretical pieces. The theoretical articles tend to list of factors, variables, and obstacles and to provide prescriptions. (Daniels, 1994, 1995, does a good job of summarizing both the case studies and theories.) The following is a brief summary of this literature:

• Politics and ideology, not economics, efficiency or demonstrable failure, are the key determinants of successful termination efforts. This is hardly surprising since economics and program evaluation are not politically-or value-neutral, and since policies and programs can succeed from one perspective and fail from another. In situations where there is a consensus that a policy has failed, such as the attempt in the late 70s and early 80s to develop synthetic petroleum from oil shale and coal, termination was fairly easy. However, such clear-cut cases are the exception.

- It is important to distinguish between governmental functions, organizations, policies, and programs. "It may be useful to see these four types of policy termination as a hierarchy, arranged from the top down, from the most resistant to termination to the most susceptible. Government functions are most resistant to termination, followed by organizations, policies, and finally, programs, which are most susceptible to termination." (Daniels, 1995 and 1991, pp. 451-452, drawing upon the earlier work of deLeon, 1983, 1987, and Kaufman, 1976 and 1991.)
- Termination of an organization is difficult and costly; ending policies and programs, unless they are very large, is less so. Unlikely coalitions to oppose termination of organizations always emerge, often based on mutual economic interests.
- Terminated policies and programs often come back to life, in response to political and ideological swings that ended them in the first place.
- Work on predicting which organizations are more likely to survive has proved virtually futile. Kaufman and others have tried to develop predictive variables associated with organizational longevity and persistence, but Kaufman ultimately concludes that chance is the most important variable. (1991)

CONGRESS TRIES TO KILL USDOE

An observer who had not read the academic literature on termination and who understood that the assumptions underlying USDOE's creation are no longer applicable, would conclude that USDOE would make an easy target. The Republican members of the House and Senate who led the effort to eliminate USDOE certainly thought so. Their arguments were quite simple: a large government role in energy is not needed since there is no crisis. The market can handle energy supply. The national labs could be privatized, and USDOE's large non-energy functions (nuclear weapons, clean-up of nuclear facilities) could be moved to the United States Department of Defense (DOD) or elsewhere. After energy research and development and conservation programs were ended, the remaining functions and programs could be transferred to other departments. (Good summaries of the various bills, proposals, hearings and debates can be found in Inside Energy, 1995, in the weekly reports from April-September.)

The attack on USDOE was fundamentally an ideological one. USDOE opponents generally believed that government should only act when it is absolutely essential. Since there is no need for a large governmental role in energy, most energy functions, organizations, policies, and programs should be eliminated. Cabinet departments are needed for only highly visible, essential government activities. Since energy is not one of them, there is no need for a cabinetlevel department. Eliminating USDOE and most of its energy functions would improve the nation's energy supply by preventing the government from distorting energy markets (*Inside Energy*; Hill, 1995).

While there were also economic and evaluative aspects to the proposal to eliminate USDOE, they had little success. The House republicans calculated that their bill would save \$20 billion over seven years, and the House budget resolution used that number as part of its overall deficit reduction estimate. However, Representative Tiarhart, sponsor of the legislation, met great skepticism in the Senate, even among Republicans. Secretary O'Leary upstaged him by claiming her Strategic Alignment would save nearly as much money. The Senate kept USDOE funding in its budget resolution and

Figure 1.

prevailed in the conference. The most effective evaluation material introduced into the debate was a study by the General Accounting Office which noted that USDOE's missions have not been re-examined and that most of them, especially its non-energy missions, could be performed better under another organizational structure. The report noted that energy functions accounted for only 39 percent of USDOE's budget and that the energy portion had been declining steadily since USDOE's creation. (See Figure 1) In short, the U. S. General Accounting Office (GAO) indicted USDOE's management of its non-energy functions and urged USDOE to focus on its energy mission. Significantly, however, the report concluded that USDOE would be too small to be a cabinet agency if it carried out only energy programs. (GAO, 1995.)

