Crude Oil Exports from the United States: Current Issues and Future Outlook

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Why a ban on crude exports, and why was it lifted last year?
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Crude oil (barrel)

$49.72  -$8.89  -15.17%

Source: Reuters

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North American Shale Oil and Gas Basins

North American Shale Plays
(As of May 2011)

Source: U.S. Energy Information Administration based on data from various published studies. Canada and Mexico plays from ARI.
Updated: May 9, 2011
Regulatory Framework

- Energy Policy & Conservation Act (EPCA)
- Mineral Lands Leasing Act (MLA)
- Outer Continental Shelf Lands Act (OCSLA)
- Naval Petroleum Reserves Production Act (NPRPA)
- Export Administration Act
Exceptions to the Ban

- Exports to Canada
- Cook Inlet oil
- Oil passing through the Trans-Alaska Pipeline System
- Oil from certain fields in California
- Trades with Mexico for different types of oil
- Re-export of foreign imported oil
- Condensate
Industry Response

Crude oil exports 2010-2016, in thousands of barrels. (Source: EIA)
Effect of Panama Canal Expansion

- **Knock Nevis**: Oil tanker, 458 m (1503 ft)
- **Mærsk Mc-Kinney Møller**: Container ship, 399 m (1309 ft)
- **Vale Brasil**: Bulk carrier, 362 m (1188 ft)
- **Allure of the Seas**: Passenger ship, 360 m (1181 ft)
- **USS Enterprise**: Aircraft carrier, 341 m (1119 ft)

- **Coastal Tanker (205 m)**
- **Aframax (245 m)**
- **Suez-Max (285 m)**
- **VLCC (330 m)**
- **ULCC (415 m)**
Future Outlook

- Some signs exports could be increasing.
- Continued growth in exports depends on the economics!
- Regulatory is key.
Conclusion

- Lifting the ban – big deal in terms of regulatory and foreign policy
- Economic impact has been more limited, at least so far
- Some evidence exports may be increasing
- Regulatory and market environments are key
Questions?

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