



Written by [Bob Adelman](#) on September 24, 2013

## United States to Become the World's Primary Energy Producer in Four Years

In a review of the latest report on world energy supplies from the international energy consulting firm [IHS, Inc.](#), writers at Yahoo.com were quick to point out several of the impacts likely to be felt as the United States becomes the number one producer of energy in the world by 2017. Fracking is the prime driver of the United States' resurgence, and it is bending, changing, questioning, and even replacing many assumptions about the future.



For instance, with the decrease in the cost of natural gas, coal producers are finding more profitable markets overseas, especially Europe and Asia. Ports originally designed to accept imports of liquefied natural gas (LNG) are being retrofitted to handle exports instead. Households are enjoying, and will continue to enjoy, decreased costs of food and energy, while employment in the energy sector continues to accelerate. New regulations attacking new coal-fired plants may become largely irrelevant, along with concerns about greenhouse emissions.

According to the IHS study, the average American household saved \$1,200 just in energy and food costs, with those savings expected to exceed \$3,500 a year by 2025. America's trade position will improve greatly as well, owing to lower reliance on imported energy and increased exports of oil and gas. Nearly half a million jobs are currently being supported by the energy industry today, and that number is expected to double in the next 10 years. These jobs indirectly supports two million jobs currently, with a similar doubling anticipated by 2025.

As Olivier Appert, head of the French institute for oil and new energies, stated: "The fact that the United States is set to become the top oil producer ... ahead of Saudi Arabia, changes everything."

Indeed it does. In 2008, the United States spent \$335 billion importing oil for domestic consumption. In 2020, that bill is expected to be cut in half, to \$160 billion. China, on the other hand, is expected to spend \$500 billion on oil imports by 2020 as its efforts to develop its own shale oil reserves (estimated to be even larger than those in the United States) have faltered.

It has negated the assumption held for years by Saudi Arabia and Russia that the fracking phenomenon in the United States was just a speculative bubble and is now, according to Appert, "becoming a major problem for them."

The EPA regulations requiring new coal-fired plants to limit their emissions drastically will mean, [according to Brian McNicoll at the online The Daily Caller](#), "No new coal plants will be built in the United States." As fracking drives down the price of natural gas, new plants will more and more be powered by gas instead of coal, making such regulations irrelevant. Emissions are being reduced to levels called for in the [Kyoto Protocol](#) even though the United States isn't a signatory to it.

There are other shifts taking place as well, thanks to fracking. Energy-driven American companies will continue to become more and more competitive in world markets, driving employment in the United



Written by [Bob Adelman](#) on September 24, 2013

States higher and away from foreign competitors. State and federal governments will enjoy increasing revenues as fracking continues its work at increasing supplies of gas and oil.

Over-the-road trucks and railroad engines [are being converted to LNG as well](#), including Warren Buffet's BNSF; Waste Management; and LA Metro, the public transportation system that serves Los Angeles. Investment capital in staggering amounts are expected to continue to pour into the energy sector, approaching a third of a trillion dollars just in the next decade. Daniel Yergin, IHS vice chairman, [said](#):

The unconventional oil and gas revolution is not only an energy story. It is also a very big economic story that flows throughout the U.S. economy....

In addition to significant job and economic impacts from energy production and its extensive supply chains, the growth of long-term, low-cost energy supplies is benefiting households and helping to revitalize U.S. manufacturing, creating a competitive advantage for U.S. industry and for the United States itself.

Just one of those industries being transformed is the petrochemical industry. Prior to the fracking explosion, that industry's outlook was poor. But all that is changing, according to one of the authors of the IHS study, Mark Wegenka:

Prior to the recent expansion of unconventional gas, the outlook for the industry was bleak — it was suffering from significant plant shut-downs and capacity reductions.

However, as a result of these [increases in] unconventional oil and gas supplies, we've witnessed a complete turnaround. The industry is not only competitive again, but it is attracting significant domestic and foreign investment and adding capacity that is resulting in more high-quality U.S. jobs that pay well.

Perhaps the biggest impact that fracking is having is on U.S. foreign policy. Aside from decreasing dependence on unfriendly countries such as Saudi Arabia and Russia, the felt need to intervene in countries located in the oil-rich Middle East is being reduced. As Rob Cox, writer for Reuters, [so eloquently put it](#):

None of this means the United States can afford to turn its back on the world's de facto oil belt, a region that currently includes a Syrian civil war and the makings of one in Egypt.

But it may make it easier to distinguish economic from humanitarian interventions and support for morally questionable strongmen or unpredictable rebels — fracking may bring one big benefit that its critics have yet to consider.

Simply put, if U.S. economic interests in the Middle East aren't paramount any more, why put up with messy "interventions" and doing business with "morally questionable strongmen"? In a report prepared for NATO's Parliamentary Assembly, Jeppe Kofod [admitted](#):

[America's energy resurgence] could have implications for NATO over the longer term. The alliance is premised on the notion of shared security interests ... a significant divergence in energy security perspectives could begin to erode this foundation.

The direct and indirect impacts of fracking continue to be discovered, as the former assumptions about the future are now being questioned and economic equations are being adjusted to the new reality. Wouldn't it be remarkable if the development of fracking technology not only would work to restore America's pre-eminent position in the world, but would also call into question Washington's



Written by [Bob Adelman](#) on September 24, 2013

---

determination to build a world empire based partly on the need to protect its “security interests,” especially if those interests are no longer so important? Would it be too much of a stretch to look back a generation from now and see that fracking allowed America to be restored to the vision of President George Washington, who [said in his farewell speech](#):

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

*A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [www.LightFromTheRight.com](http://www.LightFromTheRight.com), primarily on economics and politics. He can be reached at [badelmann@thenewamerican.com](mailto:badelmann@thenewamerican.com).*



## Subscribe to the New American

Get exclusive digital access to the most informative,  
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



**Subscribe**

### What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.