

RENDERING VITAL ASSISTANCE: **ALLOWING OIL SHIPMENTS TO U.S. ALLIES**



PREPARED FOR SEN. LISA MURKOWSKI
U.S. SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES
JUNE 9, 2015

Rendering Vital Assistance: Allowing Oil Shipments to U.S. Allies

Prepared by Majority Staff for Chairman Lisa Murkowski
U.S. Senate Committee on Energy & Natural Resources
June 9, 2015

Summary

During the 1970s, the United States enacted a series of laws that, taken together as a practical matter, ban the export of domestic crude oil. The United States is the only advanced nation that maintains such a general prohibition.¹ Efforts are currently underway to repeal those laws, such as S. 1312, *The Energy Supply and Distribution Act of 2015*.² The President also retains the authority to approve oil exports immediately, without any further action from Congress.³ American allies could formally request an exemption from the general prohibition and President Obama is fully empowered to grant such a request under existing laws.

Legislative Framework

The centerpiece of the oil export regime is the Energy Policy and Conservation Act (EPCA) of 1975. Section 103 of the Act provides the President authority to restrict exports of oil by rule. It also provides explicitly for exemptions and grants the President broad discretion to apply them. For example, in providing for exemptions, it also states:

“Exemptions from any rule prohibiting crude oil . . . exports . . . may be based on the purpose for export, class of seller or purchaser, country of destination, or any other reasonable classification or basis as the President determines to be appropriate and consistent with the national interest and the purposes of this chapter.”⁴

It is noteworthy that even EPCA, enacted at a time of severe oil shortages, from the outset clearly provided the President with very broad discretion to exempt oil exports from the general restrictions it empowered him to impose and contemplated that he would use it. The implementing regulations also show the scope of the President’s authority to allow oil exports. Other export-restrictive laws also allow oil exports – subject to a presidential finding – including the Mineral Leasing Act, the Outer Continental Shelf Lands Act, and the Naval Petroleum Production Reserves Act.⁵

¹ See *A Ban for One: The Outdated Prohibition on U.S. Oil Exports in Global Context* (June 26, 2014):

<http://1.usa.gov/1iNfofu>.

² The bill’s status is available here: <https://www.congress.gov/bill/114th-congress/senate-bill/1312>.

³ See *Past is Precedent: Executive Power to Authorize Crude Oil Exports* (March 3, 2014): <http://1.usa.gov/WJ3JnE>.

⁴ 42 U.S.C. 6212(b)(2).

⁵ For general background, see Phillip Brown, et al, *U.S. Crude Oil Export Policy: Background and Considerations* (R43442), published by the Congressional Research Service on December 31, 2014. See also David Gordon, Elizabeth Rosenberg, and Ellie Maruyama, “Crude Oil Export & U.S. National Security,” (May 14, 2015): http://www.cnas.org/sites/default/files/publications-pdf/CNAS%20Crude%20Exports_052015.pdf.

Regulatory Framework

Oil exports are regulated by the Bureau of Industry and Security (BIS) at the Department of Commerce. The rules governing these exports are enshrined in the Short Supply Controls, Part 754 of the Export Administration Regulations. Originally conceived during an era of scarcity and Cold War tension, the list of items still in “short supply” now includes only western red cedar (a type of tree), horses for export by sea (intended for slaughter), and crude oil (but not petroleum products).

The BIS regulations provide detail about an array of exceptions to the general prohibition on crude oil exports. Crude oil may be exported from Alaska and California under certain conditions, for example, and crude oil may also be exported to Canada for consumption in Canada. Exports are authorized for testing purposes and from the Strategic Petroleum Reserve in certain cases. The BIS may also approve swaps or exchanges.

Most significantly, the regulations state:

“BIS will review other applications to export crude oil on a case-by-case basis and... generally will approve such applications if BIS determines that the proposed export is consistent with the national interest and the purposes of the Energy Policy and Conservation Act (EPCA).”

This “case-by-case” authority is the regulatory expression of the legislative framework discussed above. Under existing regulations, any company may submit an application to export crude oil from the United States and the Department of Commerce retains the explicit authority to approve or deny such an application. The only question is whether the administration determines that exports are in the national interest.

National Exemptions

The existing legal structure allows for exemptions for virtually any reason. The administration could determine that all exports of condensate or light crude oil are in the national interest or that a mismatch between high production levels of light crude oil and low capacity levels at refineries capable of processing that type of oil warrants a new class of exception to the general prohibition.⁶ The administration could authorize all exports from unconventional shale plays or from certain regions that lacked access to infrastructure. Perhaps most easily, however, the administration could exempt certain countries of destination from the export ban.

President Reagan authorized all crude oil exports to Canada for consumption Canada in 1985, establishing an exemption for that country. (See Appendix A.) This decision has

⁶ See *License to Trade: The Commerce Department’s Authority to Allow Condensate Exports* (April 2, 2014): <http://1.usa.gov/1HwAiWk>. See also *Terms of Trade: Condensate as an Exportable Commodity* (July 9, 2014): <http://1.usa.gov/VYUJQE>.

proved to be far-sighted. In 2005, the United States exported only 30,000 barrels per day of crude oil to Canada. In February of 2015, that number stood at 409,000 barrels per day. This national interest determination followed the conclusion of a cross-border swap program initiated in 1976 by President Ford and continued by President Carter.⁷

