America's Oil and Natural Gas Industry

Energizing America

Facts for Addressing Energy Policy

DRAKE

Kick Oil

Table E-1. Total Contribution of the Oil and Natural Gas Industry to the U.S. Economy, 2007

Item	Amount	Percent of U.S. Total
Operational Impact		
Employment*	7,818,437	4.4%
Labor Income ($ millions)**	477,249	5.4%
Value Added ($ millions)	915,370	6.6%
Capital Investment Impact		
Employment*	1,418,944	0.8%
Labor Income ($ millions)**	81,012	0.9%
Value Added ($ millions)	121,690	0.9%
Total Impacts		
Employment*	9,237,381	5.2%
Labor Income ($ millions)**	558,260	6.3%
Value Added ($ millions)	1,037,060	7.5%

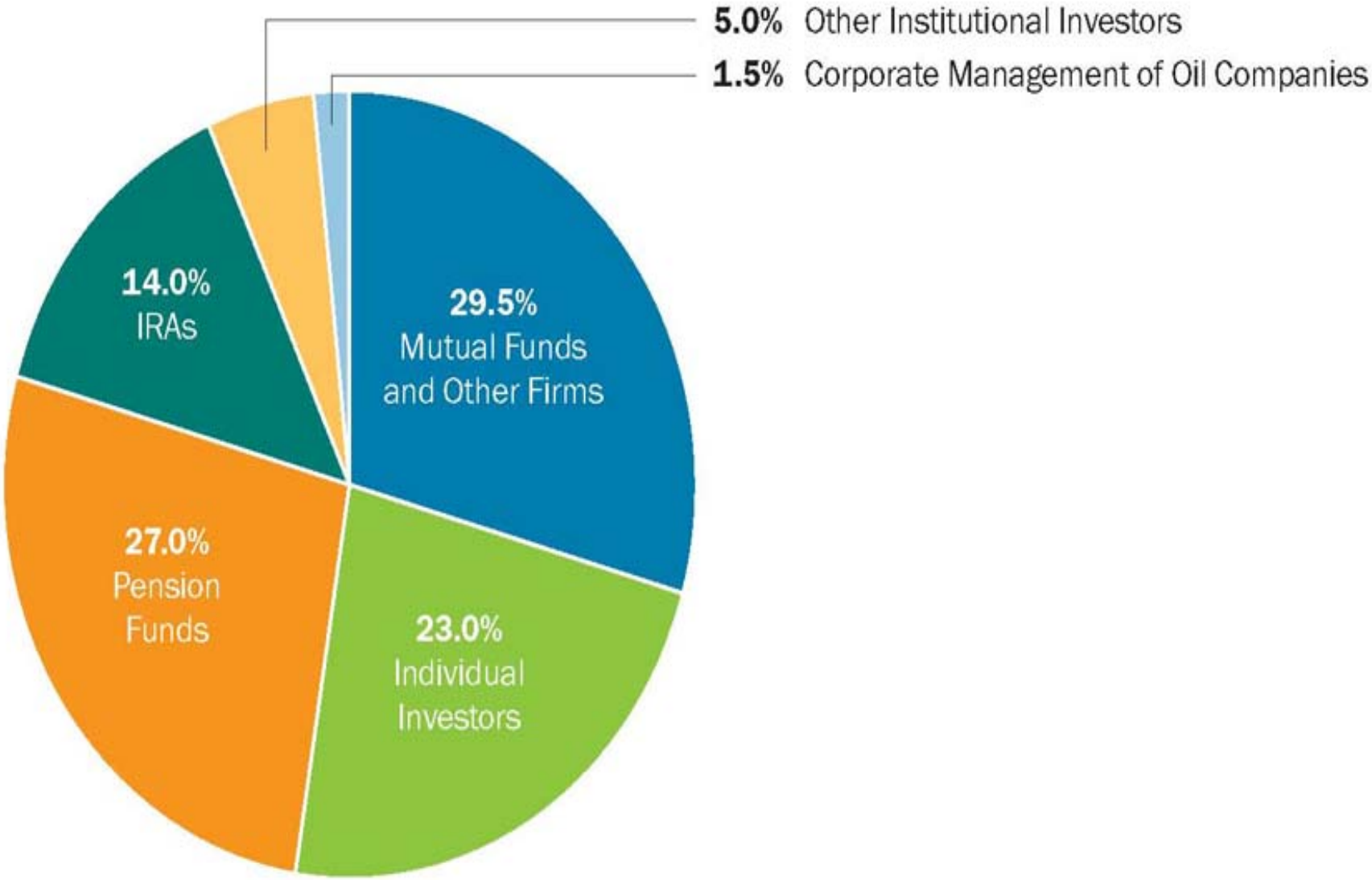
Source: PricewaterhouseCoopers calculations using IMPLAN modeling system (2007 database).

