



## Natural State a Natural Target for Unnatural LCFS

Arkansas is one of a few states that mastered the art of natural gas production long before getting into the oil business. And thanks to the Fayetteville Shale, the state is poised to build on that legacy—creating a ton of high-quality jobs along the way.

But Arkansas also supports more than 14,000 oil wells—production operations began back in the 1920s and are now responsible for thousands of good-paying jobs. Blame Mother Nature, but 80 percent of the oil produced from those wells is classified as “heavy.” Unfortunately, if Congress has its way, most of it will be targeted for elimination because of that classification.

Now, Arkansas crude doesn’t weigh more than anyone else’s. It doesn’t contain more carbon. It doesn’t even emit more carbon dioxide when distilled into gasoline and combusted in our vehicles.

No matter. Under a policy being advanced in Washington known as the low-carbon fuel standard (LCFS), heavy crudes like those found in Arkansas would be rendered off-limits to American fuel producers. The economic implications of this policy for our state and her people will not be easy to miss.

On its face, an LCFS sounds like a good idea. Who could be against a policy that promises to deliver a high-energy, low-price fuel, while emitting less CO<sub>2</sub> from your tailpipe?

In reality, an LCFS isn’t interested in making fuel better, cleaner or affordable. It’s only interested in making it more expensive and less available. Achieve that—the logic goes—and newer, lower-carbon fuel options will be forced to come online, since Americans won’t be able to afford fuels currently on the market.

But Arkansas crude wouldn’t be the only one discriminated against under a one-size-fits-all LCFS. Our friends in Colorado, California and much of the mid-Atlantic produce heavier forms of crude. And so do our neighbors in Canada, suppliers of 2.5 million barrels a day of secure, affordable petroleum to thirsty American markets.

Under an LCFS, those who produce America’s fuel would be faced with a difficult, but straightforward, choice: Either cancel contracts with suppliers in Canada, Mexico and much of the United States and start bringing in “lighter” oil from elsewhere, or buy government-issued “credits” for the right to remain in business. Guess who gets stuck with the tab under that scenario? You, me and the economy.

LCFS advocates aren’t tripping over themselves to let you know who produces all of that light crude and who would stand to benefit under a policy that targets its heavier counterparts. The answer? The Middle East, Africa, and just about every unstable regime in between.

Not to worry, proponents say. Adopting a nationwide LCFS will actually *strengthen* America’s strategic position in the world because it will encourage the development of low-carbon, domestically available fuel sources. All we need to do is eliminate the domestically available, affordable fuels of today to achieve it. And then wait a couple of decades until the next generation of fuels is ready for primetime.

Naturally, it hasn’t escaped our competitors’ notice in India and China that the U.S. Congress may be about to deliver them a gift. After all, China imported more oil last month than any country, in any month, has ever even approached. They’ll be happy to take the crude that American politicians deem too “heavy” for their tastes. And they’ll be happy to convert that oil into jobs, opportunity and more carbon emissions than would’ve been the case if it had come to the United States.

Most Americans have never heard of LCFS. With the attention being paid to the economic consequences of cap-and-trade, advocates hope that the marquee isn’t big enough to include a statement on the perils of an LCFS. But now you know. An LCFS means higher prices at the pump, fewer good-paying jobs for Arkansans and expanded dependence on unstable foreign regimes for the energy we need to run this country.

To learn more about the economic and strategic risks associated with an LCFS, visit [www.secureourfuels.org](http://www.secureourfuels.org).

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