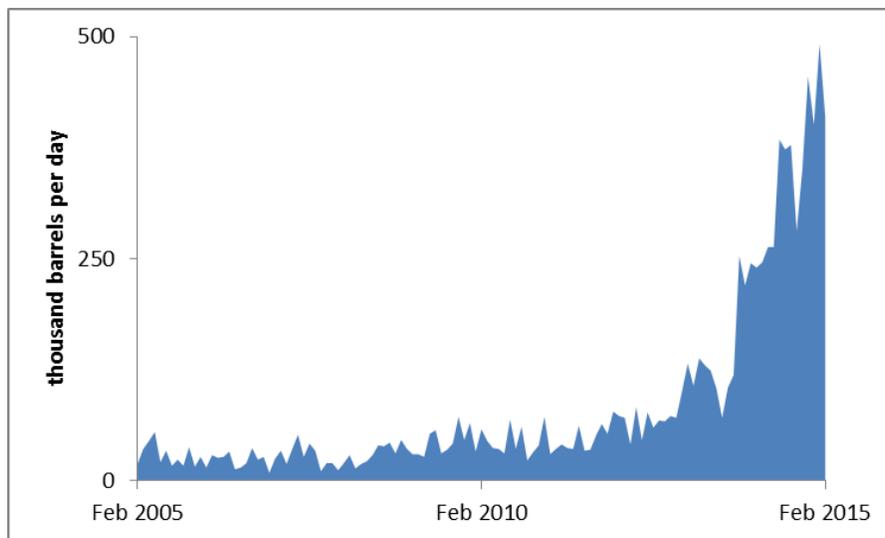


Figure 1. U.S. Crude Oil Exports to Canada (Source: EIA)

In March 2015, a bipartisan group of twenty-one senators led by Senators Murkowski (R-AK) and Heidi Heitkamp (D-ND) sent a letter to the Department of Commerce encouraging the administration to grant an exemption for Mexico on the same basis as the one granted for Canada in 1985. (See Appendix B.) This letter was followed by a bipartisan companion letter sent from the House of Representatives in April 2015.

The United States is also permitted to export crude oil to Israel in the event of a national emergency. This agreement was first signed in 1975 by the Ford administration and formalized in 1979 by the Carter administration. It was subsequently reauthorized by the Clinton administration in 1994 and by the Bush administration in 2004. It expired in November 2014, but the Obama administration renewed the agreement following a bipartisan letter led by Senators Lisa Murkowski and Mark Warner (D-VA) sent in April 2015, encouraging the Department of State to expedite its renewal. (See Appendix C.)

Nothing at all prevents another government from requesting an exemption from the general prohibition on U.S. oil exports. There is no standard protocol for submitting such a request. It could be transmitted by a letter or during a meeting at the ministerial or ambassadorial level, for example. Further, companies could also submit a detailed proposal for transactions directly to the Department of Commerce.

Any nation could make a request. To demonstrate the breadth of the opportunity, consider a series of examples:

⁷ See *Crude Pro Quo: The Use of Oil Exchanges to Increase Efficiency* (May 22, 2014): <http://1.usa.gov/1nUEA1K>.

Poland

In 2012, Poland produced approximately 20,000 barrels per day of crude oil and imported another 500,000 barrels per day.⁸ This equation renders it virtually entirely dependent on oil imports, 96 percent of which come from Russia. There are four operational refineries in the country. Despite its import dependence, Poland exports small amounts of crude oil and significant volumes of refined products, occasionally even to the United States.

Ties between Poland and the U.S. date back to the American Revolution, when figures such as Tadeusz Kościuszko and Casimir Pulaski fought alongside the colonists. More recently, Poland deployed troops to both Iraq and Afghanistan as a vital coalition partner.

