

Obama 'War on Oil' Policy Increasing Federal Budget Deficit

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A new report from the [National Center for Policy Analysis](#) titled "The Fiscal Impact of the Offshore Drilling Moratorium" confirms that Obama administration "War on Oil" policies are widening the federal budget deficit.

According to the report, "Due to declining production at existing wells and bureaucratic delays on new wells in the Gulf of Mexico since the Deepwater Horizon oil rig blowout in 2010, the federal government is forfeiting revenues of more than \$4.7 million per day." That translates to lost revenues to the federal government in lease rents and royalties of almost \$2 billion a year and growing.

Thus the Obama policy of slow walking drilling permits in the Gulf of Mexico is not only hurting American consumers in higher gasoline and energy prices but also hurting the bottom line of the federal government. Indeed, it is also hurting the budgets of the Gulf coast states, which also pick up a share of oil revenue.

The report also states that oil revenue that could go to the federal government would be greatly increased if the Obama administration were to open up new areas in and around the United States to oil drilling. "-- such as the eastern Gulf of Mexico, portions of the Rocky Mountains, the Arctic National Wildlife Refuge, and the Atlantic and Pacific coasts." Doing that would bring into federal coffers an extra \$150 billion by 2025.

The conclusion of the study is a damning indictment of Obama administration energy policy. If the White House were to begin to encourage rather than discourage domestic oil production, the price of gasoline and other energy would experience a sharp decline, giving the American economy a commiserate jolt of stimulus that is much-needed in this era of economic malaise. Furthermore, increased revenues to the federal, as well as state and local, government, would ease the burden of cutting budget deficits. Taxes would not have to be raised nor programs cut to provide this extra closing of the budget gap.

It therefore seems inexplicable why the Obama administration persists in its "War on Oil" policy for the sake of attempting to jump start renewable energy. Those extra oil revenues, by the way, could partly be used to finance research and development into alternate forms of energy production: solar, wind, and even fusion. But the Obama administration seems bent on doing the exact opposite of what needs to be done concerning energy policy.