



**ENERGY: Crude Oil Export Outlook Mixed as 1975 Ban Ends**

Two oil tankers with a combined capacity of 1 million barrels left Corpus Christi and Houston for Europe in January, carrying the first U.S. crude cargoes since a 1975 export ban ended late last year.

The shipments amounted to 2.6 percent of the 38.1 million barrels of crude produced in South Texas’ Eagle Ford Shale region in January. Two more deals were announced that month involving an estimated 1.2 million barrels of U.S. condensate and crude bound for Japan and China in early 2016.

In the short term, exports are unlikely to surge because of the global oil glut. Department of Energy (DOE) data show that 2015 world petroleum production exceeded consumption by an unprecedented amount, leaving year-end oil inventories at record highs. Earlier this year, the price of U.S. benchmark West Texas Intermediate crude fell to below \$30 per barrel for the first time since 2003. With the DOE forecasting rising inventories through fourth quarter 2017, prices are expected to remain soft.

Still, the end of the export ban may benefit Texas, where export facilities have been built along the Gulf Coast in recent years. Eagle Ford producers that can reach port cheaply will have an alternative to domestic refineries for their output, while countries seeking to diversify their sources of oil imports may look to the U.S. for geopolitical and strategic reasons.

—Navi Dhaliwal



**NATURALIZATION: Eligible Immigrants in Texas Deferring Citizenship**

Texas is home to roughly 4.1 million immigrants, including 2.5 million who are in the country legally but not yet citizens. An estimated 40 percent were eligible to naturalize in 2013, according to the Center for Migration Studies.

Nationally, of the 27.9 million legal, noncitizen immigrants, about one-third are eligible for citizenship. States with larger Mexican populations have relatively higher eligibility percentages. In Texas, 623,500 Mexican citizens are eligible, accounting for 63 percent of the state eligible total, followed by citizens of El Salvador, India, the United Kingdom and China.

Citizenship applicants must be legal permanent residents for five years, demonstrate English proficiency and pay a \$680 application fee. The process involves a lengthy background check, interviews and oral exams on U.S. history and civics. However, research suggests the effort is worth it. Naturalized citizens earn higher wages, the right to vote and the ability to sponsor relatives for permanent resident visas.

Those less likely to naturalize tend to have lived in the U.S. for more than 25 years, do not speak English, have less than a high school diploma and earn below-poverty-level incomes. Many find the language requirement too difficult and the application cost too steep.

—Emily Gutierrez



**BORDER: Joblessness Falls Despite Weak Employment Growth**

Laredo’s unemployment rate reached near-record low levels in 2015 even though payroll employment growth in the area was weak.

The jobless rate in Laredo ended the year at 5 percent, equal to the national rate and up slightly from a record low at year-end 2014. However, payroll employment grew just 1.1 percent, compared with a long-run average of 3.3 percent.

Laredo’s situation is indicative of metropolitan areas along the Texas–Mexico border, where unemployment rates declined in 2015 to lows last seen before the Great Recession. Border communities generally experience high unemployment rates due to a rapidly growing, young labor force. Recently, however, labor force growth in Laredo—a major inland port that accounts for more than one-third of U.S.–Mexico trade—has stalled. It expanded 0.1 percent in 2015, well below the annual average rate of 2.8 percent since 1990.

Laredo’s proximity to the Eagle Ford Shale may explain some of the slowing in the labor force—falling oil prices led to layoffs and a likely exodus of oilfield workers. Additionally, the sluggish pace may be reflective of longer-term demographic and economic trends.

—Christopher Slijk