



Testimony before the House Natural Resources Committee
Subcommittee on Oversight and Investigations

The Biden Administration's Executive Overreach and its Impact on American Energy
Independence
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Mr. Chairman, thank you for the opportunity to testify at this hearing.

My name is Kenny Stein, I am the Policy Director for the Institute for Energy Research, a free-market organization that conducts research and analysis on the function, operation, and regulation of energy markets.

For nearly 50 years, a constant overriding concern of United States energy policy was shortage and scarcity of oil and natural gas. Dependence on foreign oil was seen as a national security crisis. Numerous half-baked policy ideas, regulations and subsidies were spawned to address this perceived crisis, many of which survive to this day continuing to distort markets and increase energy costs. Fuel efficiency mandates, ethanol subsidies and mandates, solar and wind subsidies, export controls, subsidies for domestic production; all of this and more was done in the name of energy independence and security. And all to little effect.

But today, we have just about achieved that long sought after energy security. Since lows in the mid 2000's, the US has more than doubled domestic oil production¹ and almost doubled natural gas production.² In 2019, the US became a net exporter of petroleum.³ The US became a net exporter of natural gas in 2017. The US is also a net exporter of coal and refined products. The US is the largest oil and natural gas producer in the world. This position has completely changed this country's energy posture, making the US the most energy secure it has been since at least the first half of the 20th century.

This success did not come from government. It took years experimenting with and perfecting hydraulic fracturing and directional drilling. It took companies taking the risk of investing in new areas, new formations, and new depths with no guarantee of success. It took government getting out of the way of exporting LNG and crude oil, providing new markets for US

¹ EIA: <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS2&f=M>

² EIA: <https://www.eia.gov/energyexplained/natural-gas/where-our-natural-gas-comes-from.php#>

³ EIA: <https://www.eia.gov/energyexplained/oil-and-petroleum-products/imports-and-exports.php>

production. And it needed a lack of federal government hostility. For all its environmental radicalism, the Obama administration recognized the need for domestic energy production, somewhat reducing production on federal lands through policy interference, but mostly leaving production on private and state land to its own devices. In short, the many decades of government interference and intervention did not solve the energy security problem, the private sector did when it was able to escape from the “help” of the federal government.

But just as we have just about achieved this long-sought energy security, the Biden administration has launched a full spectrum assault on domestic energy production, trying to crush production on federal lands while looking to regulate non-federal production into oblivion, all while subsidizing and promoting energy sources whose inputs and supply chains are controlled by China and Chinese state-owned companies.⁴ It is an agenda to replace independence with dependence, and dependence on one of the countries in the world most hostile to the United States no less.

The administration has grasped for any lever it can in pursuit of its promotion of Chinese energy and suppression of US energy. This includes many of the laws and regulations passed over the decades attempting to address the old crisis of scarcity, which the administration is now seeking to repurpose, often in illegal ways, to support their crusade to eliminate abundance.

To list just a few examples of the Biden administration’s war on domestic energy:

- The administration is actively seeking to halt oil and gas production on federal lands by any means, in direct contravention of Congressional intent.
- The Council of Environmental Quality (CEQ) is writing new guidelines for the National Environmental Policy Act (NEPA) designed to turn the already burdensome NEPA process into a cudgel to crush domestic energy production.
- The administration has participated in numerous sue-and-settle deals with environmental groups so they can use the settlements to prevent oil and gas production without going through Congress or the normal regulatory process.
- In a brazen and illegal move, the administration for the first time in our country’s history has refused to finalize an offshore leasing plan.
- The administration is attempting to use old fuel efficiency mandates to mandate electric vehicles.
- And the administration has, without statutory mandate from Congress, sought to inject vague notions of “environmental justice” into every decision-making process. This concept is not scientific or measurable, it is entirely in the eye of the beholder. It is simply a tool for arbitrarily halting development that the administration does not like.

⁴ Institute for Energy Research, The Economic and Strategic Importance of Domestic Mineral Production, April 2023 <https://www.instituteforenergyresearch.org/wp-content/uploads/2023/04/The-Economic-and-Strategic-Importance-of-Domestic-Mineral-Production.pdf>

These actions and the hundreds of other additional and related actions are cumulative. Every action making it harder to produce energy domestically reduces the desire of companies to invest domestically. Oil and gas production requires ongoing investment just to keep production stable, much less increase it. Reduced investment means reduced production down the line. And that reduced production erodes our hard-won energy security. It ends with the spectacle of President of the US, leader of the world's largest oil producing country, going hat in hand to beg Saudi Arabia for more oil production, or cowardly seeking to relax sanctions against one of the most brutal regimes in the Americas to get more oil supply from Venezuela.

US oil production still has not reached the level seen at the end of 2019 just before the start of the pandemic.⁵ That is not because the oil isn't there or that there isn't demand, it's because companies are concerned about making the investments needed when there is a hostile administration willing to use any means to destroy their industry. These investments then get made in other countries, with the US left having to import to meet our future needs. The Biden administration's regulatory assault on domestic energy is an assault on this nation's security and prosperity. It is a dependence agenda that makes energy more expensive and less available, while at the same time making our energy system dependent on foreign supplies from China. That this is being done by regulatory fiat, using questionable authorities or even in direct conflict with laws passed by Congress, is frankly a crisis of our democratic system.

⁵ EIA: <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WCRFPUS2&f=W>