

# **The “Oil Above All” Romney-Ryan Energy Plan**

## **Analysis by Democratic Staff of the House Natural Resources Committee**

### **Ranking Member Edward J. Markey (D-Mass.)**

After gathering input from the CEOs of ExxonMobil, Kinder Morgan, Continental Resources and other industry giants at his “Oil Baron Summit” on Tuesday, Governor Romney today formally rolled out his energy plan.<sup>1</sup> The Romney-Ryan energy plan would keep in place the more than \$40 billion in wasteful taxpayer subsidies to the oil and gas industry over the next 10 years, *increase* American dependence on foreign oil, kill the American wind industry, and gut fundamental clean air and clean water protections. Romney’s energy plan is based on the agenda advanced by House Republicans, who have cast more than 250 anti-environment votes on the House floor since taking over in 2010, including 148 votes specifically to benefit the oil industry. These include 11 drilling packages approved by the Committee that were folded into 6 floor packages approved by the House of Representatives. In the event that Governor Romney is elected President, much of the Romney-Ryan plan would require enactment of legislation within the jurisdiction of the Committee similar to the bills that have been approved by the House but which have not passed the Senate and which have been the subject of a veto threat by the Obama White House.

#### **1. Romney-Ryan Plan: Turn Federal Energy Resources Over to States**

**What it Really Means:** The Romney-Ryan plan is to overturn decades of law and policy governing how our public lands are managed to give control of federal energy resources to states and oil and mining companies. These are public lands that belong to all Americans and are supposed to be managed to balance a variety of uses that benefit the American people such as hunting, fishing, grazing, conservation and recreational shooting. The Romney-Ryan plan would harm these important uses by requiring energy production at all costs.

The Romney-Ryan plan would also elevate the desires of one state or another over the needs of the entire nation. The Romney plan would allow individual states to decide whether to permit oil companies to drill for oil and natural gas in national forests or whether to allow uranium mining near the Grand Canyon. These are federal lands that belong to all Americans, and should not be open to energy exploitation based on decisions made at the state level.

The Romney-Ryan plan could also make drilling less safe by gutting environmental protections under bedrock environmental laws like the National Environmental Protection Act.

**What the Obama Administration is Doing:** Under President Obama, American oil production has reached its highest level in 18 years. Natural gas production is at its highest level *ever*. We now have more drill rigs operating in the United States than in the rest of the world combined. President Obama’s “All of the Above” energy strategy has successfully reduced our dependence on foreign oil from 57 percent during the last year of the Bush Administration to 45 percent today.

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<sup>1</sup> <http://go.bloomberg.com/political-capital/2012-08-21/romney-refining-texas-t-7-min/>

On federal lands onshore, oil production is higher now under President Obama than it was under the Bush Administration. That is despite the fact that the oil and gas industry has nearly 7,000 permits to drill on public lands onshore that have already been approved by the Interior Department that are not being used. Oil companies could start drilling under these approved permits immediately but are not doing so. It is the oil industry, not the Obama Administration that is holding up the use of these drilling permits.

## **2. Romney Plan: Open Offshore Areas for Unsafe Energy Development**

**What it Really Means:** Governor Romney's energy plan is to give away even more of our public lands to Big Oil. The Romney-Ryan energy plan would threaten our beaches and coastal economies on the East and West Coasts with reckless drilling without requiring that we put new safety standards in law following the BP disaster that spilled more than 4 million barrels of oil into the Gulf of Mexico and left 11 people dead.

**What the Obama Administration is Doing:** The Obama Administration's offshore drilling plan already makes more than 75 percent of our oil and gas resources available to drilling, while ensuring that we do not endanger our beaches and coastal economies on the East and West Coasts. Under President Obama, we now have 50 percent more floating drilling rigs operating in the Gulf of Mexico than we did before the BP spill. While the Administration has put many important reforms in place to improve the safety of offshore drilling, Republicans continue to block safety legislation in Congress that would ensure that oil companies—not American taxpayers—are held fully accountable for spills, that companies that violate the law face stiffer penalties, and that inspectors and offshore regulators have steady and sufficient funding.

And the oil and gas industry has roughly 26 million acres of public land offshore under lease that is sitting idle. These companies are currently doing nothing on these leases – they are not exploring, they are not conducting seismic testing, they are not drilling -- despite the fact that these areas contain nearly 18 billion barrels of oil.

