

TO: Railroad Commission of Texas  
RE: Submission for 04/14/2020 Meeting  
FROM: Bryan Riley  
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REPRESENTING: National Taxpayers Union  
DATE: 04/08/2020

Via email: [RRCconference@rrc.texas.gov](mailto:RRCconference@rrc.texas.gov)

Thank you for the opportunity for the National Taxpayers Union (NTU) to submit written comments on possible energy production controls. NTU is a non-partisan citizen group founded in 1969 to work for less burdensome taxes, more efficient, accountable government, and stronger rights for all taxpayers. Every one of our fifty years of existence has prioritized policies to lessen burdensome taxation, streamline inefficiencies in government, promote private markets, and so much more.

As you are well aware, oil prices have declined dramatically as a result of the global COVID-19 pandemic and tensions between Russia and Saudi Arabia. NTU believes it would be inappropriate for Texas or the federal government to respond by intervening in the market to restrict energy production.

Whether from the Organization of Petroleum Exporting Countries (OPEC) or state regulators, production controls empower central planners to pick winners and losers. For example, boosting prices benefits some producers, but only at the expense of energy consumers. But it's not just about producers versus consumers. Excessive government interference can also allow regulators to pick winners and losers within the energy industry.

As energy prices fluctuate, there is no doubt that low prices may cause producers to suffer, just as high prices enable them to prosper. The government should be cautious about intervening in either circumstance because prices are deemed to be "too high" or "too low." Such interventions can lead to long-term economic costs.

Along with all other Americans, NTU hopes the pandemic is quickly resolved and our economy regains its footing, along with the economies of our trading partners across the globe. Similarly, we can hope for a resolution between Saudi Arabia and Russia as those countries feel the pain of lower oil prices. In the meantime, we caution against short-term solutions, such as production limits. As the world returns to normal following the current pandemic, the U.S. economy, including the energy industry, will best be served if the United States remains a leader in promoting economic freedom and property rights,