



AS PREPARED FOR DELIVERY:

Statement of American Petroleum Institute Manager of Exploration and Production Tim Sampson at the Minerals Management Service Public Meeting on the Proposed Five-Year Plan for Offshore Access

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I am Tim Sampson, Manager of Exploration and Production for the American Petroleum Institute, which represents nearly 400 companies involved in all aspects of the U.S. oil and natural gas industry, including exploration and production, refining, marketing and transportation, as well as the service companies that support the industry. We welcome this opportunity to present the industry's views on the Minerals Management Service's proposed Five-Year Plan for Offshore Access.

Increased oil and natural gas development is vital to putting our nation on the road to economic recovery and to meeting the energy needs of American consumers. All areas of the Outer Continental Shelf (OCS) should be open for oil and natural gas development. This would mean more jobs, more revenues for cash-strapped local, state and federal governments, and greater energy security.

The U.S. Energy Information Administration (EIA) estimates that, even with significant gains in renewable energy, oil and natural gas will continue to provide more than half of the nation's energy for decades to come. We need to act now to increase access to domestic oil and natural gas resources to meet our current and future energy needs.

Oil and natural gas leasing and development on federal lands and in OCS waters have generated nearly \$95 billion in revenues from 1998 to 2008. In 2008 alone, the U.S. government collected and distributed nearly \$22 billion from onshore and offshore oil and gas production.

A recent ICF International study found that developing off-limits areas of the OCS could generate \$1.3 trillion in revenues for local, state and federal governments – and, if you include off-limits areas onshore, the revenue estimate jumps to \$1.7 trillion. The study also found that 160,000 jobs could be generated in 2030. Many of these would be exploration and production jobs, which pay more than double the national average.

Polls have shown that over 60 percent of Americans support increasing access to new offshore oil and natural gas resources.

Unfortunately, we have been delaying the development of America's oil and natural gas resources. We cannot afford to delay facing up to our energy challenges. Every day we delay costs American jobs, reduces revenues to federal, state and local governments, and impacts our national security.

Finally, the U.S. oil and natural gas industry has an outstanding offshore environmental record that proves how offshore drilling can coexist with clean oceans and clean coasts. The U.S. Outer Continental Shelf produces more than 1 million barrels of oil per day.

Since 1980, less than one thousandth of a percent of that oil has been spilled – which is insignificant compared with the volumes from natural seeps.

We need to restore America's economic health and ensure our energy security today and in the years ahead. America cannot wait. We need to open all areas of the OCS for oil and natural gas development in a safe and environmentally sound manner.

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