The Obama administration has also moved aggressively to develop a leasing and regulatory framework for offshore wind. After inheriting a Bush Interior Department that had done nothing to permit offshore wind development, the Obama administration issued a siting framework within 6 months and will complete lease sales before the end of 2012. In 21 pages of energy policy prescriptions, the Romney plan makes no mention of offshore wind.

## **3. Romney Plan: "Pursue a North American Energy Partnership"**

**What It Really Means:** The Romney-Ryan energy plan is to turn North America into a resource colony for China, India, Europe, and South America. The United States' leading export is already products refined from fossil fuels. Last year, the U.S. was a net exporter of more than \$100 billion in refined petroleum products to China, Singapore, Morocco, and other nations. Natural gas producers are now lining up to build massive export terminals to send our natural gas abroad as well, which could send domestic natural gas prices skyrocketing by 50 percent or more.<sup>2</sup> And while it is currently illegal, Big Oil has made clear that they want to export

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<sup>2</sup> [http://www.eia.gov/analysis/requests/fe/pdf/fe\\_lng.pdf](http://www.eia.gov/analysis/requests/fe/pdf/fe_lng.pdf)

American crude oil too. If Governor Romney wants to aid American manufacturing as his plan claims, he should support keeping American natural gas here in America to benefit American industry and consumers. He should also oppose any effort by the oil industry to relax the current restrictions on exports of crude oil.

With booming domestic oil production failing to bring down prices at the gas pump, Romney's latest misleading "Drill Baby Drill" distraction is the proposed Keystone XL pipeline. This project would ship Canadian tar sands oil—which requires huge amounts of energy and water to produce—hundreds of miles across critical U.S. ground water supplies, to oil refineries located in a "free trade zone" along the Gulf coast. From there, gasoline, diesel, and other oil-based fuels could be exported out of the country tax free. Governor Romney has pledged to approve the export pipeline on "day one" without requiring that oil transported through the pipeline stay in America. This would turn America into the middleman for transporting the world's dirtiest oil – taking all of the substantial environmental risks without ensuring that American consumers will even see the benefits of this oil. The project would also *increase* gas prices across the Midwest not lower them, as Romney promises.<sup>3</sup>

**What the Obama Administration is Doing:** The Obama administration has approved the 485-mile southern leg of the pipeline from Cushing, Okla., to the Texas Gulf Coast. In July, the project's owner, [TransCanada, received the last of three needed permits](#) from the U.S. Army Corps of Engineers to begin construction of that leg of the project. Alternative pipeline routes in the northern leg, around Nebraska's ecologically sensitive Sand Hills region and the [vast Ogallala Aquifer, are being considered](#).

Regarding natural gas exports, the Department of Energy approved one export terminal earlier this year. But due to the huge potential impacts on American consumers and manufacturers of approving the 14 additional proposed export facilities, DOE will complete a comprehensive study to understand the broader economic impacts of exporting before additional export projects are considered. The administration has given no indication of supporting exports of domestically produced crude oil.

#### **4. Romney Plan: Ensure Accurate Assessment of Energy Resources**

**What It Really Means:** The Romney-Ryan energy plan would require immediate approval of seismic analyses and require new seismic analyses off the beaches of California and on the East Coast from Massachusetts to New Jersey. House Republicans have previously proposed legislation that would require taxpayers to subsidize oil companies' seismic testing, which would amount to a massive new subsidy to an industry that already receives more than \$4 billion in tax breaks every year and where the top 5 oil companies made \$137 billion in profits last year. The Romney-Ryan plan does not state whether he intends to join Congressional Republicans in pushing to actually *expand* taxpayer subsidies to this hugely profitable industry by subsidizing this activity.

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<sup>3</sup> <http://www.bloomberg.com/news/2012-03-01/keystone-oil-pipeline-seen-raising-gas-prices-in-midwest-energy.html>

**What the Obama Administration is Doing:** The Obama Administration is already moving forward with conducting seismic testing in the Atlantic from Delaware to Florida for oil and gas resources but also for renewable energy resources. We should have the scientific information on these resources to make informed decisions not rush forward in a policy of “drill first, ask questions later” as the Romney-Ryan plan would do.

## **5. Romney-Ryan Plan: Energy De-regulation**

**What It Really Means:** The Romney-Ryan energy plan would unnecessarily tie the hands of the Interior Department in reviewing safety and environmental concerns regarding drilling operations on public lands, which would make drilling more dangerous for our oceans, beaches, and public lands. The Romney-Ryan plan proposes to impose artificial “shot clocks” on the proper safety and environmental reviews of new drilling. This proposal is especially dangerous given the fact that the Natural Resources Committee Democratic staff found that between 1998 and 2011, one-fifth of the drilling violations on public lands onshore were related to blowout preventers or other critical well control equipment.

