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## May 13, 2008 - Slaughter Applauds Strategic Petroleum Reserve Moratorium Legislation

FOR  
IMMEDIATE RELEASE

Tuesday, May 13, 2008

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Petroleum Reserve Moratorium Legislation

“Emergency Action” Required For Relief

Washington, DC — Rep. Louise M. Slaughter (D-NY-28), Chairwoman of the House Rules Committee, today released the following statement in support of legislation that suspends filling the Strategic Petroleum Reserve (SPR) through the end of the year in order to lower gas prices.

The bill, H.R. 6022, the Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008, is expected to pass the House later this evening.

“American families are living under siege,” said Rep. Slaughter. “Across the country, people are demanding that Congress take emergency action to lower

prices at the pump. An immediate moratorium on the Strategic Petroleum Reserve will provide the relief so urgently needed by America's struggling families."

Experts project that passage of H.R. 6022 will lower gas prices by 5 to 24 cents per gallon at a time when fuel costs have hit a new record of \$3.72 per gallon. In 2000, just the announcement of a SPR moratorium dropped oil prices in the market from \$30 a barrel to \$20.

The bill allows for the SPR to resume being filled between now and December only if oil prices drop below \$75 per barrel. The legislation has broad, bipartisan support — and deserves the support of the White House.

#### BACKGROUND:

#### The Strategic Petroleum Reserve

The Strategic Petroleum Reserve is an emergency oil supply located in Texas and Louisiana. It was created after the oil embargo of 1973 and 1974, and is maintained by the Energy Department. It is designed to provide the federal government with an emergency oil supply during a disruption in commercial oil supplies.

While the reserve is 97% full and enough to meet national security needs, 70,000 gallons of oil are being shipped to the reserve each day. The average price of regular unleaded gasoline was \$3.72 per gallon yesterday, and the average price of diesel fuel was \$4.33. The price of crude oil currently accounts for approximately 72% of the retail price of gasoline and 60% of the retail price of diesel fuel.

H.R. 6022, the Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008

H.R. 6022 requires the Interior and Energy departments to discontinue the acquisition of oil and shipments to the Strategic Petroleum Reserve until the

end of this year. The measure allows the departments to resume shipments if, over the most recent 90-day period, the average price of oil does not exceed \$75 a barrel.

The bill allows petroleum shipments ordered under existing Interior Department contracts to be shipped to the reserve. The measure requires the Energy Department to defer delivery of petroleum previously ordered under Energy Department contracts.

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