

Exports Today and Tomorrow

How we got to where we are

- Oil export ban from the 1970s
- Restrictions on natural gas exports
- Fracking boom made these restrictions obsolete

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The legislative process

- Sen. Murkowski took the lead
- Rep. Joe Barton was also involved
- IPI published a number of pieces on the issue
- In December it was added to \$1.1 trillion spending bill
- Had to swallow some renewable energy provisions
- One of the most important pieces of legislation to pass
- And what's really amazing: it passed this White House

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Impact of the changes

- **LNG**

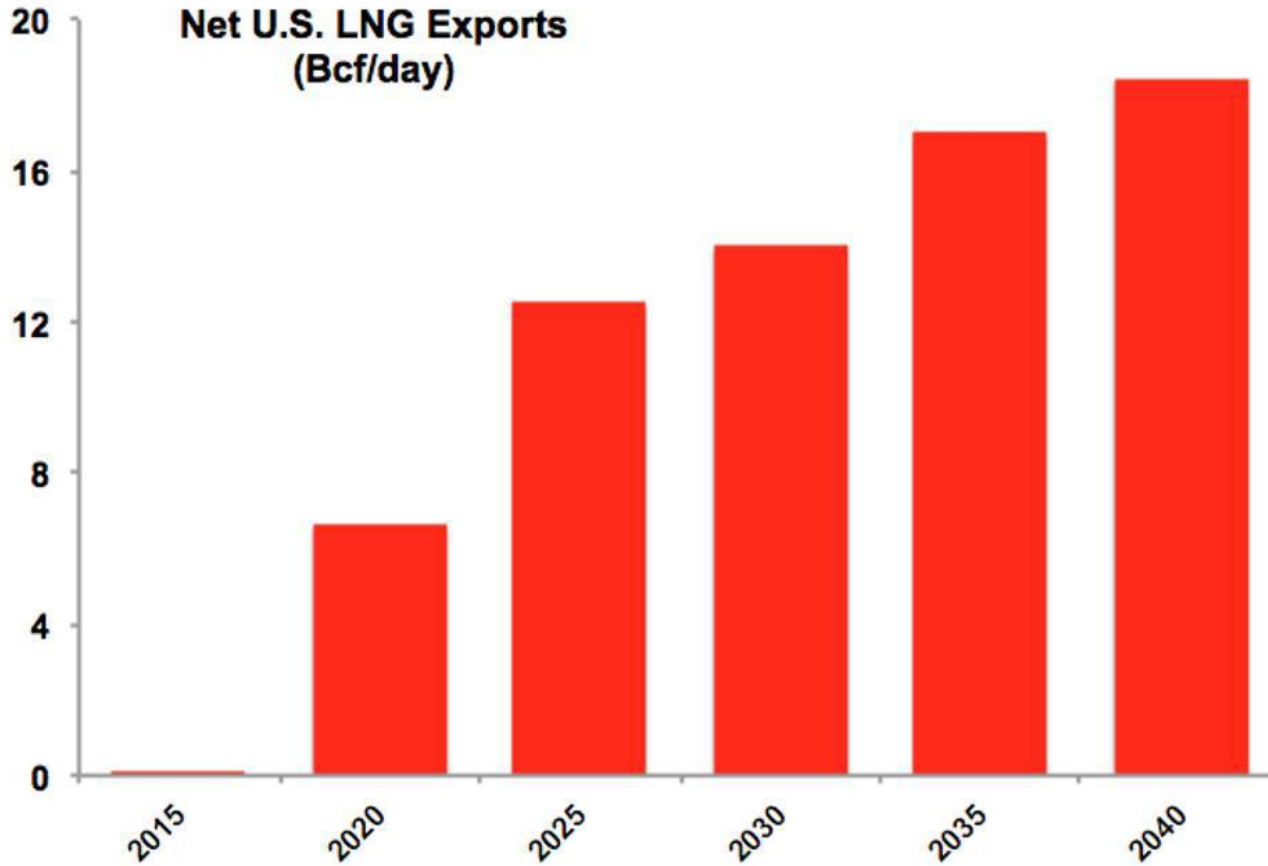
50 Bcf of LNG exported in the first 6 months of 2016

Five LNG terminals on Gulf Coast and MD by 2020

LNG is being exported to Europe, South America, Asia, including China, and the Middle East

Piped gas to Mexico has tripled since 2010, and 15 new pipelines will double capacity by 2019.