Numbers may not add to total due to rounding.

* Employment is defined as the number of payroll and self-employed jobs, including part-time jobs.

** Labor income is defined as wages and salaries and benefits as well as proprietors' income.

Who Owns "Big Oil?" (Holdings of Oil Stocks, 2007)



Source: *The Distribution of Ownership of U.S. Oil and Natural Gas Companies*, SONECON, September 2007

Direct Natural Gas-Related Employment by Industrial Category, U.S. Totals

(Annual average workers)

	Applicable NAICS Category	2006	2007	2008
Natural gas extraction	211111	*89,683*	*99,604*	*112,084*
Drilling and support activities for natural gas operations	213111, 213112	*148,588*	*185,514*	*192,961*
Natural gas distribution	221210	115,170	114,941	115,853
Natural gas pipeline construction	237120	*56,794*	*68,137*	*75,558*
Manufacture of field machinery/equipment for natural gas operations	333132	*33,794*	*38,642*	*41,452*
Site preparation services for natural gas operations	238912	*25,993*	*33,329*	*35,349*
Pipeline transportation of natural gas (includes storage)	486210	27,885	27,431	27,078
Geophysical services for natural gas operations	541360	*8,108*	*8,847*	*7,365*
Manufacture of compressors used in natural gas lines	333912	*2,198*	*2,228*	*2,229*
Manufacture of pumps used in natural gas wells	333911	*1,431*	*1,485*	*1,480*
Building/repairing offshore platforms used in natural gas operations	336611	*5,111*	*5,624*	*5,845*
Natural gas liquid extraction	211112	4,870	4,842	5,179
Total Direct Jobs		**517,233**	**586,582**	**622,412**

