

ENERGY POLICY AT A GLANCE

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ENERGY POLICY AT A GLANCE

CRUDE OIL EXPORTS

- Consumers are among the first to **benefit from free trade**, and crude oil is no exception.
- Gasoline costs are tied to a global market; additional exports could help increase supplies, put downward pressure on prices at the pump, and **support American workers**.
- Exports will help **strengthen our energy security** as access to foreign customers could drive significant investment in U.S. production and change the security environment around the world.

If current restrictions on crude exports were lifted:

- The cost of gasoline, heating oil and diesel fuel is projected to fall, saving American consumers up to **\$5.8 billion per year**, on average, between 2015 and 2035.
- In 2020 the U.S. economy could gain up to **300,000 additional jobs** and America's trade deficit could fall by **\$22 billion**.
- U.S. federal, state, and local government revenues could rise by as much as **\$13.5 billion** in 2020.

ENERGY POLICY AT A GLANCE

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RENEWABLE FUEL STANDARD

- The RFS is based on predictions regarding the supply and demand of gasoline that are outdated and disconnected from reality.
- U.S. gasoline demand has dropped while domestic supply has increased due to the shale and natural gas revolution in North America.
- Cellulosic biofuel technologies have not developed as quickly as expected.
- The EPA rushed through approval of an up to 15 percent ethanol blend (E15) without adequate testing, **leading to potential engine compatibility problems with E15**, poor consumer acceptance and significant infrastructure and cost challenges.
- **Approaching the ethanol Blend Wall**, the point at which ethanol mandates force more ethanol into the nation's fuel supply than is safe for most users, could lead to fuel supply disruptions that ripple adversely through the economy, decreasing GDP and reducing worker take-home pay.
- Ethanol is not responsible for lower U.S. oil imports. From 2008–2013, net imports fell by more than **2.1 million bbl/d** while domestic oil production has increased by **over 2.4 million bbl/d**.

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To find out more, visit API.org

OZONE NAAQS

- Upcoming EPA regulations of ozone could shut down business expansion and **new jobs where 94% of Americans live**, without providing any significant public health or environmental benefit.
- Strict new standards could **force communities to shut down business** activity in a futile attempt to force ozone levels below naturally occurring background levels.
- **Air quality continues to improve** under the existing standards. The health data being used to justify tightening the standard is not compelling, and EPA and the states have not even begun to implement the stringent 2008 ozone standard.
- These could be the costliest EPA regulations ever, reducing U.S. GDP by up to **\$270 billion** per year, according to a NERA economic analysis.
- Stricter standards are not justified from a health perspective and are not needed to continue air quality progress.
- Retaining the existing standards of **75 parts per billion** is the right policy choice.

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To find out more, visit lngexports.com

LNG EXPORTS

- Consumers are among the first to benefit from free trade, and liquefied natural gas – or LNG – is no exception. The export of LNG is one of the most promising economic opportunities of the shale revolution.
- These exports will **increase our national security** while significantly reducing our trade deficit.
- LNG exports are projected to **increase government revenues, grow the economy, and support hundreds of thousands of U.S. jobs** in engineering, manufacturing, construction, and facility operations.
- America is in a global race to build LNG infrastructure and secure a competitive position in the international market. Nations that act quickly to attract these investments will reap the economic rewards.
- LNG exports could contribute as much as **\$10 to \$31 billion per state** to the economies of natural gas-producing states, such as Texas, Louisiana, and Pennsylvania.
- Non-natural-gas-producing states will also benefit, partly due to the boost in demand for steel, cement, equipment, and other goods. States with a large manufacturing base could see economic gains as high as **\$2.6 to \$5 billion** per state in 2035.

ENERGY POLICY AT A GLANCE

To find out more, visit energyandtaxes.com

TAXES

- The U.S. oil and natural gas industry delivers **tens of millions of dollars in revenue** to the federal government.
- Subsidies, which are cash outlays from the U.S. Treasury, are not available to the oil and natural gas industry. Similarly, there are no targeted tax credits currently being used by industry.
- The oil and natural gas industry pays an effective tax rate above the federal statutory **rate of 35%**.
- U.S. oil and natural gas companies **pay considerably more in taxes** than the average manufacturing company. In 2013 income tax expenses averaged **40.2%**, compared to **25.2%** for other S&P Industrial companies.
- Raising taxes on oil and natural gas companies has a **negative effect on domestic production, job creation** and – ironically – revenue generation for government.
- Just **2.9%** industry shares are owned by corporate management. The rest are owned by **tens of millions of Americans**, many of them middle class, through mutual funds, retirement funds, and pension plans.

