

**South Carolina Energy Forum Breakfast**  
**Jack Gerard, API President and CEO**  
**January 16, 2012**

Thank you for welcoming me to South Carolina. This is a great time to be here. Tonight the Republican candidates for president will have an opportunity to make their case to South Carolina residents—and to the country—ahead of next weekend’s crucial primary.

And the political calendar has created a number of opportunities—like today’s Energy Forum breakfast—to spread the word about API’s new “Vote 4 energy” campaign, our new non-partisan, non-candidate, voter education initiative that’s a first-of-its-kind for our industry.

Vote 4 Energy will inform and mobilize millions of voters to make energy a ballot box issue in 2012, by encouraging

Americans to learn about the energy policies of the candidates and to choose the person that will help us secure our energy future, stimulate economic growth and create jobs.

In some ways, this campaign is an extension of the work we've started with our state Energy Forums.

In 26 states, our Energy Forums bring together community leaders to educate and engage on the vital energy issues affecting our country. Here in South Carolina, the Energy Forum discussion centers around the jobs and economic growth that offshore exploration will create.

The Pennsylvania Keystone Energy Forum is focused on the energy potential that is made possible by advancements in hydraulic fracturing.

Right now, members of Energy Forums in several states are urging the White House to finally approve the Keystone XL pipeline, a project that will create 20,000 new construction-related jobs immediately, and make possible another half-million new jobs by 2035.

This pipeline will greatly strengthen our ties to Canada, our number one source of imported oil.

By writing their local newspapers, speaking at events, engaging with policymakers and in some cases, even calling the White House, state Energy Forums are making their voices heard regarding this policy decision and drawing attention to its importance for our economy and our security.

Even though this pipeline doesn't reach South Carolina, the project's benefits will.

About 2,400 companies in 40 states are involved in work to support Canadian oil sands development—including almost a dozen businesses right here in South Carolina that provide materials, equipment, engineering support and supplies.

The president must make his call in the next few weeks, so I hope everyone here will make a call to the White House to encourage the president to approve the pipeline.

The more people know and the more they understand policy decisions like the Keystone XL pipeline, the more likely they are to engage politicians on these issues. That's part of our strategy behind the Vote 4 Energy campaign.

We think it's important for Americans to understand we're an energy-rich nation with an abundance of domestic resources available.

Some may be surprised to learn that America's fossil fuel resources – which includes oil, natural gas and coal – are larger than the energy reserves of Saudi Arabia, Russia, China, Venezuela, and larger even than the combined resources of Iran, Iraq, Libya and Kuwait.

Or that developing U.S. oil and natural gas resources that are currently off-limits, along with a common-sense regulatory structure, and pro-production permitting policies could create 1.4 million new jobs by 2030—with one million of those jobs created in the next seven years.

Like the Energy Forums, Vote 4 Energy is a discussion with the American people.

We'll hold up our end: through information distributed through our state networks, through grass roots outreach to

millions of voters, through advertising and conversations like the one we're having here today.

We certainly don't intend to make this a one-way discussion. It's important to educate Americans on energy policy, but it's also true that many of them don't need to be told the consequences of poor policy. They get it.

As I said in my recent speech on the State of American Energy, it's never a bad idea to listen to the American people, or for that matter, the people of South Carolina.

The White House should head that advice, especially when it comes to offshore exploration.

A poll conducted last week showed that nearly 80 percent of South Carolina residents support increased access to domestic oil and natural gas.

Governor Haley and Senators DeMint and Graham also support it. And in early 2010, the White House seemed ready to start opening some areas of the Atlantic to offshore drilling.

But the administration reversed that decision, and unfortunately, it's the people of South Carolina who miss out on the jobs and economic growth that go with production.

A 2009 report showed offshore development would create 8,800 jobs in South Carolina and add at least \$1.3 billion to the local economy.

I mentioned the State of American Energy, our yearly report on the health of our industry. Today, the state of American energy is strong. But it's not likely to stay that way without the right policies to secure our energy future.

The administration's moratorium and subsequent "permatorium" on Gulf of Mexico drilling has forced 11 rigs, and 21.4 billion in capital investment, to move to other areas around the world.

According to federal data, there's enough offshore oil to power 10 million cars for 348 years and enough natural gas to heat 10 million homes for 656 years. With our current policies, we're not likely to see much of that energy soon.

And that's the point of the Vote 4 Energy campaign. The current administration's policies aren't just unproductive in the short term.

They're creating a bleaker outlook for the long term.

Investment in heavy industrial projects, like offshore exploration, need to be made years in advance before they become productive.



Voters need to understand this. So do our politicians.

My outlook on the long term is far from bleak. I have great hope that initiatives like the Vote 4 Energy campaign and the efforts of state Energy Forums will succeed in broadening voters' understanding of energy policy and in turn, help influence future energy policy.

Here's a vision of a future that's possible if we succeed in this undertaking. If we build the Keystone XL pipeline, if we utilize our domestic oil resources and if we keep advancing biofuel development, children born in South Carolina today could be driving cars fueled entirely by North American energy when they're old enough to get their drivers license.

Turning those "ifs" into "whens" is the challenge, but it's one that I believe we can meet, if we work together.

Thank you for your time, I'd be happy to answer any questions.

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