



# ROADMAP FOR THE 21<sup>ST</sup> CENTURY

NATIONAL TAX-LIMITATION COMMITTEE

THE HEARTLAND INSTITUTE  
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## Energy Deregulation

Prepared by the Working Group on Energy  
December 14, 2016

### Introduction

Recent technological breakthroughs in oil and gas drilling, particularly the feasibility of productive horizontal drilling, combined with modernization of the decades-old technology of hydraulic fracturing (“fracking”), have unlocked immense oil and natural gas deposits previously inaccessible in the shale rock held in vast American mountain ranges. These technological developments have more than doubled America’s recoverable oil and gas supplies.

Consequently, America now has the proven reserves right here at home to be the world’s number one producer of oil, number one producer of natural gas, and number one producer of coal, all at the same time. Stephen Moore and Kathleen Hartnett White write in their new book, *Fueling Freedom: Exposing the Mad War on Energy*, “America has more recoverable energy supplies than any nation – by far. We have more oil and natural gas than Saudi Arabia, Iran, Russia, China, and all of the OPEC nations combined.”<sup>1</sup>

Moore and White estimate the value of America’s proven oil and gas reserves at current prices – beneath federal lands and waters alone – as \$50 trillion, which they rightly call “the greatest storehouse of treasure in history.”<sup>2</sup> That is close to *three times what our entire national economy produces in a year!* And it’s more than twice our national debt. This has all developed over the past 10 years.

<sup>1</sup> Stephen Moore and Kathleen Hartnett White, *Fueling Freedom: Exposing the Mad War on Energy* (Washington, DC: Regnery Publishing, 2016), p. ix.

<sup>2</sup> *Ibid.*, p. x.

Imagine America’s own economy leading the world in production of all three of these crucial energy sources, which fueled the rise of the industrial revolution, producing the modern world. America would enjoy tidal waves of new, high-paying jobs and growth. Plentiful, low cost, reliable energy is the avenue for rebuilding manufacturing, which is inherently energy-intensive. Millions of high-paying, blue-collar, American manufacturing jobs would be the prize. Within just a few more years, America can be energy independent for the first time in half a century.

This technology-driven energy revolution has all been exactly contrary to the policies of President Barack Obama and Democrats in Congress. When Obama spoke to radical environmentalist in 2008 regarding his plans to address “climate change,” he candidly revealed, “Under my plan, electricity costs will necessarily skyrocket.”<sup>3</sup> Obama’s White House science advisor, John Holdren, elaborated: “We need to *de-develop* the United States to bring our economic system into line with the realities of ecology and the global resource situation.”<sup>4</sup>

Democrats used to be the party of blue-collar working people. But no more. They are increasingly rallying around the leftwing slogan “leave it in the ground,” regarding America’s multiplying energy riches. The Obama administration, from the president

<sup>3</sup> Peter Ferrara, “EPA’s Clean Power Plan Would Hurt Poor Blacks, Hispanics the Most,” FoxNews.com, September 14, 2015.

<sup>4</sup> Peter Ferrara, “How Obama’s EPA Is Shutting Down the American Dream for Blacks and Hispanics,” *The Daily Caller*, August 6, 2015.

on down, including his former secretary of state, have embraced with religious fervor precisely this extremist policy.

What other country has refused to develop its own energy resources? What other country is saying, we have oil and gas, but we are not going to produce it? We have coal, but we are going to leave it in the ground?

Virtually all (96 percent) of the shale oil and gas production in the American energy revolution has been produced on private and state lands.<sup>5</sup> Under Obama, oil and gas production on federal lands has fallen substantially.<sup>6</sup> “In 2013, the Obama administration leased the fewest acres for oil and gas production on record,” Moore and White write.<sup>7</sup> Only 5 percent of federally owned lands have been leased for oil and gas development under Obama.<sup>8</sup>

A party representing blue-collar working people would have approved the Keystone XL Pipeline as a no-brainer. Not only would that involve 50,000 construction jobs, but the flow of oil would go to American Gulf Coast refineries, and from there to support new manufacturing plants, ultimately involving millions of American jobs. A party representing blue-collar working people would not be constraining production of reliable, low-cost energy.

*De-develop the United States?* Does that sound like it is in the interests of working people, the middle class, or the poor? Yet Holdren has drawn a paycheck from the taxpayers as Obama’s White House science advisor for years.

