Energy Security in a Volatile World
Remarks as Prepared for Delivery
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Good afternoon, everyone, and welcome to API.

We are here today to talk about the future of American energy security. But before we do, I want to look back about 50 years.

In 1973, the Arab oil embargo confronted policymakers with a question that would shape energy policy for decades:

What do you do when the energy system underpinning the global economy is far more vulnerable than you thought?

Henry Kissinger and other world leaders responded by building institutions designed to make the next disruption less severe than the last. Out of that moment came the Strategic Petroleum Reserve, the International Energy Agency and a new approach to energy security.

In the decades that followed, presidents of both parties called for reducing America's reliance on foreign energy.

Then came the shale revolution, turning decades of ambition into reality and making the United States the world's leading producer of oil and natural gas.

Russia's invasion of Ukraine demonstrated the strategic value of that strength when American LNG helped allies avoid a deeper crisis.

Today, we face another defining moment.

The administration deserves credit for its ongoing focus on restoring safe passage through the Strait of Hormuz and reducing uncertainty in global energy markets. While the situation continues to evolve, the interim agreement and extension of the ceasefire have helped ease pressure on markets and offers a path toward greater stability.

But anyone who has spent time around energy markets knows that agreements can be signed faster than supply chains can recover. Important questions remain about implementation, the pace of shipping activity through the Strait and the time required to rebalance inventories after months of disruption.

But even amid uncertainty, one fact stands out.
The world is still absorbing the largest oil supply disruption since the 1970s. Yet for most of this crisis, oil prices have remained below $100 a barrel. At another point in history, that would have been unthinkable.

American energy is making the difference.

Twenty years ago, the United States imported roughly two-thirds of the crude oil it refined. Today, America is the world's leading producer of oil and natural gas. U.S. crude production has nearly tripled over that period, and for the past fifteen years the United States has been the largest source of new oil supply growth in the world.

American producers are continuing to step up to deliver the energy consumers need. Refineries are running hard. LNG exports are supporting allies around the world, while U.S. natural gas prices have remained remarkably stable throughout the disruption.

That strength is helping cushion the shock.

But Hormuz is testing more than just markets. It is testing assumptions about supply, infrastructure and resilience. So the question now is: what comes next?

What are the lessons policymakers should take from this moment? And how should they shape the next chapter of American energy security?

At API, we believe the answer begins with a simple reality: Energy security requires supply, infrastructure and resilience.

Those three pillars form the foundation of the American Energy Security Framework we are unveiling today.

First, supply. Energy security begins with having enough energy to meet demand.

America's strength helped stabilize markets during this disruption, but long-term energy security depends on whether we maintain that strength in the years ahead.

Consider the Strategic Petroleum Reserve.

Built for an import-dependent nation after the Arab oil embargo, the Strategic Petroleum Reserve still reflects a very different energy era. Much of its infrastructure was designed for a time when energy flowed into the Gulf Coast from overseas rather than from production centers across North America.

Modernizing the SPR is essential if America's energy security architecture is going to reflect the realities of today's energy system.

Just as important, it is essential we maintain access to our abundant resources through a durable offshore leasing program. And we must ensure fuel policies reflect market realities rather than outdated assumptions.

Second, infrastructure.

The clearest lesson of this disruption is that producing energy is not enough. Energy must be able to move to consumers when and where it is needed.

During World War II, German U-boats were sinking tankers off America's East Coast. The response was not years of debate. The country built the Big Inch pipeline from Texas to the Northeast in roughly a year.

Today, it can take longer to permit an energy project than it took to win WWII.

The administration has taken important steps on permitting reform, but Congress must do its part.

Energy security requires the ability to build pipelines, export facilities, transmission infrastructure and the projects that connect supply to consumers.

That means permitting reform. It means reliable supply chains. And it means ensuring the materials, equipment and components needed to build critical energy infrastructure are available when and where they are needed.

The administration was right to provide emergency Jones Act waivers during this disruption.

Their success demonstrated the value of having flexible tools available during periods of prolonged market stress. A more transparent and predictable waiver process would strengthen energy security before the next disruption arrives.

And third, resilience. The Strait of Hormuz reminded us that too much of the world's energy still depends on a small number of routes and chokepoints.

Resilience means creating alternatives before they are needed.

That means strengthening energy integration across the Western Hemisphere—from Canada and Mexico to emerging producers like Guyana and Brazil.

It means working with partners in the Persian Gulf to expand pipelines, export capacity and alternative routes that reduce dependence on any single chokepoint.

And it means ensuring institutions like the International Energy Agency remain focused on the mission they were created to serve.

The International Energy Agency was created in response to the oil shocks of the 1970s to strengthen energy security.

The world needs an IEA focused on that mission once again.

At its core, this framework is built around a simple idea: More options. Fewer points of failure.

Or put another way, every energy policy that emerges from this moment should pass a simple test:

Does it help us produce energy? Does it help us move energy? Does it help us withstand disruption?

There is still much we don't know about how this disruption will ultimately unfold.

But some of its lessons are already becoming clear. That is the conversation we hope to start today.

There is no one better to help us begin that conversation than Dr. Dan Yergin, the foremost historians of energy, whose work has helped shape how policymakers and business leaders understand the forces driving global energy markets.

Following our fireside chat, API Policy Director Rachel Fox will lead a panel with Bob McNally of Rapidan Energy Group, Joe Majkut of CSIS, Landon Derentz of the Atlantic Council.

Together, they will help us explore the lessons of this disruption and what they mean for the future of American energy security.

Please join me in welcoming Dan Yergin.