ARTICLE SEP 30, 2021

How Oil Lobbyists Use a Rigged System to Hamstring Biden's Climate Agenda

The oil lobby is undermining climate action and stand to benefit from the largest oil and gas lease sale to date.

AUTHORS


Jenny Rowland-Shea


Zainab Mirza

Advancing Racial Equity and Justice, Building an Economy for All, Restoring Social Trust in Democracy, +6 More


A pumpjack pumps oil, April 2021. (Getty/Bill Clark)

During President Joe Biden's first week in office, he announced a pause on all new lease sales on public lands and waters alongside a review of the entire federal oil and gas program. Despite these attempts, a Trump-appointed U.S. District Court Judge Terry A. Doughty in Louisiana blocked the leasing pause,

and the Biden administration announced they would hold lease sales both on and offshore in the coming months. The onshore lease sales are poised to offer up 740,000 acres of public lands, and offshore plans will offer a whopping 80 million acres of public ocean to oil companies to lease. Federal leases lock in oil development for decades, and the offshore lease sale alone has the potential to emit 723 million metric tons of CO_2* into the atmosphere over its lifetime, equivalent to operating more than 70 percent of the United States' coal-fired power plants for a year.

Tell the Senate: Invest in a 100% Clean Future

TAKE ACTION

These lease sales are completely out of step with the greenhouse gas reduction that the Intergovernmental Panel on Climate Change (IPCC) says is needed and with the climate goals the Biden administration committed to. This gap in action is not an accident but rather a strategy employed by the oil lobby and a symptom of their power, such that corporate interests are prioritized over the public interest.

Rather than the government calling the shots in the interest of the public, the oil lobby—led by the American Petroleum Institute (API), Western Energy Alliance (WEA), and the National Ocean Industries Association—is using a rigged system to write the rules in their favor. Instead of acting on climate change as President Biden was elected to do, the oil lobby has created a situation where the agencies are catering to the industry rather than the American people.

How did the oil industry secure this sweetheart deal with the most ambitious climate administration in history? Oil and gas trade groups and CEOs have seemingly followed a playbook of tactics to get the regulations they want—despite the administration's climate agenda and the will of the people.

Tactic 1: Take advantage of the courts

The oil lobby is no stranger to using the courts to attempt to write the rules themselves. Just eight months in, there are already four lawsuits filed against President Biden's leasing pause. The first was filed from the WEA on the very day that President Biden issued the leasing pause. Another came from a cohort of API and 11 other trade groups challenging the pause and asking the judge to mandate a lease sale. The final two came from Wyoming and a band of 13 states led by Louisiana. But the oil industry trade groups and lobbyists may also have fingerprints on the state's decisions. In fact, oil and gas interests gave a combined $4.5 million** to the campaigns of those 14 governors and attorneys general over the years.

Tactic 2: Use deep pockets to influence politicians and keep the system rigged for corporate profit

Oil executives are spending millions of dollars every year to influence decision-makers with the goal of putting their profits and pay above all else. They are standing in the way of real climate action—shortchanging taxpayers—and jeopardizing the health, safety, and security of future generations. The oil and gas industry and their trade associations have spent $55.6 million on lobbying since the beginning of the year alone. In 2020, that number was more than $112 million.

A lot of that money gets spent supporting politicians that champion the cause of the oil industry, even when it's against their constituents' interest. Campaign finance data analyzed by Public Citizen found that the 29 members of Congress that issued statements denouncing the Biden administration's pause on leasing received a combined $13.4 million over their careers from oil and gas interests.

Industry lobbyists are similarly spending big on an effort targeting members of Congress and placing ads as part of a strategy to preserve oil and gas subsidies in the Build Back Better Act. API alone has embarked on a lobbying blitz and seven-figure ad buy to claim the bill would hurt jobs and raise costs, despite numerous studies finding it would create jobs and boost the economy. In reality, the status quo allows these companies to avoid paying their fair share, while taxpayers hold the bag for cleanup and pay the price of climate disasters.

Tactic 3: Mislead the public

The oil lobby is also responsible for providing disinformation on the leasing pause and program reform, claiming that it would drastically affect production and jobs. These arguments are not grounded in reality. While the industry's fearmongering would seem to suggest that they are running out of leased lands on which to produce, companies are sitting on nearly 14 million acres—more than half of all acres currently leased—rather than using them to produce oil or gas. In fact, companies could continue to begin new drilling operations on unused leases at their current rate for at least the next 10 years without access to any new leases. Production on public lands and waters also hasn't slowed. The oil industry is sitting on an all-time high of 10,000 approved but unused drilling permits, and the Biden administration has set a record pace of permit approvals.

Meanwhile, multiple industry CEOs are telling their investors and shareholders that a pause on oil and gas leasing won't affect their bottom line. As oil industry trade groups and lobbyists continue to publicly claim the sky will fall if federal leasing is reformed, they also boasted about first-quarter profit while industry executives racked up bonuses.

Tactic 4: Paint yourself green while quietly working against climate action

As the American people have become more insistent on the government taking climate action, oil companies and their lobbyists have responded by making themselves out to be part of the solution rather than the root of the problem. For example, one of Exxon's lobbyists was caught on tape saying that the company's support for a carbon tax was merely a "talking point" and public relations scheme.

The industry is so bold in this tactic that, in the same press release announcing the lawsuit against the leasing pause, API claims they will continue "working with the Biden administration on policies that support a lower-carbon future."

Industry climate disinformation is so widespread that the House Committee on Oversight and Reform has formally invited API and a half dozen oil industry executives to testify in a hearing investigating that the industry "led a coordinated effort to spread disinformation to mislead the public and prevent crucial action to address climate change" in order to protect their profits.

Conclusion

The oil lobby is not just ignoring American interest or science—they are actively fighting against it. At a time when regular climate disasters make it abundantly clear that carbon pollution must be dramatically reduced, the United States needs to take aggressive climate action, and that includes taking back control of its federal oil and gas program. The Biden administration has many options for putting the federal oil and gas program on track to match their climate goals and will need to correct for this inconsistent and harmful approach to managing the country's public lands and oceans.

Jenny Rowland-Shea is the deputy director for Public Lands at the Center for American Progress. Zainab Mirza is the research assistant for Ocean Policy at the Center.

The authors would like to thank Nicole Gentile, Miriam Goldstein, and Will Beaudouin for their contributions to this column.

**Author's note: The lease sale record of decision estimates that up to 1.118 billion barrels of oil and 4.424 trillion cubic feet of natural gas could be developed as a result of this lease sale. According to the Environmental Protection Agency (EPA), there is .43 metric tons of CO2 in each barrel of oil, creating more than 480 mmts and more than 242 mmts from natural gas.*

***Author's note: Using data from FollowTheMoney.org, CAP calculated the total amount of donations from oil and gas industries to each plaintiff state's respective attorney general or governor.*

The positions of American Progress, and our policy experts, are independent, and the findings and conclusions presented are those of American Progress alone. A full list of supporters is available here. American Progress would like to acknowledge the many generous supporters who make our work possible.

AUTHORS

Jenny Rowland-Shea

Director, Public Lands

Zainab Mirza

Former Research Associate, Ocean Policy