The so-called “Clean Power Plan” proposed by Obama’s Environmental Protection Agency (EPA) is well-designed to de-develop the United States. A new study from the National Black Chamber of Commerce estimates this energy overregulation will cause seven million job losses for black Americans and 12 million for Hispanics, with the poverty rate increasing by more than 23 percent for black Americans and 26 percent for Hispanics.<sup>9</sup> Black

Americans and Hispanics would be threatened by a new energy poverty.

EPA’s Clean Power Plan will ultimately more than double the cost of natural gas and electricity, adding more than \$1 trillion to family and business energy bills.<sup>10</sup> That would effectively be a trillion-dollar tax increase, draining funds from the private sector and destroying millions of jobs in companies and businesses that can no longer compete under the higher costs. Such rules will reduce U.S. economic growth every year, causing \$2.3 trillion in losses over the next two decades alone.<sup>11</sup>

No wonder Obama’s economy continues to sputter at subnormal economic growth, only one-third the rate of President Ronald Reagan’s record-setting economic recovery.<sup>12</sup> Obama’s subpar recovery has already cost the American people \$2 trillion to \$3 trillion, and American families and working people \$17,000 to \$25,000 in lost *annual* income, *falling farther and farther behind every year!*<sup>13</sup>

Clearly, Obama and Hillary Clinton had a very different vision than President-elect Donald Trump for the future of America’s working people and families. Trump warned, “President Obama’s stated intent is to eliminate oil and natural gas production in America.”<sup>14</sup> Clinton said if she were elected, she would end any oil and gas production on federal lands and offshore.

In his “America First” Energy Plan speech, Trump framed the issue this way: “It’s a choice between sharing in this great energy wealth, or sharing in the poverty promised by Hillary Clinton. ... Just listen to Hillary Clinton’s own words. She has declared war on the American worker. ... ‘We are going to put a lot of coal miners and coal companies out of work.’ She wants to shut down the coal mines.”<sup>15</sup> And that would mean lots of other blue-collar manufacturing workers out of work as well.

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<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> Peter J. Ferrara, “[Why the United States Has Suffered the Worst Economic Recovery Since the Great Depression](#),” *Policy Brief*, The Heartland Institute, August 2016.

<sup>13</sup> *Ibid.*

<sup>14</sup> “An America First Energy Plan,” Transcript, Donald J. Trump, May 26, 2016.

<sup>15</sup> *Ibid.*

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<sup>5</sup> Moore and White, *supra* note 1, p. 41.

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid.*

<sup>9</sup> Ali Meyer, “Black Chamber of Commerce: EPA Clean Air Plan Will Increase Black Poverty 23%, Strip 7,000,000 Black Jobs,” CNSNews.com, June 24, 2015.

Trump added, “President Obama has aggressively blocked the production of oil and natural gas. He has taken a huge percentage of the Alaskan National Petroleum Reserve off the table. Oil and gas production on federal lands is down 10 percent ... 87 percent of available land on the Outer Continental Shelf has been put off limits. ... These actions denied millions of Americans access to the energy wealth sitting under our feet. This is your treasure, and you – the American People – are entitled to share in the riches.”<sup>16</sup>

During Obama’s presidency, 332 coal mines were closed in West Virginia alone, eliminating 35 percent of coal industry employment in a state that now has the highest unemployment rate in the country.<sup>17</sup> According to the Energy Information Administration, over the next five to seven years, one-third of America’s coal-fired generation capacity would be eliminated. At the same time, China and India are building hundreds of new coal plants, more than replacing what America has been tearing down under Obama.

Trump said before the election: “As bad as President Obama is, Hillary Clinton will be worse. She will escalate the war against American energy. ... She declared that, ‘we’ve got to move away from coal and all other fossil fuels,’ locking away trillions in American wealth. In March [2016], Hillary Clinton said, ‘by the time we get through all of my conditions, I do not think there will be many places in America where fracking will continue to take place.’”<sup>18</sup>

### Trump’s America First Energy Plan

Contrary to that, Trump proclaimed that under his energy plan all regulatory obstacles to any form of energy production, including “renewables,” would be removed. But so would all subsidies. He would ask Trans Canada to renew its application for the Keystone XL Pipeline and cancel the Paris Climate Agreement. His environmental priorities would be *real* environmental problems, like ensuring clean and safe drinking water. “Political activists with extremist agendas would no longer write the rules,”

Trump said. Instead, he would work with conservationists whose agenda truly is protecting nature, clean air and clean water, not de-developing America.<sup>19</sup>