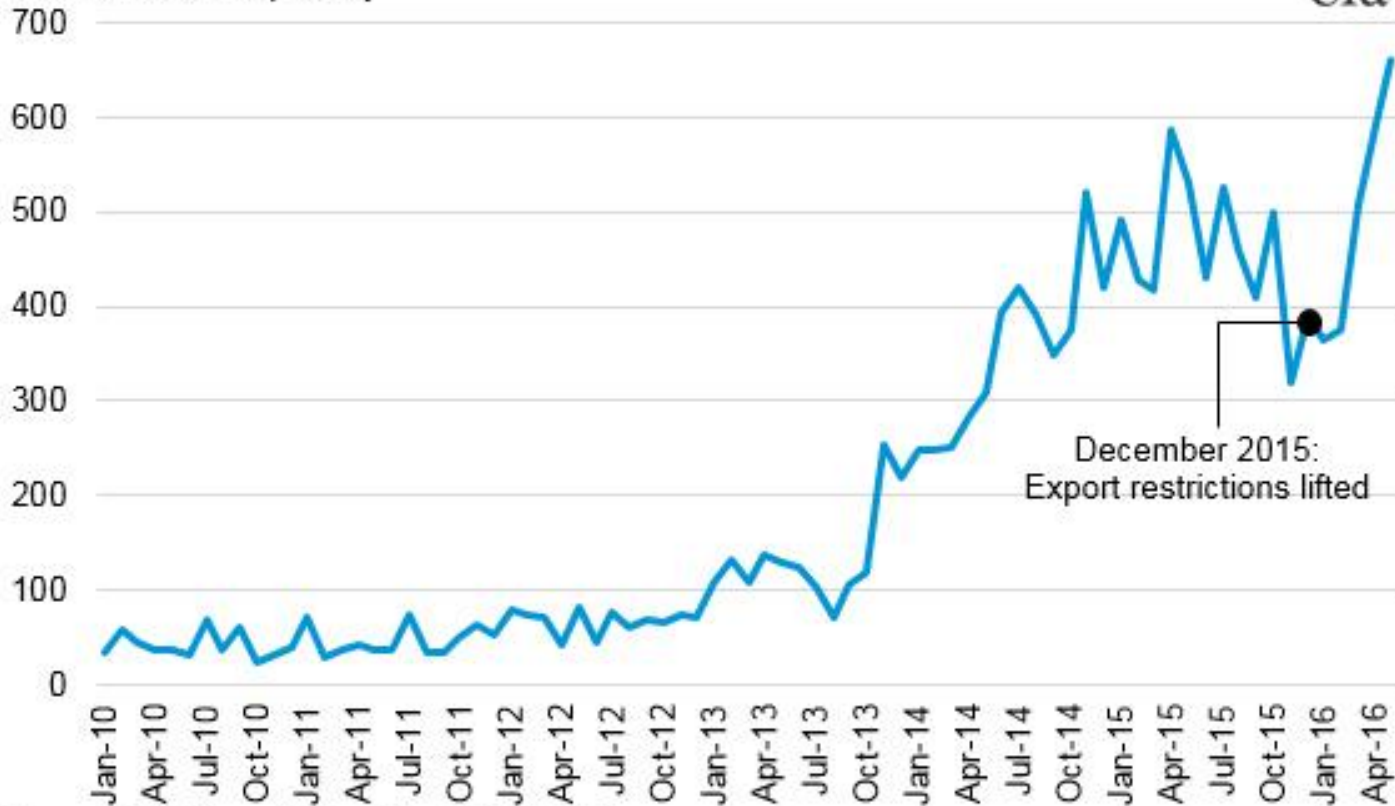
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Figure 1. U.S. crude oil exports

