



Testimony before the House Natural Resources Committee
Subcommittee on Energy and Mineral Resources

Legislative Hearing: Public Lands and Waters Climate Leadership Act of 2022
Tuesday September 20, 2022

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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.

I commend the committee for recognizing that new legislation is needed to change how the Department of Interior manages federal lands. The Biden administration executive actions attempting to halt or reduce leasing and otherwise restricting multiple use on federal lands are contrary to statute. In order for the department to make these sweeping changes, Congress must first change the department's mandate, as this legislation would. Absent such legislation, Interior must immediately cease its illegal efforts to restrict leasing and development on federal lands.

That said, the approach taken by this legislation would harm our national security by making America more dependent on imports; damage our economy and drive up already high energy prices; and completely overturn the long-standing principles of multiple use which have historically guided management of federal lands.

Before getting to specific energy implications, I will highlight the most damaging element of this legislation, the implications of which have likely not been fully thought through. In section 2, the legislation would change the guiding principle of federal land management from multiple use to a standard that "public lands should be managed to rapidly reduce greenhouse gas emissions and co-pollutant emissions." It is difficult to understate the radicalness of such a mandate. Greenhouse gases are byproducts of human activity, all human activity. A mandate to rapidly reduce GHG emissions on federal lands is a mandate to rapidly reduce all human activity on federal lands.

To take just a few examples:

- There are substantial emissions involved in tourists visiting our national parks and other federal lands for recreation. This mandate would thus require reducing public access to national parks and federal lands.
- There are GHG emissions associated with constructing a solar generation facility: cutting down trees, pouring cement, heavy machinery running on diesel, and so on. My fellow witness today from SEIA may be concerned to hear that this legislation's mandate would be used to prevent solar installations on federal lands.
- What about a community located on or surrounded by federal lands which wishes to build a new road, expand an airstrip, or even just construct some new buildings? All those actions involve greenhouse gas emissions. Our witness today who represents one of those communities should be concerned about the implications of this new mandate on her community's ability to build and maintain basic infrastructure.

If any of these examples sound extreme, just take a look at the use and abuse of the National Environmental Policy Act. And NEPA only calls for rather anodyne consideration of environmental impacts. This new radical mandate affirmatively orders Interior to reduce emissions, by any means necessary and no matter the cost. In the hands of extreme environmentalist litigants, this legislation would halt not just oil, gas, and coal leasing, which are the ostensible target. It would halt virtually all activity of any kind on federal lands.

Turning from perhaps unintended consequences to the intended, this legislation is essentially license to halt production of conventional fuels on federal lands. While there is an ideological fixation in the environmental community on halting the use of coal, oil and natural gas, halting leasing on federal lands does nothing to advance that cause. The economic demand for those resources still exists and will be met by production from elsewhere, whether state and private lands or imported from foreign countries.

Reducing or ending energy production on federal lands would, however, undermine American national security. While the world, and especially Europe, has been struggling with an energy crisis for much of the last year, the United States has largely been spared the pain. But that is because of the strength of our domestic energy production. Oil production on federal land accounts for about 25% of US production. The federal share of natural gas production has fallen somewhat, but still exceeds 10%. That production is the reason the United States is not facing shuttered industries and winter gas shortages like in Europe.

Reducing domestic oil and gas production would actually be worse for the environment overall. Domestic demand for those fuels, which EIA forecasts to continue to provide the majority of energy needs in the US even in 2050, will have to be met by imports. But US oil and gas production is cleaner and safer than virtually anywhere else in the world by any measure. This legislation might allow someone to pat themselves on the back for getting the federal greenhouse gas emissions tally down a bit, but if your concern is greenhouse gas emissions, it is global emissions that matter. Substituting imports for domestic production would end up increasing greenhouse gas emissions overall.

The economic consequences of this legislation also cannot be ignored. Revenues from federal energy production are crucial for states and communities across the western United States, supporting government services like schools and hospitals. Jobs like solar panel installer or backcountry hiking guide are no replacement for high-paying, skilled jobs in the energy sector. For the wider American economy, energy prices are already a key driver of inflation, both in ways we see clearly, like the price at the pump, and ways which are more hidden, such as higher grocery prices because of costlier transportation. Restricting supply at a time when global supplies are already tight will only make energy more expensive, adding to already soaring inflation.

This legislation will cost jobs, increase inflation, reduce government revenues, increase imports, weaken national security, and restrict access to and use of federal lands by the public. All this is to be done in the name of reducing greenhouse gas emissions, but even that is a mirage. When federal supply is replaced by imported fuels with higher emissions profiles, overall global emissions will rise. It's all pain and no gain, and should be rejected by Congress.