



Making a Mountain Out of a Mole Hill?? (1/14/23)

In a show of unity, the U.S. House of Representatives passed a bill (H.S. 22) preventing China from purchasing oil from our SPR. They would have you believe that this was sending a strong message to the Chinese Government. Nothing could be further from the truth. By law SPR crude oil is sold to the highest bidder as long as the company is registered.

This Administration has sold over 220 million barrels of SPR crude oil, almost 2 **million** going to a Chinese company or less than one percent. In truth there is no way to prevent China from benefitting from an SPR sale (or any puncher of oil).

Crude oil trades in a global market. If China is banned, they still benefit from an increase in supply and a lower price.

Total U.S. Strategic Petroleum Reserve 2022 Emergency Sales by Purchaser		
Purchaser	Million Barrels	Percentage
Valero Marketing and Supply Company	54.7	27.5%
Marathon Petroleum Supply and Trading, LLC	47.7	24.0%
Motiva Enterprises, LLC	21.9	11.0%
Phillips 66 Company	13.9	7.0%
ExxonMobil Oil Corporation	13.0	6.5%
Shell Trading (US) Company	11.6	5.8%
Equinor Marketing & Trading	11.3	5.7%
Atlantic Trading & Marketing, Inc. (TotalEnergies)	6.2	3.1%
Chevron USA	4.7	2.4%
Macquarie Commodities Trading US LLC	4.4	2.2%
Glencore Ltd.	3.2	1.6%
Unipecc America, Inc.(China's Sinopec)	1.9	1.0%
Gunvor USA LLC	1.9	0.9%
Mercuria	1.0	0.5%
Vitol Inc.		Chinese Trader
BP Products North America		Trader
Total		Refiner
<i>Analysis based on U.S. Dept. of Energy Data</i>		EPRINC

The SPR oil that might have gone to China will go to someone else. That frees up barrels for China and others to bid on. Thus directly or indirectly China benefits



Congress would have you believe that they took strong action while in truth it may better be described as **speaking loudly but carrying a limp stick.**