



Senator Murkowski Sets New Tone for National Energy Discussion

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In her recent speech at the Brookings Institute, Senator Lisa Murkowski asked Washington and the nation to enter into a dialogue on energy exports and America's energy future in general. While overdue, the Senator's request is not without its challenges.

For several years now we have witnessed the changing nature of our domestic oil and gas production. According to the Energy Information Agency (EIA), we are on the cusp of becoming the world's largest oil producer, and we produce more natural gas than we use. Our transition from an energy importing nation to one of energy security and potentially an exporting nation has occurred quickly. Even the Secretary of Energy has stated that it is time to reconsider our policy of limiting oil exports. As such, policymakers are grappling anew and questioning what to do with policies that have outlived their effectiveness.

In the words of a former college professor of mine, when executing a long term plan, it is important to go back periodically and review your strategic assumptions. In this case, we are dealing with decades old policies enacted to address problems that emerged in the 1970s. Kick-starting a dialogue using old assumptions and threadbare slogans that only serve to suppress innovative policy solutions would be counter-productive. It is time to reset the energy debate.

First, let's get past the scarcity assumption. There is a lot of oil in the world and there appears to be, based on most projections, an adequate supply going forward. I would offer one caveat: the need for developing countries to adopt efficiencies and innovations being utilized by more advanced Western economies as demand increases in the developing world.

Second, we need to take an honest look at energy security. Oil is not just a military weapon. It is a diplomatic tool. While concerns about disruptions are real, current arguments advocating a tight hold on our oil and gas production for domestic consumption are based on a false assumption that the United States is best able to maintain its security by hoarding its resources. Our economy is tied to global economic health. Similarly, our security is tied to a global web of alliances that will be enhanced and expanded through oil exports. The traditional security approach also discounts how the oil trade alters our relationships with other nations.

Because of our domestic production, the United States has the ability to take the high road as we pursue diplomatic solutions. As a nation, we can go to the Middle East and broker a diplomatic solution absent the perception that the U.S. is only interested in their oil resources. Closer to home, it allows us to reshape our relationships with such members of the Organization of the American States as Argentina and Venezuela, which harbor doubts that any discussions are but mere subterfuge for gaining an oil concession. The unvarnished truth is that we need to avoid the temptation of building an energy equivalent of the Maginot line of forts the French built prior to WWII to stop a German invasion. It did not work for the French a century ago and it will not work for the U.S. today.

Additionally, oil companies and environmental groups need to reset their relationship. Many oil companies now have an extensive renewable energy portfolio. They are invested in sound stewardship of the environment and expend substantial efforts to ensure they fulfill their responsibilities. Companies in this sector employ cutting edge technology and spend roughly \$3 billion annually on research and development.

Finally, it's time to stop using 1970s rhetoric. Energy decisions are increasingly falling to generations of Americans that have never seen or sat in a gas line. References to this decade of energy scarcity are irrelevant; akin to invoking the dust bowl or even Maginot line. We are experiencing energy abundance, and it's time our talking points caught up.

I applaud Senator Murkowski on her call for a dialogue. In turn, the energy community and federal and state policymakers need to respond by hitting the reset button on positions and rhetoric from another generation and instead work collaboratively to develop a fresh direction for our nation's energy policy.