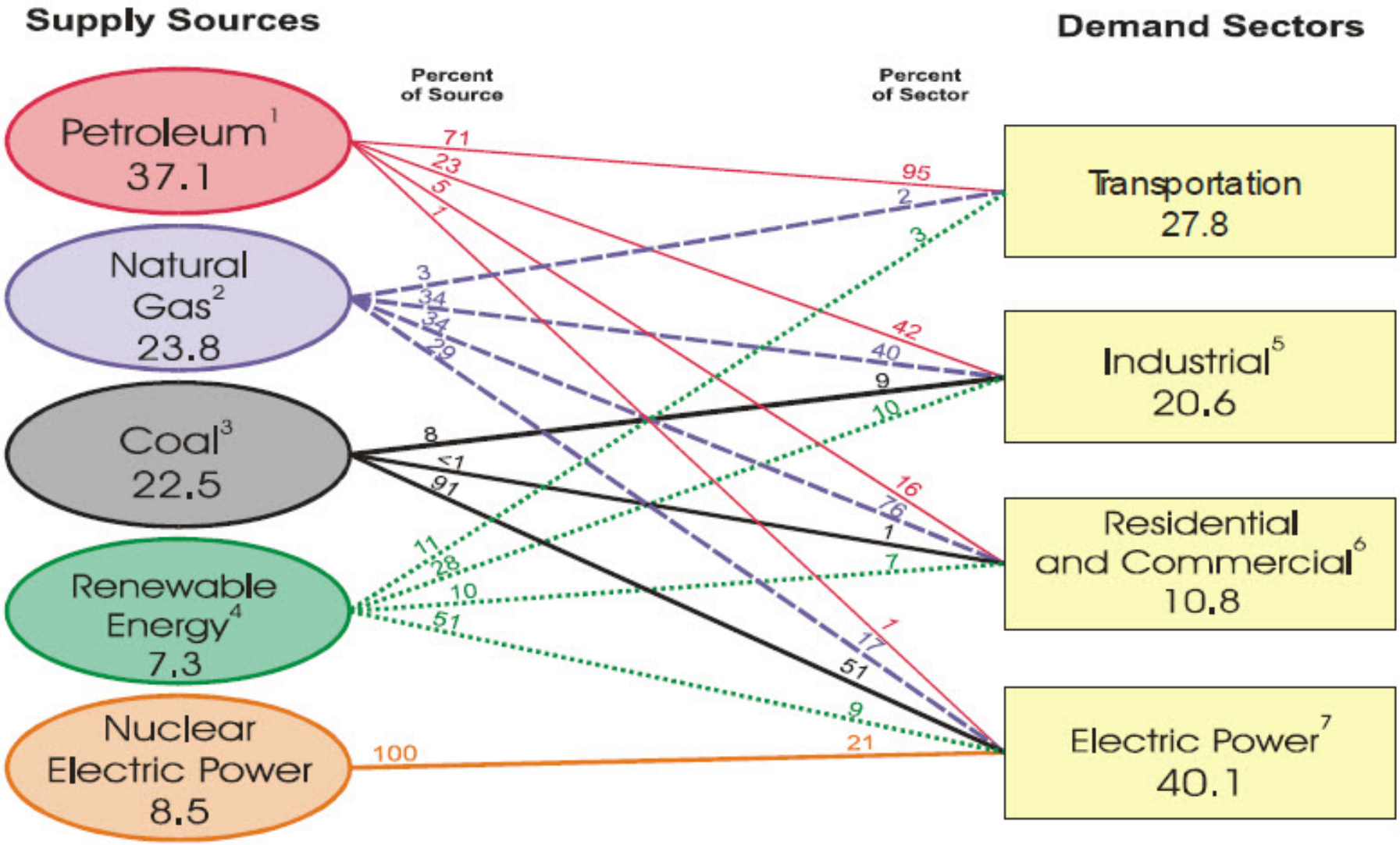
Note: Italics indicate estimates by IHS Global Insight to split natural gas-related employment from larger NAICS data category.

