Gov. Rick Perry’s Remarks To Independent Petroleum Association of America

*Note - Gov. Perry frequently departs from prepared remarks.

Tuesday, October 26, 2004

Thank you Representative Jones. The people of Texas are fortunate to have Elizabeth Ames Jones representing them in the Texas legislature.

It is an honor to speak to you today as the Independent Petroleum Association of America celebrates its 75th year of advocating sound energy policies that are helping independent producers grow. And I also want to thank the majority of IPAA members who either call Texas home or do business here. You produce the energy that fuels the Texas economy and the prosperity of our people.

With just one week left before the presidential election, I can’t help but say a few words about the great job our president is doing. Not only is George W. Bush leading America to victory in the war on terror, he is unleashing the ingenuity of the private sector with conservative tax policies that return more money to employers so they can create jobs, opportunity and prosperity for the American people. And unlike his opponent, he’ll never complain about rising gasoline prices and then flip-flop about whether he owns an SUV.

The Texas economy was built in the twentieth century by individuals who incurred great risk in pursuit of the American dream. That wildcatter spirit is alive and well today. For decades, oil was the backbone of the Texas economy and some would say the head, torso, arms and legs too. And though our economy has evolved in recent decades to include technology, trade and many other sectors, oil and gas will always remain a vibrant part of who we are as a state. Texas remains the number one domestic producer of oil and gas. But at the same time, our production has declined from its peak production in the 1970’s and it is no coincidence that more than 50 percent of the oil we consume is imported from foreign nations.

I am a big believer in energy independence. It’s good for our economy and good for the security of our nation to be less dependent on foreign oil. Texas supplies 20 percent of the nation’s domestic oil and 26 percent of the nation’s domestic natural gas. I believe we can do even more. That’s why I created the Texas Energy Planning Council which is charged with crafting a comprehensive, long-term strategy to ensure our state’s future energy security. Railroad Commissioner Victor Carrillo is doing a great job leading the council and its work is helping to keep our vital petroleum and natural gas industries strong as the state transitions to the next generation of energy technologies.

We are also working to develop a stronger partnership between the Texas energy sector and the Mexican energy sector. Earlier this year, I met with President Vicente Fox in Mexico City and encouraged him to allow greater foreign investment in his country’s energy sector. As Mexico seeks to liberalize its energy economy, Texas companies will
have a great chance to participate in greater development and greater exchanges of energy resources. Stronger energy ties, greater privatization of the Mexican energy sector and an increase in the number of cross-border energy projects will benefit consumers and employers in both countries.

To capitalize on this emerging market and to move existing cargo and commodities more efficiently, I have proposed the most sweeping transportation project in the nation, a 4,000 mile network of roads and rail lines, oil and gas pipelines, and electric transmission lines called the Trans Texas Corridor. The Trans Texas corridor will make Texas the leader in moving commodities efficiently and will enable us to link to Mexico as well as states to our north, east and west.

In Texas, we welcome innovative ideas that can help independent oil and gas producers grow, create jobs for Texas families and produce the energy that keeps our economy running. That’s why Texas is open and receptive to creating liquefied natural gas terminals that can greatly increase the efficiency of transporting natural gas. We are currently working with industry representatives and government regulators to bring at least six such terminals to Texas. Liquefied natural gas terminals not only represent a huge economic development opportunity for the state, but also the opportunity to lay the groundwork for the pipelines of the future.

As the Texas economy continues to evolve, we must find ways to keep up with progress. Last week I announced a new cluster initiative that focuses on developing technology-driven sectors of the economy that will be critical to our future prosperity, including computer technology, biotechnology, petroleum refining and energy. Clusters provide an abundance of ideas and talent in close geographic proximity. In a cluster, an employer has access to professional colleagues, suppliers, customers, skilled labor, research and development institutions, and industry leaders.

This cluster initiative is important because for the first time in the history of this state, we will have a coordinated, market-driven economic development strategy that focuses on areas where we have the greatest growth potential and on fostering that potential. And it will allow us to map out the presence of industry, academic resources and various local, state and federal funds that are key ingredients to the development of clusters.

Let me close by saying that the people of Texas appreciate all you do to keep the turbines of progress churning. We recognize that the energy you help provide is vital to our quality of life, our health and our safety. And as gas prices are soaring, we are especially appreciative of your continued efforts to increase production because without you we know that prices at the gas pump would be a whole lot higher and the American economy would suffer. I believe that your efforts are helping America become more energy independent and as governor, I will continue to work to help you succeed in that goal.

Thank you, and enjoy your time in Texas.