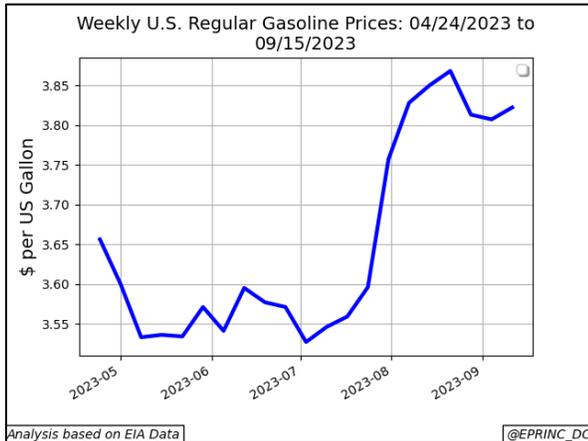


THE CLUTTERED TABLE

September 15, 2023

President Biden's Administration had believed that oil prices would remain under pressure. In May, gasoline prices were about \$3.64 per gallon. While this price was high, it was still in the politically acceptable range.



Since May, the market surprised the Administration in the way oil prices have aggressively strengthened. This has led to gasoline prices rising 30 cents per gallon to

\$3.94, and possibly will go past \$4.00. At these levels, prices have gotten the White House's attention.

Suddenly, everything is once again on the table.

None of their options in the past were good; in fact, they were counterproductive.

Refineries are operating at about 93% of capacity. So, a release of crude oil from the SPR (Strategic Petroleum Reserve) wouldn't do much to help.

A prohibition of product exports would force Gulf Coast refiners to cut back on runs, reducing supply and raising prices.

But from the Administration's point of view desperate times require desperate actions even if counterproductive.

Sometimes the best policy is to **DON'T JUST DO SOMETHING, STAND THERE.**

Larry Goldstein is an internationally recognized authority on petroleum markets, and has extensive advisory relationships with energy companies, research institutes, and government agencies. He is a former president of the Petroleum Industry Research Foundation (PIRINC) now the Energy Policy Research Foundation (EPRINC), its successor organization, and continues to be on EPRINC's Board of Trustees. He was a founder and president of the PIRA Energy Group, a major energy consulting firm that was acquired by S&P Global in 2016.

He has testified numerous times before congressional committees and regulatory bodies and has been appointed to the National Petroleum Council (NPC) by every recent U.S. Secretary of Energy. He has briefed the Chairman of the Federal Reserve Board, senior officials at the Government Accountability Office, and a wide range of government agencies on developments in domestic and world petroleum markets. He has also served as consultant to the Iraq Coalition Provisional Authority. During the 1970s and 1980s he frequently appeared on the CBS Evening News anchored by Walter Cronkite.