United Steelworkers, Public Citizen, and Sierra Club Tell Senate to Maintain Crude Oil Export Ban

(Washington D.C) –*The following letter was sent to the U.S. Senate today regarding crude oil export legislation.*

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The Honorable Mitch McConnell
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Harry Reid
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

RE: Maintain the Crude Oil Export Ban to Protect Jobs, Consumers, and the Environment

December 2, 2015

Dear Majority Leader McConnell, Minority Leader Reid,

As organizations representing millions of members and supporters concerned about jobs, fuel affordability, and climate change, we urge you to oppose any policy rider to the omnibus or tax extenders package which would lift the long standing crude oil export ban.

Our organizations have testified before multiple U.S. House and Senate committees,[1][2] and our members have sent over a 100,000 letters and calls to members of Congress demanding that the oil export ban remain in place. It would be

[1] http://www.citizen.org/documents/Tyson-Slocum-Testimony-House-Small-Business-Crude-Oil-Export-Ban-June-17-2015.pdf
[2] http://www.banking.senate.gov/public/_cache/files/37879c88-4bd1-4e78-a477-dc7767de5b02/23C6AE00CC53D93492511CC744028B5E.gerardtestimony.pdf

egregious if Congress, in a backroom deal, lifted the crude oil export ban in a sweetheart holiday giveaway to Big Oil producers—a gift paid for by higher prices for American motorists, fewer jobs and greater risk to our climate.

The United Steelworkers union (USW) represents workers at 63 of the nation's refineries, which accounts for two-thirds of domestic refining capacity. Refinery jobs are good-paying jobs, which support over $1.8 million in value-added to the economy per employee. Lifting the ban would prove detrimental to the jobs of the men and women employed at U.S. refineries, and also to the communities that rely on the tax base generated from these wages.

Lifting the crude oil export ban at a time when our country and other key world nations are focusing on reducing greenhouse gas (GHG) emissions to combat climate change sends the wrong signal to the world community while also undermining U.S. refinery investment and jobs. In a recent report, the Government Accountability Office (GAO) recommended keeping the crude oil ban in place. The GAO quoted a report by Resources for the Future which estimated that lifting the ban would increase carbon dioxide emissions worldwide by almost 22 million metric tons per year.

Congress should also consider the public health impacts of drilling additional wells to meet foreign oil demand. As the Center for American Progress notes, several studies have raised concerns about the air-quality impacts of living downwind of a well pad, and EPA has identified "above and below ground mechanisms by which hydraulic fracturing activities have the potential to impact drinking water resources."[3]

And repealing the export ban threatens higher fuel prices for hard-working Americans. Let us be clear: lifting the ban is the number one legislative priority of Big Oil producers because it will result in windfall profits for them at the expense of higher prices for the rest of us. U.S. crude oil prices are cheaper than international prices, and since the export ban limits sales of American-produced oil to U.S. refiners, that means that American gasoline producers are able to buy oil at a discount—saving motorists between 6 and 11 cents a gallon. Indeed, the U.S. Energy Information Administration concludes that repealing the export ban will result in windfall profits to Big Oil producers of as much as $30 billion a year by 2025. While the EIA gets it right that lifting the ban will raise the U.S. benchmark WTI crude oil price—resulting in significant profits for oil producers at the expense of higher acquisition costs for refiners and motorists—the EIA incorrectly assumes that the resulting oil exports will flood the global market pushing down international prices that influence parts of the US market today. The EIA quietly admits in its analysis that it assumed that other critical variables—OPEC countering US exports, fluctuations in Chinese oil consumption or any other volatile supply and demand factor—won't change. That fatal flaw in EIA's analysis means that the only accurate guarantee the Administration makes is that lifting the oil export ban will raise the price of US produced oil, providing windfall profits to oil producing companies.

Do not let one of the last Congressional actions before the holidays be a gift to an oil industry that all too often puts profits before people and the environment. We urge you to oppose lifting the crude oil export ban.

Sincerely,

United Steelworkers

Public Citizen

Sierra Club

cc'd: US Senate

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[3] https://www.americanprogress.org/issues/green/news/2015/08/21/119756/the-environmental-impacts-of-exporting-more-american-crude-oil/