

# THE EPOCH TIMES

## **Diesel Shortage Testing Biden's Take on 'America First': Industry Insider**

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How the Biden administration addresses the shortage of distillate fuel oil in the United States will show if President Joe Biden will put America first, said an industry insider.

“From the consumers’ standpoint, [it will show] who the Biden administration protects most, Europeans or their own citizens?” John Hunt, who worked in the energy trade area, told The Epoch Times.

U.S. Energy Information Administration (EIA) data shows that diesel stockpiles are at their lowest level for October in records that date back to 2008.

The weekly data shows that the United States, as of Oct. 21, has 25.9 days of supply—down from 34.2 days of supply five weeks prior.

Some proposed banning diesel exports to increase domestic supply.

The United States exports of distillate fuel oil increased from 110,000 barrels per day to almost 1.2 million barrels per day from 2004 to 2021, with an annual growth rate of 15 percent.

Distillate fuel oil is a term used for a range of refined products including diesel, heating oil, and fuel oils used for electric power generation.

Data collected by EIA shows the biggest importers of U.S. distillate fuel oil are in South America including Mexico, Brazil, Chile, Argentina, and Peru.

Some European countries like the United Kingdom and the Netherlands imported more from the United States in recent months after decades of decreasing imports.

The Russia-Ukraine war and the anticipated ban on Russian energy most likely are the driving force behind the changes in European imports of American distillate fuel oil.

It will certainly alleviate the tight market if the White House bans certain types of distillate fuel oil exports, Hunt said.

However, he doubted the current administration was willing to do it.

“Banning the distillate fuel oil exports for two months will drive the supply to the normal level,” he said. “But politically it’s something that the current administration will not do. It will be very hard, we have been supporting Europe facing the Russian cutoff of energy supply.”

The White House didn't announce any specific measures to deal with the diesel shortage after it was widely reported in the media.

During the White House press briefing on Wednesday, John Kirby, National Security Council coordinator for strategic communications, didn't answer a question about how to increase the supply of diesel in the United States.

The Biden administration is doing whatever it can to help European people who will face "a long, cold winter," he said.

The Epoch Times reached out to the White House for comment.

### **Transportation Bottlenecks**

However, even if the Biden administration imposes an export ban for diesel, more policy changes are still needed to increase the supply in the Northeast area, which is apparently going to have a harsh winter because of the distillate fuel oil shortage.

There are two ways—either through pipelines or ships—to transport the distillate fuel oil from the gulf coast to the Northeast.

Both transportation channels are facing bottlenecks, Hunt said.

The Colonial pipeline and the Plantation pipeline have limited capacity and sea transportation is restricted by the availability of so-called "Jones Act vessels."

The Jones Act, formally known as The Merchant Marine Act of 1920, requires goods shipped between U.S. ports to be transported on ships that are built, owned, and operated by United States citizens or permanent residents.

"There are very few Jones Act vessels," Hunt said.

Supporters of the Jones Act said it helped the domestic shipbuilding industry, however, the CATO institute stated that the act is a "failure" and called on Congress to repeal it in a 2018 report.

### **Harsh Winter for Northeasters**

The coming winter will be harsh for Northeasterners who rely on heating oil, Senior Vice President of the American Energy Alliance Dan Kish warned.

"Winter is going to be very tough, especially for the Northeast," he told The Epoch Times.

Jay Young, the founder and president of King Operating Corporation, holds the same view.

"Because of the shortage, we're gonna see prices go up. If we run out [of heating oil], prices will skyrocket. That's not good for the American people," he said.

The price of heating oil in New York reached 5.813 dollars per gallon as of Oct. 25. One year ago, the price was 3.641 dollars per gallon.

It shows a 60 percent increase annually.