

From: Jack Cramton
Sent: Thu, 30 Jan 2025 21:02:08 +0000
To: Fitzsimmons, Alexander
Subject: [EXTERNAL] Oil and Gas Tariff Exemption Request
Attachments: US Oil and Natural Gas - New Tariff Exemptions.pdf, Benefits of North American Crude.pdf

Alex,

As the administration considers the next steps on trade policy, we want to make sure you are aware of the imported products that the industry views as essential for achieving American energy dominance. The attached document includes a list of products assembled through a survey of our membership which would inhibit the administration's objective of achieving their energy goals if tariffs were applied to them. We are asking that these products be exempted from potential tariffs. Additionally, I have attached a document demonstrating the importance of Canadian crude to U.S. refineries.

We would like to meet with you and your team to discuss this request at your convenience.

Please let us know if you have any questions and are available to meet.

Best,

Jack Cramton

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Tariff Exemptions for Energy Dominance

Tariffs Exemptions for Oils, Natural Gas, and Refined Products

Context: The U.S. has a global advantage in oil and natural gas production and refining/manufacturing. Historically, increased costs on crude oil, natural gas, or refined products led to upward pressure on costs to consumers. Tariffs would likely have a similar result and, could erode the U.S.'s standing as a net exporter of energy. U.S. refineries take advantage of heavy-grade crude oil from Canada and Mexico to meet U.S. consumers' demand, especially in Indiana, Montana, and Michigan. While there is the possibility to retool U.S. refineries to utilize light-grade crude from the U.S., it would jeopardize U.S. energy dominance.

Ask: Exempt from tariffs crude oil, natural gas, refined products, and used cooking oil under these HTS code headings (see Appendix A for the ten-digit HTS codes):

(b) (4)

Tariffs Exemptions for Critical Industrial Materials

Context: The U.S.'s global advantage in oil and natural gas is also built, in part, with industrial materials that cannot be sourced sufficiently in the U.S. to produce, transport, and refine hydrocarbons. These industrial materials include pipes for drilling, production, and pipelines; turbines; transformers; and taps, valves, pressure/temperature measuring devices, and centrifuges for facilities. US suppliers do not meet specifications required for procurement of these products.

Ask: Exempt from tariffs the industrial materials critical to U.S. oil and natural gas under these HTS code headings (see Appendix B for the ten-digit HTS codes):

(b) (4)

Appendix A: Hydrocarbon Products to Exempt from Tariffs

HTS	Product Name
(b)	(4)

HTS	Product Name
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(b) (4)

Appendix B: Industrial Materials Critical to US Oil & Natural Gas to Exempt from Tariffs

HTS	Product Name
(b)	(4)

