20 Experts Who Say Drilling Won't Lower Gas Prices

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In a pretty impressive act of journalism, **the Associated Press**recently conducted a "statistical analysis of 36 years of monthly, inflation-adjusted gasoline prices and U.S. domestic oil production." The result: "No statistical correlation between how much oil comes out of U.S. wells and the price at the pump." It's neat to see math cut through the talking points and get straight to **the** **truth** of the matter -- which is that expanding drilling is a fundamentally ineffectual response to gas price spikes.

Given that changes in U.S. oil production don't move gasoline prices, it should be clear that U.S. government policies related to drilling are of even smaller consequence. Indeed, **92 percent** of economists surveyed by the Chicago Booth School of Business agreed this week that "changes in U.S. gasoline prices over the past 10 years have predominantly been due to market factors rather than U.S. federal economic or energy policies."

Still not convinced? How about another 20 economists and analysts from across the political spectrum who will tell you the same thing:

- **Ken Green**, American Enterprise Institute, "If the U.S. produced more of its own oil, it would probably reduce imports, but it's not likely that it would reduce prices ... We probably cannot produce so much oil to exert downward pressure on prices compared to the world market."
- **Peter Van Doren and Jerry Taylor**, Cato Institute: "Sure, more domestic oil creates the possibility of fewer refined imports tied to the price of Brent crude, but given that the price of Brent sets the price for crude generally, the result would be more profit for domestic crude producers rather than significantly lower gasoline prices for Americans (not that there's anything wrong with that)."
- **Doug Holtz-Eakin**, American Action Forum: "Domestic action to increase production will not lower gas prices set on a global market."
- **Christopher Knittel**, MIT economist: "There are not many markets where the United States can't impose its will on market outcomes ... This is one we can't, and it's hard for the average American to understand that and it's easy for politicians to feed off that."
- **Pinelopi Goldberg**, Yale economist: "US domestic policy has only tiny effect on the world price of oil. US foreign policy is probably more relevant than energy policy."
- **Steve Koonin**, Institute for Defense Analyses: "When you hear the international oil companies advocating for energy independence, it's really about making money, which isn't a

bad thing ... If they produce a million more barrels a day, they're not going to change the global price much. And since they know the global price is going up, they'll just make more money. There's nothing wrong with that, but it doesn't solve the price problem or the greenhouse gas problem."

- **Michael Levi**, Council on Foreign Relations: "The amount of oil you produce at home doesn't affect the price ... You can lower your vulnerability to price by lowering your consumption of oil, but not by increasing your production."
- **Severin Borenstein**, UC Berkeley economist: "Producing more oil domestically will enrich the U.S. economy, particularly U.S. oil companies and their workers. With oil so valuable, it may be a good idea, though the value must be weighed against environmental consequences. But it will have no discernible impact on gas prices, because it will change the world's supply/demand balance for oil by less than 2 or 3 percent over a decade or more."
- **David Peterson**, Duke statistician: "U.S. production and demand have little to do with the price of gasoline in the U.S."
- **Edward Melnick**, NYU statistician: When U.S. production goes up, the price of gas "is certainly not going down ... The data does not suggest that whatsoever."
- **David Sandalow**, former Brookings fellow: "Drilling offshore to lower oil prices is like walking an extra 20 feet per day to lose weight. ... It's just not going to make much of a difference."
- **Tom Kloza,** Oil Price Information Service: "This drill drill drill thing is tired ... It's a simplistic way of looking for a solution that doesn't exist."
- **Richard Newell**, former Administrator of Energy Information Administration: "We do not project additional volumes of oil that could flow from greater access to oil resources on Federal lands to have a large impact on prices given the globally integrated nature of the world oil market."
- **Dean Baker**, Center for Economic and Policy Research: "There is almost no disagreement among economists that drilling everywhere all the time offshore will have almost no impact on the price of gas in the United States. The reason is that we have a world market for oil. The additional oil that might come from offshore drilling is a drop in the bucket in a world oil market of almost 90 million barrels a day."
- **Lou Crandall**, Wrightson ICAP LLC: "Higher oil prices today are a global phenomenon, and the additional supply from increased drilling by the U.S. would not alter the global balance of supply and demand greatly. Gasoline prices at the pump would be higher either way. The only difference is that a somewhat larger share of the revenue would accrue to domestic interests (governmental and private) rather than to foreign suppliers."
- **Paul Bledsoe**, Bipartisan Policy Center: "The notion that somehow we can produce so much domestically that we will move the global price is incorrect."
- **Tom O'Donnell**, The New School: "The amount of extra oil that the U.S. would produce, as far as affecting the world price of oil, is almost insignificant."'

- **Deborah Gordon**, Carnegie Endowment for International Peace: "We can drill doggedly in our own backyards, but the price of gasoline will remain more a matter of speculation over externally-driven factors than tapping new sources of oil at home."
- **Joseph Dukert**, energy analyst: "Americans tend to exaggerate the price effects of fluctuations in domestic production in relation to the total amount of oil in global trade. On the larger stage, the perception of geopolitical risks is more important."
- **Phyllis Martin**, Energy Information Administration: "In 2009, the U.S. produced about 7 percent of what was produced in the entire world, so increasing the oil production in the U.S. is not going to make much of a difference in world markets and world prices ... It just gets lost. It's not that much."

Even Fox's John Stossel **acknowledged** recently that U.S. energy policy "doesn't make that much of a difference" on gas prices, contrary to what **others** **at** **Fox News** are claiming.

There's simply no excuse for political reporters to tolerate, let alone advance claims that more U.S. oil production will meaningfully address our gas price woes. (Here's a taste, from the past week alone, of the type of he-said/she-said reporting that is just not cutting it: **CNN**, ***New York Times***, ***Washington Post***, ***Wall Street Journal***, ***USA Today***.) This is crucially important because once we understand that the U.S. is incapable of holding down the price of gasoline, we can start looking seriously at **the options we *do* have** to make ourselves less vulnerable to these inevitable price spikes.