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Written Testimony before the
Congressional Western Caucus
regarding H. Res. 109
On the topic of: Opposition to the Green New Deal

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I would like to thank Chairman Gosar for this invitation and for his leadership of the Western Congressional Caucus on this important issue. My name is Thomas Pyle and I serve as president of the American Energy Alliance, a nonprofit organization that advocates for free markets and affordable, abundant energy for American consumers and businesses.

For nearly a decade now, the United States, long blessed with vast natural resources, has benefited from the greatest energy expansion in the history of the world. Our energy producers have delivered the low cost, affordable and reliable energy that has fueled economic growth and opportunity for all Americans, no matter their race, sex, creed, or color. We have drilled our way to prosperity here at home and, as this energy revolution continues, the U.S. will lift millions of people out of energy poverty around the globe.

The reason the Green New Deal is so dangerous is because it threatens the lifeblood of our economy and our way of life. The Green New Deal, put simply, is politically impossible, technologically infeasible, and economically illogical.

Politically Impossible

As a political matter, the contents of the Green New Deal are not achievable to any substantial degree. The resolution conjures hopes and assumes the absence of opposition from the people affected and their elected representatives.

Perhaps the most glaring blindness to political realities is the many areas where the proposal refers to consultation with the communities that are affected by all the new projects and

infrastructure required to realize this dream. We already have a consultation process for federal projects called the National Environmental Policy Act (NEPA). NEPA reviews, studies and litigation regularly delay projects for years, even decades. The language of the Green New Deal seems to imply that these current consultation procedures are insufficient. Realistically, then, the Green New Deal contains the seeds of its own failure: this extensive required consultation, and implicitly the ability to reject a project, means that the required infrastructure simply cannot be built.

Another area where the Green New Deal is blind to practical reality is the requirement that "eminent domain is not abused." However, the Green New Deal also envisions a massive build out of high-speed rail across the country. High-speed rail, in order to reach said high speeds, must travel in a virtually straight line. In a wealthy, developed society like the United States, carving these straight lines means taking the homes and land in the path. There is just no way to even contemplate high-speed rail without sweeping use of eminent domain.

More broadly, the Green New Deal ignores the political realities of how to pay for its vast spending ideas. The American Action Forum recently released[1] their calculation of an estimated cost for the proposal which came in at between $51-$93 trillion dollars over 10 years, and that only includes proposals for which credible cost estimates could be made. For comparison, the entire federal government currently spends less than $4.5 trillion per year. Meaning, in the absolute best case, the Green New Deal would be the equivalent of more than doubling federal spending every year for the next 10 years. Ultimately, someone does have to pay for all that spending whether through higher taxes, more borrowing, or inflation (seemingly the preferred route of the Green New Deal sponsors). While voters will obviously tolerate some degree of all these, the lesson of political history is that they will not tolerate them at great magnitudes or for extended periods. Even during World War II, there were protests and resistance against the rationing, wage caps, and other sacrifices required to divert so much of the country's output to war mobilization. And the Green New Deal envisions such command and control for more than twice as long as WWII, and in support of a cause far less popular.

Another important consideration is the political implausibility of ordering the American people to shoulder tens of trillions of dollars in spending costs in order to end up with more expensive and less reliable energy supplies, while simultaneously ignoring the fact that other countries (principally China and India) are driving the increase in worldwide carbon dioxide (CO2) emissions. Green New Deal proponents may be willing to sacrifice their standard of living without other countries following suit, but most members of Congress making that demand of their constituents will face sharp rebuke.

The political impossibility of the Green New Deal is easily illustrated by the not to distant past. In the first two years of the Obama administration, the Democratic Party controlled the White

[1] https://www.americanactionforum.org/research/the-green-new-deal-scope-scale-and-implications/

House, both houses of Congress, and maintained a filibuster-proof majority in the Senate for much of that time. Even with that accumulated power, they found it impossible to pass even a cap and trade bill that was estimated to cost American households approximately $3,000 per year. A bill like that is barely even a footnote in the current Green New Deal proposal and yet proponents say it will be politically achievable. In that, they are badly mistaken.

That recent vignette exposes this sprawling, frankly impossible, Green New Deal proposal for what it is: an effort to make old ideas like cap and trade or a carbon tax look more reasonable. After all, it is hard to take advocates' professed urgency on climate change seriously when the sponsors try to claim that universal healthcare and job guarantees, creaky 80-year-old ideas, are necessary to address climate change. Instead, to most voters and their elected representatives it sounds like just another manufactured crisis used to push big government ideas.

