

Obama's All-Out War

By Michael Coffman, Ph.D.

President Obama's cap-and-trade policy is systematically blocking every effort to develop domestic supplies of oil. It threatens the economic foundation of America and has become the major national security issue of the 21st century.

Based solely on his actions and not on what he says, it would seem President Obama hates fossil fuels—even to the point of recklessly endangering the U.S. economy and all Americans. In spite of what he claimed in his March 11 and 31 news conferences, Obama has blocked every effort to develop domestic coal, oil and natural gas that would assure a stable, cheap supply of energy for America.

This shouldn't be a surprise. Candidate Obama warned us in an interview with the *San Francisco Chronicle* in January 2008. "Sure, if somebody wants to build a coal-fired power plant, they can," he said, as if he were discussing the weather. "It's just that it will bankrupt them because they are gonna be charged a huge sum for all that greenhouse gas that's being emitted." He then casually admitted to the *Chronicle*, "Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket."

When Obama's cap-and-trade legislation did not pass the Senate in 2010, Lisa Jackson, EPA administrator, announced draconian new carbon emission regulations on December 21. Promulgated under the alleged authority of the Clean Air Act, the blizzard of new EPA regulations focused on controlling energy production from oil refineries and coal/natural gas power plants.

As part of a \$64 billion cut to the federal budget, the new Republican Congress attempted in February to derail the EPA's effort by defunding that part of the agency's budget needed to implement the regulations. To no one's surprise, the legislation failed to pass the Senate in early March by 16 votes. A Democrat-sponsored bill having only \$4 billion in spending cuts also failed to pass by an even wider margin. The enormous schism between Republican and Democratic budgets merely defined the beginning of the gridlock that now grips Congress. Neither party seems to be able to come to grips with

the \$14 trillion-plus national debt or the \$3 trillion-plus deficit for fiscal years 2011-2012.

Putting the United States on a fast track to become energy independent is critically important in balancing the budget. The oil we purchase from other nations is rapidly approaching \$500 billion a year. It is simply the greatest transfer of wealth in the history of mankind. In the process, this money funds the war chests of many of our enemies. Developing our own enormous oil, natural gas and coal deposits to become self-sufficient is a no-brainer. Yet, our leaders are doing just the opposite.

Derail Coal, Offshore Drilling and Shale Oil Development

The Obama administration blindsided the coal industry this year on January 16 when the EPA took the unprecedented action of

revoking a "mountaintop" mining permit. The permit was issued years ago to Arch Coal's Spruce No. 1 Mine in Logan County, W.V. This type of mining removes a mountaintop to access the underlying coal strata. Not surprisingly, unions want it banned because it requires fewer men than required in underground soft-rock mining.

Sen. Jay Rockefeller (D-WV) made a most perceptive statement by warning, "This action not only affects this specific permit, but needlessly throws other permits into a sea of uncertainty at a time of great economic distress." Indeed, the action throws a cloud over dozens of similar permits and puts teeth to Obama's campaign statement that he would "bankrupt" the coal industry—at least mountaintop mining.

Former governor and newly elected Sen. Joe Manchin (D-WV) seems to see the dangers of agenda-driven energy policies. "According to the EPA," Manchin wrote, "it doesn't matter if you did everything right, if you followed all of the rules. Why? They just change the rules." The economy of the Appalachians and multiple thousands of



The EPA pulled the operating permit for Arch Coal's Spruce No. 1 Mine years after issuing it, calling into question many other similar permits and giving teeth to Obama's 2008 declaration that he would bankrupt the coal industry.

similar jobs are at stake.

Therein lies the danger of the EPA and the administration's war on fossil fuels. A careful analysis of its strategies clearly shows a pattern of constant chipping away at constitutional limitations of federal power through the systematic changing of regulations without congressional oversight, just as Manchin wrote.

The deliberate destruction of the coal industry is but one example of throwing certain classes of American citizens under the bus. During the height of the BP deepwater oil spill, the Obama administration put a moratorium on all offshore drilling. The following month, the May 2010 moratorium was struck down by U.S. District Judge Martin Feldman. That didn't stop the Obama administration, however. It continued the moratorium on deepwater drilling in spite of the court order.

