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Good afternoon everyone and thank you Barry for the introduction and for your leadership at the United States Energy Association. You and your team continue to be a positive force promoting the public's understanding of our nation's energy sector.

For the next few minutes I'd like to share with you API's vision for America's energy future, and why we need to make the most of this pivotal moment in our nation's energy history.

It is clear to those of us in the industry that we have left behind decades of energy scarcity and dependence on other nations and entered an era of energy abundance and global energy leadership.

Something the American voters increasingly understand.

There is a growing awareness that this is a unique American moment and that we should be proud of how far our nation has come in a very short time.

But we should also be mindful that this progress could easily be stalled or even reversed without the right energy policies.

Getting our nation's energy policy right means putting polices in place that encourage America's 21st century energy renaissance and augment American global energy leadership.

It means ensuring that our energy policies are closely aligned with our status as a leading global energy producer, including being number one in:

- Natural gas production;
- Petroleum refining; and
- Soon to be the number one producer of crude oil as early as this year, with some projecting we are already there.

During this new era of energy abundance the oil and natural gas industry has not only set production and refining records, which has created 600,000 jobs between 2009 and 2011. It has also added significantly to global energy supply leading to reduced prices benefitting consumers.

But again, none of these gains are assured.

Getting America's energy policy right requires that it is rooted in this nation's new energy reality; grounded by market principles and based on the best science available.

And while the president's rhetoric has improved somewhat when it comes to oil and natural gas production, the administration's actions and regulatory biases continue to point toward stifling regulations and a backward-looking approach to our nation's energy development potential.

We agree with the president that our sights should be higher than a single pipeline.

But if we can't make a decision on a single pipeline, how can we expect to ever convince the market we can accomplish comprehensive infrastructure improvement?

Indecision has consequences. The fact is that if all other infrastructure projects are held to the same standard as Keystone XL, we are years away from approving or improving anything.

The needlessly protracted fight over the Keystone XL pipeline only serves to deprive tens of thousands of hardworking Americans of well-paying jobs and our nation of a safe and efficient means of transporting much needed North American energy resources.

Furthermore it has a chilling effect on infrastructure investment, generally, reminding all that government's indecision must be a part of a risk calculus when deciding whether to invest in infrastructure.

Deciding to improve our nation's electrical grid, roads, pipelines and rail freight lines, particularly those built by the private sector, should not be reduced to a partisan talking point.
Because most agree that investment in infrastructure upgrades would generate massive economic gains.

An analysis from the IHS consulting group found that essential infrastructure improvements in just the oil and natural gas area 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.

This level of infrastructure investment eclipses the pending highway bill, and taken together they could mean thousands of well-paying jobs and improve our nation's economic competiveness. So, we agree with the president on the talking points.

However, we strongly disagree with the administration's actions, including the dilatory approach to energy development on federally controlled land; the politically-motivated obstruction of the Keystone XL pipeline and the ideologically driven environmental regulations, aren't just prime examples of getting our nation's energy policy exactly wrong; they stand in stark contradiction to the president's professed all-of-the above national energy strategy.

It is a reminder that our nation's 21st century energy renaissance is due almost entirely to innovations in hydraulic fracturing and technological advances in horizontal drilling by the oil and natural gas industry, not to government policy or regulation, but instead in spite of them.

Keystone is a prime example of the continued disconnect between the rhetoric on energy policy and the nation's new energy reality.

I'll give you two more.

First, the unnecessary disparity between energy development on private land and land controlled by the federal government.

Currently 87 percent of offshore land under federal control remains closed to energy development. And the problem is not just a lack of access to energy resources offshore.

According to the Bureau of Land Management, from 2008 to 2013, the number of drilling permits issued on federally controlled onshore land dropped by 40 percent while the actual number of wells drilled dropped 50 percent, which of course will depresses future production.

A Congressional Research Service study found that in federal areas, production from 2009 through 2013 was down 6 percent for crude oil and 28 percent for natural gas. And where development is possible on federal land, permitting and leasing is a slow and cumbersome process. As a result, as reported by BLM months ago, federal revenue has decreased by more than $1 billion due to the slowdown.

In contrast, on private and state lands, oil production is up 61 percent and natural gas production is up 33 percent.

And to be clear, the difference between energy production rates on federal and non-federal land is not due to geologic science, but rather political science.

Which brings me to my second example, the recently released methane rule, which highlights the administration's tendency to regulate based on ideology rather than facts and science.