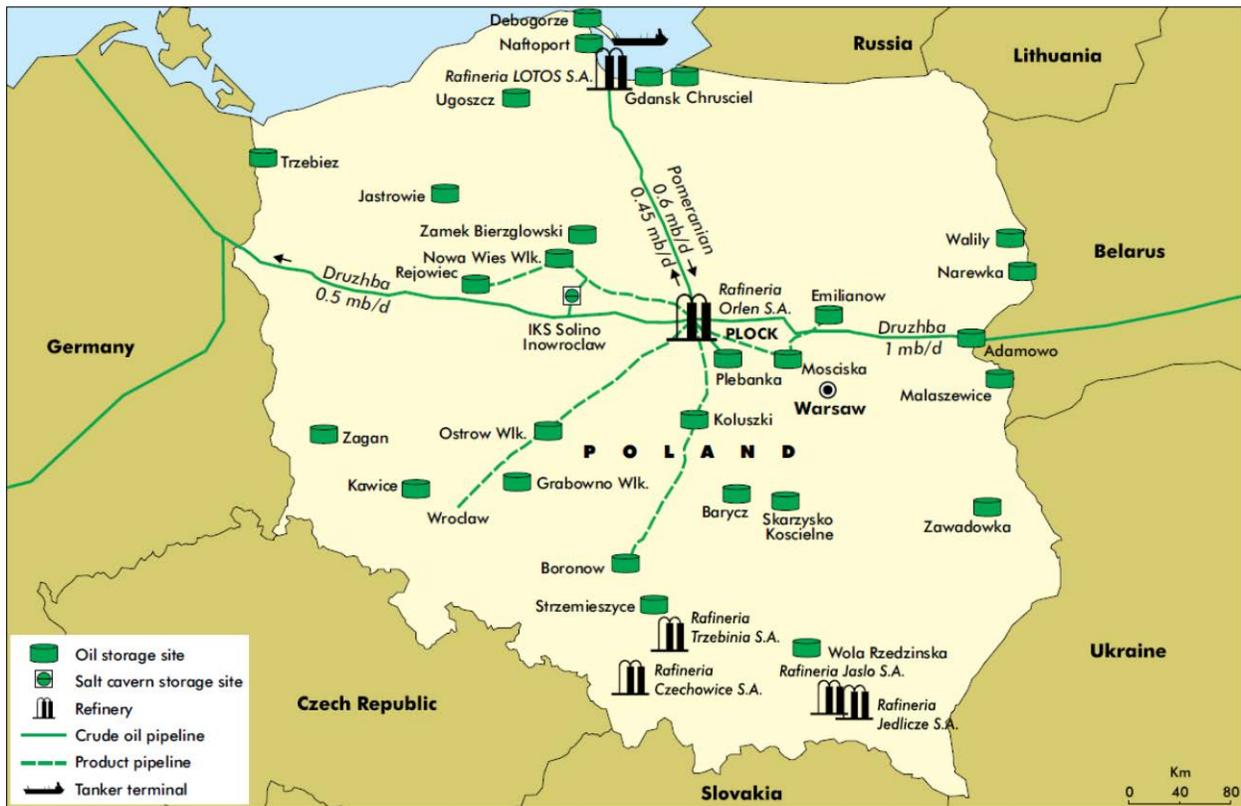


Figure 2. Poland's Oil Infrastructure (IEA)

⁸ International Energy Agency, *Energy Supply Security: The Emergency Response of IEA Countries* (2014): https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_Poland.pdf.

Belgium

In 2012, Belgium produced no crude oil. It imported over 300,000 barrels per day, with 37 percent of that total coming from Russia and another 23 percent from Saudi Arabia.⁹ Despite this complete dependence on imported crude oil, Belgium maintains a significant presence in the downstream sector, boasting four refineries and the major port of Antwerp. The United States is among its customers, importing some 60,000 barrels per day of mostly unfinished oils in 2014. The North Atlantic Treaty Organization (NATO) is headquartered in Brussels. Belgium has also deployed troops to Afghanistan as part of the coalition.

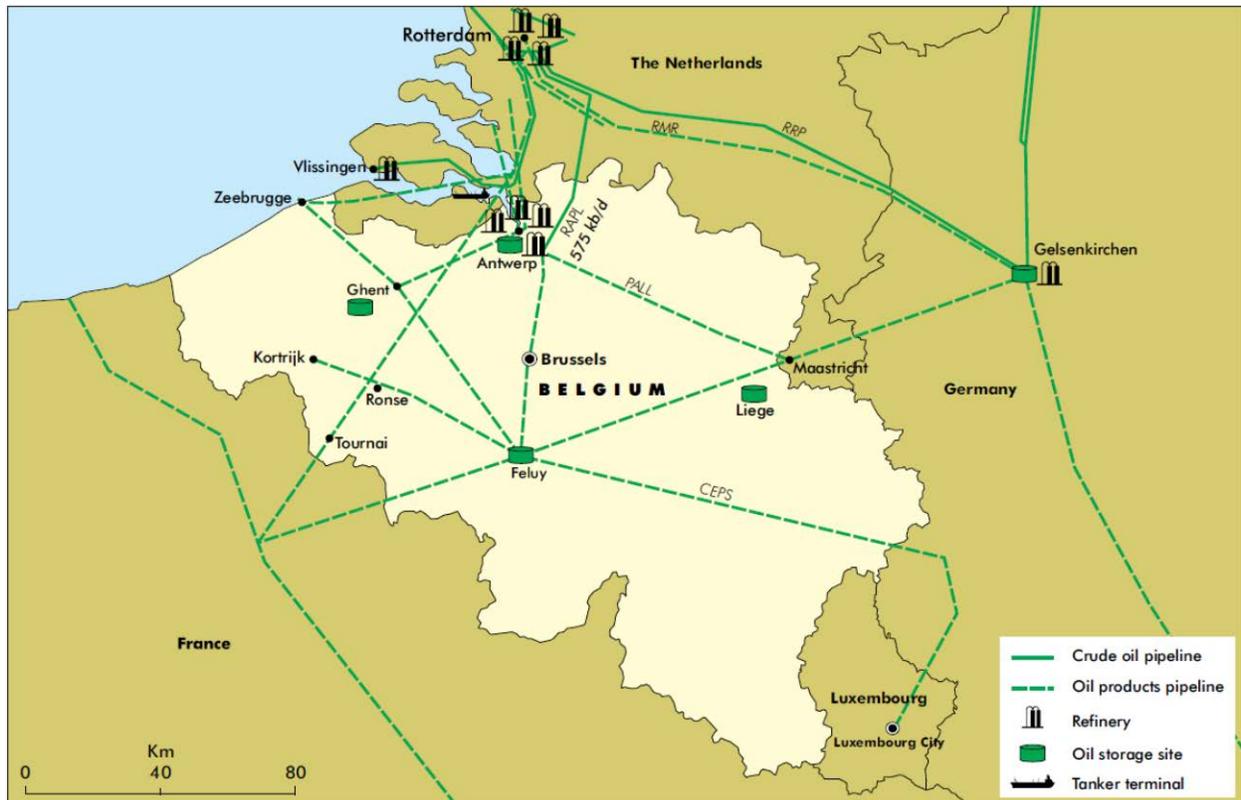


Figure 3. Belgium's Oil Infrastructure (IEA)

⁹ IEA, *Energy Supply Security*:
https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_Belgium.pdf.

The Netherlands

In 2012, the Netherlands produced approximately 52,000 barrels per day of crude oil, but consumed over 1 million barrels per day.¹⁰ It is approximately 95 percent dependent on imported crude oil. About 31 percent of these barrels come from Russia. The country is a major hub in the broader European energy system. The International Energy Agency describes the Netherlands as “a key link in European oil supply flows, with the total volumes of oil transiting over four times larger than Dutch oil demand.” The country’s five refineries export petroleum products, including some 84,000 barrels per day to the United States. The two nations have maintained diplomatic relations since 1782. Dutch and American military forces have served together in numerous engagements across the globe.



Figure 4. The Netherlands' Oil Infrastructure (IEA)

¹⁰ IEA, *Energy Supply Security*:

https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_TheNetherlands.pdf.

