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Shuster Urges Speaker Pelosi to Make Increased Domestic Energy Production a Priority in the House

Washington, D.C.—With the House and Senate poised to pass legislation to temporarily halt oil deliveries to the Strategic Petroleum Reserves for short-term relief, **Congressman Bill Shuster** joined House Republican Leaders in urging Speaker Pelosi to the initiative to increase domestic oil production for long term energy independence.

“Putting more oil on the market reduces prices in the short term, but Speaker Pelosi has yet to introduce a plan that acknowledges the need to increase domestic energy production,” Shuster said. “The rise in gas prices we are seeing now, combined with the unease Americans are experiencing in their wallets presents Congress with a golden opportunity to act.”

Speaker Pelosi has stated that halting deliveries to the reserves could bring gas prices down 5 to 24 cents. While this would bring welcome relief, it is just a first step that should be followed by bold action. The combined oil reserves in ANWR and the Outer Continental Shelf could yield at least 38 billion barrels of domestically produced oil. The Department of Interior estimates that opening these reserves could reduce gas prices 14 times more than could be achieved by limiting the Strategic Petroleum Reserves alone.

“It’s time for Congress to vote for an energy policy that embraces domestic energy production,” Shuster said. “America has vast reserves of oil and natural gas that sit idle. Harnessing these resources while expanding our refining capacity and nuclear energy industry will put us on the path to energy independence.”

“I am actively supporting multiple bills that would unleash our amazing potential to become energy independent,” Shuster added. “I agree with Leader Boehner and Minority Whip Blunt that time to act is now.”

A letter reflecting the need to increase domestic energy production was sent to Speaker Pelosi by Republican Leaders yesterday. The text of the letter is as follows:

May 12, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, D.C. 20515

Dear Speaker Pelosi,

The retail price for a gallon of gasoline has increased by more than 55 percent since January 2007, a sharp and sudden spike in a near-essential commodity that has caused real economic and personal hardships for millions of Americans. On this issue, these families deserve more from Congress than typical partisan bickering; they deserve genuine solutions that will help lower the price of gas.

On April 24, you cited the immediate suspension of crude oil deliveries to the Strategic Petroleum Reserve as one initiative that could help lower gasoline prices. According to documents posted on your website, "Filling the [Strategic Petroleum Reserve] takes 70,000 barrels of oil off the market each day... Suspending these government purchases, as we have done in the past, could reduce gas prices by 5 to 24 cents a gallon - a critical first step for America's families, businesses, and the economy."

As you suggest, however, suspending Strategic Petroleum Reserve purchases is just a "first step." While some Democrats have called on OPEC to produce more oil, we believe it is absolutely critical that we come together on a responsible plan to produce more of the energy resources we have right here at home. Demonstrating a strong new commitment to exploring our own resources would help add additional energy supplies to the pipeline. But more than that, in the short term, it would send a clear and unambiguous signal to the world that Americans will no longer abide these prices, no longer allow our dependence to grow, and no longer let weather patterns and geopolitical events half-a-world away impact so dramatically the price we pay for essential energy.

Additionally, from a supply-and-demand perspective, increased production opportunities will discourage speculation in the market that feeds off the expectation that demand will continue to increase while supply remains constant. This too will reduce gasoline prices in the short term. And as we know, over the long term the introduction of new supplies will certainly reduce prices.

By how much? Well, calling upon the logic you employed to derive the price reduction from redirecting 70,000 barrels of oil a day from the Strategic Petroleum Reserve, it stands to reason that bringing online the one-million barrels a day the Interior Department says is available in ANWR would reduce gasoline prices by 14 times the price reduction achieved by redirecting oil from the SPR. And though estimates of recoverable deepwater resources along our Outer Continental Shelf are notoriously outmoded, the 80 billion barrels of oil we believe is there right now would constitute a price reduction several times larger than redirecting oil from the SPR.

In addition, in just three western states (Colorado, Utah, and Wyoming) there are 1.5 trillion barrels of oil shale. Given that is six times the oil reserves in Saudi Arabia, unlocking these resources could clearly reduce gasoline prices for American consumers.

We would note that all of these energy reforms can, and should, be implemented in a way that protects our environment.

Therefore, we request that in addition to scheduling legislation that implements your proposal to temporarily suspend filling the Strategic Petroleum Reserve, you include a proposal to bring ANWR online, authorize development of our deep ocean oil resources, and / or remove the restrictions for commercial oil shale leases on federal properties. We believe such a bipartisan proposal would quickly pass the Congress and provide relief to millions of Americans who are now struggling with the high cost of gasoline. We anxiously await your reply.

Sincerely,

John Boehner
Republican Leader

Roy Blunt
Republican Whip

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