

ISSUES

- The global pandemic of 2020 serves as a reminder that oil is a global commodity that is influenced by declining demand, oversupply, and price wars between producers, making interdependences even more pronounced than ever before.
- Middle East producers play a strategic role in ensuring a balanced oil market across the globe, but are even more effective when cooperating with major non-OPEC producers, including the U.S.
- Oil dependence in times of a pandemic crisis serves as a reminder of the importance of transitioning to renewable-sourced and clean energy resources.
- Oil sanctions as a tool of foreign policy in the era of a pandemic can only prolong its global impact by reducing the ability of sanctioned economies to fight it.

US INTERESTS

- The prosperity of the U.S. oil sector, especially its unconventional oil, is dependent on a balanced global market, adding more responsibility on the U.S. as a major producer to act for the benefit of all, as opposed to for America first.
- An oil price that is good for the American consumer at the pump and for the shale oil investor requires more cooperation and coordination with major producers, in particular members of OPEC, to ensure a balanced price.
- The U.S. energy sector is deeply tied to other countries and choice of policies can impact the role and status of the U.S. in the global supply chains serving the conventional, non-conventional, and renewable energy sectors

POLICY RECOMMENDATIONS

- Pursue an energy diplomacy that is anchored on partnerships with major regional producers and others to maintain market stability, ensure security of supply for oil and gas, and protect the oil price from detrimental fluctuations.
- Maintain consistency in defining U.S. policy priorities and interests to lessen friction and conflicts that could destabilize energy markets.

- Review and reassess the failures and successes of energy sanctions policy on Iran, especially in terms of the humanitarian cost versus other policies and in light of the global pandemic and the need to eradicate it worldwide.
- Include climate change and the transition to clean energy and carbon-free economies as a fundamental part of cooperation with Middle East energy producers on technologies, investments, and regulations.