Pennsylvania

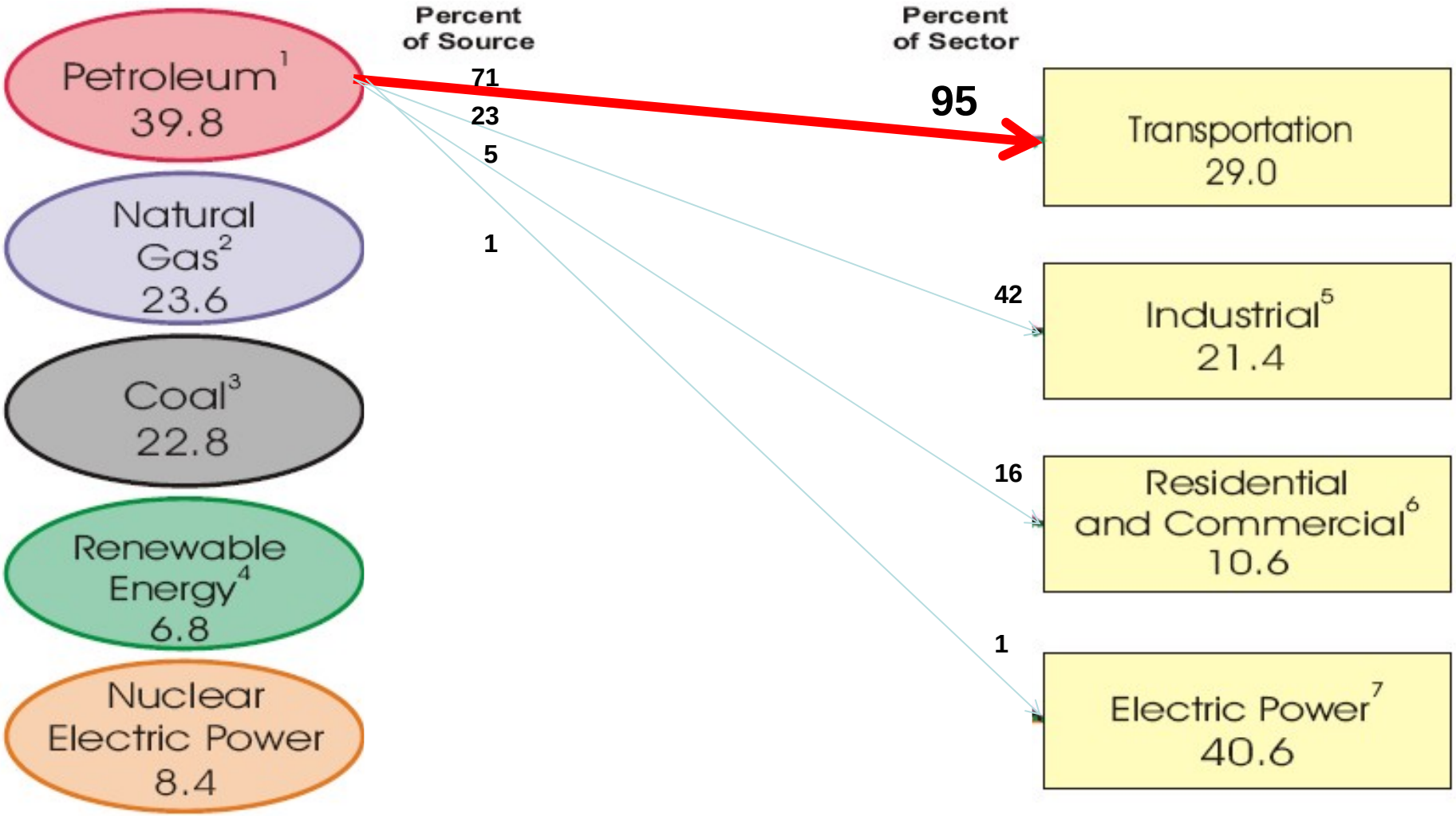
	Employment Direct	Employment Total	Value Added Direct (Dollars)	Value Added Total (Dollars)	Labor Income Direct (Dollars)	Labor Income Total (Dollars)
2006						
Natural Resources	3,992	4,385	1,514,484,807	1,692,563,272	500,234,557	555,799,604
Transportation & Utilities	5,489	8,046	1,953,671,628	2,456,838,825	900,681,252	1,154,358,156
Construction	1,692	1,981	93,194,409	128,244,069	83,306,766	111,327,619
Wholesale & Retail Trade	-	5,834	-	884,443,755	-	428,659,222
Manufacturing	420	4,697	47,092,307	1,077,360,280	35,177,542	537,035,435
FIRE & Leasing	-	3,931	-	1,305,853,091	-	523,500,829
Information & Professional Services	211	16,853	14,414,921	2,827,657,728	14,341,882	1,905,823,815
Leisure & Other Services	-	6,662	-	442,268,229	-	285,294,100
Miscellaneous	-	680	-	473,398,931	-	39,932,001
Total Industry	**11,742**	**53,068**	**3,622,858,073**	**11,288,648,180**	**1,533,741,998**	**5,541,730,781**
2007						
Natural Resources	5,226	5,672	1,900,359,982	2,065,626,555	631,154,813	681,120,867
Transportation & Utilities	5,335	8,133	1,906,562,230	2,473,623,336	895,154,560	1,158,764,746
Construction	1,901	2,226	106,638,477	142,327,469	95,324,463	121,997,194
