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Chairman Vitter, Thank you for inviting me to testify and participate in this very important hearing discussing ways to help in the coordination of federal efforts that would allow small businesses to better support the U.S. energy industry.

My name is Joshua Pellerin. I am the President and CEO of Pellerin Energy Group, based in Lafayette, La. Pellerin Energy Group through its various subsidiaries provides integrated services and optimal solutions to the oil and gas industry.

We must not forget the important role oil and gas producers have in supporting the small business supply chain and impacting our energy security. Large and small companies work together to meet America's energy demand. According to the recent census data, there are over 46,000 small businesses supporting the production of oil and natural gas in the United States and directly employ over 300,000 workers. Every day, they provide a vital aspect to the generation of America's energy.

Energy related jobs pay the kind of wages and salaries, in my view and I know it's shared by many here that allow families to invest in homes, in their education, and in their futures. If Congress can take the steps to increase domestic energy production, we not only increase America's energy independence, but we also create the kinds of jobs that will grow the middle class and have a major impact on reducing income inequality in our country, which is a goal I believe that we all share.

The major oil and gas companies find investments in the United States to be attractive for several reasons. The U.S. is a stable country. It is a country with fair and well-established laws and tax regulations that make drilling, development, and production for oil and gas in the U.S. economically attractive. The U.S. has been blessed that oil and gas has been found here in abundance and collects revenues averaging \$85 million a day in taxes, rents, royalties, and bonuses. While our tax laws are and have been used to incentivize and direct investments of capital throughout the history of our country, I would argue that they are not giveaways. And changing existing tax laws and regulations for the oil and gas industry at this time would have a very detrimental effect. The economic ripple would adversely impact the job growth revenues of many small businesses in our domestic supply chain and those that depend on a secure energy supply.



In short, changes to the tax code in cost recovery could unintentionally hit the brakes on America's energy and manufacturing renaissance and have a devastating effect on jobs, the economy, and revenue to the government.

Our economic engine is fueled by entrepreneurial drive, individual ambition, creativity and broad economic participation. Principally this means promoting accessibility in every sense of the word in every field of endeavor, geography, affinity, and focus.

There is a strong global demand for small U.S. companies to export their products outside the U.S. We must enable export growth by reducing barriers to small business exports, simplifying trade and facilitating small business engagement with global markets. Exporting will support economic growth and job creation by expanding our access to the fastest growing and most dynamic regions on the planet. Small businesses that export to foreign markets grow faster, create more jobs, and pay higher wages.

There are 28 million U.S. small businesses and approximately 300,000 U.S. small businesses export. Of the businesses that export, only about 40% export to more than one country. 98% of U.S. businesses that export are small businesses, and small businesses have accounted for nearly two-thirds of net new private sector jobs in recent decades.

We must provide our minority, women, and small business owners with the entrepreneurial support and opportunities they rightfully deserve. All Americans deserve to be given an equal opportunity to pursue the American dream.

According to the latest data from the U.S. Census Bureau, the number of people in the United States who are classified in ethnic and racial minorities has exceeded 100 million. Today, one in every three U.S. residents is classified as a minority. Additionally, there are now over four million minority-owned businesses across the country, accounting for over \$591 billion in annual revenues.

For the past two decades, women-owned businesses have been the fastest growing segment in the U.S. economy, growing at twice the rate of all other businesses with 10.1 million women-owned businesses employing 13 million Americans and generating \$1.9 trillion in annual revenues in 2008 alone. Women entrepreneurs drive our nation's economy by starting 1,600 new businesses in America every single day. We need to make sure that our daughters have the same chance to pursue their dreams as our sons and urge businesses and the government to do more to hire women and achieve gender equality.



We must encourage small businesses to explore their technological potential and provide the incentive to profit from its commercialization. By including qualified small businesses in the nation's research and development (R&D) arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit.

The men and women who serve our nation in the military deserve more than just our respect – they deserve our assistance. With more than 3.3 million veteran-owned small businesses in America, veterans play a critical role in strengthening and expanding our economy. It is imperative that the Committee continues to find innovative ways to further help our nation's heroes.

Once again, thank you for this opportunity to testify.

Joshua A. Pellerin