



Opening Statement of  
Jeff Eshelman, President and CEO  
Independent Petroleum Association of America  
House Energy and Commerce Committee  
January 10, 2023  
Roundtable on Affordable Energy Costs

Good morning. Thank you Chair McMorris-Rogers and members of the committee and staff. I'm Jeff Eshelman, president and CEO of the Independent Petroleum Association of America, a trade group, founded in 1929, that represents companies that explore for and produce the majority of natural gas and oil in the United States.

Before I tell you more about America's independent natural gas and oil producers, and their importance to the nation's energy supply, I want to thank you for holding this roundtable to discuss the affordability and reliability of energy costs for American consumers.

By scheduling this roundtable today -- among one of the first actions of the 118th Congress - - you are sending a clear signal that U.S. energy policy is a priority for the new House of Representatives. And I want to thank you for this.

Energy supply and demand are something that affects all Americans -- how we heat our homes, fuel our cars (and as shoutout to my fellow participants today - tractors and trucks), how we cook our food and power the products we use every day.

Energy policies set by the federal government have implications not only here at home for our economic and national security, but also for our global allies, as we have seen with many incursions, such as the past wars in Kuwait and Iraq, as well as the war raging today in Ukraine.

I would like to give a quick explanation about the natural gas and oil companies represented by the Independent Petroleum Association of America.

When most of us think about America's natural gas and oil industry, we think it is only large, multinational, sometimes foreign companies. The industry is often referred to as "Big Oil," but that is a "Big Myth," propelled and promoted by extreme activists and their political supporters who go to any lengths to demonize the industry and mislead the public and policymakers to reach their ultimate goal -- to end all fossil fuel development and use, resulting in restricted consumer choice.

In fact, the truth is, the American natural gas and oil industry is very diverse and consists of many sectors. IPAA represents the exploration and production part of the industry -- the "independent" companies who don't have refineries or gasoline stations. These companies specifically search for and develop the nation's gas and oil wells.

These are companies who most have never heard of. But there are 6,000 of them exploring for and producing the nation's supply every day of the year. They are spread across 33 states. They often are small businesses with less than 20 employees. Some "independents" are mom-and-pops, passed down through generations and active in their communities. Yes, there are some larger, publicly traded "independents," but this is hardly the mischaracterization

that is promulgated by the NO NEW FOSSIL FUELS public relations machine. A comparison might be: think of your local, independent grocery or corner store versus Walmart.

And here's the kicker: collectively, these small businesses are responsible for developing 91 percent of the nation's natural gas and oil wells, accounting for 54 percent of America's domestic oil supply and 85 percent of our domestic natural gas supply. "Independents" employ millions of people nationwide and account for three percent of the nation's gross domestic product. Through good times and bad, they invest billions in new projects, searching for America's energy, every year.

Through their efforts, today, America is a world leader in natural gas and oil production. And we are doing it responsibly. Now, thanks to the use of affordable, reliable natural gas, America has its cleanest air in more than two decades, while natural gas and oil production is at record levels. We are the envy of nations – we lead the world in reducing emissions.

Supply and demand go hand-in-hand when providing the energy that American consumers need and deserve. But on both sides of the equation, there are many strengths, weaknesses, opportunities and threats to consider.

I'm sure we will discuss some of these factors today -- and look forward to keeping the dialogue open over the next two years with you, your colleagues and staff. Thank you for inviting IPAA to participate, and for, once again, making American energy policy a priority that will strengthen both U.S. energy producers and consumers.