

Chairman and CEO Ryan Lance Calls for U.S. Exports of Surplus Crude Oil

14.01.2015 | [Business Wire](#)

[ConocoPhillips](#) (NYSE: COP) Chairman and CEO Ryan Lance today told policymakers attending a briefing at the Center for Strategic and International Studies (CSIS) that the nation's approaching surplus production of crude oil offers an opportunity for expanded global trade through exports. The United States could sustain the job creation and economic stimulation powered by the U.S. energy renaissance, while putting downward pressure on consumer fuel prices and improving global energy security.

He pointed out that although a ready market exists for such exports, the federal government must first remove a ban written into the 1975 Energy Policy and Conservation Act, which was enacted during a time of energy shortages and gasoline lines. The act prohibited crude oil exports. Currently only a few exceptions are allowed, including small amounts of oil sent to Canada and oil exported from Alaska.

"The U.S. energy situation has improved significantly since the ban was put in place," Lance said. "Government should recognize the new reality of the renaissance that has transformed North America from energy scarcity to abundance, and enable the industry to keep it going. We have just scratched the surface of its potential, and can help ensure that the renaissance continues as an engine of long-term economic growth by exporting our excess crude oil into the world market. Thanks to our new energy abundance, domestic refiners would still have all the oil they need, and would still enjoy a competitive advantage over foreign refiners."

Lance told the audience that the nation's growing production of light oil from shale rock is a mismatch with many Gulf Coast-area refineries that years ago were configured to process heavy oil. As a result, U.S. light oil production already exceeds domestic refining capacity on a seasonal basis, and will do so year-round by 2017. By 2020 exports of 1.5 million to 2.0 million barrels per day would be needed in order to avoid needlessly hindering industry development activity, with resulting harm to the national economy. Increasing domestic capacity to refine this light oil would require massive investment on the part of refiners, as well as securing of air permits for new construction. Further, it would be less efficient and less economically beneficial to the United States than exporting excess high-value light oil while continuing imports of lower-value heavy oil from such reliable sources as Canada.

Additionally, the lack of sufficient refining capacity to process light oil economically forces U.S. light oil to sell at a discount to world oil prices. This discount, particularly during a time of oil price weakness, threatens to force many of the nation's new producing wells below the breakeven point and reduce the industry's cash flow, in turn leading to major reductions in new domestic drilling and development.

"Multiple studies confirm the economic benefits of oil exports," said Lance. "These include increased U.S. production, a higher gross domestic product and average household income, improved balance of trade, creation of one million new jobs at the peak, lower consumer fuel costs, and greater revenue generation for government."

"We urge the federal government to recognize these realities. The Administration and Congress should act immediately," Lance concluded.

--- # # # ---

Editor's Notes

Below is a summary of crude oil export benefits described in the presentation:

Abundance*

- Will see an increase in U.S. production of 1.5 million barrels per day (MMBD) to 3 MMBD by 2020
 - This represents a 10-20% increase from today
- All domestic oil should compete freely in the global market
- Value received would be commensurate with global prices

- The domestic price discount on light oil would be greatly reduced
 - Companies would have increased cash flow to reinvest
 - More wells and drilling plays would become economic
 - Investment in new U.S. production would increase

Economic Benefits**

- Savings to consumers on fuel would total \$18 billion annually**
- Job creation & economic development would improve
- Expanded markets would incentivize \$750 billion in new exploration and production investment between 2016 and 2030
- The U.S. would gain \$135 billion in annual Gross Domestic Product at the peak
- One million direct or supply-chain jobs would be added at the peak
- The trade balance would improve by \$67 billion annually
- The U.S. government would gain \$1.3 trillion in higher federal, state & local taxes & royalties from 2016 to 2030

Job Benefits***

- Energy production prevented the U.S. downturn from being worse and spurred recovery
 - Oil and gas sector jobs expanded while other sectors lagged
 - Since 2007, oil and gas jobs grew by 65 percent
 - Total private sector growth was only 2 percent

Sources

* NERA prepared for Brookings Institution

** IHS Global Inc.

*** U.S. Bureau of Labor Statistics

About ConocoPhillips

ConocoPhillips is the world's largest independent E&P company based on production and proved reserves. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 27 countries, \$55 billion in annualized revenue, \$119 billion of total assets, and approximately 19,000 employees as of Sept. 30, 2014. Production from continuing operations, excluding Libya, averaged 1,520 MBOED for the nine months ended Sept. 30, 2014, and proved reserves were 8.9 billion BOE as of Dec. 31, 2013. For more information, go to www.conocophillips.com.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results or the industries or markets in which we operate or participate in general. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that may prove to be incorrect and are difficult to predict such as oil and gas prices; operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations or from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; general domestic and international economic and political conditions, as well as changes in tax, environmental and other laws applicable to ConocoPhillips' business and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips' business generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). We caution you not to place undue reliance on our forward-looking statements, which are only as of the date of this news release or as otherwise indicated, and we expressly disclaim any responsibility for updating such information.

Photos/Multimedia Gallery Available:

<http://www.businesswire.com/multimedia/home/20150114006061/en/>

Contact

[ConocoPhillips](#)

Daren Beaudou, 281-293-2073 (media)
daren.beaudou@conocophillips.com

Andrea Urbanek, 281-293-3472 (media)
Andrea.Urbaneck@conocophillips.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/189902--Chairman-and-CEO-Ryan-Lance-Calls-for-U.S.-Exports-of-Surplus-Crude-Oil.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).