



THE SELECT COMMITTEE ON  
**ENERGY INDEPENDENCE AND GLOBAL WARMING**

**Opening Statement for Chairman Edward J. Markey  
“Pumping up Prices: The Strategic Petroleum Reserve and Record Gas Prices.”  
Select Committee on Energy Independence and Global Warming  
April 24, 2008**

Good morning.

This summer, families all across America will pile into their cars to take their vacations. Unfortunately, as a result of nearly eight years of the Bush Administration’s energy policy, they will face gas and oil prices that are skyrocketing out of control with no end in sight. Earlier this week, oil reached yet another all time high, trading above \$119 per barrel. The price of oil has risen by \$100 since President Bush took office.

American consumers are paying the price at the pump for this Administration’s failed energy policy. They are being tipped upside down by Big Oil companies. Gas prices have more than tripled over the last six years. The price of a gallon of gas jumped 12 cents in the last week alone and more than a quarter in the past month. American families are now paying \$3.53 per gallon every time they fill up, and the Department of Energy projects that gas may reach \$4 a gallon this summer.

And what was the response earlier this week from Energy Secretary Bodman to this energy crisis? “[quote] I have done everything I know how to do with OPEC [end quote].” Rather than taking action to help consumers, the Bush Administration’s response is to throw up its hands and say there is nothing to be done.

Well, Mr. Secretary, there are things that can be done. Earlier this year the House passed legislation that would redirect \$18 billion in tax breaks for Big Oil to promote renewable fuels and clean energy. However, the Bush Administration continues to oppose this legislation that would move us away from a fossil fuel future and help provide consumers with long-term relief from high oil and gas prices.

Democrats in the House have passed four bills this Congress to address high prices and our dependence on oil. This Administration has answered with tax breaks for Big Oil and tough breaks for American families.

The Bush Administration is ignoring actions that would provide consumers with relief right now. The United States currently purchases 70,000 barrels of oil every day to fill the Strategic Petroleum Reserve, which already contains over 700 million barrels and is roughly 97 percent full. By law, the Strategic Petroleum Reserve must be filled “as expeditiously as possible, *without incurring excessive cost or appreciably affecting the*

*price of petroleum products to consumers.”* With the price of oil at \$119, removing 70,000 barrels a day from the market to fill the reserve is both incurring excessive cost for the federal government and affecting runaway oil and gas prices.

Based on projections by the Bush Administration’s own Department of Energy, ending the fill of the reserve could reduce prices by about \$2 per barrel of oil and 5 cents per gallon of gas.

Not only should the Bush Administration stop *filling* the reserve, it should also *release* oil onto the market as a weapon to end escalating prices. These two actions would send a strong signal to speculators and to OPEC that Americans won’t be held hostage by high prices. Earlier this month, the number two executive at ExxonMobil testified before this Committee that speculation, along with geopolitical instability and a weakening dollar, was responsible for half of current oil prices – that based only on supply and demand, the price of a barrel of oil should only be \$50-\$55!

However, President Bush continues to refuse to use the Strategic Petroleum Reserve to pop the speculative bubble. The Bush Administration is willing to deploy our National Guard reserves but it refuses to deploy our oil reserves to protect consumers and our economy.

If President Bush were to announce his intention to release oil from the Strategic Petroleum Reserve today, it would put an immediate end to the speculative feeding frenzy that is driving up prices. Releasing oil from the reserve is something that can be done to help American families this summer. It is high time the Bush Administration does it.

And now I would like to recognize the Ranking Member of the Select Committee, the gentleman from Wisconsin, Mr. Sensenbrenner.