Wholesale & Retail Trade	-	6,265	-	1,025,404,950	-	474,096,930
Manufacturing	433	5,136	48,496,715	1,227,708,010	36,279,618	587,672,897
FIRE & Leasing	-	4,198	-	1,475,695,599	-	570,205,295
Information & Professional Services	178	18,240	12,145,855	3,289,577,234	12,084,314	2,124,689,778
Leisure & Other Services	-	7,261	-	517,235,482	-	319,569,356
Miscellaneous	-	729	-	541,597,151	-	43,484,156
Total Industry	**13,072**	**57,859**	**3,974,203,259**	**12,758,785,786**	**1,659,997,767**	**6,081,601,219**
2008						
Natural Resources	4,392	4,801	1,819,016,447	1,981,152,314	594,748,196	640,324,864
Transportation & Utilities	5,376	7,937	1,926,786,863	2,510,694,892	899,841,321	1,165,786,374
Construction	1,820	2,107	102,080,165	136,771,523	91,249,765	115,372,214
Wholesale & Retail Trade	-	5,744	-	1,059,573,563	-	499,552,429
Manufacturing	503	4,937	56,194,911	1,263,097,819	42,240,608	583,794,575
FIRE & Leasing	-	3,858	-	1,503,576,442	-	561,466,225
Information & Professional Services	155	16,800	10,598,198	3,381,399,263	10,544,498	2,101,759,759
Leisure & Other Services	-	6,701	-	534,376,309	-	317,908,727
Miscellaneous	-	668	-	561,509,149	-	43,008,147
Total Industry	**12,245**	**53,554**	**3,914,676,584**	**12,932,141,293**	**1,637,624,389**	**5,998,973,314**

