



The President's "Energy Plan": Who Needs Jobs Anyway?

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"This government is not about governing. It is about creating an impression. That worked on the campaign trail in 2008, but it is a disaster in the White House, where rhetoric is no substitute for reality."

—Thomas Sowell, [June 14, 2010](#)

BACKGROUND

In March, the President outlined an [energy plan](#) in response to rising gas prices. Instead of proposing a sensible energy plan to bring the nation closer to energy independence and to promote job creation in the American energy industry, the President expressed interest in offering subsidies for natural gas vehicles, tax credits for electric vehicles, and an increase in fuel-efficiency standards. The President declared a goal to cut U.S. oil imports by a third by 2025. While the President's plan further complicates the tax code and there is no guarantee that his one-third by 2025 goal will be reached, he has yet to devise a plan to expand the domestic oil production.

While the President pushes an extreme environmental agenda to the detriment of the American people, House Republicans will once again fight on behalf of the American people by considering legislation that will help to create jobs, lower the price of gas at the pump, and strengthen the U.S. energy industry. The Obama administration's procedural delays in granting offshore drilling permits (permitiorium) have created difficulty in securing rigs and support services, slowing capital intensive projects that provide much needed jobs and lower gas prices at the pump. According to some [economists' estimates](#), legislation recently reported out of the Natural Resources Committee (H.R. 1229, H.R. 1230, and H.R. 1231) would encourage new oil and gas exploration and development, and according to one study, **would create 250,000 short-term jobs and 1.2 million long-term jobs.**

BY THE NUMBERS

According to [research](#) from API, the oil and natural gas industry as a whole supports 9.2 million U.S. jobs. The offshore oil and natural gas industry currently supports over 2.5 million jobs:

- 94,732 job in Alabama;
- 262,277 jobs in Florida;
- 330,000 jobs in Louisiana;
- 83, 820 jobs in Mississippi;
- 1,772,335 jobs in Texas; and
- 43,454 jobs in Alaska.

According to an [American Energy Alliance Report](#), increasing Outer Continental Shelf production could sustain, in total, approximately 1.2 million new, full-time jobs per year over 30 years. However, this job figure does not take into account the secondary effects of investment in productive capacity and refining in other states. A [study](#) prepared by Northern Economics showed that developing oil and gas resources in Alaska's outer continental shelf alone could create an annual average of 55,000 new jobs.

According to the Obama administration's [own estimates](#), the six-month "official moratorium" (May–October 2010) on drilling may have cost our nation up to 12,000 jobs. While the long-term impacts of the permitorium have yet to be determined, they are thought to be more devastating than the moratorium. A [study](#) conducted for the American Petroleum Institute (API) demonstrates that continued government delaying of offshore permitting in the Gulf of Mexico could cost 125,000 jobs. A [study](#) by Dr. Joseph Mason from Louisiana State University predicts that if a moratorium on deepwater drilling were sustained for 18 months, there could be a loss of 36,137 jobs nationwide, with 24,532 jobs lost in the Gulf Coast region alone.

During Natural Resources Committee hearings on [H.R. 1229](#), Putting the Gulf of Mexico Back to Work Act, [H.R. 1230](#), Restarting American Offshore Leasing Now Act, and [H.R. 1231](#), Reversing President Obama's Offshore Moratorium Act, an oil and gas company manager testified that he had to lay off hundreds of Gulf residents when the administration's moratorium was issued. After being forced to lay off 200 employees due to the administration's misguided policies, the president of an oilfield services company operating in the Gulf noted, "the jobs had faces attached to each one."

Aside from the job losses, the Obama administration's permitorium in the Gulf is causing a significant decline in American energy production. According to the Energy Information Administration's (EIA) March 2011 "[Short-Term Energy Outlook](#)," production from the Gulf of Mexico is expected to fall by 240,000 barrels per day in 2011 (87,600,000 barrels per year) and by 200,000 barrels per day in 2012 (73,000,000 barrels per year). Approximately 33 percent of total U.S. oil production and 10 percent of natural gas production comes from the Gulf of Mexico. So Mr. President, not only does your "energy plan" cost jobs, it also costs all Americans more at the pump.

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