

Oil, gas industry says it will support carbon pricing

The Biden administration met this week with oil executives, environmentalists, labor leaders and Native Americans to begin talks on climate policy

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The American Petroleum Institute, the leading oil and gas lobbying group, on Thursday backed the idea of the government putting a price on carbon emissions, provided the Biden administration avoids other measures the group terms “regulatory duplication.”

“Confronting the challenge of [climate change](#) and building a lower-carbon future will require a combination of government policies, industry initiatives and continuous innovation,” API President Mike Sommers said in a statement.

API did not say how big a carbon tax should be. Many of its members have long used \$40 a ton as an internal price to judge the viability of their projects, but economists specializing in climate change have warned that a price two or three times as large would be needed to change behavior enough to effectively curb greenhouse gasses.

As it has in the past, API agreed that oil and gas companies should curtail methane emissions from operations.

“We support a price on carbon,” Frank Macchiarola, API’s senior vice president for policy and regulatory affairs, said during an Interior Department meeting Thursday. “This has been long debated within industry and within government, and we think it’s the most impactful way to address the risks of climate change.”

Environmental groups were unimpressed with API’s shift.

Kassie Siegel, director of the Center for Biological Diversity’s Climate Law Institute, labeled it “self-serving greenwashing.”

“Nobody should fall for the oil industry’s new PR ploy, which will do nothing to fight the climate emergency,” Siegel said. “API is trying desperately to distract the Biden administration from the crucial work of keeping polluting fossil fuels in the ground.”

The change in policy capped a week in which Biden administration officials began discussions with a variety of players in search of agreement on [government climate policy](#).

The Thursday forum organized by the Interior Department featured leaders from Native American communities, the oil and gas industry, environmental groups and organized labor. They discussed how to move forward with oil and gas leasing on federal lands while addressing the need to reduce emissions and fight climate change. About 25 percent of the greenhouse-gas emissions produced by the United States come from oil and gas drilling on land owned by the federal government.

The Biden administration [has paused new oil leases on those public lands](#) while it reviews how to alter practices.

“Fossil fuels will continue to play a major role in America for years to come,” Interior Secretary Deb Haaland said at the opening of the forum. “But too often the extraction of resources has been rushed to meet the false urgency of political timetables rather than with careful consideration for the impacts on current or future generations.”

Several participants described in vivid terms the environmental harm from oil spills and emissions leaks in their communities and the growing threats from climate change.

“For far too long the people of the eastern Navajo agency have been living an environmentally racist horror show,” Mario Atencio, a board member of Dine C.A.R.E., a nonprofit organization on Navajo Nation land, said as he described recent fracking mishaps and a dismissive attitude from federal government employees in the past.

Environmentalists called on the Interior Department to stop all new oil and gas leases completely. Nathalie Eddy of Earthworks showed black-and-white images showing the otherwise invisible methane and other emissions seeping from oil and gas sites in New Mexico and elsewhere.

“Given the projected pollution for the Permian Basin, it is quite literally a global climate bomb that will lead us to catastrophe if we fail to adjust our trajectory away from fossil fuels,” Eddy said.

Oil industry representatives argued that curtailing production on federal land would devastate local economies; shift production elsewhere, including to countries with more-lax environmental regulations; and eliminate jobs. The industry executives also acknowledged the importance of reducing carbon emissions.

“Our unions do not represent climate deniers,” said Sean McGarvey, the president of North America’s Building Trades Unions. About half of its membership is employed in the energy sector. “However, our jobs are under threat from anti-development advocates and we find ourselves fighting for permits” for energy-related construction projects, he said.

“We’re now a fact-based government, and that’s great news,” McGarvey said. “And the first fact we have to recognize is that the last bastions of middle-class-family-sustaining employment in this country are in gas and oil, petrochemical and power generation.”

“The renewable industry, as it stands today, is not a middle-class-family-sustaining industry,” he said.

On Monday, 10 of the fossil fuel industry’s biggest players — including ExxonMobil, BP, ConocoPhillips, Devon Energy and Total — held an online meeting with White House national climate adviser [Gina McCarthy](#), with the sides promising to cooperate in the battle to slow climate change. And the executives praised the Biden administration’s decision to rejoin the 2015 Paris climate accord.

While most of those executives supported a carbon tax, some did not. One participant said it was “the first official moment” where the executives “had this opportunity to really give their pledge” for carbon pricing. API’s Sommers also attended the meeting, as did the head of the American Gas Association.

McCarthy urged the executives to express their views and said the industry had an important role to play in creating new jobs. API has said that restricting drilling would eliminate jobs in states such as New Mexico, Texas and Pennsylvania.

Laura Daniel-Davis, the Interior Department’s principal deputy assistant secretary for land and mineral management, acknowledged the difficulty of the work ahead but said she hoped discussions were a starting point. “We’re all trying to get to the same place, but it’s really complicated,” she said at Thursday’s forum.

She added that decisions regarding the future of the fossil fuel industry and the climate are “going to make all the difference for our kids and our grandkids.”