January 30, 2025

The Honorable Juan Millan Acting U.S. Trade Representative 600 17th Street, NW Washington, D.C. 20508	The Honorable Scott Bessent Secretary of the Treasury 1500 Pennsylvania Avenue, NW Washington, D.C. 20220

Dear Mr. Millan and Secretary Bessent,

The undersigned organizations—whose industries together represent more than 90% of all motor fuel sales, and nearly all heating oil and propane sales, in the United States—write to express our deep concern with the potential imposition of tariffs on crude oil and other imported petroleum products, the international trade of which is critical to domestic affordability, security, and growth.[1]

As the Trump Administration develops its tariff posture toward U.S. trade partners, we respectfully urge its consideration of these economy-wide implications and ask that it maintain a stable, predictable, tariff-free trade of petroleum products.

- **Imported crude oil is necessary to meet the demand for refined petroleum products like gasoline, diesel fuel, heating oil, and propane.** The typically "light" crude oil produced here in the U.S. is not readily interchangeable with the typically "heavy" crude oil available abroad. This means refiners cannot simply replace levied imports with new domestic sources on demand; doing so would require many years—and many billions of dollars—to convert existing infrastructure. Because a supply of both light and heavy crude is required to maximize existing refining capacity and ensure current demand can be met, oil imports remain an essential component of America's energy mix.

- **Levying tariffs on crude oil and other petroleum product imports would increase the price of gasoline, diesel fuel, heating oil, and propane for millions of American consumers.** The trade of petroleum products operates in a truly global marketplace. As we have recently seen, even just the fleeting threat of U.S. tariffs on a single country's crude oil exports will predictably cause oil prices to spike.[2] And, with domestic supply unable to replace foreign imports in the near term, the added costs of a tariff will invariably flow through the supply chain to consumers of gasoline, diesel fuel, heating oil, and propane. Everyday expenses like driving a vehicle or heating a building would increase substantially—all at a time when such cost of living issues remain top of mind for families and small businesses across the country, and when much of the nation is experiencing one of the coldest winters in recent years.

- **Beyond the direct cost of these fuels for consumers, higher petroleum product prices also impact the cost of goods and services across virtually all sectors of the economy.** The trucking, rail, and aviation industries all rely on petroleum products for their operations. For example, virtually all freight trains and more than three-quarters of commercial trucks in the U.S. run on diesel fuel. One of the biggest inputs to the cost of shipping goods anywhere in the nation is the cost of diesel. If diesel prices rise, so do the prices of nearly everything that Americans buy in stores or have delivered to their homes. Shipping costs have already been outpacing consumer prices, a dynamic that threatens to raise consumer prices in the near future.[3] Likewise, commercial and industrial enterprises that rely on heating oil or propane at their facilities will see their overhead costs rise if North American petroleum imports are levied, furthering the upward pressure on the prices that consumers must ultimately pay.

On behalf of our member companies, we appreciate your attention to these issues and trust the Trump Administration will recognize that exempting petroleum products from any forthcoming tariffs would put America First and move the Administration's agenda forward. We would be eager to discuss this topic with you at your convenience, and to otherwise serve as a resource on matters implicating the fuels marketplace.

Sincerely,

National Association of Convenience Stores (NACS)

NATSO, Representing America's Travel Centers
and Truck Stops

SIGMA: America's Leading Fuel Marketers

Energy Marketers of America (EMA)

National Energy & Fuels Institute (NEFI)

National Propane Gas Association (NPGA)

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1 NACS is an international trade association representing the convenience store industry with more than 1,300 retail and 1,600 supplier companies as members, the majority of whom are based in the United States. NATSO currently represents approximately 5,000 travel plazas and truckstops nationwide, comprising both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. Together, NACS, NATSO, and SIGMA provide 2.38 million jobs at approximately 120,000 retail establishments across the country. EMA is a federation of 49 state and regional trade associations representing family-owned and operated small business energy marketers throughout the United States. EMA members supply 80 percent of all finished motor and heating fuel products sold nationwide including renewable hydrocarbon biofuels, gasoline, diesel fuel, biofuels, heating fuel, jet fuel, kerosene, racing fuel and lubricating oils. NEFI represents wholesale and retail liquid heating fuel distributors and home comfort providers serving five million homes and businesses throughout the Northeastern United States. NPGA is the national trade association of the propane industry, which is a membership of about 2,400 companies and 36 state and regional associations representing members in all 50 states. Membership in NPGA includes retail marketers of propane gas who deliver the fuel to the end user, propane producers, transporters and wholesalers, and manufacturers and distributors of equipment, containers, and appliances.

2 See *Oil Rises As Trump's Colombia Sanctions Threat Rattles Markets*. Likewise, rescinding the threat of tariffs allowed market prices to settle again: see *Oil Falls After Trump Reverses Colombia Sanctions Threat*.

3 Compare *Consumer Price Index Summary*, 1/15/2025 (reporting a 2.9% CPI increase in 2024), with *Producer Price Index Summary*, 1/14/2025 (reporting a 3.3% PPI increase in 2024, including transportation and energy prices).