



CROSS: OPEC+ Snubs Biden with Oil Output Cuts

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OPEC+ nations, where Saudi Arabia is the prime mover, recently announced they would cut oil production by 2 million barrels per day starting in November. Saudi officials said the cut is motivated by the concern over the global economy. OPEC countries are seeking to boost their budgets to cope with rising food prices and the strong dollar.

The Saudis are underscoring the folly of President Biden's limits on oil production, and his non-emergency release of oil from the strategic petroleum reserve. Last July, Biden traveled to Saudi Arabia to beg the Crown Prince for help containing surging U.S. gasoline prices. Biden administration officials spent days in a frantic lobbying effort to persuade Saudi Arabia and other OPEC members to change course.

For Biden, OPEC's decision to cut production is a blow. It is a personal rebuff to a president who had vowed during his election campaign to make Saudi Arabia a "pariah", only to seek to patch up relations this year in the hope of securing higher oil supplies.

High gasoline prices were a Biden administration policy choice, not an unavoidable accident. First a pipeline bringing oil from Canada to the U.S. was quickly canceled. Then, new leasing for energy development on federal acreage was stopped. Added to that was a batch of proposed punitive, unnecessary, and burdensome regulations on oil and gas operations. These actions have severely hampered American oil and gas companies' ability to adequately supply the market. These short-sighted energy policies result in higher energy costs that disproportionately harm low-income groups.



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U.S. energy policies that restrict domestic production force our country to seek relief from foreign suppliers of energy. The problem is that when certain foreign governments control your energy, they have the power to use it for their own purposes, not yours. America should not be in the position of asking for foreign energy supplies, especially when we have abundant resources produced to standards that are among the highest in the world, right here at home.

While claiming to fight to bring energy prices down, President Biden has made the wrong move at every turn. Nothing less than a total reversal of his approach is necessary. President Biden should embrace American oil and gas exploration and production. Then we would not have to beg people in the Middle East or Russia to help us and Putin would not have the financial reserves to subsidize an invasion.

It is surprising that President Biden thought Saudi Arabia would increase oil supplies. The Biden administration came into office deriding Saudi Arabia and what it called “the Saudi war in Yemen.” More correctly, that war is the Iranian-fostered Houthi war in Yemen and Saudi Arabia, in which Saudi cities and oil production facilities have been attacked. The Biden administration subsequently pulled American Patriot Missile batteries out of Saudi Arabia, Iraq, and some from Jordan, leaving those countries exposed to increasingly long range and accurate missiles supplied to the Houthis by Tehran. In what universe would Saudi Arabia pump more oil, lower the price, and help the U.S.?

The most pressing risks facing the U.S. economy in the foreseeable future are unlikely to be those arising from climate change or an energy transition. Rather the factors to watch are more apt to be inflation, rising energy costs, and national security threats. The Biden administration is too focused on climate change to anticipate or deter these significant real threats.

President Biden and all federal and state policymakers should prioritize advancing American energy leadership with policies that encourage development of responsibly produced energy here at home. These policies should recognize the volatile world we live in and the long-term impacts of returning to the days of foreign energy dependency.