Trump’s energy plan would also include:

- Rescinding all the job-destroying Obama regulations and executive actions, including EPA’s Clean Energy Plan, Climate Action Plan, and Waters of the U.S. rules;

- Saving the coal industry and other industries threatened by the extremist agendas of Hillary Clinton and Obama;

- Lifting all moratoria on energy production in federal areas;

- Besides cancelling the Paris Climate Agreement, Trump would also stop all payments of U.S. tax dollars to global warming programs at the United Nations, which are special-interest propaganda machines, not scientific investigations. Those who effectively admit they cannot defend their aggressive, radical, extremist positions in public debate will no longer be taken seriously, as they should not be in a democracy and a government of, by, and for the people;

- Scrapping any regulation that is outdated, unnecessary, bad for workers, or contrary to the national interest;

- Any future regulation will have to pass one simple test: Is this regulation good for the American worker? If it doesn’t pass this test, the rule will not be approved.

Trump explained in his speech:

My America First energy plan will do for the American people what Hillary Clinton will never do: create real jobs and real wage growth. Compare this future to Hillary Clinton’s Venezuela-style politics of poverty. If you think about it, not one idea Hillary has will create a single job or create a single dollar to put into workers’ pockets. In fact, every idea Hillary has will make jobs disappear. Hillary Clinton’s agenda is job destruction. Mine is job creation.<sup>20</sup>

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<sup>16</sup> *Ibid.*

<sup>17</sup> Paul H. Tice, “Obama’s Appalachian Tragedy,” *The Wall Street Journal*, November 30, 2015.

<sup>18</sup> Trump, *supra* note 14.

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<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

## Objective Science, Not Political Propaganda

Thousands of pages of objective, peer-reviewed science in the *Climate Change Reconsidered*<sup>21</sup> series – published by The Heartland Institute on behalf of the Nongovernmental International Panel on Climate Change – draw on the work of the best climate scientists in the world, demonstrating voters have no reason to impoverish America out of fear of “climate change.” Those volumes document that the cyclical ups and downs of global temperatures and climate are predominantly due to natural causes, with no realistic risk of man-made catastrophic results. This is the comprehensive, first-rate science to counter the scare tactics of the “progressives” on this issue.

Carbon dioxide (CO<sub>2</sub>) emitted by burning fossil fuels is not pollution, but a natural trace gas (0.04 percent of the atmosphere) essential to the survival of all life on the planet. Without sufficient CO<sub>2</sub>, plants would die, and so consequently would all animal life, including humans, for lack of food. So CO<sub>2</sub> cannot in any sense be called “pollution.” Secretary of State John Kerry descends into childlike babbling when he says such things as carbon is “among the worst weapons of mass destruction.”<sup>22</sup>

Increased atmospheric concentrations of CO<sub>2</sub> intensify photosynthesis, which makes plants grow faster. That is why the only documented effect of increased CO<sub>2</sub> since the industrial revolution, which has made mankind so much richer, is increased agricultural output, a veritable greening of the planet. Current atmospheric concentration of CO<sub>2</sub> is estimated at 400 parts per million. That is up from an estimated 280 parts per million in 1850, which some physicists describe as a dangerous CO<sub>2</sub> famine.

Exhaled human breath has a CO<sub>2</sub> concentration of 40,000 parts per million. (A weapon of mass destruction?). The historical record of proxies for CO<sub>2</sub> indicates atmospheric concentrations of CO<sub>2</sub> were 10 to 20 times greater millions of years ago. Instead of calamitous catastrophe, evolution to modern life continued apace.

Moore and White write, “Human activity – breathing as well as burning oil, natural gas, and coal – accounts for 3 to 5 percent of the atmospheric level of carbon dioxide, that is, about 0.002 percent of all

the gases in the atmosphere.” They rightly ask, “We wonder how this trace of carbon dioxide from human activity could override the power of the sun in matters of climate or weather. Observed temperatures do not reflect the assumed climate sensitivity to carbon dioxide that drives the models.”

In other words, the hysterical climate alarmism propagated by the United Nations’ Intergovernmental Panel on Climate Change (IPCC) arises not from science, but from climate models that have not been scientifically validated: the models cannot reproduce the past. Even IPCC admits in its latest report that its models overestimate the sensitivity of the climate to CO<sub>2</sub>. That is not a sound scientific basis for abandoning the fossil fuels that drove the industrial revolution and have so dramatically enriched mankind.

