It may seem logical that if the United States stops exporting diesel, more fuel will stay here and prices will fall. But more diesel in the United States does not necessarily mean lower prices at the pump, especially when the United States is not facing a shortage of diesel.

If refiners cannot export or economically store surplus diesel, some could reduce production, which tightens supplies, puts upward pressure on fuel prices and weakens U.S. energy security.

1. Export bans reduce fuel production

Today, U.S. refineries are producing about 5.3 million barrels of distillate fuel per day, while domestic demand averages about 3.6 million barrels per day.

If exports are banned, refiners cannot simply stockpile unlimited diesel. They would have to reduce production. Because gasoline and diesel are produced together, producing less diesel also means producing less gasoline.

Less fuel production means tighter supplies and higher prices for both diesel and gasoline.

2. Export bans weaken U.S. energy security

Many parts of the United States rely on imported gasoline and diesel because fuel produced in the U.S. cannot always be moved economically from where it is produced to where it is needed.

Removing U.S. diesel from global markets would tighten supplies and could increase costs for import-dependent regions like New England, especially as heating oil demand rises as the weather turns colder

3. Export bans help foreign competitors

The United States is a major supplier of fuel to allies in Europe and the Americas. If U.S. exports disappear, those countries will still need fuel. They will need to find it from other suppliers, creating opportunities for competing nations to expand their influence in global energy markets.

4. Export bans risk retaliation

Trading partners affected by a U.S. export ban could respond with restrictions of their own, making the United States more vulnerable to future supply disruptions. Regions that depend on imports would be particularly exposed.

Key takeaway

Export bans do not create more fuel for Americans. They reduce U.S. fuel production, put upward pressure on prices, weaken energy security and hand market share to foreign competitors.

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