



POWER THE FUTURE

2021 ENERGY LOOKAHEAD

The Liberal Threat To
America's Energy Dominance





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CONTENTS

Introduction	3
Campaign Promises	3
Reversing The Damage Of The Obama/Biden Era	4
Accelerating Domestic Energy Production	5
Creating Energy Jobs	7
Establishing American Energy Dominance	8
Adding Value To The American Economy	9
Global Leadership In Emissions Reductions	9
Overcoming Unforeseen Challenges	10
Conclusion	10

INTRODUCTION

President-elect Joe Biden will be inaugurated at a time when the Democrat party has been taken over by progressives with a deep disdain for America's energy industry. Unfortunately, judging by his behavior on the campaign trail, Biden is susceptible to pressure from these progressives. During his campaign, Biden raised the possibility of prosecuting and jailing fossil fuel executives.¹ He also created significant confusion over his position on fracking after stating that he would eliminate it entirely, only for his team to then walk back that claim.² Democrats continue to champion the radical Green New Deal – legislation that would cost average American families tens of thousands of dollars every year – and it is very likely that Biden will be pressured into doing the same.³

Before this new Administration has the ability to introduce policies which will greatly impact our energy industry, it is worth examining and evaluating the record of the previous administration these issues. The following paper will lay out how the policies enacted by the previous administration led to a surge in employment for oil and gas workers, a reduction in carbon emissions, and enabled the United States to become a net energy exporter for the first time in decades. Perhaps most importantly, promises made on the campaign trail in 2016 were kept, which made for a better life for America's economy overall and oil and gas workers across the nation.



CAMPAIGN PROMISES

In May 2016, then-candidate Donald J. Trump delivered a speech to the Williston Basin Petroleum Conference in Bismarck, North Dakota and “unveiled an ‘America first’ energy plan he said would unleash unfettered production of oil, coal, natural gas and other energy sources to push the United States toward energy independence.”⁴ Specifically, he laid out an “America First” energy policy that included withdrawal from the Paris Climate Accord, the revival of the Keystone XL pipeline, expanded fossil fuel drilling, and a reduction of environmental regulations.⁵

During the 2016 campaign, Trump repeatedly argued that the energy industry had suffered under the Obama/Biden Administration. In an October 2016 meeting with energy executives in Denver, CO, he said, “...the energy business is being decimated ... let me guess, you’re having tremendous problems with regulations.”⁶

In an August 2016 speech, the then-Republican

1 Natasha Turak, “U.S. shale should be worried about ‘very aggressive’ policies coming from Washington, energy secretary says,” [CNBC](#), 12/16/20

2 Holmes Lybrand, “Fact check: Biden falsely claims he never opposed fracking,” [CNN](#), 10/23/20

3 Daniel Turner and Kent Lassman, “What the Green New Deal Could Cost a Typical Household,” [Competitive Enterprise Institute](#), 2/25/20

4 Jill Colvin and Matthew Daly, “Trump uses energy speech to outline general election pitch,” [The Associated Press](#), 5/26/16

5 Ashley Parker and Coral Davenport, “Donald Trump’s Energy Plan: More Fossil Fuels and Fewer Rules,” [The New York Times](#), 5/26/16

6 Jennifer Jacobs and Jennifer Dlouhy, “Trump Meets With Energy CEOs Discouraged by Fracking Remarks,” [Bloomberg](#), 10/4/16

nominee said, “A Trump administration would end this war on the American worker and unleash an energy revolution that will bring vast new wealth to our country.”⁷ Four years later, America is experiencing the positive results of his historic deregulation agenda.

