



**International Union of
Operating Engineers**

LIUNA!

Feel the Power

**Laborers' International Union
of North America**

September 9, 2015

The Honorable John Boehner
Speaker
US House of Representative
H-232 Capitol
Washington D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
US House of Representatives
H-204, US Capitol
Washington, D.C. 2015

Dear Speaker Boehner and Leader Pelosi:

The International Union of Operating Engineers (IUOE) and the Laborers' International Union of North America (LIUNA) support H.R. 702, legislation designed to adapt to the new reality of domestic crude-oil production. The bill eliminates the outdated prohibition from the 1970's on exporting crude oil from the United States. We commend the Energy and Commerce Committee's leadership on such a critical economic development and geo-political policy issue for the United States, and we are particularly grateful to Congressmen Barton and Cuellar for their bipartisan leadership to repeal this outdated policy.

The IUOE and LIUNA together represent nearly one-million working men and women across North America. Members of our two unions build the nation's pipelines and critical energy infrastructure. We supply the aggregate and other building materials essential to energy development. For example, thousands of our members in the Upper Mississippi Basin mine the silica sand that supports hydraulic fracturing – one of the key American innovations that has catalyzed domestic energy production.

The simple fact is that jobs are being lost and investments are being reduced (or redirected overseas) because American producers are prevented from exporting American crude oil. Major employment opportunities exist for American oil and gas workers in lifting the decades-old ban, and we believe that it is time to update and modernize the country's approach to the new realities of global energy supply and transportation. In short, we could provide our allies and trading partners with an alternative to sourcing energy from unfriendly and unstable producers by simply lifting this obsolete, forty-year old ban.

As you know, analysis at the Energy Information Administration (EIA) tells us that allowing exports of domestic crude will actually put downward pressure on petroleum-product prices for American consumers, including prices at the gas pump for your constituents. EIA determined that crude oil prices are dictated by international benchmarks, not the discounted North American benchmarks for crude, and that by adding supplies to international markets American exports would likely reduce prices.

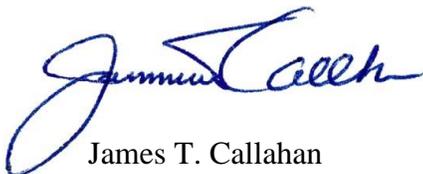
For Laborers and Operating Engineers employment growth in the construction sector from lifting the ban drives work opportunities, particularly in the midstream and supply chain. Lifting the ban will result in increased domestic crude production and deliver hundreds of thousands of jobs across all sectors of the American economy. Over 43,000 jobs in construction alone are estimated by 2018 if Congress lifts the ban, though the real number of jobs depends on different production scenarios and market conditions – some of which you can directly effect through policy changes this Congress.

The growth in domestic energy production could not have come at a better time for members of the IUOE and LIUNA. The resurgent energy sector has become an important source of economic activity for Laborers and Operating Engineers at a time when our primary highway and infrastructure construction markets were experiencing massive declines as a result of the Great Recession. Construction unemployment peaked at over 27% in February of 2010. Yet during that time, oil and gas pipeline employment was building to its peak. In fact, oil and gas pipeline employment in the construction sector reached an all-time high in the United States last July, according to the Bureau of Labor Statistics. And we know that members of our unions performed a record number of hours on pipeline projects in 2014.

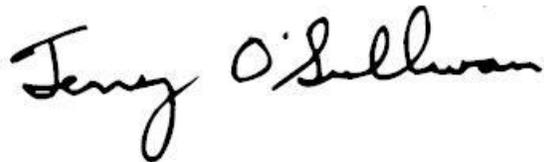
Updating American energy policy in light of the new realities of domestic energy production is an absolute necessity. That reality is as true for pipeline-infrastructure policy as it is for trade in crude oil. Congress should take this key step to lift the crude-export ban and unleash the economic benefits that a modernized energy policy would yield.

We look forward to engaging our members in support of H.R. 702, and building strong bipartisan support to end this counterproductive and obsolete policy by passing legislation in this Congress.

Sincerely,



James T. Callahan
General President
International Union of Operating Engineers



Terry O'Sullivan
General President
Laborers' International Union of North America