

U.S. Middle Market Energy Executives See Energy Independence in 15 Years

CIT's Executive Insights Video Series
Examines U.S. Energy Sector with Mike Lorusso,
Managing Director and Group Head of CIT Energy – Part Two

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Energy Independence

We found that energy executives are very positive that the U.S. is on a path towards energy independence. This is a result of the abundant natural resources that have been discovered in the U.S.

Additionally, 70% of executives believe that the U.S. can achieve energy independence within 15 years.

Factors

A combination of factors will help the U.S. achieve energy independence, including:

- Increased production of our gas resources;
- Further development of our oil resources;
- Development of clean technologies to better utilize our existing resources, such as coal;
- Renewable energy technologies, as well as better energy efficiency; and,
- The potential for developing nuclear power.

Renewables in the Mix

Even though the energy executives who responded to our study are primarily in the oil and gas industry, they generally show support that renewable energy should be part of the U.S. energy mix.

“Renewable energy should be part of the U.S. energy mix.”

However, nearly 20% of respondents believe that subsidies for renewable energy are a poor use of limited resources and instead they should be re-directed to R&D companies as opposed to established developers.

Concerns About Fracking and Over Regulation

The energy executives polled believe that two of the biggest impediments to developing our natural resources are be opposition to drilling and environmental concerns.

For example, the expansion of drilling programs in the U.S. as well as fracking has environmental issues that need to be addressed. If the energy industry does not do this adequately, it could severely limit and inhibit our ability to increase our resources. Our survey found that a sizable minority, 40% of the energy executives would support the abolishment of the Department of Energy. In fact, two-thirds of respondents believe that over regulating is one of the major issues facing the industry over the next 5 years.

“Regulations are one of the major issues facing the industry within the next 5 years.”

Some of the other concerns affecting the industry include: lack of skilled personnel, environmental issues, and foreign market instability.

We are very pleased with our study results because they showed a very positive view by the energy executives as to the U.S.'s ability to move towards energy independence within the next 15 years.

CIT has been a strong supporter of the energy sector and remains a committed lender to this important segment of the U.S. economy.



Mike Lorusso is Managing Director and Group Head of **CIT Energy**. The group provides value-added financing products and advisory services to higher growth, entrepreneurial companies throughout the energy and power sector.

To learn more about CIT Energy, visit cit.com/energy. Members of the press who have an interest in speaking with Mr. Lorusso can contact Curt Ritter at Curt.Ritter@cit.com. To read some of the findings detailed in CIT's research study, visit: **2012 U.S. Energy Sector Outlook**.