Global temperatures do not rise as atmospheric concentrations of CO<sub>2</sub> rise. U.S. satellites measuring global temperatures 24/7 show no increase for nearly 20 years. During those two decades, mankind produced one-third of all CO<sub>2</sub> emissions produced since the start of the industrial revolution in 1750. The trace amounts of mankind’s CO<sub>2</sub> emissions in the atmosphere are not remotely going to have catastrophic effects.

Soon the recent period of *no global warming* will be longer than the period of *some global warming*, which lasted only 20 years, from the late 1970s to the late 1990s. Preceding that was 30 years of *global cooling*, which the current cycle now seems to be repeating. Recent sunspot trends may be suggesting a return to the Little Ice Age, from about 1350 A.D. to about 1850 A.D., when rivers in Northern Europe froze over every winter.

EPA’s own analysis concludes its fully implemented Clean Power Plan would reduce average global temperatures by only 0.05° F by the year 2100. That cannot possibly pass any reasonable cost-benefit analysis.

Leading scientists at the forefront of skepticism of catastrophic global climate change include:

- [Richard Lindzen, Ph.D.](#), atmospheric physicist, formerly the Alfred P. Sloan Professor of Meteorology at the Massachusetts Institute of Technology, former IPCC author and contributor, with more than 220 scientific, peer-reviewed, published papers and books;

<sup>21</sup> Nongovernmental International Panel on Climate Change, [Climate Change Reconsidered](#).

<sup>22</sup> Moore and White, *supra* note 1, p. 95.

- [William Happer, Ph.D.](#), Cyrus Fogg Brackett Professor of Physics at Princeton University;
- [Roy Spencer, Ph.D.](#), principal research scientist at the University of Alabama in Huntsville, U.S. Science Team leader for NASA's Aqua satellite measuring global temperatures 24/7, and former senior scientist for climate studies at NASA's Marshall Space Flight Center;
- [S. Fred Singer, Ph.D.](#), emeritus professor of environmental science at the University of Virginia and founder and first director of the U.S. National Weather Satellite Service;
- [Patrick Michaels, Ph.D.](#), formerly research professor of environmental sciences at the University of Virginia and past president of the American Association of State Climatologists;
- [Willie Soon, Ph.D.](#), solar physicist, Harvard-Smithsonian Center for Astrophysics; and
- [Judith Curry, Ph.D.](#), professor and former chair of the School of Earth and Atmospheric Sciences at the Georgia Institute of Technology.

We must put behind us bogus "climate change" claims that would mislead us to strangle development of our energy resources. Rather, we must unleash our energy industries to produce massive job creation and rapid national economic growth, returning America to the road of energy independence and world leadership.

### **Fighting for Global Poverty?**

American liberals used to be at the forefront of fighting *against* poverty both at home and abroad, but no more. Now it is just the opposite.

Moore and White write, "No one has a bigger stake in sound energy policy than the billion human beings in poor countries who still live without electricity. [Yet] the policies of the U.S. government and of institutions like the World Bank and the International Monetary Fund condition financing for electrification on the use of inferior and expensive renewable energies."<sup>23</sup>

Economist Björn Lomborg adds, "In a world in which malnourishment continues to claim at least 1.4 million children's lives each year, 1.2 billion

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<sup>23</sup> *Ibid.*, p. 77.

people live in extreme poverty, and 2.6 billion lack clean drinking water and sanitation, this growing emphasis on climate aid is immoral. Green energy sources ... are largely useless for tackling the main power challenges for the world's poor."<sup>24</sup>

Most severely punished was American University professor of statistics Caleb Rossiter, who editorialized, "Western policies seem more interested in carbon dioxide levels than in life expectancy." He was summarily terminated from a 20-year fellowship at the Institute for Policy Studies for excessive observation.<sup>25</sup>

With 1.2 billion people globally still living in the extreme poverty of a few dollars a day and largely without electricity, promoting "renewable energy" policies that would cause electricity prices to "necessarily skyrocket" amounts to a policy of mass starvation and genocide. That is where the world is headed with the climate change policies of Obama and extremist environmentalist scaremongers like the Sierra Club.

