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American Exploration & Production Council Responds to President's FY 2017 Budget

Washington, DC - The American Exploration & Production Council ("AXPC") today announced its strong opposition to the provisions in President Obama's FY 2017 Budget that propose to (1) increase taxes on independent oil and natural gas exploration and production companies and (2) tack on a \$10 per barrel fee to each barrel produced. AXPC expressed concern that these proposed tax increases and this punitive per barrel fee contradict the Administration's often expressed desire for a vibrant energy sector in our nation's economy, noting that it is difficult to understand the circumstances under which increasing taxes on and raising the cost of doing business for this industry will result in greater availability of reliable and secure domestic energy or how it is that increasing the cost of gasoline to consumers is supposed to boost an economy that is struggling to expand.

In response to the President's proposed FY 2017 Budget, AXPC's President, Bruce Thompson, said,

"AXPC strongly opposes the provisions in President Obama's FY 2017 Budget that would increase the tax burden on America's domestic energy industry by, among other things, eliminating the ability of these companies to deduct the ordinary and necessary business expenses incurred in operating their businesses and imposing a \$10 per barrel fee on production. It is fundamentally bad economic policy to increase taxes and other financial burdens on an industry that, even in the face of disastrously low commodity prices, continues to provide abundant, affordable and secure domestic energy to consumers. The United States has achieved a competitive advantage over other countries and record levels of the production of energy as a direct result of the enormous domestic energy resources this industry has developed and it would be a serious mistake to allow this hard-earned advantage to be jeopardized by the President's politically motivated policies."

"The President's actions today speak louder than his words. His job-killing, anti-growth and anti-consumer proposals risk squandering the huge competitive advantage this industry has provided to our nation by the development of game-changing amounts of secure domestic energy resources. Moreover, the critical importance to our nation of these new domestic energy resources in terms of national security and reduced energy dependence on foreign sources of energy is even more important in today's uncertain world. The need for a strong,

vibrant domestic energy industry has never been more obvious or more critical. The proposals in the President's budget that would inflict huge tax increases on independent oil and gas exploration and production companies and price increases on consumers are ill-advised and should be immediately rejected by Congress."

The American Exploration & Production Council (AXPC) represents 28 of the nation's leading independent natural gas and oil exploration and production companies. Our members safely provide the secure, domestic supplies of natural gas and oil America needs to heat its homes, to operate its farms and to fuel its economy. We are committed to doing what is right to ensure the abundant energy supplies in environmentally responsible ways. Learn more about AXPC at www.axpc.us.

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