India

In 2012, India produced just over 800,000 barrels per day of crude oil but imported more than three times that amount.¹¹ The country is approximately 76 percent dependent on crude oil imports, the vast majority (69 percent) from the Middle East – including 279,000 barrels per day from Iran in 2014, according to the International Energy Agency. There were 22 refineries in India in 2012 with approximately 4.4 million barrels per day in refining capacity. In 2014, the U.S. imported over 90,000 barrels per day of refined products – mostly motor gasoline blending components – from India. The two nations are strategic partners with growing bilateral economic and security ties.

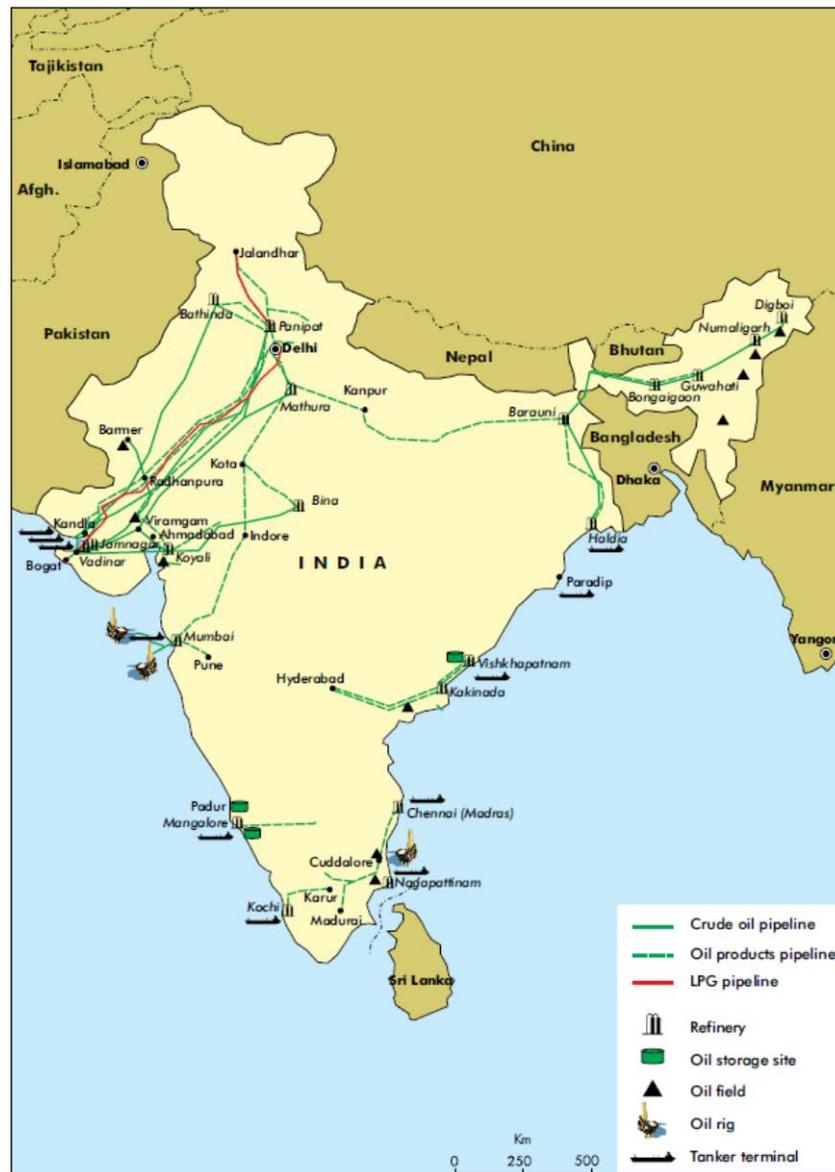


Figure 5. India's Oil Infrastructure (IEA)

¹¹ IEA, *Energy Supply Security*:

https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_India.pdf.

Japan

In 2012, Japan produced approximately 17,000 barrels per day of crude oil but imported approximately 4.7 million barrels per day.¹² The island nation is 99.7 percent dependent on oil imports. It receives approximately 33 percent of its crude oil from Saudi Arabia, 23 percent from the United Arab Emirates, 8 percent from Kuwait, 6 percent from Qatar, and 5 percent from Russia. Nonetheless, it is home to one of the largest downstream centers in the world with 27 refineries and nearly 5 million barrels per day in capacity. Japan has historically imported liquefied natural gas, as well as crude oil, from Alaska, and even exports approximately 14,000 barrels per day of refined products to the United States. The two nations signed a bilateral defense treaty in 1951 and have cooperated in security operations ever since.



Figure 6. Japan's Oil Infrastructure (IEA)

¹² IEA, *Energy Supply Security*:
https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_Japan.pdf.

South Korea

In 2012, South Korea produced approximately 21,300 barrels of crude oil but imported more than ten times that amount.¹³ It is 99.1 percent dependent on crude oil imports, the vast majority of which originate from the Middle East: 33 percent from Saudi Arabia, 15 percent from Kuwait, 11 percent from Qatar, 10 percent from Iraq, and 9 percent from the United Arab Emirates. It has five refineries with approximately 3 million barrels per day in capacity and exports approximately 61,000 barrels per day in refined products to the United States. The two nations signed a bilateral defense treaty in 1953.