In the end, the GAO evaluation had little impact, since the defenders of USDOE argued there was no other place to put USDOE's weapons and clean-up responsibilities. While Democrats defended USDOE's energy role, there was bipar-



Source: GAO/RCED-95-197 Restructuring DOE and Its Missions

tisan opposition to moving the weapons functions into the Department of Defense-on the grounds that this would weaken civilian control over nuclear weapons. Many Republicans, especially those with national labs in their districts or states, argued against making hasty decisions regarding USDOE's broad research and development mission. Five Republican representatives wrote a letter to House Budget Committee Chairman John Kasich outlining their opposition to eliminating USDOE. In five long paragraphs, they managed only one fleeting mention of energy, focusing instead on civilian control of weapons and the importance of broadbased scientific research. Hazel O'Leary was not fazed by the disparate missions of her agency. Secretary O'Leary said, "Criticism that USDOE's energy missions have been subsumed by other roles shows an incorrect understanding of the department and its history. The defense and technology missions were assigned to USDOE at its inception," O'Leary said, "and only at the last minute was the energy function 'pulled in.' We have missions that are clearly defined. We are not the Department of Energy, but the Department of Science and Technology." (Inside Energy, 1995, June 12, pp. 3-4; May 22, p.12; June 26, p.4.)

Thus, USDOE survives but not because of its energy functions and mission, but because no better home could be found for its national laboratories with their broad mission of scientific research and development, as well as environmental clean-up. Can USDOE continue its existence as a department with four very distinct missions? The House Republicans who led the effort to abolish USDOE promised to try again this year.

However dramatic, the fight over the existence of USDOE may prove to be a side-show in terms of its impact on energy policy. By the time the issue was joined this year, most of the policies and programs that defined USDOE at its beginning had long since been abandoned. For the most part, only market-oriented policies had survived. The real issue was whether the remaining initiatives from the 1970s and their updates from the 1992 EPACT would be funded. For the most part they were, for the time being. Regardless of the organizational setting, energy policies, programs, and organizations have come and gone (see the attached timeline).

The fight over USDOE was essentially a symbolic display of the unresolved tension between market-oriented and command-oriented policies that has characterized American energy policy since its beginnings in the 1920s. The ideological debate centered on abstract questions of the proper role of government in general rather than on specifics of energy supply and technology. In the spirit of Murray Edelman, it is fair to say that terminations are political events that occur in order for politicians to take credit for either dramatic calls for action or for dramatic actions themselves. What matters to political actors is that relevant publics think something dramatic has been proposed or accomplished, regardless of whether anything does happen. The spectacle is the event. (Edelman, 1988.)

RISE AND DECLINE OF STATE ENERGY OFFICES: THE CASE OF WSEO

The history of the creation and dissolution of state energy offices deserves a paper of its own and perhaps an author who is not so close to the subject matter. However, this paper would not be complete without some mention of them. Most states created state energy offices or departments at around the same time as the creation of USDOE to provide a funding and policy channel to the USDOE and/or to exercise leadership in dealing with their own set of energy issues. As programs and money have shrunk, so have the roles of the states. In the 18 years since 1977, almost all state energy offices have vanished through transfer to, or absorption by, other state agencies. In 1995 alone, energy offices in New York, Pennsylvania, Illinois, and Oregon, in addition to WSEO, have been closed or consolidated with another state department. In many cases, the demise of state energy offices has less to do with energy policy than with ideological battles over the size and scope of government itself.

In the case of the state energy offices of the Pacific Northwest, the passage of the Northwest Power Planning Act (1980) and its ensuing mandate to BPA to vastly increase its expenditures on conservation, led to decisions by the Power Planning Council and BPA that invested in states a large role in implementation of conservation programs. Later, as the energy situation in the northwest changed and BPA began to reduce its expenditures, the role and scope of the State Energy Office (SEOs) began to diminish as well.

