I'd like to thank all of you for joining us today.

I would particularly like to acknowledge some of our guests today … for taking the time to join us.

With a newly-elected Congress and a president beginning his second term, we are standing on the threshold of a new year – one that presents tremendous opportunities to move forward on building our economy and creating jobs for Americans who are looking for work. The oil and natural gas industry has been a bright spot in the last few years of sluggish economic growth and listless job creation … and we are ready to do more.

We have a vision of our country’s future that is built on the incredible potential our industry offers to spur more economic growth and help other industries and America’s manufacturing sector recover. And with greater economic growth comes greater opportunity: for workers (including young people just starting their careers), for retirees and for the nation.

Americans are looking for a new, forward-looking approach that embraces innovation, imagination, consensus, resolve and a focus on things that work.

Energy is fundamental to every nation’s economy. In the United States, oil and natural gas supply most of the energy we need to run our businesses, transport our goods and products, support our lives, heat our homes and move our families through their day.

There is no question we will need more energy to meet the needs of an expanding economy and provide for a growing population in the years ahead … and oil and natural gas will be vital to that growth, even as we expand our use of renewable energy and become more energy efficient. We need more energy of all types to meet the rising demand of a vibrant country. And we can produce more of that energy right here at home.

The U.S. oil and natural gas industry is fundamental to our country’s future, through its investments in energy exploration, through its investments in infrastructure to safely and responsibly produce, refine and deliver the energy we need, through its investments in people, jobs and communities, and its investments in fuels and in innovative technologies.

More domestic energy development equals economic growth, job creation, government revenue, and energy security.

USA Today recently looked at how oil and natural gas development was driving up income in rural and small town areas – where many of our operations are located. According to the article, income in “small-town America” was up 3.8 percent since 2007.

And energy’s foundational role in our employment picture was evident in the Labor Department’s latest jobs report: oil and natural gas extraction employment is up 6.5 percent from a year ago.

These jobs were created through a resurgence in our domestic resources, which can change our energy and economic future. Study after study has shown we are a resource-rich nation with vast energy assets – natural gas and oil – and we have the world’s leading refining capability to deliver the fuels and products American businesses and families need. U.S. oil and natural gas companies are investing in America’s future through the development, production and refining of oil and natural gas, and in doing so are opening up new opportunities for our economy.
In 2011, the U.S. ranked 159th in the world in terms of GDP growth, and lackluster economic growth attracted a lot of attention during last year’s election. Somewhat overlooked was our country’s number one ranking in natural gas production. The Wall Street Journal reported our number one ranking was at least partly to luck of geology – that we have vast resources here in the U.S. – but also to our country’s commitment to private investment, and the ability for those investors to take risk and realize a return.

And it’s not just natural gas – the industry is producing record amounts of oil … and the refining industry is a world leader as well.

These are the kinds of investments oil and natural gas companies are considering every day.

U.S. oil and natural gas companies provide a substantial economic stimulus every year. In 2011, the industry stimulus was $545 billion dollars in capital investments, wages and dividends. Think of it: every two years, that’s a trillion dollars in economic lift without a single taxpayer dollar spent. And those investments continue each year … driving job creation and higher economic growth.

This energy stimulus is providing returns across the economy: oil and natural gas industry investments directly and indirectly support more than a trillion dollars in economic activity.

And a recent IHS Global Insight study said lower natural gas costs were lowering manufacturing costs, as well as heating and electricity prices by an average of 10 percent. This means lower costs for manufacturers and other sectors of our economy, and lower prices on chemicals and feed stocks based on natural gas and refined products … such as are used in plastics, medicines and even agriculture.

About one-third of all the energy produced in the United States is used by manufacturers to produce and ship products that are vital to our way of life. The abundant and affordable supplies of energy from shale—natural gas AND oil – are driving job creation and economic growth across the country.

And consumers are benefitting from lower energy costs brought about by the growth in natural gas production. IHS Global Insight estimates American households will save, on average, $1,000 a year between 2012 and 2015 through lower heating and electricity costs and says the savings could rise to more than $2,000 a year per household by 2035.