Technologically Infeasible

The Green New Deal takes a flight of fancy in the technical realm as well. The resolution asserts a series of end points for the electricity, transportation, and industrial sectors without any seeming awareness of the absence of known technology to achieve them.

For example, the Green New Deal requires that 100% of power demand in the US is met through "clean, renewable AND zero-emission energy sources." The since retracted FAQs released and distributed by Representative Ocasio-Cortez's office made clear that this definition does not encompass nuclear. Subsequent claims by Sen. Markey and others disingenuously argue that this definition is vague and broad enough to potentially include nuclear power. The plain text of the resolution requires all three of those criteria to be met, and the prevailing understanding of the term "renewable" does not include nuclear. Nuclear is the only technology that even potentially allows for powering a modern electric grid without CO2 emissions. A recent brief from the Institute for Energy Research[2] makes clear that the entire concept of 100% renewable electricity generation is a myth.

There is also the scale of land space that would be required to even attempt 100% renewables. A recent paper[3] calculated that to meet just current electricity demand (not including all the new demand that the Green New Deal would create with high speed rail or electrifying other sector like home heating and transportation) with wind generation would require the equivalent of 12% of the continental United States to be covered with wind farms. As a purely technical matter, wind and solar generation alone are too diffuse, requiring too much land, to power a modern economy.
In the transportation sector, too, the Green New Deal runs up against technical realities. Replacing all personal vehicles in the United States with electric cars might be theoretically

[2] https://www.instituteforenergyresearch.org/renewable/the-100-percent-renewable-energy-myth/
[3] https://iopscience.iop.org/article/10.1088/1748-9326/aae102/pdf

possible assuming a willingness to confiscate personal property, but it is certainly not possible in the 10-year time frame of the Green New Deal. Additionally, there is no technology currently in existence to replace long distance travel by aircraft. The supposed replacement offered in the Green New Deal, high-speed rail, can never hope to match air speeds, even if the land for construction could be seized and the massive electrical demand of high-speed rail could be met. And that is before even noting the problem of crossing oceans. The only way the Green New Deal could eliminate air travel would be through a ban, though how such a ban would be enforced is not clear with the United States Air Force no longer able to use conventional fuels.

A glaring omission from the Green New Deal is also the question of freight rail, which moves huge amounts of goods around the country, especially bulk commodities like food or minerals. Perhaps it is theoretically possible to electrify the entire freight rail system in the United States, but the massive cost to build out such a system, not to mention the huge increase in maintenance costs, would mean much higher costs for everyday goods. And then there is the significant new demand placed on the electricity grid, including in far-flung rural areas, that such electrification would create.

The Green New Deal also conveniently leaves out waterborne traffic. Most of the bulk commodities not carried by rail are moved by ship or barge, and a huge slew of goods Americans take for granted arrive by ocean going ships. There is no replacement for the diesel engines powering these vessels, short of perhaps onboard nuclear reactors, which as discussed above are also anathema to the green left. As to the third leg of American commerce, road-based trucks, there are some technologies being developed to electrify long haul trucks, but they are still unproven. Certainly the technology will not be capable of replacing conventional fuels within the 10-year time frame proposed by the Green New Deal.

Then we must address the industrial side of the Green New Deal, where the proposal also seeks to massively reduce CO2 emissions. To start, there is not sufficient mining capacity in the world to provide all the iron, cobalt, lithium, and other minerals required for the kind of build out of wind and solar, battery storage and retrofitting of existing buildings proposed in the Green New Deal. Mining also generates large CO2 emissions, not to mention other environmental challenges that the Green New Deal proponents likely oppose, with no serious technological means to mitigate. The Green New Deal would require a huge increase in this CO2-generating activity to meet the government-created mineral demand. Then there are the vast quantities of steel, cement and other inputs required to build wind, solar, and battery installations. Steel and cement production are two of the leading industrial CO2 emitting sectors. Here again, though there are means to increase efficiency in some manufacturing processes, there is no known technological means to substantially eliminate CO2 emissions.

Finally, the Green New Deal requires “affordable access to electricity” after ridding the economy of all cheap and reliable energy sources, but that is just not possible with the technology we have today, especially if nuclear generation is ruled out. Given the backups and redundancies required for renewable electricity generation, there is no technologically feasible way to avoid

higher electricity costs. Indeed, higher electricity costs are a feature, not a bug, of proposals seeking to address climate change because high prices can reduce energy consumption.

In all the particular goals listed in the Green New Deal, there are huge technical barriers. In short, we just don't have the technical capacity to do what the Green New Deal purports to mandate, not in 10 years and perhaps not even on significantly longer time scales. To implement the Green New Deal one has to assume massive technological breakthroughs in numerous areas to even make the fanciful claims in the Green New Deal possible, but simply put: technological breakthroughs cannot be legislated, even with unlimited money.

