



US Oil & Gas Association
ADVOCATE FOR THE OIL & GAS INDUSTRY
SINCE 1917



U.S. CHAMBER OF COMMERCE



AMERICAN PETROLEUM INSTITUTE

March 2, 2015

Honorable Fred Upton
Chairman
House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
2125 Rayburn House Office Building
Washington, DC 20515

Honorable Frank Pallone, Jr.
Ranking Member
House Energy and Commerce Committee
2322A Rayburn House Office Building
Washington, D.C. 20515

Honorable Bobby Rush
Ranking Member
Subcommittee on Energy and Power
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Chairmen Upton and Whitfield and Ranking Members Pallone and Rush:

As representatives of America's oil producers, the undersigned applaud your focus and attention to issues of free trade, namely lifting the decades old ban on crude oil exports. We are no longer a Nation in energy decline. To the contrary, we now live in an age of energy abundance, our national energy policy must reflect that new reality, and we must have the political boldness to accept the economic, energy and national security opportunities of being a world energy superpower.

Unimaginable at the start of this century, we now have growing surpluses of domestic crude oil that exceed the domestic market's interest or ability to purchase it. Faced with the prospect of not being able to find domestic buyers, US producers must confront the decision of not expanding production, shutting down rigs and laying off employees, which threatens the continued economic and employment benefits to the Nation that have accompanied this transition toward increased energy sufficiency. The solution is to allow us to sell the excess production above what our domestic market can absorb to customers abroad.

Free trade has always been a key driver of American prosperity, and competitive and open markets facilitate investment and innovation which foster economic growth and opportunities for America's workforce. Specific to the recent renaissance in American crude oil production which has lead the Nation's economic recovery, our industry has generated millions of high paying direct and indirect jobs. As importantly, we have seen a shift in our workforce demographics creating new career opportunities for minorities and women – communities historically underrepresented in this industry. These good paying jobs are transforming not just the workers' lives but also their families and communities. Lifting the now counter-productive 1970s era prohibition on the export of American

crude oil and giving U.S. crude producers access to customers in global markets will maintain this momentum and continue to grow these job opportunities.

Multiple studies ranging from Columbia University, ICF International, IHS, Brookings Institution, Resources for the Future, the Aspen Institute, and the government's own Congressional Budget Office, General Accounting Office and Energy Information Administration have established the very clear and consistent consensus that allowing the export of American crude oil adds to supply on the world market and that increased supply will drive down the cost of oil on the world market. Most importantly, those studies also uniformly conclude that the prices that American consumers pay at the pump for gasoline will decline as well since those retail product prices track the world price of oil. It is noteworthy that there is no ban on the export of refined petroleum products and indeed the US leads the world in the export of refined petroleum products. Not surprisingly, the American Petroleum Institute, whose members include refiners constituting the vast majority of refining capacity in this country, strongly supports the export of domestic crude oil.

Finally, current global events are revealing that there is an historic opportunity for the United States, as an international energy superpower, to acquire and exercise the unique geopolitical influence that comes with that enviable status. President Obama repeatedly acknowledges the fact that the United States is on its way to becoming the number one nation in crude oil production. As we increasingly hear loud and clear from nations around the world who want to strengthen their economic and security ties to the US so they can mitigate the leverage exerted by unfriendly energy-supplying nations, Congress and the Administration need to accept the singularly powerful strategic opportunity that U.S. crude oil exports offer as an effective tool in international markets, and for our global diplomacy and national security.

The time has come to liberate America from the self-imposed and self-defeating constraints of the counter-productive oil export prohibition. We look forward to working with you toward that objective.

Respectfully,

Barry Russell
President and CEO
Independent Petroleum
Association of America

Jack N. Gerard
President and CEO
American Petroleum Institute

George Baker
Executive Director
Producers for American
Crude Oil Exports

R. Bruce Josten
Executive Vice President
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Albert Modiano
President
US Oil and Gas Association

V. Bruce Thompson
President
American Exploration & Production
Council