

**Opening Statement of the Honorable Ed Whitfield**  
**Subcommittee on Energy and Power**  
**Hearing on “H.R. 702, Legislation to Prohibit Restrictions on the Export of Crude Oil”**  
**July 9, 2015**

*(As Prepared for Delivery)*

This morning, we will be discussing H.R. 702, a bipartisan bill introduced by Joe Barton that would lift the restrictions on the export of oil produced in the U.S.

Americans believe in free trade, and we as a nation have greatly benefitted from policies that allow us to export our products around the world. Everyone from farmers to automakers enjoys the advantages of a global customer base. However, oil remains an exception to the rule. 1970s-era restrictions still prohibit most exports of American crude.

But as we all know, the reasons for these restrictions are no longer true. Most significantly, we have gone from a nation with dwindling petroleum output to the world's number one producer of liquid hydrocarbons. In fact, American production growth has been so robust that the domestic supply of oil is now outstripping demand. This is especially true for the lighter grades of crude not suitable for most domestic refiners but very much in demand around the world. Allowing American companies to serve this global market would provide substantial economic as well as geopolitical benefits, and that is what H.R. 702 seeks to unleash.

There has been tremendous job growth associated with increased oil and gas production over the last decade, and it should be noted that this includes many jobs far away from the nation's oil fields, such as those manufacturing the equipment used by energy companies. Unfortunately, we have seen the loss of thousands of direct and indirect oil jobs over the past year as supplies have exceeded demand and prices have dropped. New production is being cut back, not because of a shortage of places to drill, but because of a shortage of customers.

Lifting the export restrictions and allowing the market for American oil to extend beyond our own borders could create nearly a million additional jobs, according to an estimate from IHS. Put another way, these are jobs that would already exist today if the export ban was not in place.

The pro-exports consensus is a broad one, including groups across the political spectrum, from the Brookings Institution to the Bipartisan Policy Center to the Heritage Foundation. It also includes numerous high ranking Obama and Clinton Administration officials as well as many who served under both Bush Administrations.

Of course, we are always concerned about keeping gasoline as affordable as possible, and some critics of oil exports have raised fears of price spikes. However, reports from the Energy Information Administration, Government Accountability Office, Congressional Budget Office and others predict that oil exports would help lower the price at the pump – just one more benefit of oil exports.

The economic arguments alone make oil exports worth pursuing, but as with LNG exports the foreign policy benefits are also very important. Our allies around the world have made clear that they would rather get their oil from America than from unfriendly and unreliable suppliers. Every barrel of U.S. oil on the world market is one less barrel that can be sold by oil-rich states like Russia and OPEC members. And to the extent we would be supplanting their oil exports, we would also be supplanting their influence.

Oil exports have the potential to be a jobs success story and a foreign policy success story, and H.R. 702 comes at a time when we can use a whole lot more of both.

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