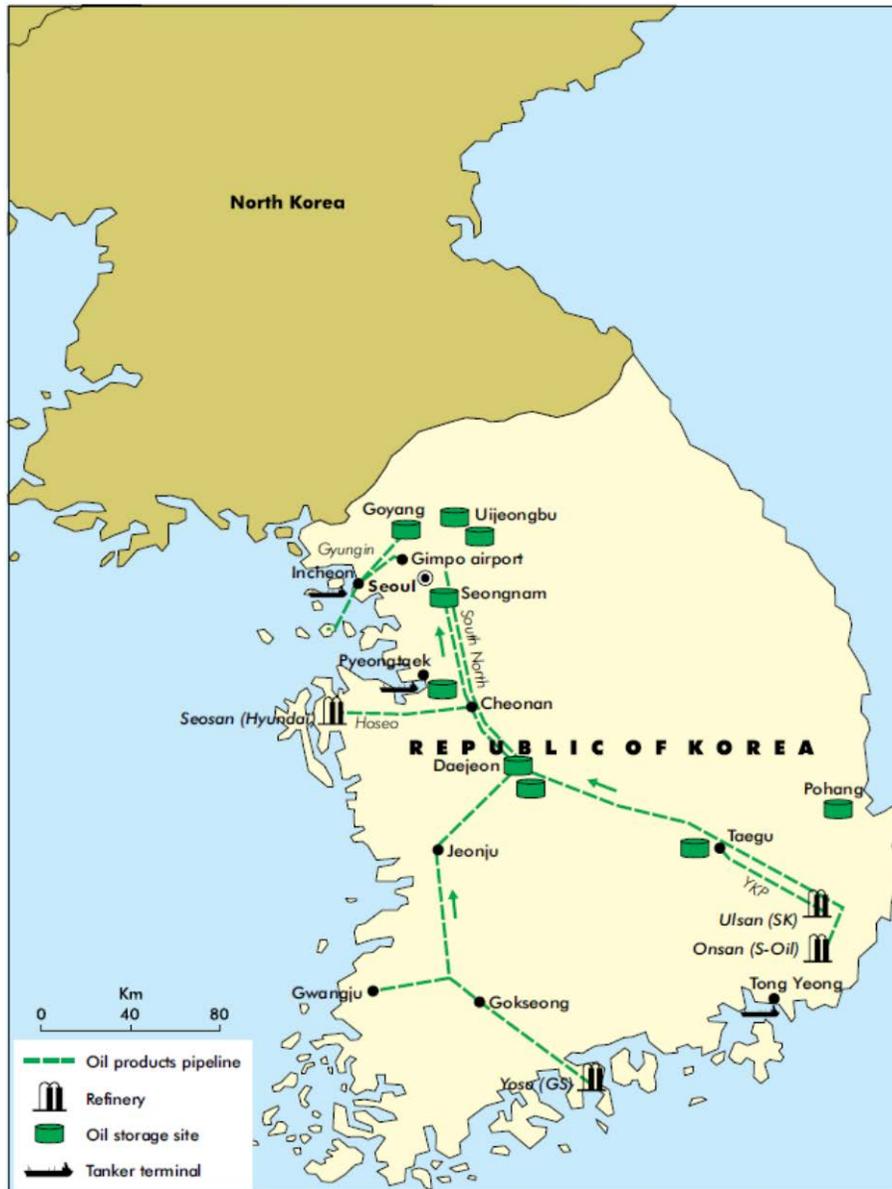


Figure 7. South Korea's Oil Infrastructure (IEA)

¹³ IEA, *Energy Supply Security*: https://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_TheRepublicofKorea.pdf.

Conclusion

While legislative efforts aimed at full repeal of crude oil export restrictions progress in Congress, the administration retains broad authority to allow greater exports to U.S. allies that request exemptions from those restrictions. This authority is enshrined in both law and regulation and was explicitly delegated to the executive branch by Congress. Substantial precedent exists for such exemptions to be granted, particularly to U.S. allies. A national interest finding by the President could be implemented immediately by the Department of Commerce and exports could set sail as soon as the commercial and logistical arrangements were made.

Many U.S. allies and trading partners are interested in purchasing American oil to diversify away from Russia, Iran, and other problematic sources. Allowing such shipments would send a powerful signal of support and reliability at a time of heightened geopolitical tensions in much of the world.¹⁴ The mere option to purchase U.S. oil would enhance the energy security of countries such as Poland, Belgium, the Netherlands, India, Japan, and South Korea, even if physical shipments did not occur. The administration, in fact, makes this same argument in its authorizations to export liquefied natural gas (LNG):

“An efficient, transparent international market for natural gas with diverse sources of supply provides both economic and strategic benefits to the United States and our allies. Indeed, increased production of domestic natural gas has significantly reduced the need for the United States to import LNG. In global trade, LNG shipments that would have been destined to U.S. markets have been redirected to Europe and Asia, improving energy security for many of our key trading partners. To the extent U.S. exports can diversify global LNG supplies, and increase the volumes of LNG available globally, it will improve energy security for many U.S. allies and trading partners.”¹⁵

Exempting certain countries on a case-by-case basis, as the statutes and regulations currently allow, would be a partial and helpful step toward the modernization of U.S. energy policy. Nonetheless, full statutory repeal of U.S. oil export restrictions remains the most effective way of allowing domestic producers to access global markets.

Acknowledgments

Staff wish to thank the Congressional Research Service for its assistance with this report. The cover image is of the oiler USNS Big Horn replenishing the aircraft carrier USS Dwight D. Eisenhower in the Mediterranean Sea.¹⁶

¹⁴ Arthur Herman, “Crude Story,” *The American Interest* (May 26, 2015): <http://www.hudson.org/research/11324-crude-story>.

¹⁵ See, for example:

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2012_applications/ord3638.pdf, p. 191.

¹⁶ Marc D. Schron, US Navy (March 14, 2009):

<http://www.defense.gov/HomePagePhotos/LeadPhotoImage.aspx?id=13529>.