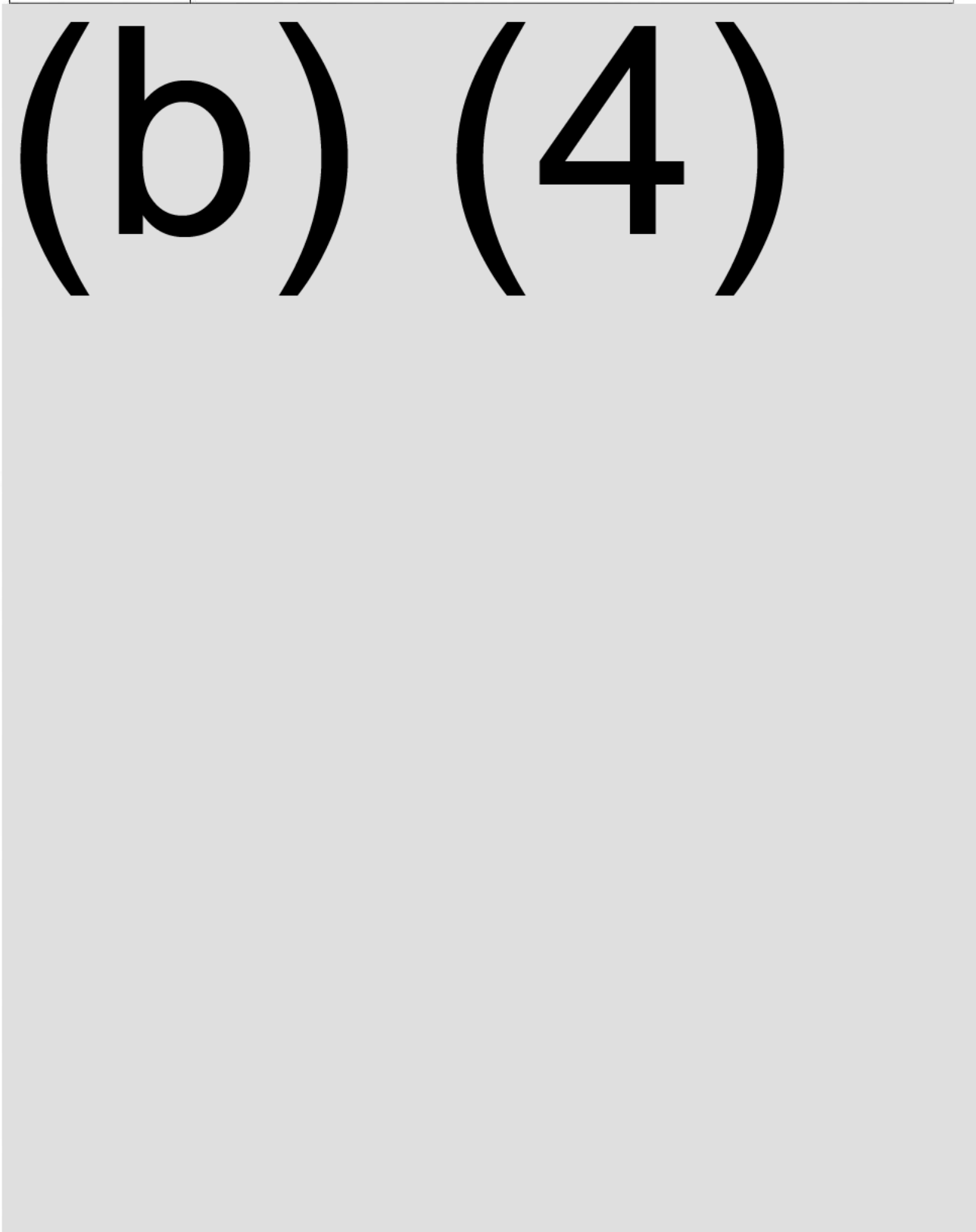
HTS

Product Name

(b)

(4)

HTS	Product Name
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(b)

(4)

HTS	Product Name
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(b) (4)



U.S. Consumers Benefit from Oil & Natural Gas Imports from Canada and Mexico

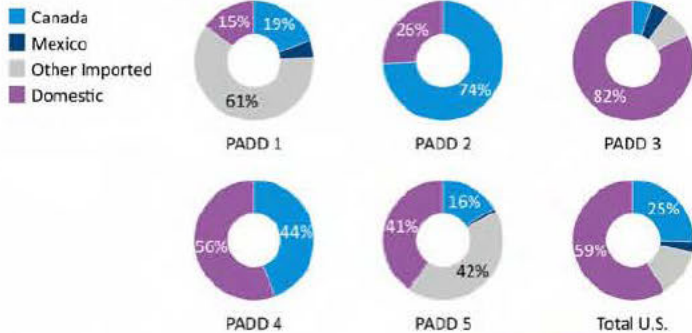
Crude oil imports from **CANADA AND MEXICO ACCOUNT FOR 28%** of the crude oil run through U.S. refineries.



U.S. refineries are configured for heavier crude oil from Canada and Mexico, which cannot be replaced with lighter domestic crude oil.

