

Energy Security

“Richard Nixon talked about freeing ourselves from dependence on foreign oil. And every president since that time has talked about freeing ourselves from dependence on foreign oil. Politicians of every stripe have promised energy independence, but that promise has so far gone unmet.”

– President Barack Obama
March 2011¹

With current global uncertainty and turmoil in oil and natural gas producing regions, America needs to regain control of its energy future by increasing oil and natural gas production here at home. Greater domestic production provides U.S. families and businesses a buffer against supply disruptions, and the oil and natural gas industry’s ability to reliably provide these supplies is fundamental to U.S. national and energy security.

Within 12 years, American and Canadian energy supplies could provide 100 percent of U.S. liquid fuel needs with increased biofuels development and the implementation of four straightforward policies:

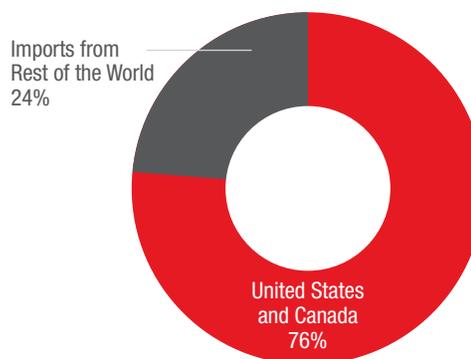
- Providing access to U.S. oil and natural gas reserves that are currently off-limits;
- Returning the Gulf of Mexico permitting rates to pre-moratorium levels, at a minimum;
- Resisting calls for imposition of unnecessary new regulatory requirements on oil and natural gas development; and
- Partnering with Canada to develop new pipeline capacity to export Canadian crude to the United States, including approval of the Keystone XL pipeline.²

Despite the potential benefits and numerous polls showing the majority of Americans support increased access to domestic oil and natural gas resources, many policies currently delay or outright prohibit resource development through a slow permitting pace, uncertainty caused by proposals for burdensome tax increases and costly and redundant regulations.³ America needs public policy decisions today that bring long-term supply and stability to the marketplace.

U.S. Liquid Fuel Supply – 2010



U.S. Projected Liquid Fuel Supply – 2024
Current Policy



U.S. Potential Liquid Fuel Supply – 2024
Expanded Access Policy



Source: API calculations based on EIA data and Wood Mackenzie, “U.S. Supply Forecast and Potential Jobs and Economic Impacts (2012-2030),” September 7, 2011.

¹ Press Release, “Remarks by the President on America’s Energy Security,” Office of the White House Press Secretary, March 30, 2011. Available at: <http://www.whitehouse.gov/the-press-office/2011/03/30/remarks-president-americas-energy-security>.

² API calculations based on EIA data and Wood Mackenzie, “U.S. Supply Forecast and Potential Jobs and Economic Impacts (2012 – 2030),” September 7, 2011.

³ Saad, Lydia, “U.S. Oil Drilling Gains Favor with Americans; Support for offshore drilling and oil exploration in Alaska reach new highs,” *Gallup*, March 14, 2011. Available at: <http://www.gallup.com/poll/146615/Oil-Drilling-Gains-Favor-Americans.aspx>.

EIA FORECAST	2010	2015	2020	2024	2025	2030
mb/d						
U.S. Production	8.93	9.37	10.39	10.19	10.16	10.04
Biofuels	1.00	1.22	1.52	1.79	1.86	2.36
Canada	1.97	2.25	2.41	2.59	2.61	2.86
Rest of World	7.32	6.30	4.78	4.68	4.67	4.31
U.S. Liquid Fuel Supply	19.22	19.14	19.10	19.25	19.29	19.57
Percentages						
U.S. Production	46%	49%	54%	53%	53%	51%
Biofuels	5%	6%	8%	9%	10%	12%
Canada	10%	12%	13%	13%	14%	15%
Rest of World	38%	33%	25%	24%	24%	22%
U.S. Liquid Fuel Supply	100%	100%	100%	100%	100%	100%

Source: EIA, AEO2012, June 2012

POTENTIAL	2010	2015	2020	2024	2025	2030
mb/d						
U.S. Production + access	8.93	9.34	11.83	14.28	14.86	16.24
Biofuels	1.00	1.22	1.52	1.79	1.86	2.36
Canada + pipeline	1.97	2.95	3.24	3.42	3.44	3.69
Rest of World	7.32	5.63	2.51	-0.25	-0.86	-2.72
Total	19.22	19.14	19.10	19.25	19.29	19.57
Percentages						
U.S. Production + access	46%	49%	62%	74%	77%	83%
Biofuels	5%	6%	8%	9%	10%	12%
Canada + pipeline	10%	15%	17%	18%	18%	19%
Rest of World	38%	29%	13%	-1%	-4%	-14%
Total	100%	100%	100%	100%	100%	100%

Sources: EIA, AEO2012, June 2012; WoodMackenzie, "U.S. Supply Forecast and Potential Jobs and Economic Impacts (2012-2030)," September 7, 2011. State Dept XL Estimate 830,000 bpd

Two Keys to Security

- 1. Access:** Allowing access to oil and natural gas resources currently off-limits as well as returning to historical levels of development on existing U.S. producing areas, would increase U.S. crude oil production by over 1.4 million barrels per day by 2020 and 6.2 million barrels per day by 2030.
- 2. Canadian oil sands pipeline expansion:** State Department approval of the Keystone XL pipeline expansion could initially bring an extra 700,000 barrels per day to the U.S. and up to 830,000 barrels per day within the decade.