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Select Committee on
Energy Independence and Global Warming
U.S. House of Representatives

May 13, 2008

The Honorable Samuel Bodman
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave.,
Washington, D.C. 20585

Dear Secretary Bodman:

Americans currently face record-breaking energy prices. Today, with the price of oil above \$126 per barrel and regular gas prices around the country averaging \$3.72 per gallon, it is time to consider what measures can be taken to provide immediate relief to American consumers. Temporarily halting the fill of the Strategic Petroleum Reserve (SPR) would help relieve some of the upward pressure on prices that is being created by the Administration taking oil off the market.

The Administration is currently filling the SPR at a rate of 70,000 barrels per day and according to an announcement made on April 4, 2008, the Department of Energy is currently soliciting bids to purchase an additional 13 million barrels of oil this year for the SPR, increasing the fill rate to 76,000 barrels per day. According to the schedule outlined in that release, the bids for the purchase of that oil are due today and your Department has said that it plans to finalize those contracts as early as tomorrow.

The Energy Policy Act of 2005 requires you to fill the SPR “as expeditiously as possible, *without incurring excessive cost or appreciably affecting the price of petroleum products to consumers.*” With the price of oil above \$126 per barrel, removing 70,000 barrels a day from the market to fill the reserve is both incurring excessive costs for taxpayers and affecting oil and gas prices for consumers.

I am writing to inform you that today, both the U.S. House of Representatives and the U.S. Senate will consider and are expected to pass legislation that would temporarily halt the fill of SPR for the remainder of 2008 as long as oil prices stay above \$75 per barrel. With Congressional action imminent, it would be recklessly irresponsible for your Department to enter into any further contracts to purchase oil to fill the Strategic Petroleum Reserve in 2008 while prices remain high. The Department should not take actions that would be harmful to taxpayers, damaging to consumers, or inconsistent with the bills pending before the Congress.

The Honorable Samuel Bodman
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Thank you for your attention to this matter. Should you or your staff have any questions, please contact Morgan Gray at 202-225-4012.

Sincerely,

A handwritten signature in black ink that reads "E Markey". The signature is fluid and cursive, with a long horizontal stroke at the end of the word "Markey".

Edward J. Markey
Chairman

cc: Mr. James Sensenbrenner
Ranking Member