Moore and White explain why so-called renewable energy cannot possibly replace fossil fuels, writing, "Coal, natural gas, and nuclear generation have far greater power density than wind, sunlight, or wood (biomass) as a source of [energy] generation. That the power densities of fossil fuels can be *thousands of times greater* than in renewable systems was the key insight of Google's RE<C engineers."<sup>26</sup>

Moore and White explain that the power density of natural gas-fired generation systems is 2,000 times the power density of wind. "Thus, to meet demand with wind requires far more generating hardware (turbines) and land area on which to erect that hardware than fossil fueled power plants," they write, adding, "Even with the larger, improved wind turbines of 3 megawatts installed capacity, you would need to manufacture, transport, and install 400,000 new turbines to meet 20 percent of demand."<sup>27</sup>

This is why markets replaced the ancient energy sources of wind, wood (biomass), and sun with fossil fuels, and why fossil fuels created an explosion of

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<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> *Ibid.*, p. 84

<sup>27</sup> *Ibid.*

economic growth and human prosperity, with GDP having grown 16-fold in the past century alone. Even the politically correct Google engineers concluded that replacing fossil fuels with renewables entirely was not practical, giving up their exploration into the issue. “The scale of the building [out of renewable energy to replace fossil fuels] would be like nothing ever attempted by the human race.”<sup>28</sup>

### **Speaker Ryan’s Task Force on Regulation**

Earlier this year, Speaker of the House Paul Ryan appointed six task forces composed of House Republicans to develop reports for reforms on various key issues. One of these was on regulation.

The report identifies excessive regulation as one of the reasons for the weak economic recovery, recognized as the worst recovery from a recession since the Great Depression.<sup>29</sup> The task force cites the cost of federal regulation as \$1.89 trillion annually, about \$15,000 per family each year.

The report notes, “The costs filter down to consumers, raising the price of goods and services and disproportionately hurting low-income households. Everything from electric bills to the price of a new car is higher than it would otherwise need to be. In some cases, useful products have been regulated out of usefulness or even existence.”<sup>30</sup>

The report calls for reform of every step in the process of federal regulation – whether to regulate, how to regulate, and follow-up review of regulations. The report states, “Agencies should write regulations only when necessary, make them minimally intrusive, stay within the legal mandate, and avoid creating barriers for new and small businesses.”<sup>31</sup>

Specifically, the report calls for reforms such as, “Old laws that delegate broad and vague authority to regulatory agencies need to be revisited. Current regulations should be reviewed for possible reform or repeal. Congressional approval should be required for major new regulations. Congress should also consider a first-ever regulatory budget that would place limits on the amount of regulatory costs federal agencies can impose each year.”<sup>32</sup>

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<sup>28</sup> *Ibid.*

<sup>29</sup> Peter J. Ferrara, *supra* note 12.

<sup>30</sup> “[A Better Way: Our Vision for a Confident America: The Economy](#),” June 14, 2016, p. 5.

<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*

For specific general reform legislation, the report calls for requiring all agencies to complete rigorous cost-benefit analysis for all new regulations, and for passage of the Regulations of the Executive In Need of Scrutiny (REINS) Act, which would require congressional approval before any new regulation imposing more than \$100 million in costs on the private sector can become effective.

The task force report focuses heavily on energy overregulation. The report recognizes, “America is now an energy superpower and firmly controls its own energy destiny. The only thing standing between the nation’s abundant domestic energy and the consumers and businesses that need it is a long list of federal regulations. OPEC may not be as much of a problem anymore, but Washington still is.”<sup>33</sup>

Regarding energy, the report states,

Coal, which once generated more than half of America’s electricity, has been the primary target. Its use is now in decline, due in large part to federal regulations. Every step of the process, from mining coal to using it in power plants has been subject to unprecedented restrictions. Particularly troublesome is the costly Utility MACT rule and the administration’s Clean Power Plan placing severe constraints on new and existing coal-fired electricity generation. Oil and natural gas are also subject to global warming-related measures.

Notwithstanding questions about the extent and seriousness of global warming, even EPA admits that these rules would have a [minuscule] impact, often measured in terms of hundredths or thousandths of a degree change in temperatures decades from now. This raises serious questions about whether these costly rules are worth it.<sup>34</sup>

Concerning specific legislation on energy regulation, the report said, “With regard to global warming, H.R. 3880, the Stopping EPA Overreach Act of 2015 introduced by Rep. Palmer would repeal all climate-change regulations under the Clean Air Act. Bills were also introduced to repeal specific global

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<sup>33</sup> *Ibid.*, p. 29.