Although the Obama administration lifted the moratorium on shallow well drilling (less than 500 feet deep), its action was meaningless. Despite an outstanding safety record for shallow drilling, the administration basically stonewalled issuing permits by forcing drillers to go through a maze of newly concocted "safety" regulations. This not only greatly lengthened the permitting process from two weeks to nine months, but also added about \$90,000 in costs—something smaller operators cannot afford. The net result is that the Obama administration put thousands of people out of work at the same time it claims to be saving millions of jobs.

But that's not all. Simple economics forced deepwater drilling companies to move their rigs to other places in the world following the moratorium. By doing so, it makes it very difficult and expensive to get the rigs back to resume any deepwater drilling in the Gulf—even at depths that have an excellent safety record.

One of these deepwater rigs was contracted by the Brazilian company Petrobras to drill a 14,000-foot well (the BP deepwater effort was 11,000 feet). Multibillionaire George Soros is the second-largest investor in Petrobras. Soros, in turn, is a big Obama supporter, contributor and advisor. Two months after Soros bought the second-largest block of shares in Petrobras, Obama made a \$2 billion taxpayer-backed loan guarantee to Petrobras. The point is that Obama has no aversion to deepwater drilling—at least for his globalist supporters.

This travesty was amplified on February

Source: NOAA



The Obama administration imposed an offshore deepwater drilling moratorium in violation of a court order. This caused companies owning deepwater rigs to move them to other parts of the world, and prevents any hope of significant drilling for many years. Given world events, the United States desperately needs that oil.

2 this year when Judge Feldman ruled that the Obama administration acted in contempt by continuing its deepwater-drilling moratorium after the policy was struck down. Judge Feldman said the Obama administration acted with "determined disregard" to his court order. Feldman continued, "Each step the government took following the court's imposition of a preliminary injunction showcases its defiance." The contempt order worked. Since it was issued the Obama administration has issued 10 deepwater permits.

Offshore drilling is not the only domestic oil production targeted for curtailment by the Obama administration. Secretary of Interior Ken Salazar has authorized the review of 200 million acres of Bureau of Land Management (BLM) land for consideration as "Wild Lands." Wild Lands is a category that does not have to have congressional approval, as does wilderness designations. [See story, page 42.] However, like wilderness designations, it prevents all human use. As happened in the Gulf States, Obama's actions will likely harm or even destroy the livelihoods of tens of thousands of ranchers, residents and companies that depend on BLM land to earn a living.

That is not the worst of it, however. During Obama's March 11 news conference on energy, he used selective statistics to grossly misrepresent reality. He claimed, for instance, that the United States only had 2 percent of the world's proven oil reserves. Yet, that number only reflects the amount of oil where the

United States is already drilling or pumping for oil. Two percent only represents a very small percentage of the total amount of oil and natural gas reserves in the United States. The total amount is enormous.

Colorado, Utah and Wyoming have enough oil and gas in oil shale formations to completely supply all U.S. needs for several hundred years with current or developing technology and oil prices. The BLM estimates that "1.2 to 1.8 trillion barrels of oil is available in Wyoming's Green River Formation alone. A moderate estimate of 800 billion barrels of oil that would be recoverable from oil shale in the Green River Formation is *three times greater* than the proven oil reserves of Saudi Arabia." (Italics added) That is over a 100-year supply of oil at present U.S. consumption rates—just from Wyoming.

In spite of the enormous potential of oil shale to help the United States become energy independent, Sen. Ken Salazar (D-CO) stonewalled oil shale development in Congress for years. Now that he is secretary of the Interior, he appears to be attempting to classify oil shale areas as Wild Lands so that these huge oil and natural gas deposits would be locked up forever.

