

**Remarks by Jack Gerard
API Jobs Summit | Sept. 7, 2011**

Thanks to all of you for joining us today for this Energy Jobs Summit.

I'm not sure that the timing for this discussion could be any better:

- The unemployment rate hovers stubbornly above 9 percent, which means that almost 14 million Americans go to bed every night not knowing how they're going to feed their families, pay their mortgages or put gas in their cars.
- The net job growth in August was zero.
- And a Gallup poll released last week showed that about a third of Americans who have jobs worry that they too might soon join the ranks of the unemployed.

Clearly, the continuing bad news on the jobs front has us all concerned and has the American people laser-focused on their top priority: job creation. That is why Americans will be paying close attention to what President Obama will say tomorrow evening when he goes before a joint session of Congress to unveil his plans for job creation.

Many of you are well aware and have heard us talk about the key role energy plays in our economy and job creation – particularly oil and natural gas.

Our industry already supports 9.2 million American jobs and is responsible for 7.7 percent of all U.S. gross domestic activity. Today, API is releasing a new study by Wood Mackenzie – a copy of which is at your table– that makes three significant findings:

First, the oil and natural gas industry could create 1 million new jobs within the next seven years through responsible development of America's oil and natural gas resources. And by 2030, that number could reach 1.4 million. But that's just the beginning.

Second, pro-production policies outlined in the study will also generate more than \$800 billion in additional government revenue through lease sales, royalties, production fees and taxes. [\$36 billion by 2015 is roughly, the equivalent to the amount sought by those seeking to impose punitive taxes on our industry.]

And, third, within 15 years – with increased U.S. production, Canada's oil sands resources and a growing domestic biofuels industry – the U.S. can meet 100 percent of its liquid fuel needs.

And, to achieve these benefits the president needs virtually no new authority from Congress.

It is within the president's current control to begin creating these jobs, generating revenue and strengthening our energy security. All he has to do is say the word for this industry to get more Americans to work. And we can accomplish all of this without raising taxes on the industry, or requiring new government spending.

The potential here is enormous and we are hopeful that the administration and congressional leaders will work with us to make the conclusions of this new study a reality. The study, which we've provided to the president, the Congress and to other presidential hopefuls, identifies the choices necessary to make that future a reality.

It shows that reversing the bad news about the economy could be achieved by choosing to responsibly produce the oil and natural gas resources we have right here in North America. In short, it shows that there is a way to get our economy moving.

But I want to emphasize, again, that job-creation options outlined by the report are – for the most part – all actions that the president can take unilaterally. The president can open up areas, offshore and onshore, that have previously been passed over for exploration and production.

These areas include: areas in the Gulf, portions of the Rocky Mountains, the Atlantic and Pacific outercontinental shelves, the Arctic National Wildlife Refuge, the National Petroleum Reserve, Alaska – and offshore areas of Alaska.

The administration can return us to historic levels of exploration and activity in the Gulf of Mexico by accelerating permit approvals and lease sales, and he can ensure we maintain efficient regulation and permitting of on-shore production.

The president can also approve the Keystone XL pipeline to bring Canadian oil sands crude to American refineries. Canada, which has the second-largest oil reserves in the world, is our leading supplier of imported oil. American companies located in every state in the nation, except Hawaii, are involved in development of Canadian oil sands. The development of Canadian oil sands is estimated to create more than 500,000 U.S. jobs. The pipeline can put 20,000 people to work immediately with its construction. Organized labor has described it as the largest “shovel-ready” project in the books today. But the pipeline expansion could also eventually bring as much 900,000 barrels of oil per day to the U.S., more than half of what we currently import from the Middle East.

The president can continue to encourage greater production of natural gas in America's enormous shale resources. And he can do all of these things without slowing the development of renewable or alternative energy sources. It's time to recognize that pro-production policies are pro-growth, as outlined by the Wood Mackenzie report.

None of this is wishful thinking. It is based on solid evidence of success over the years. Evidence such as what's happening today in North Dakota. At roughly 3 percent, North Dakota has the nation's lowest unemployment rate – far below the national average of around 9 percent and the state government has a surplus of \$1 billion.

North Dakota's booming economy is also good news for its workers, who in the first quarter of 2011 led the nation with a nearly 7 percent growth in personal income. The story of North Dakota is one of how ever-improving technology – in this case horizontal drilling and hydraulic fracturing – can turn what was thought to be a marginal oil field into one of the fastest-growing oil-producing areas in the country.

The technological advances that helped boost North Dakota's economy are also helping us tap the vast resources that lie in the Marcellus Shale Formation that runs under Ohio, West Virginia, western Pennsylvania and southern New York. The Marcellus Shale has been a boon for the states that have chosen to take advantage of it. Pennsylvania's Department of Labor reports that increased exploration has created 72,000 jobs between the 2009 fourth quarter and the 2011 first quarter. These jobs pay an average salary of \$73,000. At 7.6 percent, Pennsylvania's unemployment rate is below the national average.

The pro-production policies outlined in the Wood Mackenzie study can create prosperity in states all across the nation. Even states not traditionally associated with the oil and natural gas industry would see benefits. The study includes a state-by-state breakdown of the advantages these policies would offer and that breakdown can be found on an interactive map of the 50 states on our website.

While our primary focus has been on job creation, we should not overlook the study's conclusions showing the billions in additional revenue and greater energy security.

[Revenues:

- \$800 billion by 2030; \$36 billion by 2015
- We could generate \$127 billion within just the first 9 years, enough to fund nearly four years' worth of federal expenditures on America's roads, the focus of the administration's infrastructure proposals.

Energy security

- 15 years – 2026
- US production & Canadian oil sands, biofuels equals 100 percent of liquid fuel needs]

In addition to release of our study, today we will launch a one-in-a-million educational campaign to remind the American public that the oil and natural gas industry can assist further in job creation.

So this, then, is what our industry has to offer: jobs, increased government revenue and enhanced energy security. Our industry has long been a leader in all of these areas. What we are here to say is that we can do even more. The renewed sense of public urgency on job creation ensures that it's no longer a question of whether we can get there.

It's a question of whether the nation's leadership will make the right decisions to get this country growing and moving again. The oil and gas industry is poised to do its part. We stand ready to work with the president and congressional leaders to chart an aggressive course to economic recovery – and put Americans back to work.

###