



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

**Opening Statement for Chairman Edward J. Markey (D-Mass.)
“Immediate Relief from High Energy Prices: Deploying the Strategic Petroleum Reserve”
July 23, 2008**

For American families facing \$4 a gallon gasoline, skyrocketing energy bills at home, and an impending home heating crisis this winter, we are in an energy emergency. Gas prices have nearly tripled since President Bush took office and American consumers are being pummeled at the pump as a result of this Administration’s energy policy. At current prices, the average consumer is now spending \$2,375 every year filling up. That means that the poorest 20 percent of American families are now spending nearly 12 percent of their pre-tax income just on gas. The average consumer at the median income level is spending nearly 5 percent of their income just at the pump. That doesn’t count insurance, maintenance or the cost of the car. American families are in desperate need of help this summer.

Today, we will begin the first in a series of three hearings that the Select Committee will conduct over the next two weeks to examine the Democratic new direction energy plan that will not only provide consumers with immediate relief from skyrocketing energy prices but also to provide long-term solutions that will reduce our energy dependence and help our economy.

The Bush Administration continues to oppose Democratic proposals that will provide consumers with relief right now and put us on path to a renewable energy future in the long run. Our nation’s Strategic Petroleum Reserve (SPR) currently contains more than 706 million barrels of oil and is filled to over 97 percent of its capacity -- the highest level in its history. More than two weeks ago, Speaker Pelosi called on President Bush to take action to immediately lower oil prices by deploying oil from this reserve. Each day that passes without the Bush Administration taking this action is another day that American families and our economy fall deeper into crisis. We cannot afford to wait any longer.

Deploying oil from the SPR has driven down prices when it has been used in the past. In 1991, when President Bush’s father deployed oil from the reserve, oil prices fell 33.4 percent in two days. In 2000, President Clinton conducted a time exchange of oil from the SPR and prices again immediately dropped by 18.7 percent. And in 2005, when President Bush himself released oil following Hurricane Katrina, prices fell 9.1 percent. That’s an average drop in the price of oil of 19.2 percent – if we experienced a similar impact now, it would mean a \$25 reduction in the price of oil. But President Bush and the Republican leaders in Congress continue to oppose releasing oil to help consumers.

Instead, President Bush proposes giving away our nation’s beaches and wilderness areas to Big Oil. The Bush Administration’s own Energy Department has stated that drilling off our coasts and in the Arctic National Wildlife Refuge will not produce any oil for 10 years and will have an insignificant impact on prices 20 years from now.

So all that President Bush, Vice President Cheney, and other Republican leaders in Washington have to offer to consumers who are being shaken down at the pump on a daily basis are the same tired drilling schemes that won’t provide any relief whatsoever for 10-20 years. That is the agenda of the American Petroleum Institute, not the American people. In contrast, Democrats in Congress want to provide American families with help in the next 10-20 days by deploying our nation’s oil reserve.

While President Bush is willing to deploy our National Guard reserves to protect oil fields abroad, he continues to refuse to deploy our Strategic Petroleum Reserve to protect American consumers here at home. The Strategic Petroleum Reserve is a powerful weapon that the American people have against Big Oil, OPEC, the speculators that are driving up prices and it is time for President Bush to use it.