

Complaining about a problem
without proposing a solution
is called whining.
-Teddy Roosevelt



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First, they came for Alaska

By [Bette Grande](#)

The future of domestic energy production and resource development is happening now in Alaska. Two recent stories out of Alaska sound a warning to energy and mining states: you are next.

Last August, the U.S. Interior Department finalized its plan to open a small portion of the Arctic National Wildlife Refuge (ANWR) to oil and gas development — a move welcomed by Alaska governor Mike Dunleavy at the time, who said, "Alaskans, Americans, this is a great day."

It was a day full of opportunity, but five months later, reality hit. Leases for just 11 of the 22 tracts were sold on [January 6, 2021](#), the majority to a state-owned development corporation. And not a single major oil company submitted a bid. Not one.

Why would private oil companies take a pass on tapping into ANWR's vast oil and gas reserves? In a word, capital, or lack thereof. Drilling in ANWR, despite the potential payoff, does not fit nicely into the Environmental and Social Governance (ESG) policies that oil companies are now required to implement. Today, access to private capital, bank loans, and insurance requires a strong ESG strategy. And without capital or insurance, development of resources is not possible.

The Pebble mine project in southwest Alaska has also been in the news lately. In November, the U.S. Army Corps of Engineers rejected a permit for the mine located on state-owned land. The state and the developer may appeal the decision, but then candidate [Joe Biden said](#) he would work to stop the Pebble project, making any appeal a waste of time.

The Pebble mine project has many vocal opponents, but the lesson here is that the federal government will continue to exert influence over resource development despite questions over its authority to do so. [Gov. Dunleavy said](#), "The flawed decision by the Alaska District creates a dangerous precedent that will undoubtedly harm Alaska's future, and any potential project can fall victim to the same questionable standards," a view he shared and expanded recently in a panel discussion with the Texas Public Policy Foundation.

After labeling Alaska "the canary in the coal mine," Dunleavy called for energy-developing states to align in defense of their natural resources. It was a powerful call from someone in the fight. Governors and state legislators in states with strong energy and agriculture sectors should pursue an alliance to protect their state resources, their economies, and their residents.

The financial sector, environmental groups, and now the Biden administration form a threefold cord not quickly broken. Our domestic energy industry, farmers, ranchers, and consumers will foot the bill. The impacts from ESG will likely increase based on comments from President Biden's nominee for secretary of the Treasury, Janet Yellen, [who said she](#) "would create a hub within Treasury that would focus on financial system-related risk posed by climate change, and tax policy incentives to affect change." That's wind in the sails for the ESG movement.

State policymakers should take an "all of the above" approach in defending their sovereignty and their role in developing the natural resources, expanding economic opportunities, and protecting fundamental freedoms within their borders. I wrote about the threat that ESG poses to our domestic fossil fuel industry, and soon, farmers and ranchers. And that was before Treasury put its full weight behind the ESG movement. Policymakers and industry experts will need to be creative to ensure that needed capital is available, and they must stand together.

There will be no help from Washington. While some members of Congress discovered federalism earlier this month, lobbyists on K Street are working to bring things back to "regular order" in the swamp.

State policymakers understand that it is not in the best interest of their states to work with banks, investment firms, and insurance companies that are actively and deliberately undermining their economies and the financial opportunities, freedoms, and energy security of their citizens. Policies aimed at severing state-level relationships with ESG-focused companies in everything from state contracts to the investment of public pension plans are a start. States can consider restricting these companies from operating within their borders or take steps to ensure fair access to capital for every industry operating in the state.

Alaska is a playground for environmental activists and a poster child for the future in energy-producing states and everyone who values access to affordable and reliable energy. States, it is on you.

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