

**WRITTEN TESTIMONY OF JACK N. GERARD  
PRESIDENT, CEO OF AMERICAN PETROLEUM INSTITUTE  
HEARING ON  
“OPPORTUNITIES AND CHALLENGES FOR NATURAL GAS”  
BEFORE THE COMMITTEE ON ENERGY & NATURAL RESOURCES  
U.S. SENATE**

Good morning Chairman Wyden, ranking member Murkowski and members of the committee. Thank you for the invitation to join you as we consider the game changing energy opportunity before us resulting from our abundant domestic natural gas supply.

My name is Jack Gerard, president and CEO of the American Petroleum Institute. We represent all aspects of the oil and natural gas industry with more than 500 members who supply most of the nation's energy.

Today's hearing, "opportunities and challenges for natural gas," is extremely timely given our nation's emergence as a global energy leader. This change in the global energy equation is due largely to technological advances in the extraction of natural gas and oil from shale formations. These technologies are driving America's 21<sup>st</sup> century energy renaissance and have the potential to benefit our nation well beyond traditional energy policy.

In the words of Pulitzer Prize winning author Dan Yergin, "[this is] ... the most important energy innovation so far of the 21<sup>st</sup> century."

Recent research shows that in the upstream segment of the oil and natural gas industry alone, unconventional natural gas production supports 1.7 million jobs. That number is expected to grow to 2.5 million jobs by 2015; 3 million jobs by 2020 and 3.5 million jobs by 2035. According to the Bureau of Labor Statistics, jobs in the oil and natural gas exploration and production sector pay on average more than \$100,000 per year, more than twice the national average. These are good jobs our economy desperately needs.

Currently, the entire natural gas and oil industry supports 9.2 million U.S. jobs; accounts for 7.7 percent of the U.S. economy and delivers \$86 million per day in revenue to our government.

In addition to job creation, unconventional natural gas and oil paid \$62 billion in local, state and federal government taxes in 2011. By 2020, this number is expected to grow to \$111 billion. On a cumulative basis, unconventional natural gas and oil activity is projected to generate more than \$2.5 trillion in tax revenues between 2012 and 2035.

And we should remember this isn't happening in a vacuum. The world is watching and understands that our decisions could alter the geopolitical energy equation for generations.

Case in point are LNG exports, which will create thousands of U.S. jobs, generate billions of dollar in revenue, improve our trade deficit and spur major investment in infrastructure, which will strengthen our energy security.

Additionally, the increased use of natural gas is critical to reducing greenhouse gas emissions. In fact, U.S. carbon emissions are at 1992 levels due largely to increased use of natural gas in the generation of electricity.

The question before us is not whether we have the energy we need to grow and prosper. We do. The question is whether we have the political wisdom and foresight to create a national energy policy that harnesses our great potential as an energy superpower. We look forward to working with you to make this potential a reality.

This hearing is a step in the right direction. Thank you for your time and attention.