That's not all, however. On Feb. 14, 2011, the administration announced it was placing yet another moratorium on all new permits. This time it is stopping permits authorized by President Bush for developing the shale oil/natural gas reserves. This includes the development of the oil-rich shale in Colorado, Utah and Wyoming, with more than

nearly two million acres of BLM land in the Green River Formation alone. While President Obama told the American people during his March 11 and 31 news conferences that he was doing all he could to get drilling permits processed as quickly as possible, the

destructive green-energy policies.

The Obama administration appears to be so blinded by its green beliefs that it is apparently unable to deal with reality. Wind and solar power simply cannot work. They only produce about one percent of our electricity



An example of oil shale near the surface. Many deposits are much deeper. Surface strata are usually mined by surface mining, but cost-effective recent technology has been developed to reduce environmental damage and access deeper strata.

truth is that he is doing exactly the opposite.

The Obama Endgame

Although President Obama talks constantly about becoming less dependent on foreign energy and saving jobs, he has systematically attempted to stop all new domestic oil production and is destroying tens of thousands of jobs in the process. The so-called increase in domestic oil production he claimed credit for during his news conference on energy was not the result of anything his administration did. The increase was due to the increased number of drilling permits released by President Bush.

Obama seems to be creating smoke and mirrors to hide the fact he is deliberately making energy prices “necessarily skyrocket.” This sentiment is also supported by Obama’s secretary of Energy, Steven Chu, who told *The Wall Street Journal* prior to the 2008 elections, “Somehow we have to figure out how to boost the price of gasoline to the levels in Europe.” By forcing energy prices higher, Obama’s very expensive alternative wind and solar energy would seem to compete economically with the skyrocketing cost of fossil-fuel energy. If so, he is willing to sacrifice America and its people to his incredibly

needs today for a good reason. It is a matter of simple physics. The wind does not always blow and the sun does not always shine. To ensure that wind and solar farms can produce continuous and dependable energy would require unthinkable amounts of land area.

Physicist Howard Hayden of the University of Connecticut says: “Imagine a one-mile swath of wind turbines extending from San Francisco to Los Angeles. That area would be required to produce as much power around the clock as one large coal, natural gas, or nuclear power station that normally occupies about one square kilometer.” Solar power is inefficient with a footprint even worse than wind. Until battery storage technology is developed to allow massive amounts of energy to be stored for long periods, the production of wind and solar power is nothing more than a pipe dream. That battery technology is not even on the horizon.

The infeasibility of wind and solar power has already been proven in Europe. Spain has been trying cap and trade for 11 years. It’s found that each new green job costs \$750,000 while losing 2.2 jobs in the regular economy. Most of those green jobs have

been proven to be temporary. Not only is wind power 75 percent more expensive than coal-generated electricity, but solar power can be 570 to 887 percent more expensive. The entire European green-energy industry is crashing. Yet, the Obama administration has a fairytale belief that because wind and solar energy is the green thing to do, it will magically work. It won’t. It can’t.

The Real Danger

As dangerous as the green ideology is, however, it pales in significance to what could happen if the cascading unrest in the Mideast oil-producing governments expands to Saudi Arabia. The unrest in the Middle East has caused oil prices to skyrocket from \$93 a barrel in January to \$110 by mid-April 2011. Gasoline prices increased from \$3.07 to \$3.70 during the same period, an increase of 21 percent.

Libya is a minor oil producer. Saudi Arabia, on the other hand, is a major producer. What if Saudi Arabia becomes embroiled in revolution like Egypt, Libya and other Middle East nations? If Saudi Arabia goes down, oil prices would shoot up to over \$200 a barrel and gas prices would top \$5 a gallon. For every dollar a barrel that oil increases in price over a year, roughly \$100 billion is sucked from the U.S. economy. Most analysts believe that if gas prices top \$5 a gallon, the already struggling U.S. economy would go down in flames. It would make 1929’s Great Depression look like a walk in the park. Nobody wants that, but the risk is real. And totally unnecessary.

Obama is playing games with America’s security and future. He is playing fast and loose with statistics to apparently deliberately mislead the American people into accepting his policies. These policies have no chance of working within any conceivable economy that will benefit Americans. His green policies represent the greatest threat to America and its national security in modern history.

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