

Oil Exports ^[1]



Reducing Our Dependency on Foreign Oil

The dramatic increase in U.S. oil production from shale formations over the last few years has caused imports to drop from 60% of total consumption in 2005 to under 30% today. Some of the most exciting shale plays in the West have been the Bakken in North Dakota and Montana and the Niobrara in Colorado and Wyoming, with the Mancos in Colorado and New Mexico showing promise as well. Increased production is improving the U.S. trade imbalance and increasing energy security.

U.S. light oil refining capacity has not kept pace with increased American production. Many refineries are configured to process heavy oil, typically imported from Canada, Venezuela and Mexico, but much of the oil growth comes from new shale plays that produce light, sweet crude. The mismatch results in stranded American oil production that could be exported overseas where refining capacity exists. By exporting crude oil, American producers can help lower global prices, and hence, the price American consumers pay at the pump.

Finally U.S. energy policy has caught up with the revolution in unconventional oil production. Western Energy Alliance applauds Congress' repeal of the outmoded ban on exporting American crude oil. With the lifting of the export ban, oil is now treated like any other commodity produced in the United States, a win for American consumers and free market principles.

Lifting the Crude Oil Export Ban Helps Americans

Allowing crude oil exports doesn't just help producers—all Americans will benefit, as American production reduces global prices. Lifting the ban is projected to result in:

- \$746 billion in additional economic investment and an average increase in domestic production of 1.2 million barrels per day
- Price reduction of 8 cents per gallon of gasoline for American consumers
- \$265 billion in overall savings for consumers, or \$391 in annual household savings
- 359,000 new jobs in 2016, peaking to 964,000 new jobs in 2018
- An average increase in annual GDP of \$73 billion, peaking at \$134 billion in 2018
- A reduction of net petroleum imports between one and two million barrels per day, preventing an average of \$74 billion being sent overseas every year
- Government revenue of \$1.3 trillion between 2016 and 2030, [according to IHS](#) ^[2]

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- U.S. crude oil production has [increased](#) ^[3] by 71% since 2008.
- Although until very recently crude oil exports were banned, refined petroleum product exports were not. In 2013, the [U.S. exported 1.38 billion barrels](#) ^[4] of finished petroleum products.
- The [Energy Information Administration](#) ^[5] concluded that lifting the crude oil export ban will result in unchanged or slightly lower U.S. petroleum product prices.

Related Content:

[Western Energy Alliance Position Paper: Time to Lift the Crude Oil Ban](#) [6]

[Producers for American Crude Oil Exports \(PACE\)](#) [7]

[IHS Crude Oil Export Special Report](#) [8]

[U.S. Crude Oil Export Policy, Congressional Research Service](#) [9]

[Effects of Removing Restrictions on U.S. Crude Oil Exports, EIA](#) [5]

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[2] <http://press.ihs.com/press-release/energy-power/lifting-export-restrictions-us-crude-oil-would-lower-gasoline-prices-an-0>

[3] <https://www.bp.com/content/dam/bp/pdf/Energy-economics/statistical-review-2015/bp-statistical-review-of-world-energy-2015-full-report.pdf>

[4] <http://www.eia.gov/todayinenergy/detail.cfm?id=20232>

[5] <http://www.eia.gov/analysis/requests/crude-exports/pdf/fullreport.pdf>

[6] http://www.westernenergyalliance.org/sites/default/files/Western%20Energy%20Alliance%20-%20Oil%20Export%20Ban_0.pdf

[7] <http://oilexports.com/>

[8] <https://www.ihs.com/Info/0514/crude-oil.html>

[9] http://www.energy.senate.gov/public/index.cfm/files/serve?File_id=dfe108c9-cef6-43d0-9f01-dc16e6ded6b4