



Forum for American Leadership

Creating an Arsenal of Energy:

How to Bolster U.S. Energy Security and Aid our Allies Confronting Authoritarian Aggression

April 1, 2022

Russia's invasion of Ukraine has roiled global energy markets, spawning oil and gas price spikes that threaten economic growth and geopolitical stability. Moscow's war of choice may instigate the most severe energy crisis since the 1970s.

If crises have silver linings, they force a hard re-examination of core national security and energy policies. The Biden administration and EU member states, mugged this winter by tight markets, soaring consumer prices, and President Putin's aggression, are beginning to rediscover the benefits of energy security, especially ample oil and gas production capacity and infrastructure.

To assist the White House and Congress in their newfound interest in bolstering domestic and international energy security, we suggest the following long-overdue policy changes for Congress and the Executive Branch that would increase the supply and transmission of all forms of energy. These recommendations would enable the United States to leverage its vast energy resources and technological prowess to protect our economy and become an Arsenal of Energy for allies threatened with authoritarian aggression.

Energy Recommendations:

- Until the enactment of a serious and sound national and international climate policy, suspend executive branch regulatory initiatives, including by independent federal agencies, pertaining to greenhouse gas emissions emanating from the exploration, production, transmission, refining, and trade in all forms of energy.
- Abolish the requirement for a national interest permit for any cross-border energy infrastructure projects unless the President finds that it would gravely imperil the national security of the United States.
- Remove executive branch restrictions/bans on U.S. government support, technical assistance (such as at the Departments of Energy, Commerce, Treasury, and State), and financing (U.S. International Development Finance Corporation and Export-Import Bank) for fossil fuel projects and related infrastructure to enable the U.S. Government's ability to support energy security and development of partners and allies.

- Modernize and improve the leasing and management of the federal estate to ensure that taxpayers realize the full and complete benefit of the resource base of the United States.
- Amend the [National Environmental Policy Act](#) to enforce timelines and provide expedited permitting for critical national security energy projects.

Oil Recommendations:

- Repeal non-emergency drawdowns from the [Strategic Petroleum Reserve](#) (SPR) and direct the Department of Energy to expand the SPR from its current 568 million barrels to one billion barrels and fill it.
- Direct the Department of State to ensure the International Energy Agency (IEA) will:
 - Correct the [misunderstanding](#) the IAE has created in the media that the IEA “calls for” a ban on new upstream oil and gas investment and clarify the agency does not oppose new investment.
 - Resume including a Current Policies Scenario in its forecasts to enable political leaders to evaluate the costs and benefits of energy security and climate policies.
 - Make all data and models available to the public at no charge.
- Approve all necessary permits for the Keystone XL pipeline.
- Reverse all Biden Administration policies restricting oil and gas development in Alaska, a critical region where Russia already excels, and establish a powerful U.S. Arctic presence founded on energy projects.
- Congress should reject the President’s budget proposal to increase taxes on the oil and gas producers by \$40 billion, which would reduce investment in supply and drive-up costs for consumers.

Natural Gas and LNG Recommendations:

- Deem every LNG liquefaction project currently before the Department of Energy to be approved.
- Congress should amend the [Natural Gas Act of 1938](#) to eliminate the public interest determination for LNG exports to [non-Free Trade Agreement countries](#).
- Consider loan guarantees, co-funded with European countries, to expedite the construction of LNG liquefaction and regasification facilities.
- Direct the IEA to bolster the transparency of natural gas markets, especially in Europe.

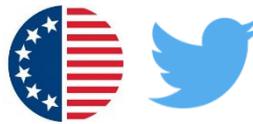
- Require international lending institutions receiving federal government funding to prioritize natural gas infrastructure, including trade-related terminals, ships, and barges, decentralized production (e.g., Floating LNG), processing facilities, and pipelines.
- Facilitate government and the unlock of private sector financing to enable the U.S. Government's ability to support the energy security and development of partners and allies
 - Remove/overtake executive branch restrictions/bans on U.S. government technical & financing assistance for fossil fuel projects (including at the Departments of Energy, Commerce, Treasury, and State).
 - Create/reinstate programs financing tools and mechanisms to support fossil and infrastructure projects abroad (e.g., LNG regasification) via loan guarantees, risk insurance, and other financing supports (at the Department of State, U.S. International Development Finance Corporation, and Export-Import Bank).

Critical Minerals Recommendations:

- Congress should legislate a streamlined permitting process for mineral extraction and processing in the United States to bolster our competitiveness against established producers in China.
- Congress should provide funds for [bolstering critical mineral security](#) through the Defense Production Act of 1950, a federal statute passed during the Korean War that gives the president broad authority to influence the domestic industry in the interest of national defense.
- Congressional leadership should make critical minerals legislation a higher priority. [A bill introduced](#) in January 2022 by Sen. Mark Kelly and Sen. Tom Cotton would establish a strategic rare earths reserve and restrict the use of rare earth elements from China in advanced defense technology in the United States.
 - Congress should enact legislation that would force defense contractors to stop buying rare earth-enabled products from China by 2026 and use the Pentagon's Defense Logistics Agency, to create a permanent stockpile of rare earth minerals. The U.S. has only one producing rare earths mine at Mountain Pass, California, run by MP Materials, and cannot currently process rare earth minerals downstream of the mine.
- Congress should consider establishing tax credits, modeled after wind and solar credits, for the domestic production, processing, and recycling of critical minerals.
- Prioritize domestic development and direct any foreign assistance for clean energy mining towards friendly and stable sources of supply, particularly U.S. allies such as Australia and Canada and partners in Latin America.

- Congress should mandate an update to the [2019 Critical Minerals Strategy](#), issued by the Department of Commerce, and require subsequent updates every two years.
- Establish a “one-stop-shop” consolidating and expediting the processes across the Department of the Interior, Department of Energy, and USDA for permitting, grants, loans, and other incentives to produce, process, and recycle critical minerals.
- Create an Export-Import Bank program that supports exportation of U.S.-origin rare earth mining equipment and services and debt and risk insurance for U.S. rare earth investments abroad.

The Forum for American Leadership (FAL) is a non-profit organization that presents expert analysis and national security recommendations to policymakers in Congress and the Executive Branch.



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