Comparison of PWC Studies of Oil/Natural Gas Employment with IGI Study on Natural Gas Employment

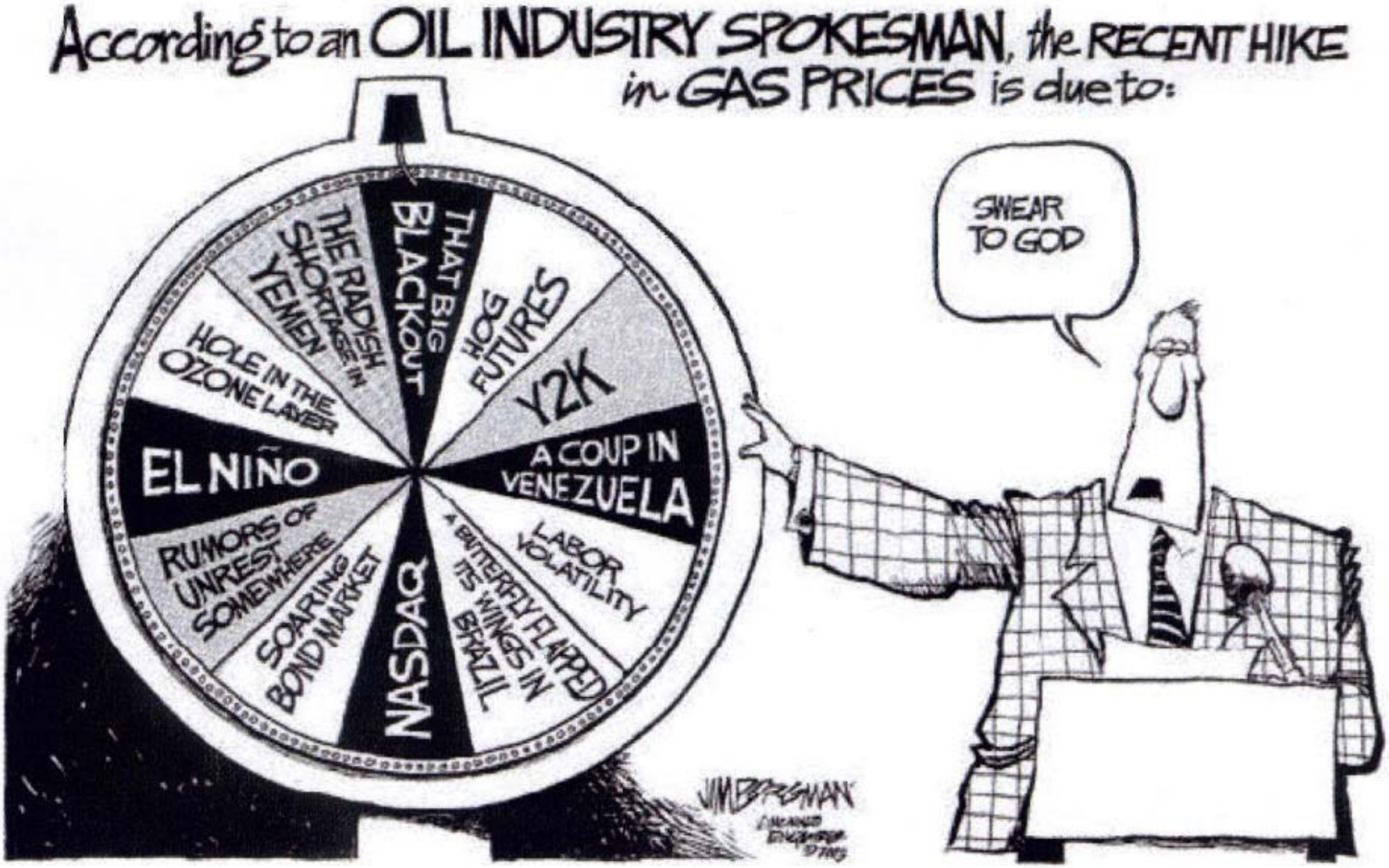
	PWC Study (Jan-07) 2004 Jobs	PWC Study (Sept-09) 2007 Jobs		IGI study (Sept-09) IGI Natural Gas Jobs 2007	IGI Natural Gas Jobs 2008
Direct Jobs -- Oil Only	1,129,842	1,206,432	Direct Jobs -- Natural Gas Only	586,502	622,412
Direct Jobs -- Oil & Natural Gas Combined	733,735	916,857	Indirect / Induced Jobs	2,106,035	2,205,940
Direct Jobs	1,863,577	2,123,289	Total Natural Gas Jobs	2,692,537	2,828,352
Indirect/Induced Jobs	4,066,260	5,695,148	Multiplier	4.6	4.5
Total Operational Jobs	5,929,837	7,818,437			
Multiplier	3.2	3.7			
PWC's Capital Investment Impact	--	1,418,944			
Total Oil/Natural Gas Jobs	5,929,837	9,237,381			



