The Crude Oil Export Ban: A Discussion with Senator Lisa Murkowski

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In May of 2015, Senator Lisa Murkowski (R-AK) hosted a discussion at OurEnergyPolicy.org (OEP) on the impacts of lifting the crude oil export ban. Here is a snapshot of the perspectives offered by OEP's diverse community of vetted experts.

To read the full discussion, please visit: OurEnergyPolicy.org.

"The United States is producing more energy today than at any point in its history. There is simply no reason — legal, political or economic — for our nation to refuse to sell energy to our friends and allies." - ***Sen. Lisa Murkowski (R-AK)****, Chairman, Senate Energy and Natural Resources Committee*

Key Points: Crude Oil Export Ban

Prices:	"As a number of economists have pointed out, **relaxing the ban is likely to lead to lower, not higher, gasoline prices**. With increased supplies…there will be more oil on global markets. In turn, this will lead to lower crude prices, which will lead to falling refining costs, globally and in the United States." – **Charles Mason**, University of Wyoming "Thus in every way, lifting the crude oil export ban will be beneficial throughout the U.S. economy. We have found **no scenario in which lifting the oil export ban can lead to higher gasoline and heating oil prices**." – **David Montgomery**, NERA "The lifting of the export ban will result in a narrowing of the spread between WTI (domestic price of crude) and Brent (international price of crude)… Gasoline and diesel prices are already linked to the world market… From this former refiner and oil trader's perspective, the lifting of the crude oil export ban will have little effect on the price the consumer pays for gasoline, jet fuel and diesel, **its a matter of who benefits more: the oil producer or the oil refiner**. – **Andrew Lipow,**

	Lipow Oil Associates, LLC
Domestic Jobs:	"Now we seem to have the **opportunity to reduce our exposure to this volatile and anti-competitive global market, reduce imports of oil and increase our domestic manufacturing base by insisting that US crude be refined here.** A study released this week by EIA shows that retaining the export ban increases US crude refining runs by more than 1.4 mbd in a high oil production scenario — US manufacturing jobs. There will also be substantial**employment creating in shipping US crude to US refineries and building up our domestic oil shipping capacity**. – **Carl Pope**, Sierra Club
International Trade:	"It's rare to find a policy that combines bad economics with harmful national security overtones and, at the same time, **violates US obligations to the world trading system**. But US restrictions on crude oil exports are just that rare bird." – **Gary Clyde Hufbauer**, Petersen Institute for International Economics "If advocates really want to develop our vast energy resources and expand the economy, they should craft a licensing policy that reflects the new energy landscape and the immense U.S. export potential. They'd also be **restoring some overall coherence to U.S. trade and energy policy - and avoiding potentially embarrassing trade conflicts**." – **Scott Linciome**, Cato Institute
Environment:	"Whatever short-term economic or national security benefits that may be derived from allowing such exports, they will **pale in comparison with the longer-term economic, national security, and environmental harm caused by the increase in oil production** that results from such exports. – **Dan Miller**, Roda Group "(Environmental) arguments hinge on a presumption that lifting the ban will lead to more oil consumption and thus more emissions. However, there is no evidence that this would occur…. The International Energy Agency, among other international organizations have projected that investments abroad will increase world oil supply by 5.2 million barrels per day (even without the U.S. lifting the ban)... **Retaining the crude oil ban based on environmental principles does nothing to help mitigate climate change**." – **Dawn Santoianni**, Tau Technical Communications

U.S. Global Influence & National Security:	"The **security impact of exports may be a bit overstated**. U.S. crude could replace oil from less stable sources within European markets, but it would have to be replaced within the U.S. supply pool by another source. The U.S. remains an importer of crude in aggregate, however, and at this stage increased exports from the U.S. would need to be balanced by higher imports." – **Sam Margolin**, Cowen and Company "The importance of U.S. crude oil to the security of its allies as well as itself has been inflated. While the U.S. may be on track to become the largest liquids producer, it is also by far the largest consumer... **To ensure long-term national energy security, the U.S. as well as its allies must diversify its energy source** that includes both fossil fuels and renewables." – **Daniel Choi**, Lux Research "U.S. oil exports can't undercut geopolitical adversaries like Russia and elements of the Middle East without significant impacts to supplying the U.S. market - remember, America still imports 8 million barrels of oil every day.**Booming domestic production hasn't brought us anywhere near oil independence**." – **Tyson Slocum**, Public Citizen, Inc. "The U.S. now has the **ability to position itself not only to influence but, in due course, to even dominate oil markets**. America is already the world's fastest growing source of oil (and natural gas) and the world's largest producer of liquid hydrocarbons." – **Mark Mills**, Manhattan Institute
Refinery Configuration:	"A decade ago, the gulf coast refiners 'modernized' their facilities to crack heavy crude, apparently without thought that fracking would produce a light crude…**Giving some relief on export bans would give some relief to producers**whose overall disregard to a changing energy landscape led them into a big hole." – **Bill Brandon**, IESP Consultants "**Better for our GDP that we export value added products rather than crude**. Incidentally, refined products export is lawful, and we export around 5 million bpd of the stuff. My variant… is to build new "simple" refineries close to the oil production.... These small units are relatively inexpensive. They are quick to build and easy to finance. Best of all, the jobs are now distributed to new communities, not just concentrated on the Gulf Coast." – **Vikram Rao**, Research Triangle Consortium