REVERSING THE DAMAGE OF THE OBAMA/BIDEN ERA

“The United States will become the world’s dominant leader in energy production. The first step will be to undo the damage of the last 8 years.”⁸

During the 2016 campaign, the Trump campaign published a “Contract with the American Voter,” which promised that “for every new federal regulation, two existing regulations must be eliminated.”⁹ After a mere ten days, the new administration released an executive order to fulfill that promise.¹⁰

This policy was used to great effect, undoing many of the Obama Administration’s most damaging energy policies. According to The Brookings Institution, the new administration took at least 82 different actions toward the aim of

deregulating the energy industry and rolling back environmental policies.¹¹

There has been a longstanding question of how to define the term “waters of the United States” as it was used in the Clean Water Act.¹² In 2015, the Obama/Biden Administration finalized a highly controversial regulation to redefine that meaning to suit their agenda. Then-House Appropriations Chair Hal Rogers (R-KY) said the rule would threaten jobs and was “one of the EPA’s biggest

efforts to gain power in the US, keeping this rogue agency from taking over every hollow and valley that may have a stream running through it when it rains.”¹³

The Obama rule was so controversial that 24

Democrats broke ranks and voted with Republicans to block it.¹⁴ Opponents, from a broad coalition of industries, called the rule “a massive power grab by Washington, saying it will give bureaucrats carte blanche to swoop in and penalize landowners every time a cow walks through a

In 2016, GOP nominee Trump called for the elimination of the Clean Water Rule,



7 Timothy Cama, “Trump pledges ‘energy revolution,’” [The Hill](#), 8/8/16

8 Office of Donald J. Trump, “Fact Sheet: Donald J. Trump’s Pro-Growth Economic Policy Will Create 25 Million Jobs,” Press Release, 9/16/16

9 Donald J. Trump for President, [Donald Trump’s Contract with the American Voter](#), Accessed 1/11/21

10 Office of the President of the United States, “Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs,” [Executive Order](#), 1/30/17

11 “Tracking deregulation in the Trump era,” [The Brookings Institution](#), 12/21/20

12 United States Environmental Protection Agency, [About Waters Of The United States](#), Accessed 1/7/21

13 Office of Hal Rogers, “Rogers Votes to Block EPA Water Rule,” [Press Release](#), 5/13/15

14 H.R. 1732, [Roll Call Vote #219](#), 5/12/15

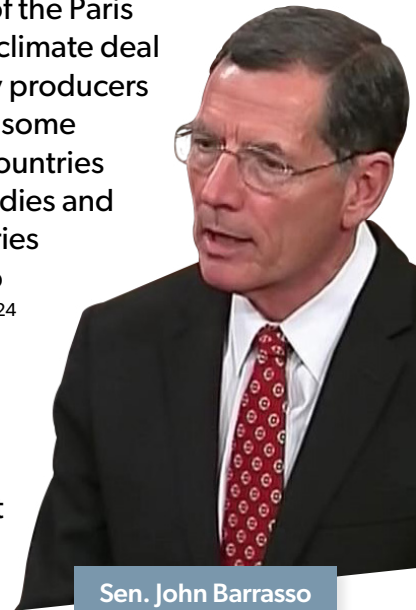
15 Jenny Hopkinson, “Obama’s water war,” [Politico](#), 5/27/15

which defines the “waters of the United States”.¹⁶ Within six weeks of taking office, the President signed an executive order to review the Obama-era rule and begin the process of reversing it.¹⁷ At the signing, he said, “With today’s executive order I’m directing the EPA to take action paving the way for the elimination of this very destructive and horrible rule.”¹⁸

In July 2017, the Army Corps of Engineers and the EPA proposed a rule that would rescind the definition of “waters of the United States” related to the Clean Water Act.¹⁹ In September 2019, EPA and the Army Corps of Engineers announced that it had finalized the rule.²⁰ The Chair of the Senate Committee on Environment and Public Works, Sen. John Barrasso (R-WY), praised the action and said, “I applaud the Trump administration for working to remove this outrageous regulation.”²¹

During a June 2017 speech, the President announced his intention to withdraw from the Paris Climate Accord. He said, “The Paris Climate Accord is simply the latest example of Washington entering into an agreement that disadvantages the United States to the exclusive benefit of other countries, leaving American workers — who I love — and taxpayers to absorb the cost in terms of lost jobs, lower wages, shuttered factories, and vastly diminished economic production.”²²

According to estimates, American compliance with the Paris agreement would have cost the U.S. economy trillions of dollars and millions of jobs.²³ In November 2019, Sen. Barrasso, a leader in the opposition of the Paris agreement, wrote, “as the climate deal punished America’s energy producers with expensive and burdensome regulations, it gave other countries U.S. taxpayer-funded subsidies and generous timelines. Countries like China got a free pass to pollute for over a decade.”²⁴ In November 2020, the withdrawal became official.²⁵ Now, American energy workers can only hope that this decision isn’t reversed by the incoming administration.