APPENDIX A:
President Reagan's Finding for Canada

Title 3—

The President

Presidential Findings of June 14, 1985

United States-Canadian Crude Oil Transfers

On March 18, 1985, at the Quebec Summit, I joined Prime Minister Mulroney in endorsing a Trade Declaration with the objective of liberalizing energy trade, including crude oil, between the United States and Canada. Both Governments recognized the substantial benefits that would ensue from broadened crude oil transfers and exchanges between these two historic trading partners and allies. These benefits would include the increased availability of reliable energy sources, economic efficiencies, and material enhancements to the energy security of both countries. Following this Declaration, Canada declared that it would permit Canadian crude oil to be freely exported to the United States effective June 1, 1985.

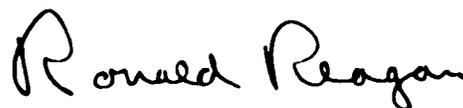
Before crude oil exports to Canada can be authorized, I must make certain findings and determinations under statutes that restrict exports of crude oil. I have decided to make the necessary findings and determinations under the following statutes: Section 103 of the Energy Policy and Conservation Act (42 U.S.C. 6212); section 28 of the Mineral Lands Leasing Act of 1920, as amended by the Trans-Alaska Pipeline Authorization Act of 1973 (30 U.S.C. 185); and section 28 of the Outer Continental Shelf Lands Act (43 U.S.C. 1354) (crude oil transported over the Trans-Alaska Pipeline or derived from the Naval Petroleum Reserves is excluded).

I hereby find and determine that exports of crude oil under these statutes are in the U.S. national interest, and I further find and determine that such U.S. crude oil exports to Canada—

- will not diminish the total quantity or quality of petroleum available to the United States;
- will not increase reliance on imported oil;
- are in accord with provisions of the Export Administration Act of 1979; and
- are consistent with the purposes of the Energy Policy and Conservation Act.

Therefore, such domestic crude oil may be exported to Canada for consumption or use therein.

These findings and determinations shall be published in the Federal Register. I direct the Secretary of Commerce to take all other necessary and proper action to expeditiously implement this decision.



THE WHITE HOUSE,
June 14, 1985.

Rules and Regulations

Federal Register

Vol. 50, No. 122

Tuesday, June 25, 1985

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510. The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 377

[Docket No. 50698-5098]

Exports of Crude Oil to Canada for Consumption or Use Therein

AGENCY: International Trade Administration, Commerce.

ACTION: Final rule.

SUMMARY: On June 14, 1985, President Reagan determined that crude oil exports to Canada are in the national interest and made the necessary findings under the Energy Policy and Conservation Act, the Mineral Lands Leasing Act, and the Outer Continental Shelf Lands Act to permit exports to Canada of crude oil subject to those statutory restrictions (50 FR 25189, June 18, 1985). To implement this determination, Part 377 of the Export Administration Regulations is being revised to permit crude oil exports to Canada for consumption or use therein, provided that it was not transported via the Trans-Alaska Pipeline and was not produced from Naval Petroleum Reserves.

EFFECTIVE DATE: June 25, 1985.

FOR FURTHER INFORMATION CONTACT: Rodney A. Joseph, Acting Manager, Short Supply Program, Room 3876, Office of Industrial Resource Administration, U.S. Department of Commerce, Washington, DC 20230, Telephone: 202/377-3984.

SUPPLEMENTARY INFORMATION:

Rulemaking Requirements

1. Since this rule pertains to a foreign affairs function of the United States, the proposed rulemaking procedures and the delay in effective date required under

the Administrative Procedures Act are inapplicable.

2. This rule contains a collection of information requirement subject to the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.* The collection of this information has been approved by the Office of Management and Budget (OMB control number 0625-0001).

3. This rule is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* because a notice of proposed rulemaking is not required to be published. Accordingly, no initial or final Regulatory Flexibility Analysis has or will be prepared.

4. Since this rule pertains to a foreign affairs function, it is not a rule within the meaning of section 1(a) of Executive Order 12291 (46 FR 13193, February 19, 1981), "Federal Regulation."

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis.

List of Subjects in 15 CFR Part 377

Exports.

PART 377—SHORT SUPPLY CONTROLS AND MONITORING

1. The authority citation for Part 377 is revised to read as follows:

Authority: Secs. 203, 206, Pub. L. 95-223, as amended (50 U.S.C. 1702, 1704); E.O. 12470 of March 30, 1984 (49 FR 13099, April 3, 1984); Presidential Notice of March 28, 1985 (50 FR 12513, March 29, 1985); Sec. 103, Pub. L. 94-163, as amended, (42 U.S.C. 6212); Sec. 28, Pub. L. 93-153, (30 U.S.C. 185); Sec. 28, Pub. L. 95-372, (43 U.S.C. 1354); E.O. 11912 of April 3, 1976 (41 FR 15825, as amended); and Presidential Findings (50 FR 25189, June 18, 1985)

2. Accordingly, the Export Administration Regulations (15 CFR Part 368-399) are amended by adding § 377.6(d)(1)(viii) as follows:

§ 377.6 Petroleum and petroleum products.

* * * * *

(d) * * *

(1) * * *

(viii) *Exports to Canada for consumption or use therein.* The Group A commodity was not produced from the Naval Petroleum Reserves and was not and will not be transported by pipeline over rights-of-way granted pursuant to Sec. 203 of the Trans-Alaska

Pipeline Authorization Act and is being exported to Canada for consumption or use therein.

* * * * *

Issued: June 20, 1985.

William T. Archey,

Acting Assistant Secretary for Trade Administration.

[FR Doc. 85-15284 Filed 6-24-85; 8:45 am]

BILLING CODE 3510-25-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 230, 239, 270, and 274

[Release Nos. 33-6588; IC-14575; File No. S7-1007]

Registration Forms for Insurance Company Separate Accounts That Offer Variable Annuity Contracts

AGENCY: Securities and Exchange Commission.

