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OPINION

# Rep. Dan Crenshaw: Don't forget the energy industry

by [Rep. Dan Crenshaw](#) | March 31, 2020

American energy independence amounts to much more than a mere talking point. It is an undeniable benefit to our economic prosperity, our national security, and our environment. But unless certain measures are taken, both in the short term and in the long term, we are at serious risk of losing it.

Last November, we finally became a net exporter of oil. The shale revolution is linked to the creation of [4.6 million new jobs](#) and [a tenth](#) of our overall GDP growth in the last decade. We no longer fear the days of the 1970s when global oil shocks caused skyrocketing prices and long lines at the pump. Our newfound independence has enabled us to formulate foreign policy decisions based on U.S. security interests, rather than oil prices. From an environmental standpoint, American energy has been undeniably positive. Due to our [more stringent regulations](#), every barrel produced by an American company results in fewer emissions than the global average.

Our energy story is one to be intensely proud of. But the days of long gas lines, increased emissions, and oil-based foreign policy are threatening to return if we don't take deliberate steps to save our industry from collapse.

As the chaos of the coronavirus has spread and global energy demand has plummeted, the drop in oil and gas prices has been severe. Worse, Russia and Saudi Arabia have exacerbated the situation by opting to increase production after being unable to reach an agreement on supply quotas.

Amid an impending economic crisis, such competitive pricing isn't terrible news for commuters and companies who likely benefit from cheaper gas. But there exists a price point that is simply too low for energy companies to compete, and resultingly, some companies may go under permanently, taking our energy independence along with them.

But this is not inevitable, as there are several steps we may take to lessen, if not eliminate, its likelihood.

First, we should immediately purchase oil into our Strategic Petroleum Reserve — not sell, as per the current mandate from Congress. Buying low and selling high would be both practical for

taxpayers and beneficial to our industry. Thankfully, the Trump administration has recognized the economic insanity of this “sell” mandate and [requested the purchase](#) of 77 million barrels of crude oil, focusing on small- and medium-size operators that are at the highest risk of collapsing. Unfortunately, this commonsense proposal was stripped from the final coronavirus relief package by Senate Minority Leader Chuck Schumer to appease the cries from the environmental left to avoid a “bailout” for the energy industry.

Furthermore, despite the current economic chaos, loans for oil and gas producers are coming due. It would be wise for the Treasury Department and the Federal Deposit Insurance Corporation to grant forbearance or temporary postponement of payment on all loans that are affected by COVID-19. Given a number of these producers are struggling to even cover the interest on their loans, one solution would be to suspend interest payments immediately and temporarily as well, instead requiring Treasury to back them in order to protect companies from bankruptcy.

The loan crisis isn’t just a short-term problem, but a long-term one. Wall Street investors, under pressure by environmentalist activists, have been choking off capital to American energy. Smart federal policy solutions will be needed to maintain the viability of America’s energy industry.

All of the recommendations described above can buoy our industry through the COVID-19 crisis, but Russia and Saudi Arabia’s animosity toward our energy industry will persist. Both are willing to endure fewer profits now in order to crush the long-term prospects of American producers.

Fortunately, we have mechanisms at our disposal that would allow us to respond with real teeth to these destructive market games. One option would be to ban Russian natural gas imports. Russian natural gas emits 47% more greenhouse gases than American natural gas, making its continued importation into the United States nearly indefensible, especially to the more environmentally minded. Further restrictions on oil and gas from both Saudi Arabia and Russia could be considered in the future, which would send a clear message to OPEC that their destructive moves won’t go unanswered.

We *can* prevent our energy independence from being undermined by global markets. These measures are currently doable, and they have the potential to reap enormous economic, environmental, and national security benefits both now and in the future.

It is time for a truly *American* energy policy. Better late than never.