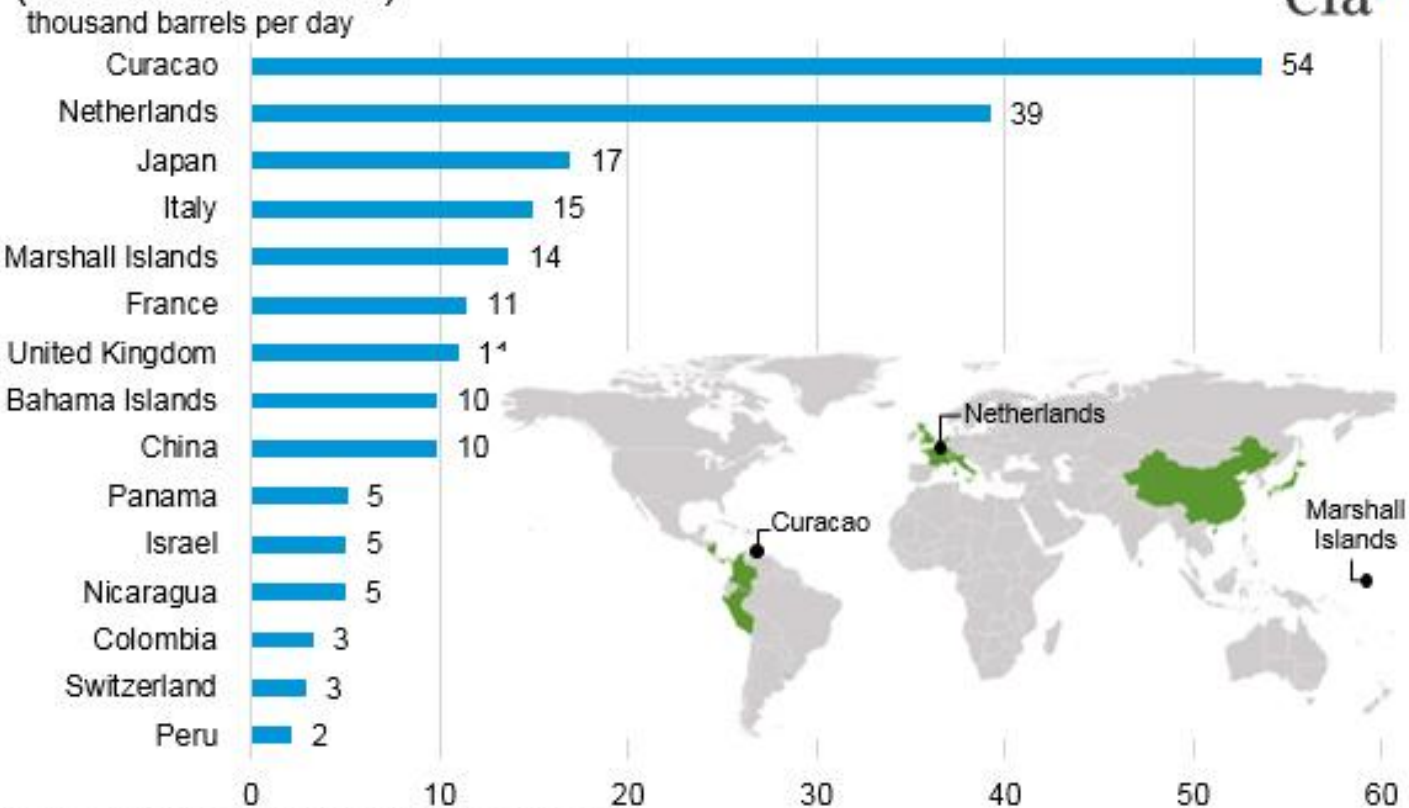
thousand barrels per day



Source: U.S. Energy Information Administration

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Figure 3. U.S. Crude oil exports January through May 2016
(excludes Canada)