In Washington State, the composition of the state House of Representatives elected in 1994 is strikingly similar to that of the current US House of Representatives. The Washington House leadership introduced a bill (HB2009) to eliminate the Washington State Energy Office and transfer its remaining functions to other state agencies or to the private sector. The bill's statement of intent contains language similar to that used in the arguments to eliminate USDOE:

(1) Responsibilities of state government need to be limited to core services in support of the public safety and welfare. Some services of the state energy office are primarily advisory and can be eliminated. Essential regulatory functions can be performed by other state agencies and energy-related information services can be provided through a private nonprofit organization. This simplifies state government, yet continues to maintain core services. It is the intent of the legislature that the state continue to receive oil overcharge restitution funds for our citizens and that every effort be made to maximize federal funds available for energy conservation purposes.

The original HB2009 did not pass, but the legislature did insert a proviso in the WSEO budget providing funding for only the first year of the biennium (two year budget) and authorizing a study of how best to close the office and disperse its functions while maximizing the state's ability to receive federal and other funds. That study recommended that most of WSEO's energy conservation and resources programs go to a new Energy Program in Washington State University's Cooperative Extension while energy policy development, facility siting, commute trip reduction and public building management were to go to three existing state government departments. The legislature agreed with the study and passed legislation implementing it in early 1996. The new configuration will have the half the funding (almost all, as before, from U.S. government sources) and half the staff of WSEO.

At risk of oversimplification, state energy offices have been vulnerable to change because they neither regulate nor distribute large amounts of money. Political ironies abound here. Agencies that regulate tend to be hated, but are also feared. Agencies that distribute money develop loyal constituencies. Energy offices which do everything that re-inventors of government want—teach, coach, advocate, train, and facilitate in a market sensitive way—but neither regulate nor distribute money, are in Machiavelli's words, neither ''loved nor feared,'' and thus doomed. The energy offices that still survive in some meaningful form (such as in California and Oregon) are those that have developed a state-based funding source, a strong regulatory role and/or programs that distribute financial support for energy goals.

CONCLUSION

The political battles over the structure of energy agencies illustrate the lack of consensus in American politics over the role of government, generally. Viewed over time there



are some enduring patterns. First, energy policy, like American public policy generally, tends to be market-oriented unless a crisis is perceived or defined. In that case, a more intrusive and command-oriented governmental role may be justified. The policies that endure tend to be those that support long-term national security interests (petroleum reserves) or facilitate markets (regulating the rates for interstate transmission of gas and electricity). The policies that tend to be terminated are those which are adopted in response to specific crises and which become clearly untenable once the crisis is over.

Second, the general preference for market-oriented solutions and the belief that larger government is justifiable only in a crisis tends to blind Americans to the long-term consequences of too little government involvement. In the case of energy, this means it is difficult to make the case that the energy crises ended in part because of government action and that some permanent set of government activities is necessary to prevent their recurrence. The paradox of politics by spectacle is that it is necessary to claim "crisis" in order to get an issue to the top of the political agenda, but once the crisis is perceived as over, the issue quickly is removed from the agenda. If policies promoting an energy efficient and environmentally sound economy are to endure, their advocates will need to find a way around this paradox. Two strategies, in fact, have been developed. The first is to tie energy to long term economic and environmental goals which have broad political support. This strategy has been used by DOE to defend its energy efficiency and research programs as well as by many state energy offices. The second strategy is to give ground on organizational issues, in order to preserve a viable long term future. This strategy was used by the Washington State Energy Office. Rather than try to fight to retain the symbolism of a cabinet level agency, the Office worked to develop a set of successors that could carry out its mission. We will know over the next five years whether either or both of these strategies worked. In the meantime scholars and practitioners of energy efficient and environmentally sound policies should study the many organizational changes and patterns at the state and federal levels in order to determine which ones seem to provide the greatest likelihood for long-term success.

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