



September 08, 2015

The Honorable Fred Upton  
U.S. House of Representatives  
2183 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Upton:

The National Foreign Trade Council supports lifting the U.S. ban on the export of domestically produced crude oil. Eliminating the ban is consistent with the new reality of technology-driven U.S. production, and with the continuing U.S. commitment to rules-based, transparent global trade. The existing ban enforces barriers to clear market signals for domestic oil and gas producers and licenses rent-seeking.

Independent domestic oil and gas companies innovated the technology that has resulted in the shale oil revolution. The increased crude oil production is preponderantly “light” in character. On the other hand, most of the U.S. refining sector has been configured after decades of reliance on crude imports for “heavy” crudes. Light and heavy crudes are not interchangeable. U.S. producers need access to the global oil market if they are to continue to capitalize drilling programs, the more so since their very success has driven crude prices to recent historic lows.

Preserving the ban on crude exports will amount to another example of snatching defeat from the jaws of victory. The major oil exporting countries of the Middle East and elsewhere would dearly like to see the U.S. revolution stifled by capital flight from U.S. producers.

On the other hand, eliminating the ban will bring transparency to the entire U.S. hydrocarbon-based value chain, promoting competition based on price and efficiency to the benefit of U.S. manufacturers generally.

Eliminating the ban will also increase the resiliency of the global crude oil market at a time of great extra-market risk. Given the enduring geopolitical conflicts in the Baltics, Asia and the Middle East, allowing U.S. crude oil producers to compete globally will have constructive strategic consequences for the national security of U.S. allies in Europe and Asia. Given that U.S. production is technology-driven, lifting the ban will afford allies access to a strategically reliable supplier.

We urge Congress to enact legislation that will promote domestic economic efficiency and the national security interests of the United States and its allies.

Sincerely,

William A. Reinsch  
President  
National Foreign Trade Council

**National Foreign Trade Council**

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