Producing more domestic energy provides opportunities for the U.S. to increase its exports and serve new markets. A recent NERA Economic Consulting study for DOE shows exporting LNG is a net benefit in all scenarios evaluated, and that more exports increase those benefits. Just a few years ago, we were more concerned with how to import LNG to meet our own growing demand.

And by developing new technologies to access potential new sources, like oil shale, we will be able to dramatically increase our energy potential and role as the global energy leader. Oil shale in the Western United States is estimated at more than 800 billion barrels, or nearly three times the proven reserves of Saudi Arabia.

We’re Investing in America’s Future … and we’ll be sharing what that means through a new campaign focused on raising understanding of the unique and foundational role U.S. oil and natural gas has in our economy, what it means for our communities and for Americans’ lives, for our government through production and refining, and what it means for job creation.

Oil and natural gas companies currently support 9.2 million American jobs and could support an additional 1.4 million by 2030 through the industry’s investments in energy production and refining.
Infrastructure investments create new construction jobs immediately, while providing job creation benefits for years to come. For the Keystone XL pipeline, that means thousands of new jobs immediately, while oil sands development could support hundreds of thousands of jobs in the next few decades.

And a new analysis by IHS demonstrates the benefits of job creation from unconventional oil and natural gas development are not limited to typical oil and natural gas states. Over the past decade, more than 30 states have seen at least a 50 percent rise support industry employment. From IT to accounting to software to machines and equipment, companies and workers in every state are supporting the development of U.S. oil and natural gas.

And thousands of workers in almost every state are part of a vast network of U.S. companies supporting the development of Canada’s oil sands. The U.S. refining industry supports more than 500,000 jobs, with an average income of almost $95,000, and supports nearly two percent of our GDP.

In 2011, China surpassed the United States as the world’s number one manufacturer. But we can reclaim that spot, if we ensure our own energy revolution continues to gather strength.

Manufacturing can and is returning to the United States: Shell, Dow, U.S. Steel and others have all announced or are considering moving manufacturing to U.S., or planning expansions here at home, for the first time in many years. These decisions are driven by the availability of reliable and affordable energy … and by the knowledge that we have a skilled and productive workforce.

And the oil and natural gas industry offers tremendous employment opportunities -- to meet the changing demographics -- for African American and Latino workers. An IHS study projected that with pro-development policies 166,000 new jobs created just in the upstream sector of this industry by 2020 could be held by minority workers … and more than 285,000 by 2030.

Job creation continues to be a key priority for policy makers, for our industry, and for the millions of Americans who are looking for work. With up to half of the oil and natural gas industry’s technical personnel turning over in the next 7 to 10 years, our industry provides an important opportunity to address the challenge of high unemployment. But a key part of that solution is government policies that enable increased domestic energy production and maintains a strong domestic refining sector rather than discouraging it.

U.S. oil and natural gas companies are providing more than jobs, and more than economic growth. The success of this industry means enhancing our energy security, our economic security and our national security.

Millions of Americans gain retirement security through shares of oil and natural gas companies held in retirement savings, 401k’s, and pension plans. A study of the largest public employee pension plans -- covering teachers, police officers, and firefighters -- in 17 states showed oil and natural gas stocks, which on average made up less than 5 percent of the funds’ holdings, contributed as much as 15 percent to the funds’ total gains from 2005 to 2009.

A similar look at colleges and universities found more good news: U.S. shares of oil and natural gas company stocks boosted the overall performance of public and private university endowments – outperforming every other asset class examined. The 11.5 percent return between 2001 and 2011 was 326 percent higher than the average annual 10-year return on all U.S. stocks.

This industry is also among the largest sources of revenue to the government, providing broader financial security for the nation. As the government’s lease sale in the Gulf of Mexico in 2012 illustrates: tremendous revenues flow to government through lease sales, royalties, and bonus bids. The $1.8 billion raised through the federal offshore lease sales in 2012 could significantly increase, if the more than 80 percent of offshore areas that are currently unavailable were made available for production.
Energy access – not taxes – is the key to unlocking new revenues for our government. Energy analysts at Wood Mackenzie found that more than $800 billion could be generated through 2030 through access to areas off limits and other pro-development policies.

