

Statement of:  
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Before the  
United States House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Energy and Power  
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Chairman Whitfield, Ranking Member Rush, members of the subcommittee:  
Thank you for this opportunity to speak with you today about an energy issue that concerns all Americans – the rising cost of fuel.

The American Petroleum Institute represents every aspect of America's oil and natural gas industry. This industry supports 7.7 percent of our economy, 9.2 million jobs, and the millions of Americans who hold ownership stakes through pension funds, retirement accounts and investments.

Americans are understandably frustrated by rising fuel prices, the result of a weak energy policy. America is an energy-rich nation, one of the world's richest, yet too many talk like we're powerless to do anything but watch global events drive energy costs higher, and that there are no solutions.

Members of the committee, that's just not so. With sound policy and bold leadership, we can put this country's vast resources to work to change the current energy equation.

Gasoline prices are climbing primarily because the cost of crude oil -- which accounts for 76 percent of the price at the pump -- also has been rising, pushed higher by global demand and Middle East tensions. These market forces are challenging, but America doesn't have to be held captive by them.

We have choices. By increasing access to North American energy, we will help put downward pressure on fuel prices.

Supply matters. That's not just API saying so. It's others asking the Saudis to produce more, it's others seeking new suppliers – like Brazil – it's talk of another release from the Strategic Petroleum Reserve.

But none of these alone leads to long-term U.S. energy security. Increasing supply will. Government estimates say we will still get nearly 60 percent of our energy from oil and natural gas over the next few decades. The question is whether we produce that energy here or rely on less-stable sources.

A strategy that confidently deploys resources here at home will send a clear message to global markets that the United States is serious about affecting supply. To the American people it will say help's on the way.

We can send that message right away by approving the Keystone XL pipeline, which would bring 800,000 barrels of oil per day from Canada. We could expand access to our own supplies – offshore and onshore – by allowing new exploration and development on federal lands that currently are off limits.

Over the next two decades we could add the equivalent of 10 million barrels of oil per day to supply our energy needs. Markets built on expectations would see that America plans to be an energy leader, not a follower.

But current policies block this vision. API agrees with the call for an all-of-the-above energy approach, but we're seeing actions that hinder oil and natural gas at nearly every turn.

The administration is saying one thing, doing another and sending mixed signals to the markets.

The administration says it is for more oil and gas, but rejects the Keystone XL pipeline. It says it is boosting domestic production onshore, but new leasing on federal lands is down 44 percent, and the number of new wells drilled is down 39 percent. It says it is opening offshore areas but the latest plan keeps 87 percent of these areas off limits. It says oil and gas activity in the Gulf of Mexico is back to normal, but the latest forecast says production this year will be down nearly 21 percent from 2010. It says it is for natural gas, but 10 federal agencies are looking at new regulations that could needlessly restrict it. It calls for “all-of-the-above” then threatens the companies that could lead an energy renaissance with \$85 billion in discriminatory tax increases.

Mr. Chairman, this is sending the wrong message to the global markets. This needs to change.

The effect of greater access is no mystery. Look at what’s happening on state and private lands. Shale plays in North Dakota, Pennsylvania and Texas are game-changers – creating jobs, helping consumers, generating revenue to government and producing record levels of oil and natural gas.

We need that model nationally. We need bold action that says we’re serious about energy -- action that will increase supply and benefit all Americans.

With the right policies and strong leadership, we can secure our energy future instead of surrendering it to outside forces.

The president has an opportunity right now to send a signal to the markets that will help put downward pressure on fuel prices. He can show the American people that we’re serious about developing our own vast resources. Our industry stands ready to help, and we urge the president to act now.

Thank you, and I look forward to your questions.