

February 23, 2022

For more information/confirmation, contact
Leslie L. Gervasio, Director of Public Affairs
Lgervasio@pachamber.org or 717.720.5447

It's Time U.S. Energy Policy Stops Empowering Russia

Russian President Vladimir Putin has plunged Europe into crisis with his invasion of Ukraine. His stated goals are to destabilize the country to bring the nation back under Russia's control. In response, it's time we hit Putin where he knows it will hurt – through the energy sector. Unfortunately, there's been a raft of bad policy decisions at the state and federal levels that need to be reversed to make this happen.

The United States and the European Union are discussing economic sanctions against Russia for its violations of international order. But at the same time, due to a lack of pipeline infrastructure and regulatory pressure to reduce domestic production from the Biden administration, the U.S. has dramatically increased the volume of imported Russian oil. Federal energy regulators note that in 2021, imports of [Russian oil doubled year-over-year](#) to the highest level in a decade. Russia is now, unfathomably, the [second-highest exporter of oil to the United States](#). Oil is by far Russia's biggest and most profitable export – and it's time to shut that off. In the meantime, America and its neighbors in Canada and Mexico have abundant supplies of oil to replace this resource. But we need leadership in Washington.

Instead, [due to litigation from environmental groups](#), exploration of new resources on federal lands has stalled. Just days ago, the [Biden administration announced it was pausing any new drilling on federal lands](#). At the same time, federal officials have [revoked the permit for the Keystone XL pipeline](#), which would have brought in much-needed energy from our biggest trading partner, Canada. The Biden administration has also waffled on whether or not to oppose Michigan Governor Gretchen Whitmer's attempts to vacate another critical pipeline, Line 5, which brings in oil that supplies the Great Lakes region, including to the Pittsburgh Airport.

Shutting down Russian imports in exchange for North American energy wouldn't just hurt Russia – it would be a net win for the environment. Russian energy production is notoriously lax on environmental standards, with Biden's Energy Secretary Jennifer Granholm going so far to say their production is "[the dirtiest on earth](#)," with fugitive emission rates orders of magnitude above US standards. Despite this, Russia has been granted permission under the Paris climate accords to increase its greenhouse gas emissions by a whopping 34% by the end of the decade. In contrast, America and Canada have among the most stringent production standards globally – not to mention that the United States has led the developed world in reducing greenhouse gas emissions over the past two decades.

Pennsylvania has helped the United States achieve those reductions through its competitive markets and leadership production in shale gas. Our state is now the number two producer of natural gas and the leader in energy exports to other states. Unfortunately, neighboring states like New York and New Jersey have blocked new pipeline construction, to the applause of environmental groups. The result? Power prices and emissions have skyrocketed, and New England has infamously imported Russian gas into its terminal near Boston to keep the lights on in the winter. New England has also had to turn to fuel oil to prevent blackouts, resulting in a [44% increase in greenhouse gas emissions](#) this past winter.

There are economic consequences to shutting down pipelines. Look no further than Germany announcing this week it is [suspending the operating permit for the Nord Stream 2 pipeline](#) that would have imported Russian gas into Europe, in response to Putin's aggression. As [European foreign policy analyst Bruno Macaes once said](#), pipelines are the continuation of war by other means. Yet Pennsylvania has been hamstrung in its ability to deliver reliable energy to its neighbors and abroad. We have enough natural gas to grow markets here (and reduce emissions) while also exporting more clean-burning fuel to allies in Europe, India and Asia. But the Biden administration has not greenlit any new LNG export or pipeline infrastructure. Domestic LNG cargoes are also forbidden, by the perverse consequences of the protectionist Jones Act, from being delivered to other domestic ports – meaning we can export LNG from Houston and the Gulf for \$4.50 per million cubic feet but New England has to import it from much more emissions-intensive locales - like Russia - [for seven times more](#).

Let there be no doubt – private industry in the United States is deploying billions of dollars into low- and zero-carbon energy technologies every year as they execute sustainability plans. In the meantime, there is a great and growing international demand for fossil fuels. Putin knows responsibly produced North American energy reduce revenues for his war machine. That's why he said in 2013 that [shale is a danger and must be stopped](#), and why [NATO Secretary General Rasmussen announced in 2014](#) the defense consortium had intelligence Putin was funding anti-fossil fuel environmental groups (which Hillary Clinton herself confirmed in the run-up to the 2016 election).

Putin's aggression cannot be left unchecked. To help keep the peace and to build a more sustainable global future, America's prolific energy resources must be leveraged to the maximum. We can no longer afford state and federal energy policy that accommodates and enriches Russia.

Gene Barr is president and CEO of the Pennsylvania Chamber of Business and Industry. The PA Chamber is the state's largest broad-based business association, with its statewide membership comprising businesses of all sizes and across all industry sectors. The PA Chamber is The Statewide Voice of Business™.