<sup>34</sup> *Ibid.*, p. 30.

warming rules, such as EPA’s two rules under the Clean Power Plan targeting new and existing electric generating units.”<sup>35</sup>

The report notes further regulatory failures regarding energy in particular,

With so much land on and offshore, the government owns huge amounts of energy that could be used to increase national and energy security, while promoting investment and creating jobs. Instead of encouraging such energy development, the government has steadily reduced access and increased hurdles to producing energy. For instance, in 1990, the BLM had roughly 64 million acres under lease with nearly 80,000 leases held by companies—that figure fell by 50 percent in 2015 to 32 million acres, with only 44,213 leases. [Outer Continental Shelf] acreage under lease has also seen significant declines—with nearly 36 million acres under lease in 2011 and 6,592 active leases held—falling to 26 million acres under lease in April 2016 and 4,902 leases held.<sup>36</sup>

The report described Obama’s increasing shutdown of American energy production, saying,

In some cases, both onshore and offshore lease sales have been flat out cancelled or prohibited. In November 2015, the [Bureau of Land Management] canceled a lease sale in Utah due to additional room capacity needed to accommodate increased attendance from individuals who wanted to protest and not participate in the lease sale—despite the fact that the BLM has authority provided by Congress to conduct Internet leasing. In addition, in 2015 the department cancelled the Chukchi and Beaufort lease sales in the Arctic—where offshore energy development is sorely needed to supplant falling throughput in the Trans-Alaska Pipeline System (TAPS).<sup>37</sup>

The report further explained Obama’s energy policies, adding,

This May, the Energy Information Agency affirmed that coal would be the second-largest energy source worldwide until 2030, and would remain a significant energy source for our nation for decades to come. Unfortunately, regulations like the Stream Buffer Zone rule, the Clean Power Plan, and [Office of Natural Resources Review] Valuation rule lock this important resource away from future development. Furthermore, in early 2016, the administration enacted a complete prohibition on coal leasing on federal lands, under the guise of reviewing the royalty rates for coal. Legislation like the STREAM Act (H.R. 1644) introduced by Rep. Mooney and the Certainty for States and Tribes Act (H.R. 5259) introduced by Rep. Zinke would reverse these policies which seek to put this important source of affordable energy out of business.<sup>38</sup>

The report further described Obama’s energy shutdown policies on federal lands and waters, saying,

Aside from just leasing, production on federal lands is struggling to keep pace with the national average. While the United States enjoys our renewed position in the world as a global energy leader, the massive growth in energy production has occurred on state and private lands. Since 2009, natural gas production on federal lands has fallen by 33 percent while production on state and private lands has skyrocketed by 55 percent. Over the same period, crude oil production on state and private lands has increased by 92 percent, while stagnant production on federal lands has seen only 12 percent growth – with offshore production still struggling to surpass a high point in 2010.<sup>39</sup>

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<sup>35</sup> *Ibid.*, p. 31.

<sup>36</sup> *Ibid.*, p. 33.

<sup>37</sup> *Ibid.*

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<sup>38</sup> *Ibid.*

<sup>39</sup> *Ibid.*, pp. 33–34.

The report discussed Obama's failures to enable burgeoning American energy supplies to be used to support manufacturing, saying,

For example, the administration's most recent regulations aimed at cutting carbon emissions of existing power plants in the United States will require energy companies to look to natural gas in the coming decades for electricity generation. While today natural gas generates 27 percent of electricity in the United States, EIA projects natural gas to generate 42 percent of total generation by 2040. In addition, EIA projects industrial energy use to rise alongside the growth of our nation's shale gas supply. In order to meet this demand, power companies will need an increased buildout of natural gas pipeline infrastructure to carry domestic natural gas to growing markets. Yet, several interstate pipeline projects seeking to move this natural gas to areas of the East Coast have faced significant delays related to areas where the pipelines need rights-of-way to cross federal lands.<sup>40</sup>

The report further explains how Obama abuses the permit process to shut down energy production of federal lands and waterways, saying,

On average, it currently takes the BLM 227 days to approve or deny a permit to drill, while it takes states on average 33 days. Companies seeking to develop energy resources on federal lands could be waiting months, even years, for permit review with no certainty and little transparency to be able to clearly track the regulatory process. Even states like California have common sense backstops for permit review. The California Division of Oil, Gas and Geothermal Resources must respond within ten working days or the permit is automatically approved. The federal government has no such system. In other cases, the federal government's propensity to regulate by fiat has added months and even years of regulatory review

prior to permit review. When developing offshore lease tracts, several companies have been required to jump through rigorous regulatory hurdles and additional information collections outside of the existing regulatory structure in order for their permit to simply be considered 'deemed submitted.' Only at that point does the federal agency start the clock to track permit approval timeframes.<sup>41</sup>

