



David Killam  
Chairman

D. Todd Staples  
President

November 20, 2017

The Honorable John Cornyn  
Chairman  
Subcommittee on International Trade, Customs, and Global Competitiveness  
United States Senate Committee on Finance  
600 Navarro, Suite 210  
San Antonio, Texas 78205

Chairman Cornyn and Committee Members:

Thank you for the opportunity to testify on this important topic. The Texas Oil and Gas Association is a statewide trade association representing the men and women who produce the natural gas that heats your home, and the gasoline for your cars. The mission of the Texas Oil & Gas Association is to promote a robust oil and natural gas industry and to advocate for sound, science-based policies and free-market principles. Our members include exploration and production companies, midstream businesses, refiners and service companies. We represent all sectors of the energy industry in Texas.

As the renegotiation of the North American Free Trade Agreement continues, it is imperative that we urge President Trump and his administration to maintain the current strong provisions that enables our industry to remain competitive, continue to provide domestic job growth and the ability to invest with certainty and confidence; most importantly, the provisions surrounding the investor-state dispute settlements (ISDS). Preserving ISDS means preserving the necessary legal protections in place that defend our property rights, ensure the absence of discrimination, and promise fair treatment from governments while doing business both at home, and abroad. ISDS act as the very backbone to our Constitutional rights, and we must keep them intact, and strongly enforced. Without these provisions, our industry will lose value, our position as an energy superpower will be endangered, and the thousands of American jobs that fuel our economy will be jeopardized.

Other important issues to consider include items like tariffs and market access policies. The U.S. benefits from providing energy resources to our neighbors in the form of profits, job growth and the stimulation of our own economic activity like manufacturing and construction. As the agreement is being considered, we must not forget these important benefits.

According to the American Petroleum Institute, as early as 2020 the United States will have the ability to meet its liquid fuel needs, completely, through domestic energy production and trade with our North American partners. Our agreement with Mexico and Canada has been fundamental to our economy, keeping our fuel prices fair, and our

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petroleum and natural gas products both competitive, and favorable. Ultimately, NAFTA has served as the very foundation that has allowed the oil and natural gas industry to see the growth and prosperity it has today, and this has resulted in countless jobs for Texans and Americans, jobs right here at home. Now, it is imperative that we conserve the polices that have allowed this industry to provide for our nation's energy needs.

I encourage you today to consider these issues, and as you work to strengthen NAFTA on behalf of the American people. Please consider the impact that any changes could have on the oil and natural gas industry, that not only fuels our Texas economy, but promotes American national security.

I know I can speak for all of us when I say we appreciate you coming to Texas, home to two-thirds of our southern border, to hear about this important topic. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Todd Staples". The signature is written in a cursive, flowing style.

Todd Staples  
President  
Texas Oil & Gas Association