

Drill, Baby, Drill 'Gimmick' Worked

Once upon a time, the cost of a gallon of gasoline in the U.S. was more than \$4. That was the summer of 2008 and the U.S. was in the middle of nominating Republican and Democratic candidates for President of the U.S.

During the Republican convention Arizona Senator John McCain was nominated, and Republican Committee Chairman Michael Steele took the podium and announced he believed the solution to the high cost of gasoline is to increase production of domestic crude oil, which is refined to make gasoline. Steele's chant of "drill, baby, drill" caught on and was used many times by McCain and his Vice Presidential running mate Sarah Palin during the campaign. On Oct. 2, 2008, Palin and Sen. Joe Biden faced off in a debate of candidates for vice president. Biden stated that McCain thinks "the only answer is drill, drill, drill. Drill we must, but it will take 10 years for one drop of oil to come out of any of these wells that are going to be drilled.

Palin responded: "The chant is 'drill, baby, drill.' And that's what we hear all across the country in our rallies because people are so hungry for those domestic sources of energy to be tapped into."

Democratic candidates Barack Obama and Biden did not believe that the U.S. could drill its way from \$4 gasoline. They said the slogan was a gimmick, and it would lead to our further addiction to fossil fuels. Obama became President and he has implemented many policies and directives with the objective to bring down the "tyranny of oil" as he said in a speech shortly after taking the oath of office in January 2009.

Since then many of the agencies in his administration have targeted the oil and gas industry for additional regulation.

The Environmental Protection Agency has been the most notorious with its proposed changes to the Clean Air Act that will increase regulation of "greenhouse gas" emissions, implementation of a Clean Power Plan, ozone regulations, a study of hydraulic fracturing that could result in federal regulation, and changes to regulations governing "waters-of-the-U.S."

The Department of Interior and the Bureau of Land Management (BLM) issued new regulations governing drilling on federal lands that makes oil and gas exploration more difficult and expensive.

The U.S. Fish and Wildlife has used its powers to further restrict oil and gas operation through the Endangered Species Act.

Even the Treasury Department tried to change the tax laws because the current tax treatment of independent oil and gas producers "distorts" the market.

Since 2008, the oil and gas industry developed horizontal drilling technology coupled with hydraulic fracturing to extract record amounts of natural gas and oil from shale formations across the nation. Crude oil production increased from 6 million barrels per day to 9.2 barrels per day in 2016. Some have even bragged that the U.S. is the leading oil producer in the world and it is the main reason gasoline prices have declined.

"America is the number one producer of oil, number one producer of gas. It's helping to save drivers \$1.10 a gallon at the pump over this time last year," Obama said during a speech in 2015 in Detroit.

It is ironic that the President, who proclaimed the "drill, baby, drill" concept to be a gimmick and who has tried to restrict expansion of the oil industry, is now enjoying fruits of a plentiful harvest of oil and natural gas in the U.S.



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