Congress of the United States
Washington, DC 20515

March 12, 2008

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

We write to urge you to direct the U.S. Department of Energy (DOE) to temporarily suspend purchases of oil for the Strategic Petroleum Reserve (SPR). According to independent industry analysts, including Goldman Sachs, this action would allow more oil to remain on the market, and thus drive down gas prices for consumers by as much as $.25 a gallon. This action would provide the American economy a critical short-term stimulus, without requiring Congressional approval. It will save consumers money at the pump, give small business desperately needed relief, and help state and local government provide energy related services.

Our country is clearly showing indicators of a recession. Unemployment is up, retail sales are slowing, housing prices continue to slide, and consumers continue to suffer the fallout from the sub-prime mortgage crisis. Average families are feeling the effects more painfully than ever as they experience the worst inflation in 17 years, largely due to rising food and fuel prices. Although the economic stimulus package recently passed by a bipartisan Congress is an important step towards reviving our lagging economy, high gas and heating oil prices threaten to smother the benefits of the stimulus rebates as families struggle to fill up their cars and pay their electricity and fuel bills.

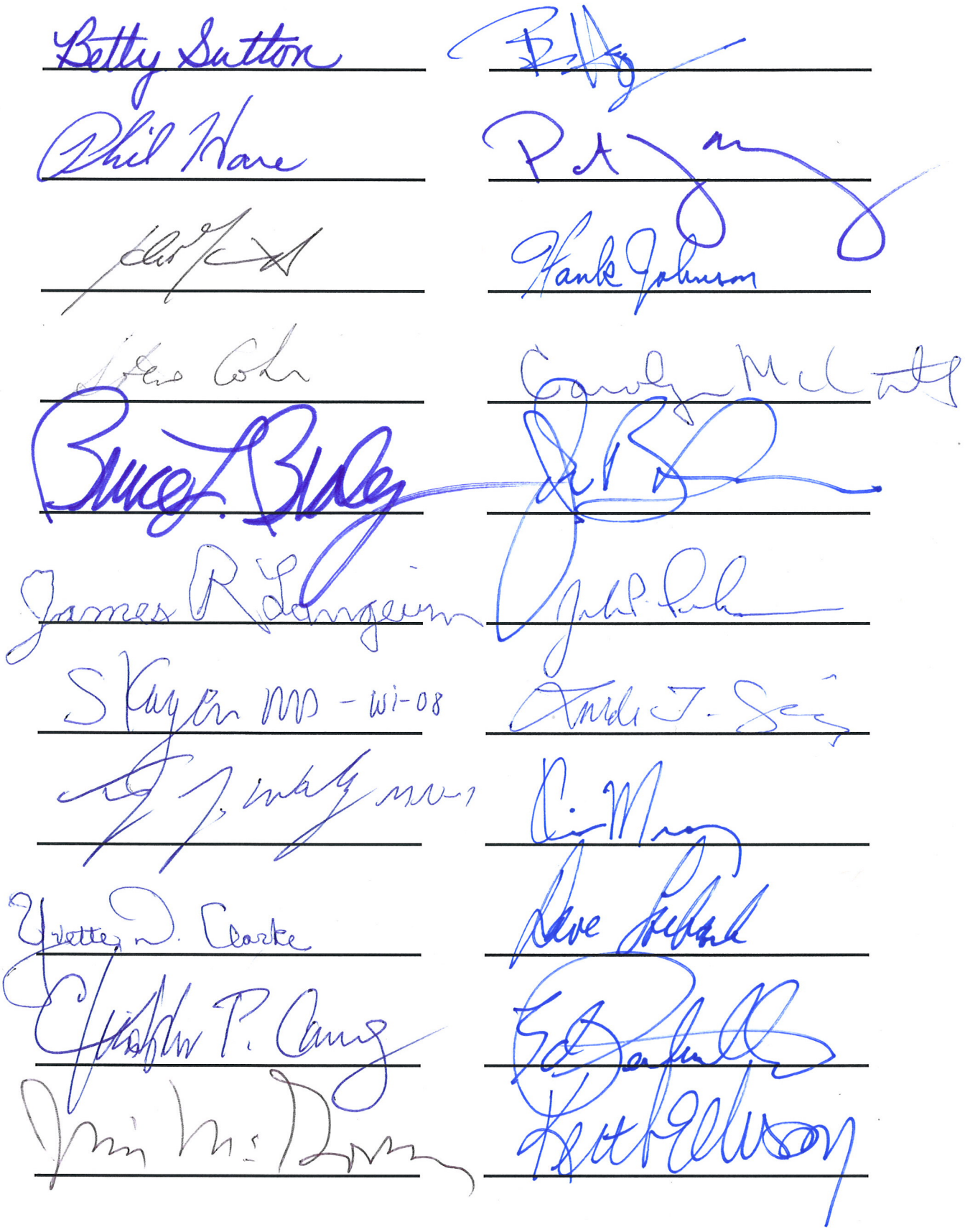
Currently the SPR is 95 percent full with 695 million gallons in reserve, approximately the same level it was in August of 2005 when your Administration successfully used a temporary suspension to relieve supply and price crunches following Hurricanes Katrina and Rita. The situation is even more dire today for consumers, as gas prices have skyrocketed more than 70 cents in the last year alone. The price of diesel fuel has now hit $4.00 per gallon in many parts of the country, which will ripple through the price of food and goods that are transported by rail and trucks. Suspending the SPR fill could provide the type of immediate, targeted relief that we need right now.

Because DOE has only recently signed the contract for 12.3 million barrels of oil to be delivered to the SPR over the next six months, suspending these shipments is a simple step your Administration can take immediately to lower gas prices, put money directly into the wallets of Americans, and save taxpayer dollars. In addition, the Congressional Budget Office has found that every $10 reduction in the price of a barrel of oil has a $50 billion stimulative effect on the economy. Additionally, selling this oil on the market rather than putting it into the SPR will earn the federal government about $6 million per day, or $1 billion over the course of six months.

Although we recognize this action should not be taken as a means of reducing prices in the long run, at a time when the SPR is already 95 percent full, acting now can have temporary benefits that would go a long way towards helping American families who are being squeezed, and also stimulate the economy. We urge you to take this important step.

Sincerely,

Joseph Courtney
Member of Congress

Peter Welch
Member of Congress

John Yarmuth
Member of Congress