



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT

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House & Senate to Act on Kind Plan to Lower Gas Prices by Halting Purchases for Strategic Petroleum Reserve

WASHINGTON, DC – Both the U.S. House of Representatives and the U.S. Senate will act today to temporarily halt new purchases for the Strategic Petroleum Reserve (SPR), an action Rep. Kind started calling on the Bush Administration to take in January. In multiple letters and conversations, Kind urged the President and congressional leadership to look to the Strategic Petroleum Reserve as a way to ease demand for oil and save taxpayer money. With no action from the Bush Administration, today Congress will vote on legislation that will suspend purchases through 2008.

“While I wish the Bush Administration would have done this months ago when I brought it to their attention, I am pleased Congress is taking action to fight gas prices that are now at or near \$4.00 a gallon,” Rep. Kind said. “Record-high gas prices hurt everyone except the oil companies, and farmers, manufacturers, and middle-class families in Wisconsin are being squeezed from all sides. This action could lower gas prices by as much as 25 cents per gallon of gasoline – an economic stimulus that benefits everyone.”

The Strategic Petroleum Reserve (SPR) is the United States' emergency oil stockpile, created in 1975 after oil supplies were cut off during the 1973-74 oil embargo. The SPR is currently 97 percent full. Despite record-high oil prices, the Bush Administration has continued to fill the SPR, diverting 70,000 gallons of oil from the market every day, pushing up costs.

Rep. Kind is an original cosponsor on the House bill being voted on today (H.R. 6022), which suspends new purchases of oil for the Strategic Petroleum Reserve for the rest of this year, unless the price falls below \$75 a barrel. According to a noted petroleum economist, this action could drive down oil prices by as much as \$6 per barrel, or \$.25 per gallon of gas. The SPR has been tapped or suspended before by President Bush, President Clinton, and the first President Bush. In 2000, after such action, the price of oil dropped down by one-third – from \$30 to \$20 per barrel.

“With the SPR nearly full, it makes no sense to continue to fill it with high priced oil – driving up costs and wasting taxpayer dollars,” Rep. Kind said. “The Congressional Budget Office estimates that for every \$10 reduction in the price of oil, \$50 billion is injected into the market – so even a small reduction in the price could do a lot to stimulate our economy, and help Wisconsin families who are struggling.”