WASHINGTON, October 4, 2022 – The American Fuel and Petrochemical Manufacturers (AFPM) President and CEO Chet Thompson and American Petroleum Institute (API) President and CEO Mike Sommers today sent a letter to U.S. Secretary of Energy Jennifer Granholm raising significant concerns that the administration could pursue a ban or limits on refined petroleum products.

“Banning or limiting the export of refined products would likely decrease inventory levels, reduce domestic refining capacity, put upward pressure on consumer fuel prices, and alienate U.S. allies during a time of war,” Thompson and Sommers wrote.

“From the United States’ approximately 18 MMBD of refining capacity, about 3.5 MMBD of gasoline, diesel, and other refined products are exported,” Thompson and Sommers said. “Restricting these exports would cut off important supply from the international market, putting upward pressure on prices, threatening the global flow of essential energy, undermining U.S. allies and creating negative global economic consequences, including here in the United States.”

“Global commodity prices—including for crude oil, gasoline, and diesel—are set by the global market, not by refiners, in the same way, that farmers do not control the price of corn or wheat,” Sommers and Thompson wrote. “Gasoline and diesel fuel prices are primarily driven by the cost of crude oil, which accounted for much of the changes in gasoline and diesel prices through the first seven months of 2022. Refiners’ crude oil acquisition costs represented close to 60 percent of the retail price at the gasoline pump in 2022, according to the EIA.”

“The U.S. refining sector, bolstered by our technologically advanced facilities and best-in-class workforce, is the most competitive, efficient, and resilient in the world. Participation in the global market is foundational to our position as the world’s refining leader, benefitting American consumers and fuel manufacturers alike,” Thompson and Sommers said.

Thompson and Sommers concluded, “We urge the Biden administration to speak clearly and with one voice to disavow a refined product export ban or export restrictions, which would only further raise global and U.S. prices, roil energy markets, and deter needed investments across the U.S. energy supply chain. Your understanding and collaboration would be helpful to further a constructive dialogue.”

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