The Romney-Ryan plan also proposes to shut out public involvement by gutting bedrock environmental laws such as the National Environmental Policy Act. The Romney-Ryan plan also proposes to close the doors of the courthouse to the American people and to deny ordinary American citizens the ability to contest decisions by the federal government.

**What the Obama Administration is Doing:** In the first three years of the Obama Administration, the Department of the Interior has approved more permits to drill for oil and natural gas onshore, and industry has begun drilling more wells, than during the first three years of the Bush Administration.

Offshore, in the wake of the BP Deepwater Horizon disaster, the Obama Administration has requested funding for an additional 49 employees for the Interior Department agency charged with overseeing offshore oil and gas development in order to process drilling permit applications more efficiently and conduct inspections of offshore drilling facilities to ensure offshore drilling is safe. Yet, the Ryan budget proposal could lead to a cut of 59 employees from current levels and 108 fewer employees than the Administration has requested for next year to carry out these vital functions, which could slow down new permitting for oil and gas and make drilling less safe.

## **6. Romney-Ryan Plan: “Facilitate Private-Sector-Led Development of New Energy Technologies”**

**What It Really Means:** The Romney-Ryan energy plan is to keep clean energy technologies locked away in ever fewer laboratories, safe from a market place where they could provide competition to coal and nuclear.

Wind energy is growing rapidly across many parts of the country and currently generates 4 percent of U.S. electricity, up from almost nothing five years ago. Governor Romney wants to end the tax credit that incentivizes wind energy production in America, which would slash

40,000 U.S. jobs and stop the wind energy revolution. The Paul Ryan budget goes much farther than simply raising taxes on wind by slashing Department of Energy programs aimed at developing and deploying advanced clean energy technologies. Rather than quintupling energy research and development funding, as Romney advocated in a *New York Times* op-ed in 2008, the Ryan budget would cut these programs by 90 percent over the next three fiscal years and cut funding for the deployment of clean energy on public lands by nearly 37 percent below what President Obama has proposed for next year.<sup>4</sup>

**What the Obama Administration is Doing:** The Recovery Act is a major reason the clean energy sector has survived the Tea Party surge in Congress. That \$90 billion in clean energy investment created 190,000 jobs, got America in the game in high-tech sectors like advanced battery manufacturing, and kept sectors like wind and solar from collapsing.

While the Bush Administration approved only 4 wind projects on public lands and NO solar projects, the Obama Administration is using our public lands to lead in clean energy job creation by setting a goal of approving an additional 11,000 megawatts of renewable energy on public lands by next year.

The Obama administration strongly supported the Waxman-Markey American Clean Energy and Security Act, which passed the House in 2009 but was killed in the Senate. That bill would have provided upwards of \$200 billion in support for clean energy and \$60 billion to develop and deploy clean coal.

## **Conclusion**

The Romney-Ryan energy plan makes no mention of climate change and last October Mr. Romney was quoted as saying “we don’t know what’s causing climate change on this planet.”<sup>5</sup> An energy plan based on denying the science of climate change is doomed to failure.

When it comes to strengthening U.S. energy independence, the Romney energy plan is also doomed to fail because it ignores America’s greatest weapon against OPEC: fuel efficiency and alternative transportation technologies. The fuel economy standards passed by the Democratic Congress in 2007 and built on by President Obama have helped return the American auto industry to global leadership and helped reduce dependence on foreign oil. Pending fuel economy standards would increase fuel efficiency to 54.5 miles per gallon by 2025, a strategy that is overwhelmingly popular with the American people and has the support of major automakers, the United Auto Workers, and every major environmental organization. Despite all this, Mr. Romney believes fuel economy standards are “disadvantageous for domestic manufacturers” and he would revisit these standards that are set to reduce dependence on foreign oil by 4.7 million barrels per day by 2040.<sup>6</sup>

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<sup>4</sup> <http://www.nytimes.com/2008/11/19/opinion/19romney.html>

<sup>5</sup> <http://www.politifact.com/truth-o-meter/statements/2012/may/15/mitt-romney/mitt-romney-and-whether-humans-are-causing-climate/>

<sup>6</sup> <http://www.mittromney.com/news/press/2012/02/mitt-romney-get-government-out-auto-industry>