

Back to the Future
Expanding the Message of Oil & Gas
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Thank you for the kind invitation to be a part of this conference. It is always an honor and privilege to visit and work with my Oklahoma friends and colleagues.

Providing for our future energy needs will be one of the great challenges of the 21st century. Despite growth in alternative energy sources, world consumption of oil and natural gas will continue to increase. Energy agencies in the U.S., Europe, and elsewhere predict the vast majority of our energy will be fossil fuels through 2050. Oil and natural gas will be the most critical and strategic component of the global energy mix for decades to come. This is nothing new to you or me. But it is information that the public does not often hear and is a message we must disseminate.

The oil and natural gas industry today stands at an interesting crossroads. In the public policy arena, we are truly an industry in transition. On one hand, we can take pride in our energy education initiatives and the progress we have made over the past several years bringing a better public understanding of the energy challenges facing our state and nation. We see now that many Americans are beginning to see the link between greater access to our energy resources and our ability to supply Americans with the energy they need. Our work, however, has just begun.

On the other hand, we must work with the harsh realities of a political landscape in which our industry is under assault and vilified. Somehow, in some minds, the concept that an industry can exercise its traditional goals while meeting its responsibility to protect the environment is seen as being against the best interest of the nation.

However, we must bear some of the responsibility for this lack of understanding. For decades, the oil and gas industry assumed the public understood us. We believed that if we did our jobs right, if we continued to provide Americans with the energy they need, in the end all would work out well. Public confidence in our industry has eroded to the point that in some areas, we lack credibility. We gain very little by having the facts on our side when those facts are automatically dismissed simply because they came from us. As a result, today we are under one of the more difficult and intense assaults our industry has ever faced.

Complicating matters more, we do not and cannot control the agenda in this new landscape. Promoting our goals and protecting our interests has become more challenging both in Washington, DC and in our own states. We are faced with the task of focusing the harsh light of reality onto the fantasy world in which too many of our policymakers have found refuge.

Many policymakers live in a make-believe world that allows them to speak with sincerity about an economy and a society that can thrive without oil and natural gas. If we are to survive this onslaught, we must bring home to Americans a better understanding of our industry and the adverse consequences from burdensome taxes and regulations. Recognizing the existing knowledge gap on the crucial role that American producers play in delivering secure and affordable energy to American consumers, we must continue and expand our efforts to set the record straight.

As an industry, our energy education efforts were developed to respond to public frustration and anger over supply disruptions, energy economic and environmental misconceptions, and consumer prices. But it was fueled by a fundamental lack of understanding of our industry – how our industry functions in the marketplace, what we must do to get energy to the marketplace, and why oil and gas are so important to our economy, security, and standard of living. And all this misinformation was funneled into a growing pool of disrespect and disdain for the oil and natural gas industry. So, in response, the oil and gas industry created energy education programs to begin to deal with the challenge.

OERB

IPRB

KIOGA

KOGRF

Over the last several years, the Kansas oil and gas industry has taken several pieces of our energy education and public information programs and integrated them into a single campaign to allow us to reach a broader audience. The campaign and tagline is: **Kansas Strong – Energy From the Heartland. Strength for our Nation.** The **Kansas Strong** campaign has the dual goal of growing a pride for our oil and natural gas industry and informing the public on what the Kansas oil and gas industry means to Kansas’ economy and society and that we are a part of our nation’s energy solution. This full integration allows us to be more efficient and effective.

The first KOGRF “Kansas Strong” public information campaign was conducted in late 2008 through early 2009 in Wichita-Hutchinson-Hays-Southeast Kansas markets. The campaign proved successful in repositioning public attitudes as surveys indicated a 15% increase in favorability to the oil and natural gas industry and a decrease of 22% in unfavorability to the oil and natural gas industry. During the first half of 2010, the KOGRF focused the “Kansas Strong” campaign in the Eastern Kansas (Kansas City-Topeka-Manhattan-Pittsburg) markets with a limited campaign in Central Kansas. The second campaign too proved to be successful as surveys indicated favorability to the oil and natural gas industry increased by 18% in Eastern Kansas and by 21% in Central Kansas. The degree of change in the 2010 Eastern Kansas campaign was assisted by simultaneous industry campaigns in Eastern Kansas markets by the American Petroleum Institute, ONEOK, KIOGA and others. Also, news media coverage of the

Gulf oil spill did not affect oil and natural gas perceptions during the survey period because the survey was taken before the media coverage of the Gulf oil spill. However, the Gulf oil spill will most certainly have a future impact on perceptions.