Sen. John Barrasso

ACCELERATING DOMESTIC ENERGY PRODUCTION

One of the first actions of the new Republican administration was to push forward with construction of energy infrastructure, specifically

16 Jenna Johnson, “‘I will give you everything.’ Here are 282 of Donald Trump’s campaign promises.” *The Washington Post*, 11/28/16

17 Office of the President of the United States, Presidential Executive Order on Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the “Waters of the United States” Rule, [Executive Order](#), 2/28/17

18 Kalhan Rosenblatt, “Trump Signs Executive Order to Begin Water Rule Rollback,” *NBC News*, 2/28/17

19 Federal Register, Definition of “Waters of the United States”-Recodification of Pre-Existing Rules, [Document Number 2017-13997](#), 7/27/17

20 United States Environmental Protection Agency, “EPA, U.S. Army Repeal 2015 Rule Defining ‘Waters of the United States’ Ending Regulatory Patchwork,” [Press Release](#), 9/12/19

21 United States Environmental Protection Agency, “What They Are Saying | EPA, U.S. Army Repeal 2015 Rule Defining ‘Waters of the United States,’” [Press Release](#), 9/13/19

22 Office of the President of the United States, Statement by President Trump on the Paris Climate Accord, [Remarks](#), 6/1/17

23 U.S. Chamber of Commerce’s Global Energy Institute, “New Report Examines Costs to U.S. Industrial Sector of Obama’s Paris Pledge,” [Press Release](#), 3/16/17

24 Sen. John Barrasso, Op-Ed, “President Trump is right to get us out of the bad Paris climate accord,” *USA Today*, 11/5/19

25 Matt McGrath, “Climate change: US formally withdraws from Paris agreement,” *BBC*, 11/4/20

the Keystone XL and Dakota Access Pipelines. Republicans and Democrats alike said that Keystone “would create jobs and expand energy resources.”²⁶

In February 2017, the federal government granted a final permit to complete the Dakota Access Pipeline, which signaled “(the) new administration’s intent to spur infrastructure development and support the fossil fuel industry.”²⁷ The pipeline became operational four months later, in June 2017.²⁸

If it were not for Obama-era judges legislating from the bench, a conservative energy policy would have advanced even further than it has over the past four years.

Despite the progress being made, legal challenges to the Dakota Access Pipeline persisted. In July 2020, a federal judge ruled that it must shut down because a proper environmental review was not conducted.²⁹ Notably, and not surprisingly, the judge was an Obama/Biden appointee.³⁰ The next month, an appeals court reversed the lower court’s decision, and the pipeline was allowed to continue to operate.

The Keystone XL pipeline followed a similar

trajectory after the Republican administration’s swift, initial action – the project has been tied up in courts. In April 2020, a federal judge in Montana canceled the permit for Keystone XL.³¹ Once again, the judge was an Obama/Biden appointee.³² If it were not for Obama-era judges legislating from the bench, a conservative energy policy would have advanced even further than it has over the past four years.

As part of the Tax Cuts and Jobs Act of 2017, a portion of the Arctic National Wildlife Refuge (ANWR) was made available for drilling lease sales with revenue split between Alaska and the federal government.³³

Alaskans have always supported the responsible opening of

ANWR citing the need for economic opportunity and increased tax revenue. A 2018 survey found that 68 percent of Alaskans support exploration and production in the Arctic National Wildlife Refuge.³⁴ Though national environmental groups have fought to keep ANWR closed, the right of Alaska to responsibly pursue its own economic needs was not ignored.

