DOMESTIC ENERGY PRODUCERS ALLIANCE

FOR IMMEDIATE RELEASE
March 3, 2021

Contact: Jerry Simmons
Phone: 405-669-6646
Email: info@depausa.org

THE DOMESTIC ENERGY PRODUCERS ALLIANCE CHALLENGES API'S SUPPORT OF CARBON PRICING

The American Petroleum Institute's (API) endorsement of carbon pricing (the first step toward a carbon tax) represents another effort by large multinational conglomerates pandering to bureaucrats, politicians, and Green New Deal activists at the expense of American energy and industrial independence and the American working class.

Pricing and taxing carbon harms working families, undermines US energy and industrial independence, and costs jobs. Like so many other so-called progressive policies, governments and big corporations reap the benefits while US workers and consumers are left to pay the bill in wages and lost jobs.

- Carbon pricing and taxation is designed to raise the cost of gasoline, home heating oil, natural gas, and coal to unaffordable levels, forcing businesses and consumers into less reliable and non-competitive renewable energy such as windmills, solar panels and batteries. Big business simply passes on the costs – leaving consumers to foot the bill. In the European Union (EU) for example the EU charges a minimum duty of $1.61 per gallon on gasoline.
- A similar regime in the US would add nearly $30 to an 18-gallon tank of gas. For a 34-gallon F150 pick-up that would be a $55 dollar increase in the cost of a tank of gas for the working men and women of the US. Working class Americans would see similar percentage price increases in home heating oil and natural gas as well as electricity generated by fossil fuels.
- Carbon pricing and taxation is extremely regressive – hitting the most economically vulnerable the hardest, while leaving the wealthy elite relatively untouched as percentage of household income. According to the Congressional Research Service: "When the carbon tax is passed forward to consumers, lower-income households in particular would likely face a disproportionate impact (i.e., regressive outcome), because a larger percentage of their income is used to pay for energy needs, such as electricity, gasoline, or home heating oil."
- The two-fold effect of a US carbon tax would be to price US manufacturers out of competition with China while destroying US energy and industrial independence.
  - Forcing US consumers into electric vehicles means a near-complete reliance on China for basic private and commercial transportation. According to the Institute for Energy

-MORE-

Research: "In 2019, Chinese chemical companies accounted for 80% of the world's total output of raw materials for advanced batteries. China controls the processing of pretty much all the critical minerals–rare earth, lithium, cobalt, and graphite. Of the 136 lithium-ion battery plants in the pipeline to 2029, 101 are based in China."

- According to the Energy Information Agency (EIA) fossil fuels provide 63% of the electricity for US economy. With nuclear providing 20 percent. All renewables combined account for only 18% of electricity generation in the US.
- This tax on US manufacturing would hit particularly hard in the industrial mid-west. As noted by the Yale Climate Connection: "The burden might be unevenly distributed regionally, too, and workers in states with energy-intensive industries such as Ohio, Illinois, Michigan and West Virginia could be harder hit."
- Carbon pricing and taxation would completely gut the ability to compete against China and render it impossible to re-shore and rebuild the US manufacturing base. US manufacturing will go the way of Europe.

Apparently, API also supports the Paris climate agreement as part of this carbon pricing scheme. We would point out that due to the US shale revolution in oil and gas production, America has reduced carbon emissions more than any other country on the planet. Look at countries like China and India – the world's first and fourth biggest emitters. They are on track to have higher emissions in 2030 than today. Until we are honest with ourselves and point to the real polluters of the world – such as the countries with the 300+ coal power plants under construction – no real progress will be made.

DEPA supports a strong environmental policy that is founded on truth and science, not PR stunts and special interests with an aim to only benefit foreign energy production. We strongly urge Congress and those trade associations who have lost sight of reality to gain a comprehensive understanding of the devastation a carbon tax would have on all Americans.

###

DEPA is a nationwide collaboration of 39 coalition associations – from California to West Virginia, Texas to Montana – representing individuals and companies engaged in domestic onshore oil and natural gas exploration and production. DEPA is a non-partisan association seeking common ground, and in common sense solutions to the challenges facing American oil and natural gas production.