New political and public perception realities demand quicker action. We now view our energy education and public information efforts as a campaign where there is no downtime and no room for indecision. We move to act and react quickly and with precision. We are positioning ourselves to be better able to, not only react to events, but also anticipate events so we can prepare effective preventive strategies.

We have made progress in our efforts, but we still have much to do. As we look to the future, we must deal with a major shift in the political landscape. We are facing rapidly changing demographics and the tools of engagement. If we are to survive this onslaught, we must bring home to Americans a better understanding of our industry and the adverse consequences from burdensome taxes and regulations. We must disseminate our messages and our story to policymakers and consumers, who increasingly no longer rely on newspapers, radio, and television for their information and we must expand the venues for our messages.

The world of communications and advocacy is changing. As an industry, we have long operated in a world of one-way communication that primarily entailed the transmission of information to selective targets. We hoped our target market would use that information in the way that was beneficial to us. We had no real expectation that the target audience would talk back to us, either to question or challenge our facts and positions, or simply to request additional information.

The emergence and maturation of the internet has radically altered communications. Communications are now instantaneous. If we know with whom we want to communicate, we can communicate directly and instantly. And that person can respond to us just as directly and as quickly. Recognizing this, we are making efforts to dramatically increase our presence on internet venues.

Two-thirds of all members of Congress have a presence on the social networking site "Facebook." One in 10 is on Twitter, the instant-messaging utility that allows persons to update their status to anyone who signs up for such updates. Seventy-nine percent of chiefs of staff, 66% of senior policy advisors, and 65% of legislative assistants read blogs. Even more significant is that 90% of congressional staffers use blogs to help determine constituent opinion and 60% of them prefer online resources when preparing their members for a vote.

What characterized communication in the past was an exchange of information and ideas e.g., people chatting over backyard fences or on driveways or at neighborhood barbecues. The communication was not one-way. People talked, asked questions, and responded. Much of that was lost when people moved inside their homes and limited their engagement with the outside world to listening to radio or watching television. So, we have gone back to the future. Today, when one party puts out a message, they expect that whoever gets that message will respond, which might necessitate another message. And this is done quickly and with no geographic boundaries. People are demanding information when they need it and will get that information

from other sources if we tell them they must wait until 6 o'clock news or the next morning's paper.

As an industry, we must move quickly to embrace the modern tools of successful communication and advocacy. This does not mean we eliminate the proven methods of the past. It means that we adapt to the times. We need to be sophisticated and aggressive in expanding the face of our industry. We need to exploit the proven methods of the past while deploying every asset available. We need to build on what we started, but continue to move quickly to adopt the modern tools of communication and advocacy. It is my opinion that the appropriate goal for an effective oil and gas industry public information effort is not to get the public to like us, but to get the public to respect us. We do that by offering credible information about who we are, what we do, and why it is important to our economy, security, and everyday lives. Events in DC and our states should provide the direction and focus of our energy education efforts.

The work we as industry have done over the last several years to educate policymakers and the public about our industry is beginning to pay off as more and more policymakers and Americans gain a greater understanding of just how vital our industry is to their lives. However, the political and economic realities we face make it even more vital that our voice is heard in even more venues and that our industry speaks with a unified voice. If we do so, and we do not waver from our conviction that oil and natural gas will remain vital to the economic well-being of our nation, we will seize this opportunity to bring about a new era for our industry.

The future is exciting. If we approach it right, we can take advantage of our energy education efforts to advance our cause and place the oil and gas industry in its rightful role as an essential part of modern society. Our energy education efforts allow us to do collectively what each of us cannot do individually. Successful energy education efforts greatly helps advocacy groups like the OIPA and KIOGA to negotiate better legislation and policy from a more positive position. The skill set for success in many areas of business is negotiation skills and the ability to develop competitive advantages. However, the skill set for success in educating the public about the oil and gas industry is collaboration and adaptability. We must trade independence for interdependence and work together to leverage and optimize our collective efforts. True leaders are not those who strive to finish first, but those who first strive and does whatever it takes for the success of the team. Oklahoma demonstrated true leadership with the OERB program and your willingness and support for similar programs in many other states. From Kansas, I extend to you our sincere gratitude and I know many other states are also grateful. The oil and gas industry has a rare opportunity to reposition ourselves from the largely defensive and reactive posture of the past 30 years, into a more positive, proactive, forward-looking force. By working together, the collective focus of the oil and gas industry can be unleashed!