EPA's just-proposed methane strategy ignores the fact that methane emissions have fallen significantly, even as oil and natural gas production has risen dramatically, thanks to industry leadership and investment in new technologies.

EPA recently observed that methane emissions from hydraulic fracturing have fallen by 73 percent since 2011. And a 2014 University of Texas study found that methane emissions are 10 percent lower than what the same research team found in a study released in September 2013.

And don't forget the fact that this rule would regulate just two percent of greenhouse gas emissions, and that it singles out the oil and natural gas industry, and was met with criticism by environmental organizations for not going far enough.

The reality is that this rule could impose huge costs on American consumers, communities and businesses in the form of higher fuel costs and ultimately reverse gains our industry has made in reducing methane emissions.

Making it clear that the administration's methane rule is not based on facts and science; and it is equally clear that it will introduce needless costs for consumers and create yet another unnecessary obstacle to our nation's ability to provide the energy our nation and the world needs.

More broadly, the EPA and other agency and departments' tendency to overregulate rather than collaborate with industry disregards the industry's continued innovation, considerable investment and leadership in this area.

Our nation's greenhouse gas emissions are near 20-year lows, thanks in large part to the significant growth in the use of North American produced natural gas.

Since 1990, the oil and natural gas industry has invested $284 billion toward improving the environmental performance of its products, facilities and operations.

From 2000 through 2012, the industry has spent more on low and zero-carbon emitting technologies than the federal government has spent, and that total is nearly as much as all other industries' spending on these technologies combined.

Leaving rhetoric aside, we are at a fundamental crossroads, which will largely decide our nation's energy future. It is a fundamental choice between two very different energy visions.

One of the leaders of the contrarian view, Bill McKibben in his book, The End of Nature, wrote "The environmentally sane standard of living for a population our current size would probably be somewhere between that of the average Englishman and of the average Ethiopian."

This vision requires reducing America's electricity usage somewhere between 59 and 99.96 percent, which would cripple our economy and devastate our standard of living.

I doubt anyone in this room thinks that is a responsible or desirable energy vision or future for our country.

It is not surprising that those who support this contrarian vision rarely address the real-world impact of their radical worldview of life without fossil fuels, whether it is a continued lower standard of living for the world's poorest nations or a much smaller and less dynamic U.S. economy.

They are silent on what happens to the 9.8 million American workers that support oil and natural gas operations in every state and many communities across the nation – including the almost 30,000 operators, contractors, service companies, suppliers, and other vendors.

They are silent on what happens to the millions of families and communities whose livelihood is supported by the oil and national gas industry.

They ignore the fact that our entire economy is fueled by energy and that increased domestic production contributes not only creates jobs and grows our economy, it also lowers fuels costs for the American consumer.

And they have no plan to replace the $1.2 trillion dollars the oil and natural gas industry contributes to the U.S. gross domestic product and or the $84 million a day the industry contributes to state, local and federal governments in the form of royalties, bonuses paid at lease sales and taxes

Their vision for our nation's energy future, by definition, is of economic regression and energy scarcity and it deliberately flouts the fact that oil and natural gas are, and are expected to remain, fundamental to our economy and way of life.

We will contrast our vision of economic growth, expanded economic opportunity for millions and long-term American global energy leadership against the contrarian view, which would result in a lower standard of living, shrinking economy and, ultimately, American energy dependence.

The choice is that stark and that simple.

Our fundamental message is equally simple: Energy is central to our way of life and we will need more of all forms of it for decades to come.

Our vision for our nation's energy future is inclusive, realistic and above all rooted in the belief that energy's fundamental role in our society is a positive that should be encouraged rather than hampered.

Our vision is one that safeguards the progress we've made and builds on it.

Because, we should no more adopt or tolerate policies that pull us back toward energy dependence and uncertainty than we should adopt policies that reverse gains we've made in other areas of our society.

As this new Congress starts its work and this New Year begins, the president has an historic opportunity to foster this unique American moment and to help set our nation on a course for enduring energy abundance and global energy leadership.

Together, we have a once-in-a-generation opportunity to show the world how energy abundance can be used as a positive force rather than as a tool to harm or to control other nations as some still use their energy abundance.

What we want and what the American people deserve are elected leaders at all levels of government who act with a sense of urgency and spirit of collaboration to convert this unique American energy moment into an enduring legacy of American energy abundance so that future generations will only know the United States as a global energy leader.

Thank you for listening…Barry…