The task force report finally notes how Obama threatens to abuse his authority to shut down energy production during his final months in office,

In the remaining months of this administration, a substantial number of significant new regulations are pending finalization, and all threaten onshore and offshore energy production, including but not limited to the BLM's hydraulic fracturing rule, BLM's venting and flaring rule, BLM's onshore orders 3, 4, and 5, and BLM's Planning 2.0 and [Bureau of Ocean Energy Management] and [Bureau of Safety and Environmental Enforcement] well control rule, offshore air regulations, financial assurance and risk assessment regulations, as well as the Arctic rule. When considered separately, the economic impact of such regulatory actions are enormous. And when compiled together, they are in many cases lethal to existing and future economic activity on federal lands.<sup>42</sup>

To address these failures, the task force report proposes legislation to expand offshore energy development, empower states to protect their citizens' rights to multiple use of federal lands, require verification of regulatory costs by unbiased third parties, strictly enforce permitting deadlines, sharply restrict executive abuse of the Endangered Species Act to shutdown resource use and development, reduce unnecessary costs and delays of the National Environmental Policy Act, as well as other reforms discussed above.

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<sup>40</sup> *Ibid.*, p. 35.

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<sup>41</sup> *Ibid.*, p. 36.

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## About the Authors

**Peter Ferrara** is senior fellow for entitlement and budget policy at The Heartland Institute and a senior fellow at the Social Security Institute. He served in the White House Office of Policy Development under President Ronald Reagan and as associate deputy attorney general of the United States under President George H.W. Bush. He is a graduate of Harvard College and Harvard Law School.

Ferrara is author of several books, including *The Obamacare Disaster*, from The Heartland Institute, *President Obama's Tax Piracy*, and *America's Ticking Bankruptcy Bomb: How the Looming Debt Crisis Threatens the American Dream – and How We Can Turn the Tide Before It's Too Late*. Ferrara's latest book (Heartland Institute, 2015) is *Power to the People: The New Road to Freedom and Prosperity for the Poor, Seniors, and Those Most in Need of the World's Best Health Care*.

**Lewis K. "Lew" Uhler** is founder and president of the National Tax Limitation Committee, one of the nation's leading grassroots taxpayer advocates. With offices in the Sacramento area and Washington, DC, NTLC works with the White House, members of Congress, legislators in states across the nation, and grassroots organizations to limit state and federal spending through legal restrictions and constitutional change.

Uhler has been at the forefront of the national movements for a tax limitation/balanced budget amendment to the United States Constitution and for term limits. He has written numerous articles and opinion pieces on taxes and spending. In 2010, Uhler co-authored with Erick Erickson the book *Red State Uprising: How to Take Back America*. Uhler also wrote the book *Setting Limits: Constitutional Control of Government*, with a foreword by Milton Friedman, published in 1989. Uhler speaks internationally on fiscal issues and has appeared on numerous national, regional, and local television and radio programs and has been widely quoted in the print media.

## About the National Tax Limitation Committee

The National Tax Limitation Committee (NTLC) was organized in 1975. Its mission is to provide national leadership to achieve the optimal size and functions of government and promote candidates and initiatives that support these goals.

NTLC and its foundation, the National Tax Limitation Foundation (NTLF), have organized numerous conferences and seminars around the nation on critical issues. Uhler speaks regularly at the annual Conservative Political Action Conference (CPAC) in Washington, sponsored by the American Conservative Union (ACU), on whose board he served for many years. NTLC's operating philosophy has always been to partner with other groups and individuals in the accomplishment of mutual goals. NTLC and NTLF are further supported by a distinguished Board of Advisors.

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Heartland is approximately 5,500 men and women funding a nonprofit research and education organization devoted to discovering, developing, and promoting free-market solutions to social and economic problems. We believe ideas matter, and the most important idea in human history is freedom.

Heartland has a full-time staff of 38. Joseph Bast is cofounder, president, and CEO. Dr. Herbert Walberg is chairman of the 10-member Board of Directors. Approximately 250 academics participate in the peer review of its publications and more than 200 elected officials pay annual dues to serve on its Legislative Forum.

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