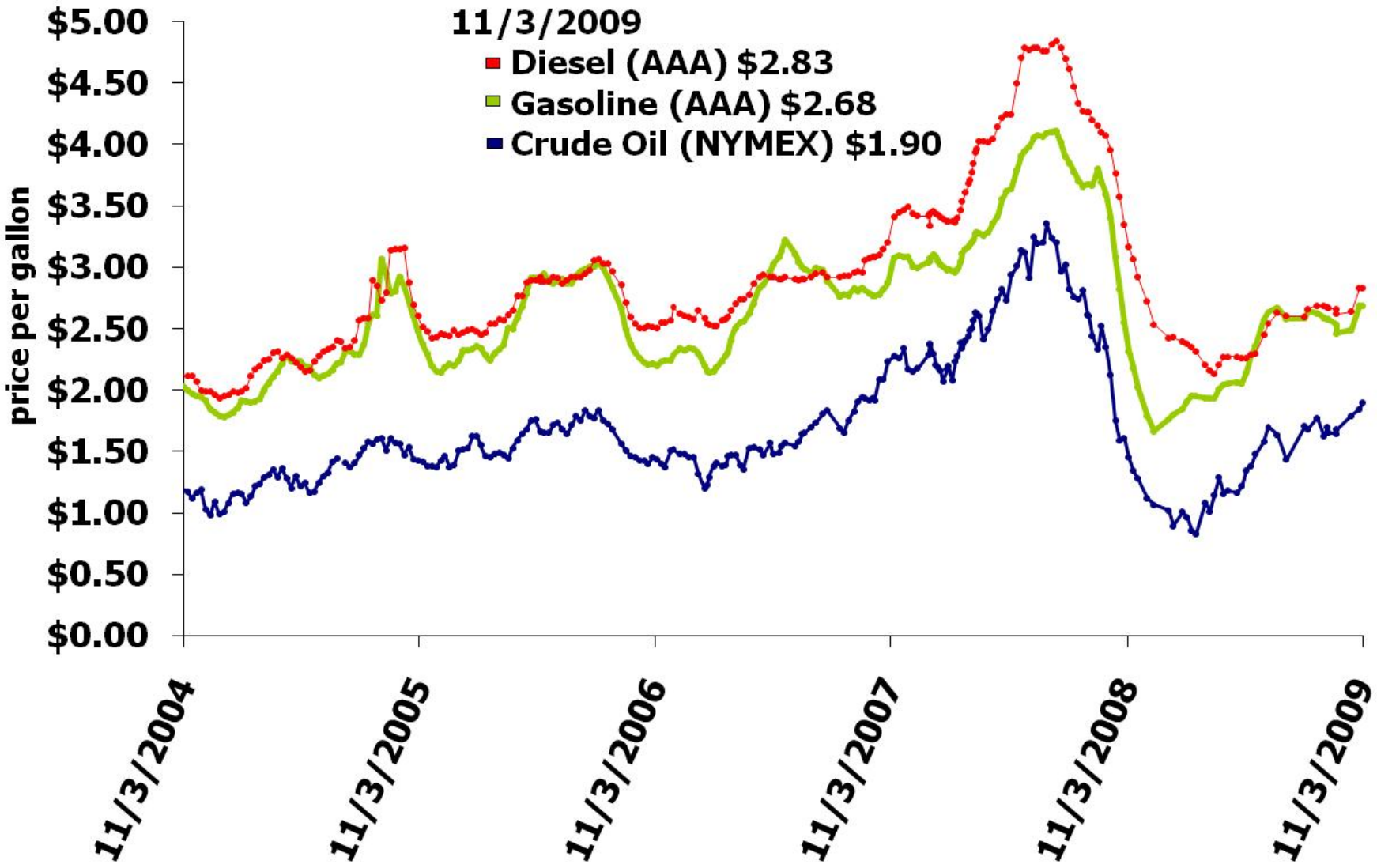
Energy Information Administration
Official Energy Statistics from the U.S. Government



Energy Information Administration
Official Energy Statistics from the U.S. Government


According to an OIL INDUSTRY SPOKESMAN, the RECENT HIKE in GAS PRICES is due to:
THAT BIG BLACKOUT
HOG FUTURES
Y2K
A COUP IN VENEZUELA
LABOR VOLATILITY
A BUTTERFLY FLAPPED ITS WINGS IN BRAZIL
NASDAQ
SOARING BOND MARKET
RUMORS OF UNREST SOMEWHERE
EL NIÑO
HOLE IN THE OZONE LAYER
THE RADYSH SHORTAGE IN YEMEN
SWEAR TO GOD

Diesel, Gasoline and Crude Prices



Source: NYMEX (WTI crude oil) and AAA (gasoline and diesel)

Policy Choices Needed to Ensure Future Energy Security

- Increase, not decrease energy production by promoting all sources.
- Encourage energy efficiency as a core American principle.
- Encourage investment in advanced technologies and long-term energy initiatives.
- Allow market forces to allocate products and adjust to changing conditions.
- Refrain from new taxes that make it more expensive to develop our domestic supplies.
- Support the need to participate actively in global energy markets rather than isolate the U.S.