

**Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Markup of H.R. 702, To adapt to changing crude oil market conditions
September 10, 2015**

(As Prepared for Delivery)

Today this subcommittee begins the markup of H.R. 702, "To adapt to changing crude oil market conditions." This bipartisan bill would put an end to the outdated restrictions on the export of American oil, and I would like to thank Mr. Barton for introducing it. Allowing oil exports would provide a major boost for jobs and the economy, help keep gasoline affordable, and strengthen our national security. I urge all of my colleagues to support this commonsense and long-overdue measure.

America is a nation that supports free trade and open markets. Millions of Americans, from farmers to the automakers, enjoy the benefits of a global customer base. However, Congress created an exception for oil exports back in 1975. At the time, we feared that America was running out of oil and that we would become increasingly dependent on OPEC imports. Over the years, many of the laws that were enacted during this period of our history have been repealed. Price controls are a good example. However, restrictions on oil exports remain on the books.

Over the last decade, advances in drilling technology have resulted in dramatic production increases. This is especially true of the lighter grades of crude not suitable for most domestic refiners, but very much in demand around the world.

The oil and natural gas sector has been a rare bright spot in the economy and has been one of our best job creators. However, with oil prices at their current low levels, we have seen the pace of new drilling activity drop off, and some of those jobs have been lost. Oil export restrictions magnify the impact of the price decline.

Opening up new markets for American oil would create additional demand and spur increases in oil production. According to a study from IHS, lifting the export ban could create an average of 394,000 additional jobs through 2030 with a peak of one million in 2018. These are high paying jobs that would already be in existence today except for the ban on oil exports.

It is worth noting that these jobs are not concentrated in oil producing regions but are spread throughout the nation. In fact, IHS estimates that for every job created in the oil patch, six more are created throughout the economy.

Many have raised concerns about the impact of oil exports on the price of gasoline. However, a large number of studies have concluded that oil exports would not raise prices at the pump, and may actually lower them. Most recently, an analysis from the Energy Information Administration reached the same conclusion.

The economic benefits alone should make lifting export restrictions an easy choice, but the energy diplomacy and security benefits are also an extremely valuable benefit. Lifting oil export restrictions would allow the U.S. to counter the influence of Russia, OPEC, and potentially Iran. The U.S. should not be placed at a competitive disadvantage to any country.

These nations make billions from oil exports, and use their energy abundance to exert geopolitical leverage. They want nothing more than to keep the international oil market all to themselves, without any competition from the U.S., and the current export ban plays right into their hands. In contrast, many of America's allies around the world, including those in Eastern Europe who feel threatened by Russia, have made very clear that they welcome increased American energy on the global market. In sum, oil exports would help our allies and hurt our adversaries.

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

For both the economic and geopolitical benefits of oil exports, I urge my colleagues to take this long overdue step and support H.R. 702.

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