ACTION: Adoption of forms, rule amendments, and publication of guidelines.

SUMMARY: The Commission is adopting: (1) Form N-3, a new registration form for certain separate accounts registered under the Investment Company Act of 1940 as management investment companies, and certain other separate accounts; (2) Form N-4, a registration form for certain separate accounts registered under the Investment Company Act of 1940 as unit investment trusts, and certain other separate accounts; and (3) related rule amendments. The Commission is also publishing staff guidelines for the preparation of Forms N-3 and N-4. The Commission is adopting the foregoing to integrate and codify disclosure requirements for insurance company separate accounts that offer variable annuity contracts and to shorten and simplify the prospectus provided to investors, while making more extensive information available for those who request it. Separate accounts will be permitted to use existing registration forms during a transition period of approximately one year.

DATE: The amended rules will be effective July 25, 1985. The new forms and guidelines will be available for registration of separate accounts and for

APPENDIX B:

Letter to Secretary Pritzker on Mexico Oil Exports

United States Senate

WASHINGTON, DC 20510

February 18, 2015

The Honorable Penny Pritzker
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, D.C. 20230

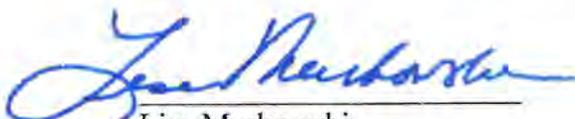
Dear Secretary Pritzker:

We are writing to express our support for increasing our nation's energy ties with Mexico. As you know, energy resources often overlie international boundaries, as we have clearly seen in deepwater exploration in the Gulf of Mexico and the Eagle Ford shale along our southern border. Natural gas is traded between our two nations through more than twenty existing pipelines, and many others are under consideration. Additionally, increasing commercial activity in petroleum products, natural gas liquids, and other types of energy is further expanding the U.S.-Mexico energy relationship.

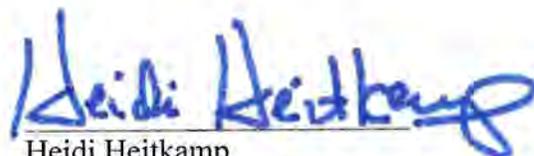
Recent news reports indicate that PEMEX has applied for a swap transaction that would involve imports of heavy Mexican oil in exchange for exports of light U.S. oil. We encourage the Department of Commerce to approve any such applications it has received or may receive from adjacent foreign states, such as Mexico. The Energy Policy and Conservation Act and other relevant statutes clearly authorize swaps and exchanges and, in our view, deserve bipartisan support. Presidents Gerald Ford, Jimmy Carter, and Ronald Reagan all supported such a program with Canada from 1976 to 1985, with the intention of relieving a supply and quality mismatch comparable to the present North American situation. These potential transactions are in the national interest and, if applied for, should be authorized without delay.

In fact, we believe it would be appropriate to further liberalize energy trading with Mexico. President Reagan issued a national interest finding in 1985 stating that oil exports to Canada (for consumption in that country) were in accord with existing statutes and would not threaten U.S. supply. This limited but clear authority to expand exports was given to the executive branch through laws (such as the Energy Policy and Conservation Act of 1975) passed by Congress and is particularly relevant as our nation's energy mix evolves with the rise of domestic production. As a result of the expressed interest from Mexico in obtaining U.S. crude oil, we encourage the current administration to follow President Reagan's example by issuing a similar finding that United States oil exports to Mexico, for consumption in Mexico, are in the national interest.

