

EDWARDS: An open letter to President Trump

By Kirk Edwards | Posted: Tuesday, March 24, 2020 3:18 pm

The recent actions by Saudi Arabia to flood the world oil markets at extremely low prices is bringing the American oil and gas industry to a screeching halt. Ironically, some 1,000,000, that's right, one million barrels per day of oil is being imported into the United States right now from Saudi Arabia. The largest refinery in Texas, and 5th largest in the world, located in Port Arthur, Texas is now owned by Saudi Arabia. Shell sold control of the refinery to the Saudi's in 2017. Today, 650,000 plus barrels of the 1,000,000 barrels per day imported from Saudi Arabia goes into their 100% Saudi owned Motiva refinery in Port Arthur Texas.

https://en.wikipedia.org/wiki/Motiva_Enterprises

None of the gasoline produced from this refinery is made from American oil – it is 100% Saudi derived. Saudi Arabia sells this gasoline mainly through its Shell and some through its “76” branded Motiva supplied service stations in South Texas and all across the Gulf and East coasts.

No American would want to support a country that is purposefully doing its best to gut our American energy industry. I don't believe the average American has any idea when they purchase gas at a Motiva supplied gas station, that gasoline and its profits are 100% Saudi. The inside store sales are different. They are and should be supported as they are independent contractors in most cases. I do believe though, we should educate the American consumer and ask them to know who is making a profit when they fill up their car. It's more important than ever for American's to support US companies. Especially in the wake of the Covid-19 virus outbreak!

Our Permian Basin producers and workers here in the Midland-Odessa area of West Texas are proud people. We don't want government handouts. We do want government to stand up for us when our oil and gas industry is being undermined by the Saudis dumping oil into the United States at below market prices in an effort to ruin our domestic economy. Our government doesn't allow China to dump steel, they would not allow China or any other country to dump excess corn or beef at below market prices to kill an industry, so why are they not stepping in today?



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Odessa oilman Kirk Edwards talks about his life and career. He was recently named the Citizen of the Year by the Odessa Chamber of Commerce.

I ask President Trump to immediately place a \$40 per barrel tariff on Saudi oil coming into the United States. I ask you to quit defending Saudi Arabia with our troops and aircraft carriers and start defending your most critical domestic industry. The one that keeps this country moving with affordable gasoline and electricity. The \$40 dollar tariff is the difference in price American energy producers were getting just two months ago versus the \$20 per barrel we are getting this week. That tariff would generate nearly \$1.25 billion dollars per month to the US Government. The government can then direct that revenue back to the oil producing states like Texas, Louisiana, New Mexico and Oklahoma in an effort to help those states that are being massively impaired by the current dumping of Saudi Arabia. Filling the strategic petroleum reserve with \$20 oil does nothing for the American energy producer. We need jobs and we need a price we can economically drill for, and \$20 per barrel certainly isn't it.

President Trump, we need help in our industry now. South Texans and our friends on the Gulf and East Coasts who fill up your car, we need your help now. Shop at Texaco, Chevron, Valero or Sunoco - companies that use American oil refined into American gasoline. Let's send a message to Saudi that we will not just sit back and take this. Please help us retain at least part of the American oil and gas industry before it's too late. Even in the midst of this stressful virus that is shutting down businesses, Americans are comfortable knowing they can heat and air-condition their homes and drive their cars with affordable and plentiful American oil and natural gas. We've worked very hard as a country to become energy independent. Let's not let the current oil price wars drive us out of business and return us to the days where we are dependent on foreign oil and gas to fuel our economy. Individuals can choose to buy American oil and gas and our government can choose to use tariffs to level the playing field and keep our oil and gas industry at work.

Sincerely,

Kirk Edwards

Kirk Edwards is an Odessa based Independent Oil & Gas Producer