

IADC Briefing Book

Crude Exports



In 2015, the 40-year-ban on oil exports was lifted. In 1975, in the aftermath of the oil embargo by the Arab members of OPEC, the U.S. Congress enacted the Energy Policy and Conversation Act, which banned all crude oil exports except in select circumstances. Before the ban was lifted, the U.S. exported an allowable 500,000 barrels a day.

Key Messages

- Repeal of the outdated crude oil export ban helps the U.S. supply the world market with safe and reliable oil while also bolstering production to fuel the U.S. economy.
- The shale hydraulic fracturing boom in the U.S. has led to an upswing in domestic production of crude oil. The ability to export that oil and gain access to foreign customers creates economic opportunities in the U.S.
- According to API, lifting the crude oil ban could result in 300,000 potential job gains in 2020; 13.5 billion in additional investment in U.S. exploration, development and production in crude oil between 2015 and 2020; and 22 billion in estimated reduction of trade deficit in 2020. [1]
- An IHS study found that lifting the crude oil export ban would lead to further increases in domestic oil production, resulting in lower gas prices while supporting 1 million additional jobs at its peak. The study also found that a repeal would lower gas prices by an average of 8 cents per gallon, saving motorists \$265 billion from 2016-2030. [2]
- In September 2015, the U.S. Energy Information Administration found that the removal of export restrictions would result in higher domestic WTI crude prices, leading to increased domestic production. This adds to the world supply of crude, reducing Brent crude prices and petroleum product prices. [3]
- In January 2015, the Center on Global Energy Policy at Columbia University found that repealing the export ban would likely decrease the price Americans pay for gasoline, diesel and other petroleum products. It also noted that a repeal would make the U.S. more resilient and less prone to supply disruptions elsewhere in the world. [4]

Resources

1. API Crude Oil Facts and Figures:
<http://www.api.org/~media/Files/Policy/Exports/Crude-Exports-ICF-Economic-Benefits-Summary.pdf>
2. IHS Study: <http://press.ihs.com/press-release/energy-power/lifting-export-restrictions-us-crude-oil-would-lower-gasoline-prices-an-0>
3. EIA Study: <http://www.eia.gov/analysis/requests/crude-exports/pdf/fullreport.pdf>
4. Columbia Center on Global energy Policy:
<http://energypolicy.columbia.edu/publications/report/navigating-us-oil-export-debate>