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Press briefing teleconference on economic impact of jobs plan

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Opening statement:

Good morning everyone. The central problem facing our nation and much of the world is weak economic growth and high unemployment. But some nations, such as Canada and Brazil, have done better rebuilding their economies. The one thing they have in common? Vibrant oil and natural gas sectors.

Massive investment in new oil and natural gas development is occurring in Canada and Brazil. More goods and services are being produced. More people are being hired. The Canadians are even importing workers from elsewhere, including here in the United States, to help supply the labor they need to develop their oil sands fields in Alberta.

U.S. unemployment is over 9 percent today compared with under 7 percent in Canada and Brazil. And, according to Trading Economics, in all but one of the past 10 quarters economic growth has been stronger in both Brazil and Canada than in the U.S.

Oil and gas development is flourishing in Brazil and Canada. Despite some bright spots, it is comparatively static in America. Much of the difference can be explained by energy policy.

In some parts of the United States, oil and gas development is going gang busters. Texas, North Dakota and Pennsylvania have been adding oil and gas jobs and increasing oil and gas revenue to the government. As a result, North Dakota, for example, has the lowest unemployment in the nation, and its state government is running a surplus. Nationally, the oil and natural gas industry added more than 9,000 jobs to the economy this summer, according to BLS, at a time when new net job creation fell to zero.

But we still fall far short of Canada's and Brazil's commitment to new oil and gas development and taking advantage of our own country's potential. Rich reserves of oil and natural gas remain to be produced in America, and our industry is willing to make the investments to produce them – and spread the success stories we've seen in some states across the nation.

We aren't able to do that largely because of the federal government's existing and proposed energy policies, including access and tax rules. These policies are working in unison to slow or block more development and the many benefits it could bring.

Prohibitions on access to U.S. oil and gas reserves by our government have placed vast amounts of these reserves off limits, and, where access is possible, government rules and procedures have slowed the pace of development.

Now, in the name of helping our economy and putting people back to work, the president has proposed $44 billion or more in additional taxes on America's oil and natural gas industry. More taxes on an industry that already supplies more than $86 million a day to the federal government and pays income tax at an effective rate of 41 percent compared with 26 percent for the rest of the S&P Industrials isn't remotely fair. But, even worse, such a tax increase would reduce investment capital and further impair the prospects for growth in new development.

Put simply, America, unlike other nations, is standing in the way of what more oil and natural gas development could do to create jobs and

help rebuild its economy. The president has encouraged Brazil to develop its offshore oil and gas industry and promised to buy Brazil's oil. He's impressed by their successes and future prospects. But he won't support more U.S. oil and gas development.

The energy consulting firm Wood Mackenzie has looked at where we could be with a more favorable climate for oil and gas development compared with where administration policies are taking us.

Wood Mac's research shows that by increasing access, resisting the urge to promulgate new regulations, returning Gulf permitting rates to pre-moratorium levels, and bringing in more Canadian crude oil, we could in 2030 create as many as 1.4 million new U.S. jobs, generate $800 billion in additional revenue, and substantially boost U.S. oil and natural gas production, enough so that in 15 years all of our liquid fuel needs could be met through U.S. oil and biofuel supplies plus what we import from Canada.

In just over eight years in 2020, these policy changes could create over one million new jobs.

The Wood Mac research also shows that if we don't do this and instead increase taxes on the industry, we will lose jobs, government revenue, and energy production – not just hold steady, but go backwards from where we are today.

Even the boost in tax revenue the administration hopes to achieve by increasing taxes would only help for five years. The administration's proposed taxes would discourage U.S. investment in new projects. Eventually, there would be less industry-related income to tax and less energy produced on which royalties could be paid.

Such a strategy is short-sighted and unnecessary. Our industry is ready, willing and able to invest more here at home and do more to help our economy recover. We could be doing what common sense has encouraged Canada, Brazil and other nations to do and benefitting in the same way. We could be putting more people to work producing at home more of the energy we know our nation will be demanding. We could be generating more revenue. And we could be increasing the energy security of our nation.

The commitment to energy development in Brazil and Canada has been observed by some to be part of a rebalancing of the world's oil and gas

power centers. If we join them with our own commitment to developing more of our own energy, we will accelerate this shift and help build an unprecedented security of supply across our hemisphere. No longer will we have to rely so much on energy from unstable parts of the world.

We could do all of this. We should do it all. But government must first open the door with more common sense energy policy that appreciates what oil and gas can do for America.

And I'd like to turn it over to Kathleen for a few words.