There is a new energy reality for the United States – a reality of vast domestic resources of oil and natural gas. The reality is that our energy supply is no longer limited, foreign and finite, but is now American and abundant, greatly enhancing our national security.

We have a game-changing opportunity to make the U.S. the global leader in energy. If we seize the opportunity now, we will be positioned to lead for decades and realize the economic and energy security benefits of that leadership.

The world will be watching, because our willingness to step up to this opportunity has geopolitical implications in Europe, the Middle East, Asia and elsewhere.

We were encouraged by President’s Obama’s 2012 campaign comments supporting an all-of-the-above agenda on energy, and his statements outlining support for oil and natural gas.

We need more energy of all types. Even as we dramatically expand renewable energy sources and increase energy efficiency, fossil fuels have an important role to play. Not only does natural gas have an increasingly important role in electricity generation . . . it provides the raw materials needed to manufacture turbine blades for windmills and solar power panels—it is essential as a backup power to intermittent electricity sources.

A future of abundant domestic energy is already being made real through today’s oil and natural gas industry investments in cutting-edge technologies to access resources previously thought unreachable. With unconventional resources soon expected to produce the majority of America’s energy, we may soon be calling them very conventional.

Shale energy development has been a game changer for communities, the economy and even the environment, as increased use of natural gas has helped reduce CO2 emissions to 1992 levels.

Since 1990, the industry has invested more than $252 billion in improving the environmental performance of its products, facilities and operations. Between 2000 and 2010, the amount of industry investments in technologies to reduce GHG emissions – $71 billion – was more than the federal government’s $43 billion and almost as much as all other industries combined.

U.S. refiners have invested more than $137 billion since 1990 in technologies to produce even cleaner fuels and meet the growing variety of state and federal mandates for fuels. The complete transition to Tier 2 gasoline is estimated to have resulted in the reduction of tailpipe emissions for cars and light trucks equivalent to taking 164 million cars off the road.

And through increased efficiency, we are doing more with less: America uses about half as much energy today to produce a dollar of GDP than it did in 1970.

America’s oil and natural gas industry has a unique and foundational role in our country: providing the fuels that power our economy, creating jobs, and supporting our national interests -- through the industry’s investments in America’s future.

This is a uniquely American movement: private investment in domestic oil and natural gas – and the technologies to access these reserves – has brought us to a turning point that is unmatched anywhere in the world. Not because they don’t have oil and natural gas, but because we have brought our entrepreneurial spirit to energy: to take a chance on new wells, new techniques and new technologies that provides the energy that supports our way of life.

We are at the crossroads of a great turning point in our nation's history … to realign the energy axis toward the west and into our own control. North America could become self-sufficient in liquid fuels in roughly 12 years. And as a potential energy
exporter, we can help bring greater stability to the geopolitics of energy, to say nothing of the positive impacts increased U.S. supply would have for U.S. businesses, workers and consumers.

These investments -- and benefits -- don’t occur in a vacuum. As Washington’s elected officials and opinion leaders search for common ground on tax policy, fiscal policy and regulatory regimes, we need to focus on solutions that will support our ability to provide for a secure American energy future.

There is room for agreement.

We welcomed President Obama’s campaign promises to support oil and natural gas development as part of an all-of-the-above strategy.

We can offer solutions to some of the pressing issues that will impact our economic future: tax reform, infrastructure improvements, leasing and permitting on federal lands, regulations that don’t add unnecessary layers of compliance burdens on top of existing protections, and ensuring regulations won’t compromise our ability to grow the economy and create jobs through domestic energy.

And there is plenty of work to be done: our economy has struggled to recover; millions of Americans are out of work and millions more have stopped looking for work altogether; geopolitical turmoil resists easy diplomatic answers; and many Americans wonder if Washington can work in a bipartisan manner to solve the most pressing issues before us. I think we can work together … I think we must, if we are to ensure domestic energy is available to provide the foundation for revitalizing our economy.

Thanks to vast U.S. energy resources, the oil and natural gas industry stands ready to continue the investments made in jobs, communities, technology, the environment and safety, while improving America’s energy security.

We are investing in America’s future.

Thank you.