



MANHATTAN INSTITUTE FOR POLICY RESEARCH

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Could the United States Become the World's Energy-Export Powerhouse?

*A new report highlights the jobs, revenues, and geopolitical benefits.
Do we have the political will to capture them?*

Washington, DC: Technology is unleashing North America's abundant energy resources. But rather than taking advantage of this new energy reality, policymakers have focused instead on investing in "alternative" forms of energy without much return. Mark Mills argues in his new report that developing the full potential of our vast hydrocarbon resources could generate trillions of dollars in revenues, as well as millions of new jobs. More, it could reset the geopolitical landscape with the United States as the world's leading energy exporter.

In the first of two reports (the second to be released in the fall), *Unleashing the North American Energy Colossus: Hydrocarbons Can Fuel Growth and Prosperity*, author Mills, MI adjunct fellow and coauthor of *The Bottomless Well*, shows that we can now move beyond the old goal of energy "independence" and embrace an energy export policy. Mills claims that hydrocarbon energy exports can spur economic recovery, a manufacturing revival, and even balanced budgets—if the United States adopts the right policies, and accelerates trends that have already started.

The paper was released on Monday, July 9, 2012 at a Washington D.C. conference hosted by the Manhattan Institute's Power and Growth Initiative—a strategic effort to unshackle our vast domestic energy resources and realize our potential to become the world's energy export leader.

It's time to change America's energy thinking.

- **America is an energy-rich, not energy-poor, nation.** A complete reversal in thinking is needed to orient North America away from the myths of energy scarcity and import dependence, to the reality of hydrocarbon abundance. We have the potential to become an energy exporting nation.

Technology has changed our resource reality.

- **The deployment of new hydrocarbon technologies is resulting in natural gas and oil booms in states across the U.S.** By 2015, oil and gas developed from Ohio's part of the Utica Shale formation will and increase state economic output by \$22 billion, generating 200,000 new jobs and \$12 billion in overall wages. That story is playing out from North Dakota to Texas to Pennsylvania. It has national potential.
- **Technology has also driven a near doubling of the coal sector's productivity in the past two decades.** The biggest single—and fastest growing—use for energy globally is electricity generation. Coal supplies the largest share of world electricity. With the world's largest coal resources, the United States has unrealized potential as an exporter.

How can the United States become the global energy export leader?

- **Unleashing the full extent of our hydrocarbon production will require significant investment, which will come almost entirely from the private sector.** And it couldn't come at a better time, considering our current state of persistent unemployment and underemployment and the budget deficits plaguing most states and the federal government.
- **The United States has yet to adopt a coherent policy in response to the deep changes in global energy demand and supply.** Essentially all growth in new demand comes from outside of the United States. Meanwhile, the fastest growing source of new supply can come from here. Congress needs to create policies that unburden private companies to invest in developing and exporting our vast hydrocarbon resources. Only then can the United States move past the limited goal of "energy independence" and unleash the domestic economic benefits of becoming a global energy leader.

Mark P. Mills is an adjunct fellow of the Manhattan Institute and coauthor of *The Bottomless Well*. He is the "Energy Intelligence" columnist for *Forbes*, CEO of the Digital Power Group, and earlier served as a chief tech strategist for a boutique tech venture fund and as a tech advisor to Banc of America Securities. Mills has testified before the U.S. Congress, served in the White House Science Office under President Ronald Reagan, and advised a number of the Federal Research Laboratories and the U.S. Department of Energy. He is a member of the advisory council of the McCormick School of Engineering and Applied Science at Northwestern University and serves on the board of directors of the Marshall Institute.

The report is available at

http://www.manhattan-institute.org/html/pgi_01.htm

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