

Testimony to Subcommittee on Terrorism, Nonproliferation, and Trade
House Foreign Affairs Committee
Hearing: “The Crude Truth: Evaluating U.S. Energy Trade Policy”
April 2, 2014

Mr. Chairman, thank you very much for the invitation to be part of the record you are developing here today. It is always fitting for members of both chambers to work together on issues such as energy exports that are so important for our nation,, and, increasingly the world..

And let there be no mistake that today’s specific issue – the ban on crude oil exports – is truly one of the national interest. In an era of doubt and deficits, the North American energy renaissance presents us with an opportunity to strengthen our position and resolve on the global stage, while generating wealth, creating jobs, reducing our deficits, and enhancing our national security.

Lifting the ban will boost U.S. production and open our nation to global markets. The American consumer – *the American people* – will ultimately benefit.

Existing regulations provide some possibilities here. For example, a swap program with Canada was instituted by the Ford administration, continued by President Carter, and carried through to completion by Ronald Reagan. Mexico may be an opportunity here that I would support, but this is a cumbersome vehicle.

Last month, I proposed a “roadmap” for the way forward. First, I believe the Commerce Department retains the authority to modernize its regulations and update its 30-year-old definition of “crude oil” in such a way as to facilitate exports of condensate. Commerce has taken similar measures in the past, as my committee staff sketched out in a report released earlier this week.

Among the many examples, I will highlight a couple. During the era of price and allocation controls, California started to shut-in production for a variety of competitive and regulatory reasons. Commerce authorized a temporary export program of residual fuel oil to protect this production. When an oversupply of butane – a glut – was created in the Gulf Coast, additional exports were also authorized by Commerce.

I have also sent a letter to the Energy Information Administration requesting ongoing, dynamic analysis of the crude oil export situation. I am not requesting a stand-alone, static study that would be out of date by the time it was published.

Finally, the president retains the authority to approve limited crude oil exports. We know this because presidents from both parties have done so in the past.

One objection I have heard is that this approach cedes too much authority to the president. How, it is asked, can one at once both criticize the Administration for misusing executive power in some areas but ask it to take action here? The answer is simple: Congress has already given explicit authority to the President to address oil exports – *for the national interest*.

At the end of the day, I am fully prepared to introduce legislation if necessary – but because legislation takes time we may not need to spend, I remain hopeful that we may have a willing partner in the administration.

Thank you, Mr. Chairman. I apologize that I am not able to stay for questions, but I look forward to future engagement. Thank you again for this opportunity and for your leadership.