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House Committee on Natural Resources
Hearing on “*Exploring the Economic Potential of the Golden Age of American Energy
Dominance*”

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Chairman Gosar, Ranking Member Dexter, and Members of the Subcommittee, thank you for the invitation to testify today on behalf of the American Petroleum Institute (API). API is the largest national trade association representing all segments of the U.S. oil and natural gas industry. Our approximately 600 members produce, process, and distribute the energy that powers every sector of the American economy.

America’s Energy Transformation

This hearing comes at a defining moment. The United States is living through what can fairly be called the Golden Age of American Energy Dominance. In the span of just two decades, we have moved from a position of scarcity and dependence to one of abundance and global leadership.

The scale of that transformation is striking. In 2024, U.S. crude oil production reached a record 13.2 million barrels per day¹, securing America’s place as the world’s largest oil producer. The United States is also the world’s largest natural gas producer. Natural gas output in 2024 was 103 billion cubic feet per day², an unprecedented volume that fuels our homes, our industries, and—through LNG exports—our allies abroad. Cargoes of LNG leave Gulf of America terminals at a rate of more than 12 billion cubic feet per day, while U.S. crude exports have surged past 4 million barrels per day³. Beyond the enormous benefits to U.S. consumers and businesses, that energy keeps factories operating in Europe, homes heated in Asia, and global markets more stable than they would otherwise be. These are not abstract statistics; they reflect a reliable, affordable energy supply at home, and a tangible geostrategic advantage abroad.

The U.S. oil and natural gas industry supports more than 10 million American jobs⁴. These are not limited to rigs in Texas or refineries in Louisiana; they stretch across the supply chain into Alaska, Ohio, Pennsylvania, New Mexico, Colorado, and virtually every state and congressional district.

¹ https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbldpd_a.htm

² https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FPD_mmcf_a.htm (dry natural gas)

³ https://www.eia.gov/dnav/ng/ng_move_expc_s1_m.htm

⁴ <https://www.api.org/-/media/Files/Energy-Economics/API-Studies/2023/Economic-Impacts-OG-2021-PWC.pdf>

Collectively, the sector contributes nearly \$1.8 trillion annually to U.S. GDP— almost 8 percent of the entire economy⁵. We often call this the “first 8 percent,” because nothing else in the economy moves without energy.

Most importantly, the benefits of reliable domestic production are felt by very American household. U.S. families pay some of the lowest energy costs in the developed world—among the very lowest across Organization for Economic Co-operation and Development (OECD) countries. This makes more room in family budgets for groceries, tuition, and savings.

A generation ago, policymakers spoke of “peak oil” and warned of the dangers of foreign reliance. But that is not the America we live in today—American ingenuity has flipped the script. Our nation’s energy abundance strengthens household budgets, drives innovation and manufacturing, underpins the resilience of the U.S. economy and enables unprecedented global energy leadership.

America’s Energy Backbone: Onshore and Offshore Production from Federal Lands and Waters

Energy development on public lands and waters is an essential part of the American energy success story. Onshore and offshore oil and natural gas production together form one of the most valuable assets of the United States economy. Both are indispensable to meeting demand at scale, supporting high-paying jobs, and strengthening our energy security. U.S. offshore oil production is also among the sources with the lowest lifecycle carbon intensity⁶, while onshore shale development has made America the global leader in energy innovation.

The resource base on federal lands and waters is tremendous, and production is increasing. U.S. total crude oil production from federal lands and waters reached a record 1.9 million barrels per day of oil in 2024, accounting for roughly 27% of total U.S. crude oil production⁷. Between 2020 and 2024, 48% of the increase in U.S. crude oil production growth was from federal lands⁸. Meanwhile, onshore federal natural gas production totaled 11.3 billion cubic feet per day, or 9% of the total U.S. dry gas production⁹.

As for offshore contributions, federal offshore tracts—particularly in the Gulf of America (GOA)—account for approximately 14% and 2% of U.S. oil and gas production, respectively.¹⁰

⁵ Based on 2021 GDP of 23.6 trillion USD

⁶ <https://www.noia.org/noia-report-ghg-emission-intensity-of-crude-oil-and-condensate-production/>

⁷ Ibid.

⁸ API: Federal Onshore Oil and Natural Gas Trends, 2024

⁹ Ibid.

¹⁰ Oil - https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbldpd_a.htm;

Natural Gas - https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_VGM_mmcfd_a.htm

The average oil production rate for the GOA OCS was 1.92 mbd in June, the highest rate since October 2023.¹¹

Energy Revenues and Public Benefits

The value of this production is not only measured in barrels and cubic feet, but in the revenues that flow directly back to the public. Federal revenues from oil and gas production have long been one of the largest non-tax revenue sources to the federal government. A 2022 study from Resources for the Future¹² found that between 2015 and 2020, energy development on public lands and waters generated roughly \$138 billion for U.S. localities, states, tribes, and the federal government. Federal, state, and local governments receive royalties, rents, bonus bids, severance taxes, and corporate income taxes tied directly to oil and natural gas activity. In fiscal year 2024 alone, federal leasing generated \$7.4 billion in total revenue¹³ and revenue for oil and natural gas production was \$15 billion (including Native American lands).

While production and revenues are significant, the footprint from oil and gas development on federal lands and waters is small. In 2024, less than 4 percent of federal of the total lands available were leased,¹⁴ just 22 million of the 700 million onshore federally-held subsurface mineral rights. The footprint offshore is even smaller. Yet that small footprint generates the revenues that fund schools, infrastructure, and public services across the country. A portion of this funding also supports conservation efforts. For decades, The Land and Water Conservation Fund (LWCF) has used energy revenues to preserve national parks, public lands, and recreation areas for generations of Americans. In 2020, Congress built on that legacy by passing the *Great American Outdoors Act*, which permanently funded LWCF and provided billions to address maintenance backlogs at national parks and other federal lands—paid in large part by energy development.