Economically Illogical

The Green New Deal is ironically named, because the original New Deal was also a package of terrible economic policies that most experts conclude prolonged the Great Depression. Consider: the New Deal went hand-in-hand with the worst economic disaster in U.S. history, and it was implemented several years after the 1929 stock market crash. Franklin Delano Roosevelt was inaugurated in 1933, a year in which unemployment was just under 25%. Yet in 1940, seven full years later, the annual average unemployment rate was still a shocking 14.6%. What would the data have to look like for us to conclude that the New Deal delayed America's recovery during the 1930s?

Moreover, even if one believes that the massive government spending and cartelization schemes of the original New Deal made sense on Keynesian economic grounds during the 1930s—with unemployment in double-digits and the federal debt between 30 and 40% of the economy—that logic hardly applies today, when the official unemployment rate is 4% and the federal debt held by the public is around 80% of Gross Domestic Product. It doesn't make sense to throw tens of trillions of dollars around to "create jobs" when the economy is currently in an "expansion" that the NBER says began back in July 2009.

The Green New Deal proposes to retrofit every building in America. Yet if it's really true that this would "pay for itself" through energy savings (as the proponents often imply), then it doesn't take a federal program to achieve it. Just fax the information to all the landlords in America and they will pick up the free money apparently staring them in the face.

Finally, the carefree attitude of its proponents to the massive new spending that the Green New Deal would unleash is one of the most alarming aspects of the whole affair. Rep. Ocasio-Cortez and others have cited Modern Monetary Theory or "MMT" to explain how they'll pay for it. The short answer is: Uncle Sam will issue more debt, which the Federal Reserve will absorb by running the printing press (electronically).

So yes, it's true that legally there is nothing stopping the federal government plus central bank from "paying for" a Green New Deal via inflation, but this simply makes Americans pay for it through higher prices, rather than higher taxes. The government doesn't magically create more

wind turbines and solar panels out of $100 bills; the resources needed to build them still have to be siphoned away from other potential uses. But at least with explicit taxes, Americans would realize that a Green New Deal was the source of their relative poverty. If it's "paid for" with inflation, it will be harder to Americans to understand why their paychecks don't seem to go as far.

The final economic indignity is that while the actual proposals are so far-fetched that they won't be achieved, even attempts to, for example, phase out natural gas, coal, and oil in less than 12 years will drastically increase gasoline and electricity prices. This obviously hits the poor and those on fixed incomes the hardest, as energy constitutes a larger percentage of their household budgets than for other groups. This effect was recently highlighted in a recent study by Capital Alpha[4] analyzing effects of a carbon tax.

Table 3.2-1: Spending on Energy by Income Quintile

Quintile	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Highest 20%
Percentage of Total U.S. Household After Tax Income	4%	9%	15%	23%	49%
Percentage of Total U.S. Household Energy Consumption	12%	17%	19%	22%	30%
Percentage of Total U.S. Annual Aggregate Expenditures	9%	13%	17%	23%	39%
Percentage of Household Income Spent on Energy	7%	4%	3%	2%	1%

Table 3.2-1 shows data from BLS Consumer Expenditure Survey 2016 on household energy expenses by quintile. The lowest quintile consumers spend 7% of household income on energy, while the highest quintile spends only 1%. Figures are direct energy expenses only.

Thus there is no economic logic to the Green New Deal. The economic 'why' for it does not exist, the economic 'how' amounts to hand waving, and the economic outcome is harmful. The internal economic contradictions of the Green New Deal further expose the whole idea as a green activist manifesto rather than a serious economic program.

Conclusion

In sum, as a political, technical or economic matter, the Green New Deal does not add up. Substantially attempting the Green New Deal's proposals would bankrupt our economy and thereby hurt the very people the proposal claims to want to help. The U.S. has already achieved emissions reductions unmatched by any developed country in the world. Our energy supply is bringing low cost energy to millions of people, increasing well-being and economic opportunity.

While this energy revolution has taken place, the green left has done everything in their power to stop it. They have failed. The Green New Deal resolution is nothing more than an

[4]https://www.instituteforenergyresearch.org/wp-content/uploads/2018/11/The-Carbon-Tax-Analysis-of-Six-Potential-Scenarios_Final.Updated.pdf

organizational device to advance the political agenda of the socialists left wrapped in a green bow. There is nothing aspirational about making false promises to the very people it claims to be trying to help. In fact, it is immoral.