In January 2021, the federal government opened millions of acres in ANWR for drilling, “one of

26 Peter Baker and Coral Davenport, “Trump Revives Keystone Pipeline Rejected by Obama,” [The New York Times](#), 1/24/17

27 Juliet Eilperin and Brady Dennis, “Trump administration to approve final permit for Dakota Access pipeline,” [The Washington Post](#), 2/7/17

28 Jacey Fortin and Lisa Friedman, “Dakota Access Pipeline to Shut Down Pending Review, Federal Judge Rules,” [The New York Times](#), 7/6/20

29 Juliet Eilperin, Steven Mufson, and Brady Dennis, “Major oil and gas pipeline projects, backed by Trump, flounder as opponents prevail in court,” [The Washington Post](#), 7/6/20

30 United States District Court, District of Columbia, [District Judge James E. Boasberg](#), Accessed 1/11/21

31 Matthew Brown, “US Judge Cancels Permit for Keystone XL Pipeline From Canada,” [The Associated Press](#), 4/15/20

32 United States District Court, District of Montana, [Chief Judge Brian Morris](#), Accessed 1/11/21

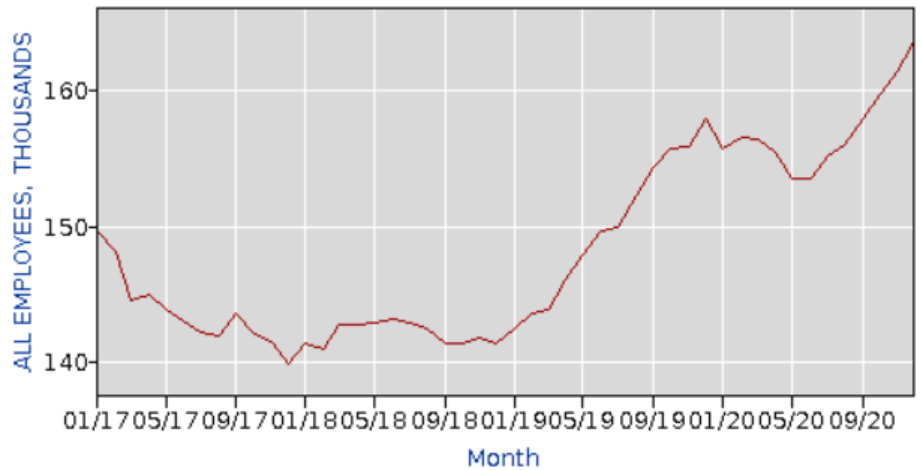
33 Devin Henry, “Final GOP tax bill would allow Arctic refuge drilling,” [The Hill](#), 12/13/17

34 Curtis Thayer, Op-Ed, “Alaska Chamber: Our polling shows budget, reducing spending are Alaskans’ top priorities,” [Anchorage Daily News](#), 3/22/18

[the Trump] administration’s biggest efforts to expand oil and gas drilling given the sheer size of the acreage involved.”³⁵ If America’s natural gas and oil industry is to reach its full potential, allowing for our newfound energy independence, it is crucial that we continue maximizing our domestic natural resources.

Employment, Hours and Earnings from the Current Employment Statistics Survey (National)

Series Id: CES1021100001
Seasonally Adjusted
Series Title: All employees, thousands, oil and gas extraction, seasonally adjusted
Super Sector: Mining and logging
Industry: Oil and gas extraction
NAICS Code: 211
Data Type: ALL EMPLOYEES, THOUSANDS



