



Leo W. Gerard
International President

September 16, 2015

VIA EMAIL

Honorable Fred Upton, Chairman
Committee on Energy & Commerce
U.S. House of Representative
Washington, D.C. 20515

Frank Pallone, Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
Washington, D.C. 20515

Re: Oppose H.R.702 or Any Legislation Lifting the Crude Oil Export Ban

Dear Chairman Upton and Ranking Member Pallone:

On behalf of the 30,000 men and women the United Steelworkers (USW), represents in the oil, gas, refining and petro-chemical industries, our union strongly urges you to oppose H.R. 702 which would lift the long standing crude oil export ban. Removing the crude oil export ban will undermine substantial manufacturing investments in the U.S. economy and leave consumers vulnerable to a global marketplace that is not controlled by the free market, but significantly influenced by the Organization of the Petroleum Exporting Countries (OPEC) and other petro-states such as Russia.

As I testified in front of the Senate Banking Committee in July of this year, exporting a natural resource to have it refined overseas and imported back into the U.S. is a net job loser for America.¹ Our members currently process a Value-Added commodity that is primarily consumed domestically and the excess is exported. Although our nation is not self-sufficient in oil, as 44 percent of the crude oil processed in U.S. refineries is imported, we are, however, exporting products into the global market. Lifting the crude oil export ban will eliminate this value-added manufacturing and send U.S. refining jobs overseas, while raising gas prices.

We have to ask ourselves what type of economy we want to have. Is our future to be shipping raw crude into the global market like a petro-state or creating value through domestic refining and manufacturing investment? Lower crude oil prices have increased outlays for factory-related structures, jumping from January through March of 2015 -- surging at a 95 percent pace. Investment in plants increased by an average of 64

¹ http://www.banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=37879c88-4bd1-4e78-a477-dc7767de5b02

percent in 2014 and 2015, the strongest since records began in 1958.² Removing the ban will place those investments and jobs in jeopardy.

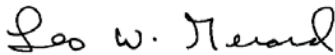
Lifting the export ban would also cost jobs in the domestic refining industry. The USW represents workers at 63 of the nation's refineries, which accounts for two-thirds of domestic refining capacity. Refinery jobs are good paying jobs which support over \$1.8 million in value-added to the economy per employee. Lifting the ban would not only prove detrimental to the jobs of the men and women employed at U.S. refineries, but also to the communities that rely on the tax base generated from these wages.

The sheer number of deaths in the oil and gas extraction industry should also be a primary consideration in the debate about crude oil exports. It is shameful that almost 1,200 workers died in the oil fields between 2003 and 2013. Data is limited, but during the past five years reported fatality rates in oil and gas extraction are five to seven times the national fatality rate.³ An industry with such a casual approach to worker injury and death should not be allowed to send crude oil into the open market.

The American public strongly supports maintaining the crude oil export ban. 82 percent of Americans support proposals that would require oil companies to use oil that is produced in the United States from public lands and offshore to meet energy needs here at home, instead of exporting U.S. oil to foreign countries. American consumers do not want to pay more at the fuel pump for foreign oil or petroleum products refined in China or other nations and shipped to the U.S.⁴

Exporting crude will undermine America's refining capability, negatively impact U.S. refining jobs, raise fuel prices for U.S. consumers and businesses, and make us more reliant on both imported crude oil and imported petroleum products. For these reasons **we urge you to OPPOSE H.R.702 or any legislation which would lift the crude oil export ban.**

Sincerely,


Leo W. Gerard
International President

² <http://www.bloomberg.com/news/articles/2015-07-30/how-cheap-oil-is-fueling-a-surge-in-new-factories>

³ <http://www.aflcio.org/Issues/Job-Safety/Death-on-the-Job-Report>

⁴ http://crudecoalition.org/app/uploads/2015/02/HART-POLL-me11457_cap_us_oil.pdf