

Time to Lift the Crude Oil Export Ban

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Background: Outmoded legislation passed in reaction to the Arab oil embargo prevents American producers from exporting crude oil. Unlike almost all other commodities and goods produced in the United States, oil is treated as a scarce resource and denied a free market. Refined petroleum products like gasoline and diesel can be exported freely, but the feedstock that creates them, crude oil, cannot.

Yet in recent years, American producers have dramatically increased the supply of oil, further rendering the 1970's era policy irrelevant. In fact, the United States has surpassed Saudi Arabia and Russia in terms of total oil and natural gas production combined, and America now imports less than 30% in order to meet daily oil consumption, down from 60% in 2005.

Meanwhile, 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. Producers in North Dakota, for example, must sell their crude oil at a discount compared to global prices, sometimes as high as \$15 per barrel, or incur additional costs to transport it by rail to the coasts where refining capacity exists.

Benefits of Lifting the Ban

It's time to restore free market trade in crude oil by lifting the ban. Exports would lead to increased energy production in American and more investment, jobs, and economic growth while improving the balance of trade. Allowing crude oil exports doesn't just help producers—all Americans would benefit. **69% of Americans support** lifting the ban because it would 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, translating into as much as \$391 in annual household savings
- 359,000 new jobs in 2016, peaking to 964,000 new jobs in 2018
- Average increase in annual GDP of \$73 billion, peaking at \$134 billion in 2018
- 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 2030.¹

Western Energy Alliance asks Congress to pass legislation lifting the crude oil export ban.

¹ [US Crude Oil Export Decision: Assessing the Impact of the Export Ban and Free Trade on the U.S. Economy](#), IHS, 5/29/15