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Ohio Equipment Company Tells Congress: Lift the Crude Oil Export Ban

June 17, 2015, Washington, DC – As many as 440,000 new jobs will be created by suppliers to shale oil and gas operations nationally by 2018 if the ban on US exports of crude oil were lifted this year, according to testimony to the U.S. House of Representatives Small Business Committee Wednesday.

Dale Leppo, Chairman of Leppo Inc., an Ohio-based construction equipment dealer and rental company, testified on the export ban's negative impacts on his company, on the entire energy supply chain. He also cited jobs and growth that would occur if it were lifted.

When the crude oil and natural gas markets weakened dramatically late in 2014, over half of the state's drilling rigs were mothballed. The slowdown caused his company to put an aggressive 2015 hiring plan on hold awaiting a market turn-around, Leppo told the Committee. He added that Leppo Inc. subsidiary Razor Rents, which serves energy operators from its Carrollton, Ohio base, increased its rental equipment fleet by over 200 machines in 2014, up to the point when drilling activity turned negative at the end of the year, but has added few units since.

Lower drilling activity in Ohio's Utica Shale would be turned positive if the state's producers could sell their products on the global market, he told the Committee, citing new data from IHS Economics projecting that lifting the export ban would result in more than 2 million barrels per day of new crude oil production in the US by 2018. He suggested that his company's negative jobs and business impacts from the export ban are being experienced by over 120,000 energy supply chain companies from all 50 states, at least 100,000 of which are small businesses. Supply chain companies provide construction, equipment, materials, logistics, information technology and professional services to oil and gas operations.

Leppo testified on behalf of the Energy Equipment and Infrastructure Alliance (EEIA), an alliance of companies, trade associations and unions representing the shale oil and gas supply chain. His written statement to the Committee can be found on the association's web site at <http://www.eeia.org>. EEIA also submitted a statement urging repeal of the ban for the hearing's record, available at http://www.eeia.org/aboutus/files/EEIA_SB_Briefing_5-27-15_Statement.pdf.

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