



March 25, 2020

Hon. Wilbur L. Ross, Jr.
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Re: Application of Tariffs to Imported Crude Petroleum

Dear Secretary Ross:

On behalf of the Pennsylvania-based Marcellus Shale Coalition (MSC), I am writing today to inform you of some of the deleterious and unintended consequences for natural gas producers in the Appalachian Basin that would likely occur from the imposition of tariffs on imported crude petroleum. MSC's 200 members are engaged in exploration and production, midstream, and supply chain services and manufacturing in the Basin and across the country, addressing issues regarding the production of clean, job-creating, American natural gas from the Marcellus and Utica Shale plays. It was our honor to have President Trump speak before our Shale Insight conference this past October.

We have watched with some concern recent advocacy for the United States to use either standard trade remedies or national security authority under Section 232 of the Trade Expansion Act of 1962 to impose tariffs on imports of crude petroleum. Frankly, such remedies do little to address the condition of natural gas producers in Pennsylvania and elsewhere in our region. In fact, as is not well known, tariffs of this sort may even do harm to natural gas producers at a time when the economic crisis related to the COVID-19 health concern has put producers in serious difficulty in terms of adequate access to capital. Tariffs on oil may stimulate crude oil production which in turn would cause the production of additional incidental or "free" gas to be produced out of those crude-oil plays. The result is that flooded markets for gas would become even more untenable, inflicting harm on our Marcellus gas production.

We urge you to take these unintended consequences for energy security into account before crude petroleum tariffs may be considered. Thank you and please let me know if we can provide additional assistance to you in your analysis.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Spigelmyer", is written over a light blue circular stamp.

David J. Spigelmyer
President

cc: Dan Brouillette, Secretary, U.S. Department of Energy