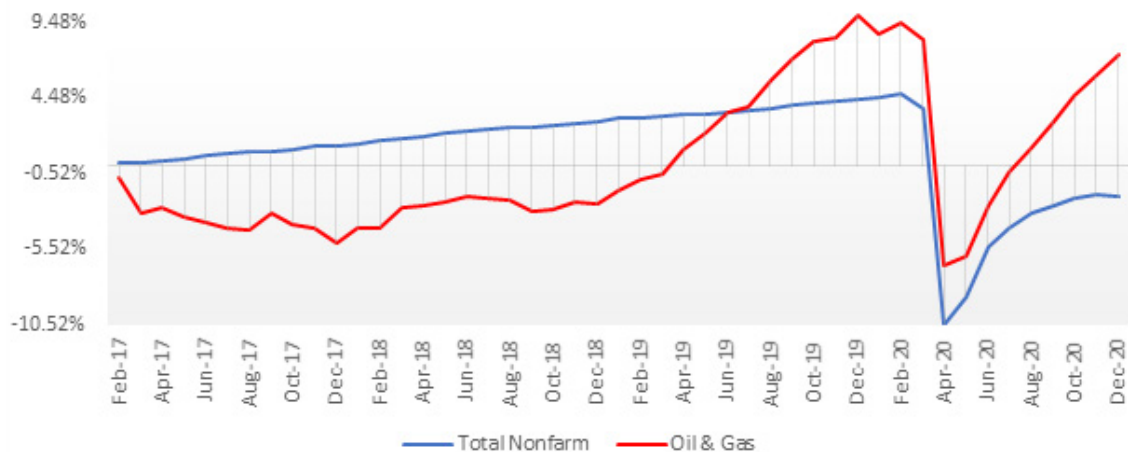
Source: Bureau Of Labor Statistics³⁷

CREATING ENERGY JOBS

During the past four years, employment in the oil and gas industry increased dramatically. In January 2017, there were 149,600 jobs in the oil and gas industry. As of December 2020, preliminary reports indicate there are currently 163,700 jobs in the oil and gas industry. That is an increase of 14,100 new jobs, or 9 percent, under Republican leadership.³⁶

Data for the broader employment market shows that the oil and gas industry significantly outperformed total nonfarm employment, which decreased by 2 percent over the same period.³⁸

Total Nonfarm vs. Oil & Gas Employment Change Since January 2017



Source: Bureau Of Labor Statistics³⁹

35 Dino Grandoni, “Trump administration opens millions more acres of Alaska to drilling,” *The Washington Post*, 1/5/21

36 Bureau Of Labor Statistics, Accessed 1/8/21

37 Bureau Of Labor Statistics, Accessed 1/8/21

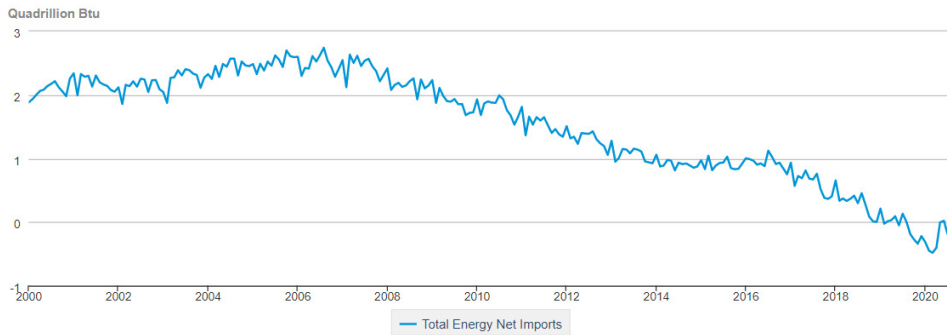
38 Bureau Of Labor Statistics, Accessed 1/8/21

39 Bureau Of Labor Statistics, Accessed 1/8/21

ESTABLISHING AMERICAN ENERGY DOMINANCE

Under Republican leadership, the United States became a net energy exporter in 2019. That was the first time that mark had been achieved in 67 years; 1952 was the last time that the U.S. exported more energy than it imported.⁴⁰

Table 1.4c Primary Energy Net Imports by Source



Source: Energy Information Administration⁴¹

The expanded American oil production has “reduced costs for manufacturers and motorists and boosted the economy during the long expansion.”⁴²

