UNITED STEELWORKERS

USW

UNITY AND STRENGTH FOR WORKERS

Leo W. Gerard
International President

July 13, 2015

U.S. House
Washington, D.C. 20515

Re: Oppose H.R.702 or Any Legislation Which Would Lift the Crude Oil Export Ban

Dear Representative:

On behalf of the 850,000 members of the United Steelworkers (USW), including those in the oil, gas and refining industries, I strongly urge you to oppose H.R. 702 which would lift the long standing crude oil export ban. U.S. consumers, refinery jobs, and our energy security are far too critical to arbitrarily lift long-standing policy that has served to lower our nation's reliance on foreign oil and support hundreds of thousands of U.S. jobs.

Our nation is not self-sufficient in oil, as 44 percent of the crude oil processed in U.S. refineries is imported. In fact, at a recent House Energy & Power Subcommittee hearing, Energy Secretary Ernest Moniz stated that the U.S. imports seven million barrels of crude oil per day to meet domestic demand. Additionally, more oil is imported today than when the export ban was enacted in 1975. Secretary Moniz also noted that for every barrel of oil the U.S. would export, we would have to import an additional barrel. This would detract from our nation's goal of achieving energy independence and security.

All crude oil is not the same. By keeping oil produced in the U.S. here at home for refining, refiners have been able to realign their processes to specialize in the types of crudes that are produced here. This allows for greater refining efficiency and increased production. For example, these streamlined processes have allowed U.S. refiners to add 100,000 additional barrels per day compared to last year. This keeps prices low and refineries operating as efficiently as possible. Further specialization, particularly in the use of "super light" crude can increase U.S. refinery capacity by more than 730,000 barrels per day by 2016, which is more than enough capacity to handle the projected growth of U.S. extraction without need for exports.

Lifting the crude oil export ban will not significantly impact global crude supplies, instead it would provide a competitive advantage to China, who will likely be the main beneficiary. Illegal trade practices by China have cost USW member's jobs in multiple industries. Lifting the crude oil export ban will further fuel China's effort to undermine

U.S. manufacturing jobs in countless industries including steel, rubber, and now refining.

In addition to increasing foreign oil imports, lifting the export ban would also cost jobs in the domestic refining industry. The United Steelworkers union (USW) represents workers at 63 of the nation's refineries, which accounts for two-thirds of domestic refining capacity. Refinery jobs are good paying jobs which support over $1.8 million in value-added to the economy per employee. Lifting the ban would not only prove detrimental to the jobs of the men and women employed at U.S. refineries, but also to the communities that rely on the tax base generated from these wages.

The U.S. Energy Information Administration (EIA) reports that American households are saving, on average, $700 per year from lower fuel prices compared to a year ago. Some are saving significantly more, including those who use heating oil. Lower fuel prices have a profound ripple effect throughout the economy, stimulating consumer spending and economic growth, and thereby creating jobs. And for those on fixed or lower incomes, fuel costs account for a significant portion of their household budgets. The benefits from the export ban are real, rather than hypothetical.

The American public strongly supports maintaining the crude oil export ban. 82 percent of Americans support proposals that would require oil companies to use oil that is produced in the United States from public lands and offshore to meet energy needs here at home instead of exporting US oil to foreign countries. American consumers do not want to pay more at the fuel pump for foreign oil or petroleum products refined in China or elsewhere and shipped to the U.S.

Exporting crude will undermine America's refining capability, negatively impact U.S. refining jobs, raise fuel prices for U.S. consumers and businesses, and make us more reliant on both imported crude oil and imported petroleum products. For these reasons **we urge you to OPPOSE H.R.702 or Any Legislation Which Would Lift the Crude Oil Export Ban.**

Sincerely,

Leo W. Gerard
International President

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