



U.S. House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Pipelines, Railroads and Hazardous Materials
How the Changing Energy Markets Will Affect U.S. Transportation.
Testimony of Jack N. Gerard
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Good morning Chairman Denham, Ranking Member Capuano and members of the Subcommittee.
Thank you for the opportunity to testify today.

API is the national trade association representing all facets of the oil and natural gas industry, which supports 9.8 million U.S. jobs and 8 percent of the U.S. economy. API's almost 650 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline and marine businesses, and service and supply firms.

America's 21st century energy reality is far different than it was just a few short years ago. Gone are the days of American energy scarcity and insecurity. Today, the United States is the world's leading producer of natural gas and leading refiner of petroleum. And soon our nation will be, or as some experts assert, already is, the largest crude oil producer in the world.

There is a growing awareness that this is a unique American moment. It is a moment that marks the transition from endemic energy dependence to energy security and global energy leadership. Both of which have been public policy goals of every president and every Congress since the 1970s.

But to be clear, to secure this unique American moment will depend heavily on our ability to build the necessary infrastructure to achieve our nation's full energy potential.

Investing in our nation's infrastructure means more: more jobs; more revenue to local, state and federal governments; a more dynamic and efficient economy and an improvement in our nation's trade balance.

On the jobs front, 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 potential infrastructure investment eclipses the pending highway bill, but if they were to occur together could mean thousands of well-paying jobs and improve our nation's global economic competitiveness at a time when it is most needed.

That's why decisions to improve our nation's electrical grid, roads, pipelines and rail freight lines, particularly those built by the private sector, should be driven by what's best for the American energy consumer, our nation's economy and status as a global energy superpower.

In this era of American energy abundance we must think differently when it comes to how and where we invest in our nation's infrastructure. The past era of energy scarcity required a silo approach to energy policy – each mode considered in isolation and in competition with other modes. In this era of energy abundance we need more of all.

And investing in our nation's infrastructure means that products from all industries move more efficiently within our nation, which lowers costs to consumers and gives our business and manufacturers a competitive edge in the global market.

Given the integral part America's infrastructure plays in job creation and economic growth domestically and our nation's role as an energy leader globally, our efforts must transcend political philosophies and partisan wrangling. Infrastructure investment and improvements benefit us all regardless of our political persuasion.

We agree with what the president said just a few days ago during his State of The Union speech that “21st century businesses need 21st century infrastructure.”

The oil and natural gas industry stands ready to work with anyone interested in safely and responsibly improving our nation’s energy infrastructure so that it supports our nation’s game-changing energy opportunity to benefit all Americans.

It is our view that we should adopt policies that sustain and expand, not pull back, our nation’s drive toward energy security and reject policies that would result in a return to scarcity and uncertainty.

Together, we have a once-in-a-generation opportunity to show the world how energy abundance can be used as a positive force, and expanding and modernizing our infrastructure will be essential to our success.

As you and your colleagues deliberate on how best to improve our nation’s infrastructure, I urge you to consider the historic opportunity before us and to support policies that transform this unique American moment into an enduring legacy of American energy security and global energy leadership.

Thank you for the opportunity to testify, and I look forward to your questions.