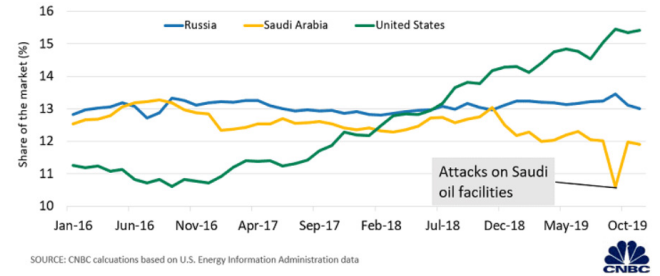
Figure 2. U.S. Monthly Net Exports of Natural Gas, 1973–2020



Source: Council of Economic Advisers⁴⁶

Dwindling share of the world oil market

Saudi Arabia and Russia's share of the oil market has remained around 12% to 13%, while the U.S. has seen its share rise above 15%



Source: CNBC⁴³

The Council of Economic Advisers referred to this achievement as “energy dominance.”⁴⁴ Importantly, the United States became the largest global crude oil producer in 2018, surpassing Saudi Arabia and Russia.⁴⁵

40 Energy Information Administration, [Today In Energy](#), 4/20/20

41 Energy Information Administration, [Monthly Energy Review](#), 12/23/20

42 Sarah Toy, “U.S. Oil’s Growth Challenges Investors,” [Wall Street Journal](#), 11/10/19

43 Abigail Ng, “5 charts that explain the Saudi Arabia-Russia oil price war so far,” [CNBC](#), 4/1/20

44 Office of the President of the United States, “Innovation-Driven Energy Dominance Is a Win for American Consumers,” [Council on Economic Advisers](#), 11/19/19

45 “U.S. Becomes World’s Largest Crude Oil Producer and Department of Energy Authorizes Short Term Natural Gas Exports,” [Department of Energy](#), 9/13/18

46 Office of the President of the United States, “The Value of U.S. Energy Dominance,” [Council on Economic Advisers](#), 7/29/20

The benefits of energy dominance and being a net energy exporter were particularly apparent in 2020, when the global pandemic set in. Despite global uncertainty, Americans had a stable supply of energy and were not reliant on other nations to keep the lights on.

ADDING VALUE TO THE AMERICAN ECONOMY

In addition to job creation, the energy industry is a critical part of America's economic infrastructure. The industry "contributes about \$70 billion a day on average to the federal government in taxes, rents and royalties."⁴⁷

In an October 2019 report, the Council of Economic Advisers estimated that the Shale Energy revolution saved an average family of four \$2,500 per year.⁴⁸

GLOBAL LEADERSHIP IN EMISSIONS REDUCTIONS

The decision, and subsequent action, to withdraw from the Paris Climate Accord did not sacrifice America's position as the global leader. In fact, after announcing the withdrawal, emissions continued to decrease. In 2019 and 2020, the United States became the global leader in

emissions reductions without the international entanglement.

In 2019, carbon dioxide (CO₂) emissions per capita were 15.7 metric tons, the lowest they have been since 1950.⁴⁹ According to the EPA's Greenhouse Gas Reporting Program, total reported greenhouse gas emissions declined nearly 5 percent from 2018 to 2019.⁵⁰ Through the first 9 months of 2020, the United States has emitted 3,403 million metric tons of CO₂ and is on pace to have the lowest emissions total since 1975.⁵¹ Surely, some of the 2020 decline can be attributed to the reduced demand and consumption due to the global pandemic;

Conservative policies led the United States to be a global leader in emission reduction.

however, this is the continuation of a trend that has persisted over the previous few years.

