

COMMITTEES

ENERGY AND COMMERCE  
SUBCOMMITTEE ON  
TELECOMMUNICATIONS AND  
THE INTERNET  
CHAIRMAN

SELECT COMMITTEE ON  
ENERGY INDEPENDENCE AND  
GLOBAL WARMING  
CHAIRMAN

HOMELAND SECURITY

NATURAL RESOURCES

EDWARD J. MARKEY  
7TH DISTRICT, MASSACHUSETTS

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2107**

November 2, 2007

2108 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2107  
(202) 225-2836

DISTRICT OFFICES:

5 HIGH STREET, SUITE 101  
MEDFORD, MA 02155  
(781) 396-2900

188 CONCORD STREET, SUITE 102  
FRAMINGHAM, MA 01702  
(508) 875-2900

<http://markey.house.gov>

The Honorable George W. Bush  
President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C.

Dear Mr. President:

I am writing to urge you to release oil from the Strategic Petroleum Reserve and the Northeast Home Heating Oil Reserve in order to address the looming home heating oil crisis facing American consumers. Your willingness to deploy these reserves to break runaway oil prices would send a powerful signal to speculators and the world oil markets that has been missing from previous oil price events.

Right now, the Department of Energy has 694.1 million barrels of oil in the Strategic Petroleum Reserve (SPR) and 1.9 million barrels of home heating oil in the Northeast Home Heating Oil Reserves.

As you know, oil from the Strategic Petroleum Reserve can be released if you determine that there is a "severe energy supply interruption," which is defined in the law as a circumstance in which: (A) an emergency situation exists and there is a significant reduction in supply which is of significant scope and duration; (B) a severe increase in the price of petroleum products has resulted from such emergency situation; and (C) such price increase is likely to cause a major adverse impact on the national economy."

In addition home heating oil from the Northeast Home Heating Oil Reserve can be released if you determine either that a dislocation exists in home heating oil markets, or, if a circumstance exists (other than the defined dislocation) that is a regional supply shortage of significant scope and duration and the Reserve's release would significantly reduce its adverse impact.

Earlier this week, the Department of Energy's Energy Information Administration reported that as of the end of October, "The average residential heating oil price increased 8.3 cents last week to reach 295.2 cents per gallon, a gain of 56.5 cents from this time last year." DOE also reports that "Wholesale heating oil prices rose by 10.2 cents to reach 249.6 cents per gallon, an increase of 75.1 cents compared to the same period last year."

The current spike in home heating oil prices is likely to continue, as crude oil prices remain at historically high levels nearing \$95 a barrel and reported inventories remain lower than normal. This situation threatens American consumers with a looming home heating crisis, a crisis in which many families will not be able to afford to heat their homes and others will be forced to make enormous sacrifices in order to pay skyrocketing home heating bills. This looming crisis is of particular concern to those who live in the Northeastern part of the country. A protracted cold spell in the Northeast, for example, could be devastating to the economic health of the Northeast. We could also easily see the price of oil top \$100 per barrel.

As you know, of the 8.1 million households in the United States that use heating oil to heat their homes, 6.3 million households or roughly 78 percent are located in the Northeast region of the country. The families in these 8.1 million households are looking to see what action the federal government intends to take to respond to these obscenely high prices. I fear that the nature and scale of the price increases that we could witness this winter could be so severe as to have a major adverse impact on the economy. America is hemorrhaging funds to pay for oil imports at the rate of over \$500,000 per minute, \$30 million per hour and \$5 billion per week.

I therefore urge you to announce your willingness to make oil available from the Strategic Petroleum Reserve and the Northeast Home Heating Oil Reserve as a short-term emergency measure to address the crisis facing our nation.

Thank you for your consideration of this request.

Sincerely,



Edward J. Markey