

# Remove Barriers to Increased Domestic Oil & Natural Gas Production and Fuel Manufacturing

**Technological advances have led to tremendous increases in oil and natural gas production, creating jobs and spurring economic development.** In a short time, the narrative of U.S. energy production has changed from one of “energy scarcity” to one of “energy abundance.”

Despite this success, oil and gas production faces barriers that are holding back its full potential, costing America jobs and government revenue. While oil and gas production on state and private lands has increased dramatically, production on federal lands has actually fallen. Furthermore, the vast majority of federal offshore lands are closed to production, and the industry operates under the constant threat of punitive taxes and ill-conceived, heavy-handed federal regulations.

**48%**

INCREASE IN US CRUDE OIL PRODUCTION SINCE 2008.

**53%**

INCREASE IN US NATURAL GAS PRODUCTION SINCE 2008.

INCREASED ACCESS TO OFF-LIMITS REGIONS COULD CREATE AS MANY AS

**690,000**

NEW JOBS BY 2030.

## Policy Recommendations

- ✓ DOI must commit to harnessing the nation’s oil and natural gas resources by enabling substantially greater access to the lands and waters owned by Americans.
  - The department should propose a new Leasing and Exploration Plan for the Outer Continental Shelf (OCS) that provides the opportunities for leasing on our oceans and the Gulf.
  - The department must make significantly more onshore federal lands available for energy development and remove the bias on leasing federal lands for the production of advanced fuels like oil shale and oil sands.
- ✓ Congress should provide a 37.5% share of royalty revenues from all new production on the OCS to the state(s) adjacent to the development areas.
- ✓ The Bureau of Land Management should refrain from finalizing a proposed rule regulating hydraulic fracturing on federal lands until it first seeks the input of the states and industry to ensure any future rules are addressing an existing regulatory gap, based in sound policy and not a rush to demonstrate the ability to regulate.
- ✓ EPA should cease its effort to regulate hydraulic fracturing by circumventing the rule-making process and instead unlawfully issuing regulations disguised as guidance documents.
- ✓ Congress should refrain from leveling punitive taxes on the oil and natural gas industry.
- ✓ Congress should pass legislation that would ensure producers and users of commodities can continue to use over-the-counter swaps to hedge their business risk, without the burden of clearing and margin requirements.
- ✓ Congress must adequately fund and DOE must pursue research and development focused on the production and utilization of advanced unconventional energy sources such as oil shale and oil sands.
- ✓ The Departments of Energy and Commerce should provide a non-discretionary license to any applicant proposing to export domestically produced natural gas or crude oil to any WTO member nation.
- ✓ There should be no discrimination against the use of Canadian oil sands crude, including §526 of the Energy Independence and Security Act of 2007 and Low Carbon Fuel Standards.
- ✓ EPA should withdraw its Tier 3 gasoline sulfur rule.

## Unleashing an Energy Revolution

America is in the midst of a true energy revolution. After decades of the national dialogue being dominated by energy scarcity, we are now facing an era of energy abundance. However, this is far from a foregone conclusion. The recent expansion of oil and gas production is a result of technological innovation and industry persistence. If we can develop smart policies that complement the private sector, we are on the verge of an energy revolution that has the potential to launch a manufacturing revival, effectively increase household spending power, and repower America's economy.

American crude oil production is on the rise. The Energy Information Administration (EIA) projects that America's crude production will be over 7.4 million barrels per day by the end of 2013—a nearly 50% increase since 2008. However, industry has been restricted from exploring much less producing energy on vast amounts of federal land. In fact, while production of oil and gas on private and state land has risen dramatically in the last few years, production on federal lands actually declined. Production has not only declined on federal lands, but industry is also locked out of most offshore federal lands – some 86%

of the outer continental shelf is off-limits for production and exploration.

The natural gas story is even more astonishing. Natural gas from shale today represents about one-third of all U.S. production and is forecast to supply up to 60% of all U.S. natural gas production by 2030. In fact, EIA now expects the U.S. to become a net exporter of natural gas by 2020 (if not sooner).

Shale gas presents a significant opportunity to lower our nation's energy security risk and increase the competitiveness of our manufacturing sector. The resulting reduction in costs for power generation and feedstocks has not only made U.S. manufacturing more competitive, it has also spurred new investments in chemical and steel manufacturing.

Unconventional oil and gas alone are expected to generate hundreds of billions of dollars in local, state and federal revenues, and create or support millions of American jobs. Continuing to optimize these valuable resources to help grow the U.S. economy will depend on smart energy policies that do not limit or restrict development.

The Benefits of  
Unconventional  
Energy Development

**\$5.15**  
**TRILLION**

IN PRIVATE SECTOR CAPITAL  
EXPENDITURES OVER THE  
NEXT 20+ YEARS.

**3.5**  
**MILLION**

JOBS CREATED OR  
SUPPORTED BY 2035.

**\$2.52**  
**TRILLION**

IN LOCAL, STATE AND  
FEDERAL TAX RECEIPTS  
OVER THE NEXT 20+ YEARS.

**Want to know more about oil and natural gas?  
Read the full report, [Energy Works for US.](#)**



**ENERGY**  
Works For **US**



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Data referenced from the following sources: U.S. Energy Information Administration Short Term Energy Outlook 2013; IHS, America's New Energy Future 2012