Conservative policies led the United States to be a global leader in emission reduction. In 2019, according to the International Energy Agency, "The United States saw the largest decline in energy-related CO₂ emissions in 2019 on a country basis."⁵² Again in 2020, the United States had the greatest decrease in carbon emissions, 12 percent, followed by the European Union with a decline of 11 percent.⁵³

47 American Petroleum Institute, [Taxes, Energy And The Economy](#), Accessed 1/10/21

48 Office of the President of the United States, "The Value of U.S. Energy Innovation and Policies Supporting the Shale Revolution," [Council on Economic Advisers](#), 10/19

49 Energy Information Administration, [Monthly Energy Review](#), 12/20

50 Environmental Protection Agency, "Greenhouse Gas Emissions Continue to Decline as the American Economy Flourishes Under the Trump Administration," [Press Release](#), 11/9/20

51 Energy Information Administration, [Monthly Energy Review](#), 12/20

52 "Global CO₂ emissions in 2019," [International Energy Agency](#), 2/11/20

53 Emma Newburger, "COVID pandemic drove a record drop in global carbon emissions in 2020," [CNBC](#), 12/10/20

OVERCOMING UNFORESEEN CHALLENGES

The energy sector had to overcome a number of unpredictable challenges during the previous four years. First and foremost was the impact of the global pandemic and COVID-19, which caused global demand for oil to plummet. The International Energy Agency estimated “that global demand for oil was down by almost 30 million barrels per day because of the shutdowns in response to the COVID-19 pandemic.”⁵⁴ The negative effects on demand are expected to continue well into 2021, according to projections.⁵⁵

As the economic repercussions of the pandemic were starting to be felt, Russia initiated an oil price war with Saudi Arabia. In March 2020, “Russia refused to go along with OPEC’s proposal to rescue the coronavirus-battered oil market by further cutting production at a meeting in Vienna on Friday.”⁵⁶ In April 2020, the bottom fell out of the market and the price of West Texas Intermediate Crude crashed 300 percent to trade at negative \$37 per barrel.⁵⁷

CONCLUSION

Republican leadership and governance have led to a period of American energy dominance at a time when it has been most critical. This landmark achievement was made possible thanks to a conservative energy policy agenda, which valued and protected energy workers and refrained from demonizing an entire industry.

A remarkable and often underappreciated fact of

the past four years of energy dominance is this: America discovered no new oil or gas fields nor did we witness a new technology, methodology, or invention in oil and gas extraction. Our step from net importer to net exporter of energy happened because policies were put in place which enabled the free markets and a free people to do what it does best: produce more for less. It accomplished this while decreasing CO2 emissions. This is a remarkable feat that four years ago seemed little more than rhetoric.

The Obama/Biden Administration was not friendly to the oil and gas industry. In 2017, the new administration reversed many of the damaging policies through executive orders and the regulatory process. This systematic reversal had the desired effect and the conservative energy policies spurred remarkable results – notably a boom in oil and gas employment, a reduction in emissions, and the United States becoming a net energy exporter.

The incoming Biden/Harris Administration will no doubt undo the significant progress made over the last four years. Obama/Biden-era rules and regulations that were eradicated may once again dominate the oil and gas industry. President-elect Biden has already discussed banning fracking, blocking major energy projects, and shifting the federal government’s resources green, renewable technologies. Sadly, two groups of Americans will be hurt the most by this agenda: energy workers and families that will face higher costs and tough choices.

As a majority of Americans continue to suffer financially in this ongoing global pandemic, one of the most important questions to ask about the incoming Biden/Harris Administration is whether or not they will do what’s best for energy workers

54 Bureau of Labor Statistics, “From the barrel to the pump: the impact of the COVID-19 pandemic on prices for petroleum products,” [Monthly Energy Review](#), 10/20

55 Eklavya Gupte, “Oil demand to stay weak amid uncertainty over COVID-19 vaccine availability: IEA,” [S&P Global Platts](#), 12/15/20

56 Matt Egan, “Oil crashes by most since 1991 as Saudi Arabia launches price war,” [CNN](#), 3/9/20

57 Nathaniel Lee, “How negative oil prices revealed the dangers of the futures market,” [CNBC](#), 6/16/20

which will help get us out of this economic quagmire or will they heed to the radical agenda of those on the far-left of their own Democratic Party?

The post-COVID economic recovery will only be as successful as those policies which allow the energy industry to continue to produce more for less. It is the sincere hope that the incoming Biden/Harris Administration will pursue policies which allow the energy industry to continue to power the economy, power the recovery, and power the future.