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# United States Senate

COMMITTEE ON  
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

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September 17, 2019

Dr. Linda Capuano  
Administrator  
U.S. Energy Information Administration  
1000 Independence Ave SW  
Washington, DC 20585

Dear Administrator Capuano:

On January 1, 2020, the International Maritime Organization is set to implement new sulfur standards for marine fuels (“IMO 2020”). The Senate Energy and Natural Resources Committee most recently discussed this topic on February 5, 2019, at a hearing during which you testified alongside other expert witnesses on the general outlook for energy markets. The Committee previously heard related testimony on July 24, 2018.

As Chairman, I am always concerned about potential disruptions and unintended consequences of any policy. For example, I was, and remain, a skeptic of the wisdom of repeatedly and substantially downsizing our nation’s Strategic Petroleum Reserve for non-resource purposes at a time of persistent geopolitical tension that may further expose us to unexpected energy supply shocks. Further, when I led the legislative effort to repeal the de facto ban on oil exports, I designated 2014 “the year of the report” to ensure that policymakers, including myself, had access to the best analysis from many different perspectives before we enacted the repeal in 2015.

The consensus impact analysis of IMO 2020 has been far less clear than one might expect from markets set to adopt a global mandate. While many experts argue that U.S. refiners will benefit overall because the American refining system is the most complex in the world, they also point to possible economic dislocations, technical challenges, and unexpected market dynamics. It is also unlikely that refining centers around the world will simply cede the field to us over the long-term.

None of these possibilities are conclusive reasons to oppose implementation of IMO 2020, but they are reasons to closely monitor its potential impacts, both leading up to and during implementation. I am concerned particularly about the interplay between the new standards, on one hand, and troubling reports of a global economic slowdown, on the other. As an Alaskan, I will always remain vigilant about unique consequences for the good people who live in rural and remote areas in my state. You know better than most that energy prices in a state like Alaska are

typically quite higher than in the Lower 48. For that reason, negative Alaska-specific impacts are sometimes difficult to isolate from national impacts that may be positive overall.

It is my hope that your agency closely monitors implementation of IMO 2020 with a careful eye to unintended consequences and disparate impacts. Please continue to share information, updates, and analysis that you develop with my office and my staff on the Senate Energy and Natural Resource Committee.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Murkowski". The signature is fluid and cursive, with a large initial "L" and "M".

Lisa Murkowski  
United States Senator