

Necessity of nationalization:

- Most countries do it (three-quarters of oil & gas is state-owned worldwide; only 10% of global production is private; 13 largest global oil firms are state-owned:
<https://www.wsj.com/articles/SB10001424052748704852004575258541875590852>)
- Scientific reality of urgency to acquire & wind down the industry:
<https://www.scientificamerican.com/article/we-just-breached-the-410-ppm-threshold-for-co2/> (The level of carbon is already very high and the free market won't transition fast enough away from fossil fuels without state ownership, as discussed on Episode 178:
<http://arsenalfordemocracy.com/2017/04/26/apr-26-2017-arsenal-for-democracy-ep-178/>)
- 100 companies produce 71% of emissions, most are fossil fuel cos:
https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change?CMP=share_btn_tw
- This struggle is similar to health care situation

Political influence of oil & gas (esp. against Dems)

- It's big, but it's disproportionate to its real size (which is similar in size by my calculations to the US health insurance industry
<https://www.statista.com/statistics/241625/top-10-us-oil-and-gas-companies-based-on-market-value/>)
- OpenSecrets.org: Koch direct political spending in 2015/16: \$9.5 mil; Exxon lobbying \$6.1 mil <https://www.opensecrets.org/industries/indus.php?ind=E01>
- They are especially vulnerable with low oil prices right now:
<https://www.fool.com/investing/2016/11/14/7-top-oil-stocks-with-largest-proven-oil-reserves.aspx>

Fifth Amendment (public domain/Takings Clause): “nor shall private property be taken for public use, without just compensation”

Systemic Crisis and Systemic Change in the United States in the 21st Century (available at thenextsystem.org)

By Gar Alperovitz, James Gustave Speth, Ted Howard, and Joe Guinan

“Taking over and then dismantling or completely re-orienting the entire fossil fuel industry would immediately remove a powerful institutional impediment to addressing climate change and greatly accelerate the transition to renewable energy. More importantly, such a drastic measure is perfectly legal and legitimate, especially if done for the public good and if the shareholders of major corporations are bought out at reasonable prices. Public recognition of the many ways in which the supposedly free market prevents swift, effective climate action is higher than it has ever been, and frustrated citizens are warming to the idea of countering systemic problems with systemic solutions. Even back in 2008—before the BP Gulf spill, Superstorm Sandy, the

*California drought, or recent record-setting waves of heat and cold—a Rasmussen poll showed 29 percent of Americans favored nationalizing oil companies and a further 24 percent were open to the idea. What would it take financially? At present market value, a buyout of the US fossil fuels industry would undoubtedly be expensive—perhaps costing an eye-watering **\$1.1 trillion** to take over the top 25 largest publicly-traded oil, gas, and coal companies.⁷⁶ But spread out over seven years, this would be a little more than \$161 billion a year, a far from impossible amount.”*

Comparison: Cost of Obamacare

- Time.com: \$110 billion in 2016:
<http://time.com/money/4271224/obamacare-cost-taxpayers-2016/> → 2016-2026
projected cost: \$1.34 Trillion

Bargaining with Shareholders

- **Carrot:** Full market value purchase at a fair value of shares
- **Stick:** Depress/depreciate value of holdings
 - National Law Review guide to federal oil & gas leases, which are on 10 year cycles:
<https://www.natlawreview.com/article/what-are-types-federal-oil-and-gas-leases>
 - Interest rates on leases + bond insurance wellhead rates + minimum bids + rental preservation fees could all be vastly increased:
<https://www.americanprogress.org/issues/green/reports/2015/06/19/115580/federal-oil-and-gas-royalty-and-revenue-reform/>
 - Slow-walking new leases & drilling is already under way
<http://www.ogj.com/articles/2017/03/blm-figures-show-steep-drop-in-federal-onshore-oil-gas-leasing.html>
 - Need to de-value the private land leases as well (via carbon tax away, excess regulation, and/or final date of permitted drilling) -- 7.5 out of nearly 10 million barrels a day are now on non-federal land & 25,000 out of 30,000 billion cubic feet)
<http://instituteeforenergyresearch.org/analysis/oil-production-federal-lands-slightly-fy-2010-high/>
 - The US also privatized off its directly held oilfield production owned by the US Navy:
<https://energy.gov/fe/services/petroleum-reserves/naval-petroleum-reserves>

Who are the shareholders:

- 46.8% by IRAs & public pension funds + 24.2% by asset mgmt funds
 - <http://www.whoownsbigoil.com/#/?section=whoowns-the-oil-companies-2>
 - <http://www.api.org/~media/files/statistics/pensions/report-public-pension-funds-in-17-states-2005-2013-shapiro-sonecon.pdf>
- In general shareholders tend to be a wealthy few, but that may be less true with US oil & gas

Walling off the funding:

- Currently get \$6.23 billion from energy & mining royalties
<https://www.onrr.gov/pdfdocs/20161125a.pdf>
- Insufficient past protection of funds from Congress:
https://en.wikipedia.org/wiki/Land_and_Water_Conservation_Fund
- BLM has a disastrous focus on resource usage & (nominal?) revenue generation:
<http://archive.slttrib.com/article.php?id=4467584&itype=CMSID&fullpage=1>
- **German Advisory Council on Climate** (G20-Insights.org): *“The nations participating in the 2030 Agenda and the Paris Agreement will need to develop effective national policy instruments to implement the goals they have set. The WBGU recommends in particular that G20 countries establish transformative sovereign wealth funds, which we also call ‘future funds’. These could enable G20 countries to be more active in financial markets as stakeholders, with the goal of promoting socially responsible structural change to create a sustainable economic and social system. These future funds should draw their revenues from CO2 taxes and emissions trading as well as from a generational component levied on estates. The investments made by the transformative sovereign wealth funds should be oriented towards climate change targets and the SDGs; profits should be used to advance equity and the common good.”*
http://www.g20-insights.org/policy_briefs/development-justice-transformation-four-big-2/
- Quango model? (UK’s Quasi Non-Governmental Organizations)