ENERGY POLICY AT A GLANCE

INFRASTRUCTURE

- Sustaining and expanding America's energy infrastructure is vital to a dependable supply chain that provides uninterrupted energy, which is **central to our economic growth and national security**.
- **Investing in our nation's infrastructure** means that products from all industries move more efficiently within our nation, which has historically lowered costs to consumers and gives our businesses and manufacturers a competitive edge in the global market.
- **Taxpayers will benefit from private investments in infrastructure**. Infrastructure improvements by the oil and natural gas industry could, over the next decade
 - » Encourage as much as **\$1.15 trillion** in new private capital investment;
 - » Support **1.15 million new jobs**, and
 - » Add **\$120 billion** on average per year to our nation's GDP

ENERGY POLICY AT A GLANCE

HYDRAULIC FRACTURING

To find out more, visit hydraulicfracturing.com

- Thanks to innovations like hydraulic fracturing and horizontal drilling, **America is leading the world** in producing natural gas and reducing greenhouse gas emissions.
- **Without these advanced technologies**, we would **lose 45%** of domestic natural gas production and **17%** of our oil production within five years.
- America's rise as an energy superpower is creating an economic ripple effect of **fast-paced growth, higher wages, and new jobs** — both in and out of energy-producing states.
- America needs a **true all-of-the-above strategy** to lock-in our position as an energy superpower. But oil and natural gas production on federally controlled territory fell substantially from 2009 to 2013, according to the Congressional Research Service.
- In 2012, unconventional resource development utilizing hydraulic fracturing increased disposable income by an average of **\$1,200 per household**, **supported 2.1 million American jobs**, and contributed \$284 billion to the U.S. GDP, according to a study by IHS.
- Hydraulic fracturing operations are subject to state and federal regulatory oversight. An overlay of one-size-fits-all federal regulation or duplicative regulations would increase costs, slow responsible development, and deny Americans the benefits of domestic crude oil and natural gas supplies while doing little or nothing for the environment.

To find out more, visit
americasoffshoreenergy.com

ENERGY POLICY AT A GLANCE

ACCESS AND DEVELOPMENT

- **87% of offshore acreage** under federal control remains off limits to development.
- Offshore oil and natural gas leasing could create nearly **840,000 U.S. jobs and raise \$200 billion in revenue** for the government by 2035.
- Included in that is over **\$50 billion and 280,000 jobs** along the Atlantic coast, in Florida, Georgia, North Carolina, South Carolina and Virginia.
- New restrictions offshore Alaska and a rejection of billions of barrels of oil from the coastal plain of **ANWR show a lack of commitment** to ensuring America's position as a world leader in energy.
- Duplicative new regulations on industry operations, and the government's refusal to even consider leasing in the Eastern Gulf of Mexico and the Pacific, are **tying America's hands against a future** of affordable and reliable energy.

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To find out more, visit API.org

CLIMATE CHANGE

- Petroleum and natural gas systems are **3% of U.S. greenhouse gas emissions**, according to the Environmental Protection Agency.
- The oil and natural gas industry are leading investors in greenhouse gas mitigation technologies. Between 2000–2012, the U.S. oil and natural gas industry invested an estimated **\$80 billion**, nearly as much as all other U.S. based private industries combined (**\$91.2 billion**), and more than the federal government (**\$79.7 billion**).
- According to the Energy Information Administration natural gas was responsible for **62%** of electric power sector carbon dioxide savings since 2005.
- Methane emissions from natural gas and petroleum systems represent just **28.5%** of total methane emissions.
- Methane emissions from natural gas systems **fell 15%** from 2005 to 2012 while natural gas production **rose 33%** over that same time period.
- EPA calculations show that **methane emissions** from hydraulically fractured natural gas wells have **fallen 73%** since 2011.