

Boost in Energy Could Create 1M Jobs

MATTHEW DALY, Associated Press

WASHINGTON (AP) — Government policies to increase domestic energy production could create up to a million jobs over the next seven years, the oil industry said in a report issued a day before President Barack Obama delivers a major speech on jobs.

The American Petroleum Institute said Wednesday that proposals to expand offshore oil drilling, boost production of natural gas in New York and other states and build a Canada-to-Texas oil pipeline could boost the U.S. economy.

Taken together, the proposals could generate billions in new government revenue and help make the U.S. less dependent on foreign energy sources, said API president Jack Gerard.

"We believe that could be a very important part of the president's plan in his focus on job creation and working with the Republican and Democratic leadership in Congress," Gerard said. He said the group's proposals represent "common ground" that should find support in both parties.

The API, the oil industry's largest lobbying group, is looking to influence the jobs debate amid a bleak employment report last week that showed no net job growth in August. President Barack Obama is set to deliver his speech on jobs Thursday to a joint session of Congress.

The API report calls on the government to speed up issuance of leases and drilling permits and open up drilling in now-closed areas in the Eastern Gulf of Mexico, Atlantic and Pacific oceans and Alaska.

The group also called for New York state officials to lift a de facto moratorium on natural gas drilling, and for the State Department to approve a planned \$7 billion pipeline that would carry crude oil extracted from tar sand in Alberta, Canada, to refiners along the Texas Gulf Coast.

Besides creating a million new jobs, the API proposals could generate an additional \$800 billion in revenue over the next two decades and double oil and gas production by 2030, Gerard said.

"When you add that to our imports from Canada and Mexico, you are at a point of making North America energy secure," he said in an interview.

Wenonah Hauter, executive director of Food & Water Watch, a clean-water advocacy group, called the API report misleading.

"It's shameful that the oil and gas industry is seeking to horse-trade environmental regulations on the false premise that it will create jobs," she said.

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Deregulating oil and gas drilling won't necessarily create jobs, Hauter said, but would increase oil industry profits and pose what she called an unacceptable risk for drinking water in New York and other states.

Hauter and other critics say a natural gas drilling method called hydraulic fracturing, or fracking, could contaminate nearby water supplies. In fracking, water mixed with chemicals is injected into the ground to break up shale and allow natural gas to escape. Gas industry groups say their practices are safe.

Rep. Doc Hastings, R-Wash., said lifting restrictions on oil drilling in key regions such as the Eastern Gulf of Mexico, Alaska's Arctic National Wildlife Refuge, and the Atlantic and Pacific Outer Continental Shelf would create 530,000 direct and indirect jobs and increase U.S. energy production by 4 million barrels of oil per day.

The U.S. Chamber of Commerce offered a similar jobs plan on Monday. Its proposal calls for more domestic drilling for oil and natural gas, as well as approval of the 1,700-mile Keystone XL oil pipeline connecting Canada to U.S. refineries in Texas.

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