Canadian imports account for **74% OF CRUDE OIL** used in PADD 2 (Midwest) refineries.

Imports of Canadian crude oil account for 74% of crude used in refineries located in PADD 2 (Midwest) and 44% in PADD 4 (Rocky Mountains)



Source: U.S. EIA

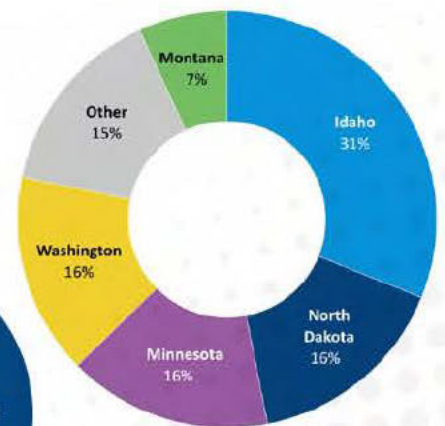
Imports from Canada are equivalent to **9% OF TOTAL U.S. NATURAL GAS CONSUMPTION**

THE MAJORITY OF THE NATURAL GAS ENTERS THE U.S. IN THE WEST with +30% entering through Idaho, though the majority of this is ultimately sent to Washington.

31% of U.S. natural gas imports entered the country through Idaho in 2023

Share of total U.S. natural gas imports by point-of-entry

■ Idaho ■ North Dakota ■ Minnesota ■ Washington ■ Other ■ Montana



Geography and existing pipeline infrastructure make it **easier to get natural gas to market from Canada** than shipping it from the South or East.

Note: This does not account for interstate transfers once the natural gas is imported. For example, 2.5 bcf/d of Canadian natural gas entered the U.S. through Idaho in 2023, but Idaho then transferred a net 2.1 bcf/d across state lines, with the majority going to Washington.

Source: U.S. EIA



Midwest Refineries Case Studies

ExxonMobil Joliet, IL



EMPLOYEES &
CONTRACTORS
900



INFLOW
FROM CANADA
238,000
BPD



REFINERY PRODUCTS
Gasoline, Diesel,
Coke, Sulfur,
Propylene, Asphalt



OUTFLOW
TO THE U.S.
252,000
BPD

BP Whiting, IN



EMPLOYEES &
CONTRACTORS
2,700



INFLOW
FROM CANADA
350,000
BPD



REFINERY PRODUCTS
Gasoline, Diesel,
Jet Fuel, Asphalt



OUTFLOW
TO THE U.S.
440,000
BPD

Phillips 66 Wood River, IL



EMPLOYEES &
CONTRACTORS
800



INFLOW
FROM CANADA
134,000
BPD



REFINERY PRODUCTS
Gasoline, Diesel, Jet
Fuel, Petrochemical
Feedstocks, Asphalt,
Coke



OUTFLOW
TO THE U.S.
356,000
BPD

Phillips 66 Billings, MT



EMPLOYEES &
CONTRACTORS
290



INFLOW
FROM CANADA
68,000
BPD



REFINERY PRODUCTS
Gasoline, Diesel,
Jet Fuel, Coke



OUTFLOW
TO THE U.S.
67,000
BPD

Marathon Petroleum Detroit, MI



EMPLOYEES &
CONTRACTORS
525



INFLOW
FROM CANADA
68,000
BPD



REFINERY PRODUCTS
Gasoline, Distillates,
Asphalt, Natural
Gas Liquids and
Petrochemicals,
Propane, Heavy Fuel Oil



OUTFLOW
TO THE U.S.
140,000
BPD

Marathon Petroleum Robinson, IL



EMPLOYEES &
CONTRACTORS
650



INFLOW
FROM CANADA
238,000
BPD



REFINERY PRODUCTS
Gasoline, Distillates,
Natural Gas Liquids
and Petrochemicals,
Propane, Heavy Fuel Oil



OUTFLOW
TO THE U.S.
252,000
BPD