Offshore revenues are also shared directly with Gulf Coast states under the *Gulf of Mexico Energy Security Act* (GOMESA), which has directed billions toward hurricane protection, coastal restoration, and conservation projects. Similarly, the proposed *State Revenue Lands Act* aims to modernize and expand revenue-sharing frameworks, ensuring that states and communities hosting federal production receive a fair return to invest in schools, infrastructure, and local priorities. In this way, strong energy production not only lowers costs for consumers but also sustains the very public spaces, conservation programs, and community services that Americans depend on.

¹¹ <https://www.data.boem.gov/Main/Production.aspx>

¹² <https://www.rff.org/news/press-releases/us-revenues-from-fossil-fuels-responsible-for-138-billion-annually-expected-to-fall-regardless-of-climate-action/#:~:text=The%20authors%20find%20that%20government,a%201.5%C2%B0C%20scenario.>

¹³ API: Federal Onshore Oil and Natural Gas Trends, 2024

¹⁴ <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/oil-and-gas-statistics>

Our industry has always believed development on federal lands and waters should provide significant and tangible benefits to the American people. That means not only ensuring that local communities share in the economic opportunities created and revenues generated, but also that they have a seat at the table throughout the development process—helping to shape projects in ways that reflect local priorities, protect cultural and environmental resources, protect public health, and build long-term trust.

Across all our operations, including those on federal lands and waters, safety is the industry's number one priority. Our industry is built on a commitment to safety above all else. Every project—whether offshore platform or onshore well—is held to rigorous standards designed to protect workers, surrounding communities, and the environment. API itself has long been the global leader in developing industry safety and operational standards. Since 1924, API has led the development of more than 800 petroleum, natural gas and petrochemical equipment and operating standards. Addressing everything from drill bits to environmental protection, they advance safety, efficiency and environmental responsibility. API standards are recognized worldwide for their technical rigor and global impact, with many incorporated into federal and state regulations. The industry's commitment to safety is not optional; it is central to earning and maintaining the trust of our workers, our communities, policymakers and the American people.

One Big Beautiful Bill: A Foundation for the Future

By passing the *One Big Beautiful Bill* (OB BB), Congress delivered a historic win for American energy security and set the stage for lasting progress in the years to come. For companies weighing multi-billion-dollar investments with decades-long time horizons, that kind of stability matters.

By mandating a consistent 15-year offshore leasing schedule and enhancing onshore lease sale terms and requirements, OB BB gave producers a level of predictability that had been missing for too long. It also streamlined permitting by reforming NEPA review timelines, limiting unnecessary delays, and creating clearer paths for project approvals. It reinforced the importance of efficient leasing programs at the Bureau of Land Management and Bureau of Ocean Energy Management, ensuring that federal processes keep pace with the scale of America's future energy needs.

OB BB sets the stage for a new era of exploration and development, the potential to unlock billions in private capital, and a renewed signal that U.S. energy growth is being encouraged rather than stymied. It marks a shift from an era of hesitation to one of renewed confidence, sending a message to workers, investors, and allies that America intends to remain the global energy leader for generations to come.

For industry, OB BB was more than a policy win—it was the kind of durable framework that allows producers to plan decades into the future, knowing the resources will be available.

The Permitting Challenge

Despite the enormous transformation of American energy leadership over the past 20 years, we are still merely scratching the surface. The resource base in places like the Permian Basin, the Marcellus Shale, the Haynesville, the Bakken, and Alaska's North Slope is nothing short of extraordinary. Meanwhile, global demand for energy of all types continues to grow, with 2024 setting record demand for crude oil, natural gas, gasoline, LNG and diesel. More recently, demand for electricity has been soaring, as well, driven by the rapid buildout of AI and data centers. In the United States, natural gas is by far the largest source of electricity generation (more than 40% of U.S. electricity is generated from natural gas). These trends places even greater emphasis on the sustained need for reliable, affordable U.S. oil and gas.

The question before us is not whether the United States has the resource and supply—we do. Nor is it whether there is demand—there is, both at home and abroad. The question is whether we can connect the two: can we build the pipelines, export facilities, and infrastructure necessary to move energy from where it is produced to where it is needed? That is the permitting challenge; and unfortunately, the process is fundamentally broken.

Today, projects languish in years of duplicative review or endless litigation. A pipeline or LNG terminal that should take less than a year to permit can stretch to a decade. That delay doesn't just stall private investment—it delays lower energy costs for consumers, it delays federal revenues from royalties and lease sales, and it delays the reliable energy supply our allies count on.

API has long called for a permitting framework built on three straightforward principles: predictable timelines for agency reviews, targeted reviews of knowable, direct project impacts, and reasonable limits on litigation. These reforms are not about weakening standards—they are about ensuring accountability and delivering results.

That is why this hearing on the Golden Age of American Energy is so important. Oversight matters. By highlighting both the scale of our energy opportunity and the barriers that prevent resources from reaching the market, this Subcommittee helps underscore what's at stake: whether America's unmatched energy advantage will be fully realized, or left stranded in the ground.

Ensuring the Golden Age Endures

Mr. Chairman, Members of the Subcommittee—this is America's moment. We stand at the center of global energy markets, not as a dependent consumer, but as the world's indispensable producer. That position benefits every American family, every U.S. worker, and every ally who depends on us.

The choices Congress makes now will determine whether this Golden Age endures. OBBB laid the foundation. Permitting reform will ensure we can build on it.

API and our members stand ready to work with you to secure this future—one where American energy means American strength, American jobs, and American security.