



NEWS

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NGSA tells Congress, “Producers need access to lands, a balanced regulatory framework, and policies that encourage a diverse portfolio of energy supplies to serve the nation’s energy needs.”

Washington, D.C.... Roberta A. Luxbacher, Chairman of the Natural Gas Supply Association (NGSA) and Vice President Americas, ExxonMobil Gas Marketing Company, today told Congress, “Our country's energy needs cannot be met by the producers actions alone. As we look at developing a national energy policy there are three areas of importance to the NGSA producers.”

The House Subcommittee on Energy and Air Quality held a hearing today on the role of natural gas in a national energy strategy. Ms. Luxbacher was elected Chairman of NGSA at its February 26, board meeting, replacing Richard J. Sharples, President, Anadarko Energy Services, and Chairman of NGSA since 1999.

Luxbacher continued, "Natural gas is one of our nation's most robust and important energy sources. Over a year ago, the National Petroleum Council estimated recoverable natural gas resources in the Lower-48 states at over 1,400 trillion cubic feet. At the current rate of domestic consumption this is equal more than 60 years of gas supply.

“As we look to the future in developing these resources, there are a number of areas of importance to the NGSA producers:

- First, **access to natural resources** that underlie public lands.
- Second, **a balanced regulatory framework**.
- And third, **policies that encourage development of a diverse portfolio of energy supplies**.

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“The facts are well known: An estimated 40 percent of undiscovered natural gas is located on land owned by federal and state governments. Worst of all, restrictions are increasing. The previous Administration's Executive Order to remove 60 million acres from potential development without any consideration given to possible future energy supplies is a flaw in the rule making process.

“In addition to land access, a balanced regulatory framework is needed, which should be guided by certain core principles. Supply and demand is best managed through free competitive markets and private sector initiative. Governmental policies should create a predictable operating and investment environment for energy suppliers. Free-market-based incentives provide the best foundation for cost-effective environmental solutions. Government policies should encourage the efficient use of energy by insuring a level playing field for competing sources of energy.

“Finally, The U.S. must have policies that encourage the development of all economic sources of supply on a level playing field. Economic energy will in turn help sustain economic growth, create jobs and protect our national interest.

“Exploration to expand supplies in currently available areas requires enormous investments with highly uncertain outcomes. At a minimum, market based incentives for deepwater production and technology development should be considered as a part of national energy policy.

“Lastly, we need support for the development of our frontier resources. For example, natural gas from Alaska has the potential to play a significant role in meeting our nation's energy demand. However, Alaska presents huge technical, and economic challenges. We need the support of the Federal Government, states, Canada, local communities and a host of other parties all working in concert to achieve success.

“In conclusion let me emphasize that we have major, untapped natural gas resources here at home - resources we can access in ways that are economic and environmentally sound. To do this requires a balanced and economically sound energy policy.”

NGSA represents integrated and independent companies that produce and market the majority of the natural gas produced in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association's members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.