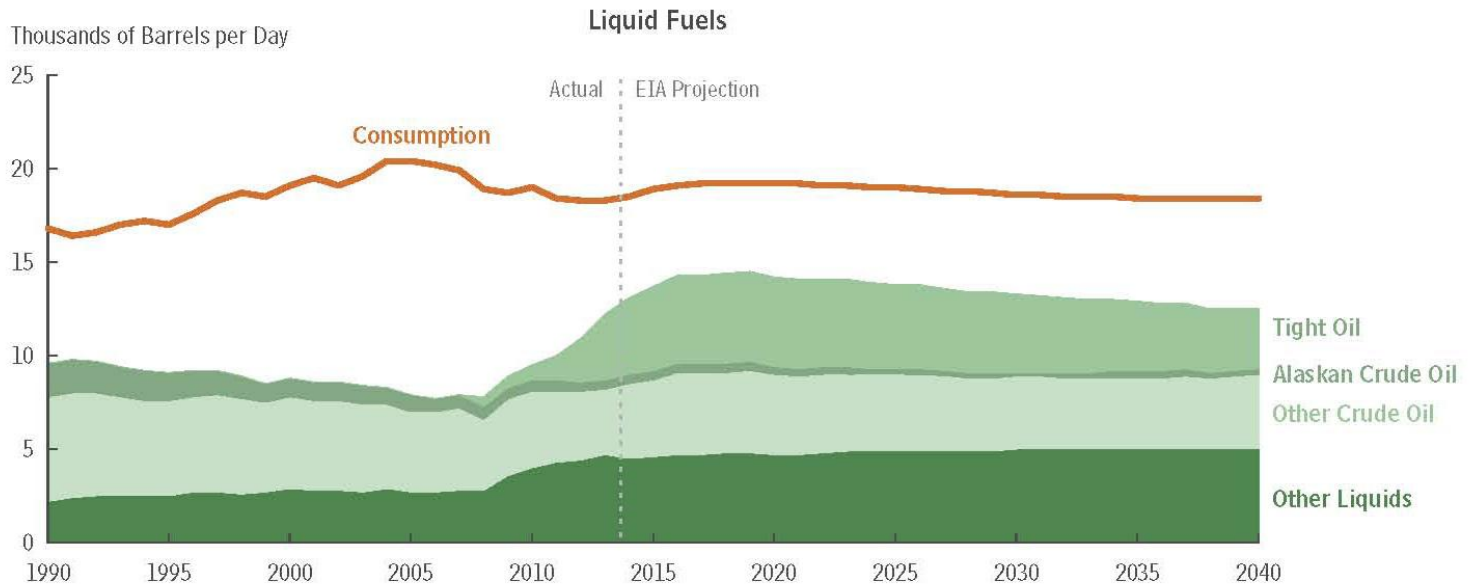
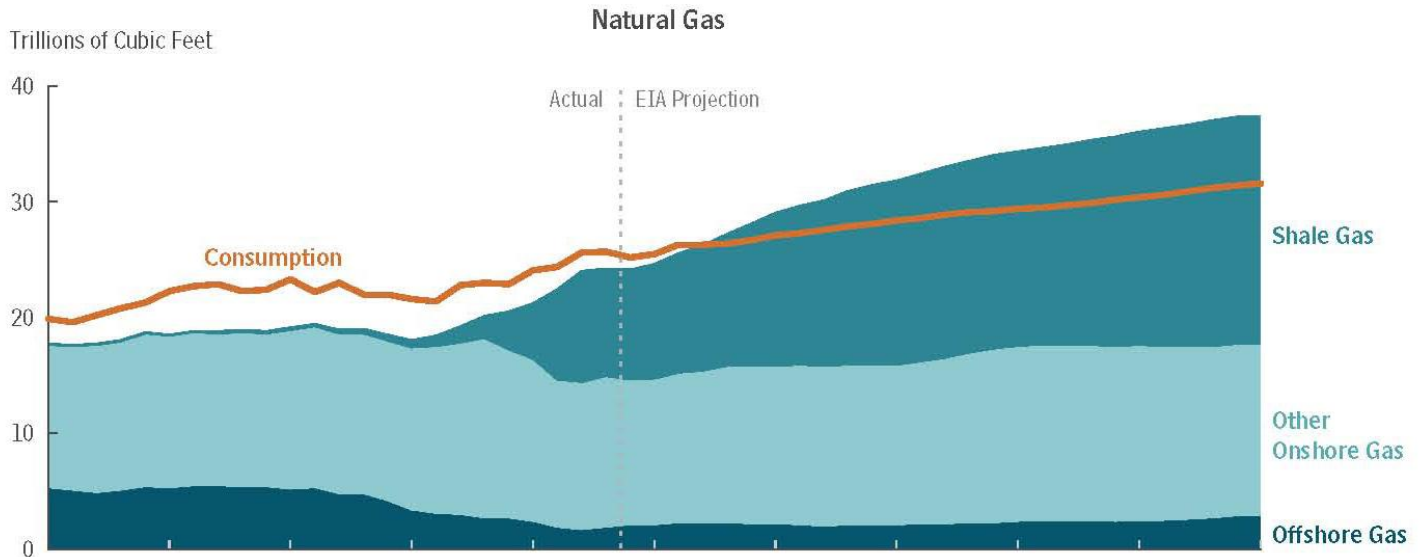


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Impact of the changes

Increased production

Consumption and Supply of Natural Gas and Liquid Fuels in the United States



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Economic impact:

- Daniel Yergin and Kurt Barrow predict ending the oil export ban will lead to an increase of 2.3 mb/d over 15 years and \$1 trillion in new investment.
- They expect that to create 860,000 more jobs and create \$3 trillion in govt. revenues.

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Economic impact:

- CBO estimates GDP will be 0.3 percent higher in 2020 and about 0.4 percent higher in 2040
- Finally, CBO estimates that government revenues will be 0.8 percent higher (or about \$35 billion) in 2020 and 1.0 percent by 2040

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Challenges

- Environmental push back

350.org Reacts to Blocked Oregon LNG Export Terminal as Senate Considers Energy Bill

- Declining U.S. oil consumption
- Hostile political environment
- Competition
- Anti-trade sentiment

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Next Steps

- House and Senate passed bills to expedite the LNG approval process.
- Some hoped it would pass in the fall, but it didn't.
- Could make it in the lame duck, but don't hold your breath.