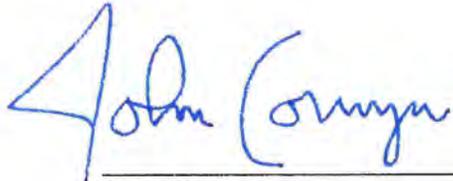
Sincerely,



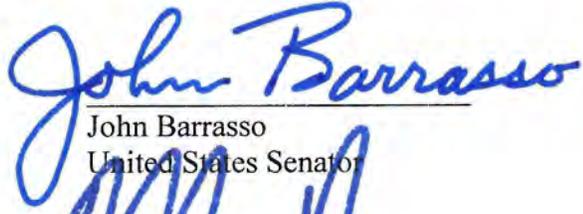
Lisa Murkowski
United States Senator



Heidi Heitkamp
United States Senator



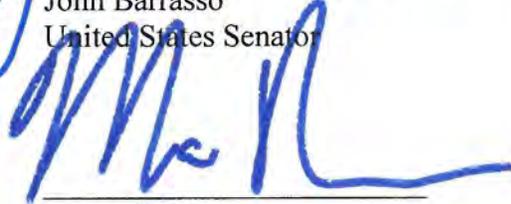
John Cornyn
United States Senator



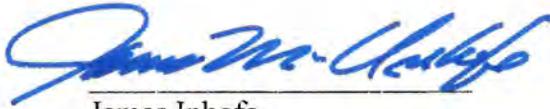
John Barrasso
United States Senator



Lamar Alexander
United States Senator



Marco Rubio
United States Senator



James Inhofe
United States Senator



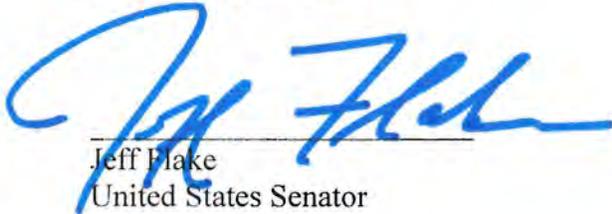
John Hoeven
United States Senator



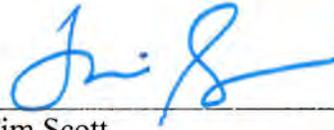
James Risch
United States Senator



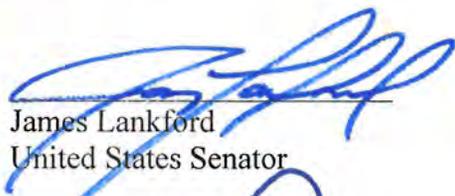
Ted Cruz
United States Senator



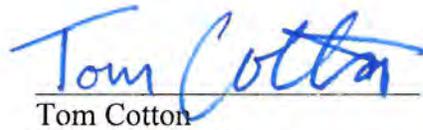
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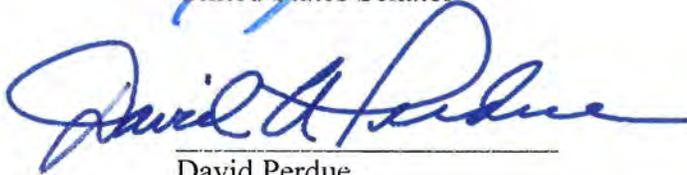
Tim Scott
United States Senator



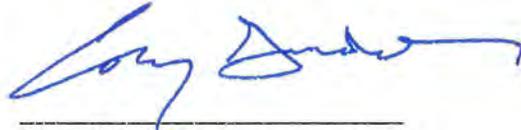
James Lankford
United States Senator



Tom Cotton
United States Senator



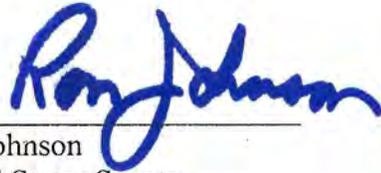
David Perdue
United States Senator



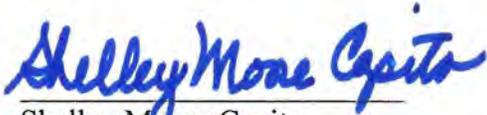
Cory Gardner
United States Senator



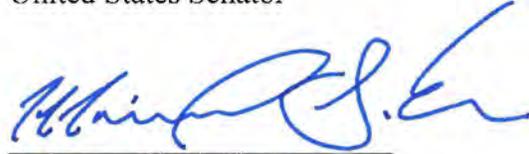
Dan Sullivan
United States Senator



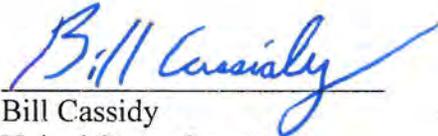
Ron Johnson
United States Senator



Shelley Moore Capito
United States Senator



Mike Lee
United States Senator



Bill Cassidy
United States Senator

APPENDIX C:

Letter to Secretary Kerry on Israel Oil Supply Agreement

United States Senate

WASHINGTON, DC 20510

March 12, 2015

The Honorable John Kerry
Secretary of State
United States Department of State
2201 C Street, NW
Washington, DC 20520

Dear Secretary Kerry:

The President's National Security Advisor recently said that our nation's relationship with Israel should be "unquestionably strong, immutable, regardless of political seasons in either country and regardless of which party is in control in either country." We could not agree more.

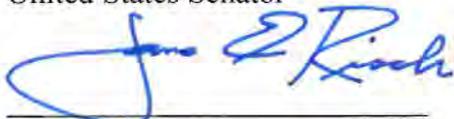
The United States has long worked with Israel on issues related to energy and the environment. The Energy Independence and Security Act of 2007, which provided for such cooperation, passed the Senate in an overwhelming bipartisan vote. An American company is helping explore and develop hydrocarbon resources in the Eastern Mediterranean. Most recently, the United States-Israel Strategic Partnership Act of 2014 passed both chambers of Congress unanimously and President Obama signed it into law last December.

We are writing to express our support for the renewal of a historic agreement that expired on November 25, 2014. Under its terms, our nation guarantees the delivery of oil to Israel in the event that Israel ever loses access to global markets, as may occur during a crisis. The first iteration of this agreement was signed under President Ford in 1975. President Carter's Secretary of State formalized the agreement in 1979. It has been renewed under Presidents Clinton in 1994 and Bush in 2004. It has never been invoked. We appreciate that your Department is working closely with the Government of Israel to assure its energy security. We urge you to expedite the renewal of this important agreement as a meaningful gesture of support to our friend and ally at this challenging time.

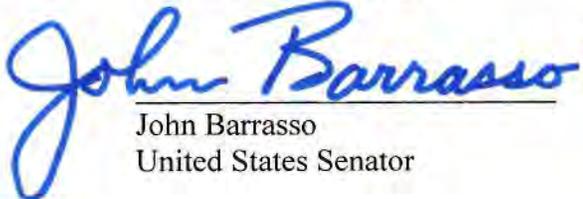
Sincerely,



Lisa Murkowski
United States Senator



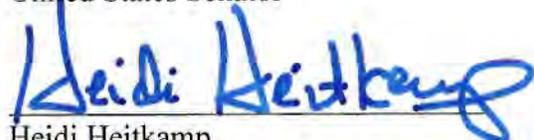
James Risch
United States Senator



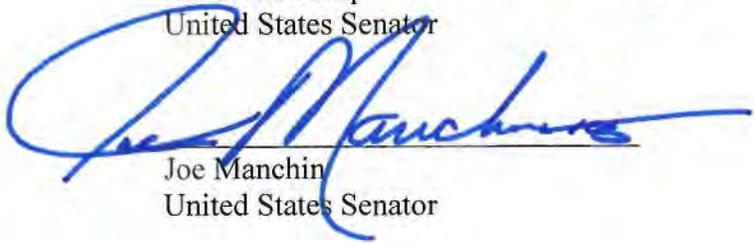
John Barrasso
United States Senator



Mark Warner
United States Senator



Heidi Heitkamp
United States Senator



Joe Manchin
United States Senator