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ECON ONE FINDS ALASKA CRUDE OIL PLAYED LITTLE ROLE IN THE WEST COAST'S INCREASE AT THE PUMP

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Senior Economist Jane Kidd has years of experience in issues related to the valuation of crude oil, natural gas, and petroleum products. She recently submitted a response to the FTC's request for public comment concerning the effects of the ban on the export of Alaska North Slope (ANS) crude oil and its repeal. Her report was presented as a case study in connection with the Commission's Petroleum Market Manipulation Rulemaking.

Contrary to the conclusions drawn by earlier studies, Ms. Kidd found that the repeal of the ban on ANS exports played little, if any, role in the increase in the price of ANS crude oil relative to world price levels during the 1990s. Rather, the increase in crude oil prices seen on the West Coast was due to a shift from

surplus to deficit indigenous crude oil production. This shift, and the resulting increase in the relative West Coast prices, occurred well before the ANS export ban was repealed in mid-1996.

Exports of ANS crude effectively have ceased since the ban was repealed as a result of the West Coast's increasing reliance on imported foreign crude. Therefore, a re-imposition by the President of the ANS crude oil export ban alone likely would have no effect on West Coast supply fundamentals or crude oil prices.

See full article at www.ftc.gov/os/comments/marketmanipulation/index.shtm