

Castle Calls on Congressional Leaders to Address Soaring Gas Prices -- April 24, 2008

Washington, DC -- Congressman Michael N. Castle (R-DE) contacted House leaders to emphasize the need for immediate Congressional action to address rising energy and gas prices. Rep. Castle believes the economic and security aspects of soaring costs demand immediate bipartisan solutions. The letter, signed by nine Republicans, highlights both short and long-term ways in which the United States can become more energy self-sufficient.

Among other ideas, the letter calls for energy tax incentives, the use of diplomacy with oil producing countries to achieve more transparency, temporarily suspending petroleum acquisition for the Strategic Petroleum Reserve (SPR) and boosting efforts to increase refinery capability. The full text of the letter is below.

April 23, 2008

The Honorable Nancy Pelosi

Speaker of the House of Representatives

Washington, D.C. 20515

Dear Madam Speaker:

Americans across the country fear gasoline prices of \$4.00 a gallon this summer, while truck drivers are already paying over \$4.00 a gallon for diesel fuel in many parts of the country. We are writing to recommend careful consideration of proposals that could alleviate this burden for the short-term and better meet the country's long-term energy needs. There are several areas we feel deserve careful consideration for the short-term.

To lessen world-wide demand for oil and reduce \$100 a barrel oil prices, we should consider suspending petroleum acquisition for the Strategic Petroleum Reserve (SPR) and boost efforts to increase refinery capability. The SPR is filled to 96 percent of its capacity and a total of 700.8 million barrels are currently in reserve. The stockpile plays an important role in protecting the U.S. from oil-supply disruptions, and should be maintained. However, a temporary acquisition suspension could prove useful in addressing prices that have increased over 50 cents in many communities across the nation just in the last year. The President previously employed a suspension to the SPR following Hurricanes Katrina and Rita. Additionally, since we have not built a new refinery in this country in thirty years, an expansion of refining capacity by streamlining the permitting process for expanding current facilities or building new facilities without waiving environmental laws could speed the supply of fuel into the market.

While transparency is now required of private international oil companies, the majority of world oil production comes from nationalized oil companies controlled by governments. The United States should consider working with other oil importing countries to require more transparency from oil producing countries, so that information about available reserves and production capacity would be more verifiable.

There has been discussion of a temporary suspension of the federal gas tax in an effort to immediately lower the price of gasoline at the pump. While this tax moratorium may have appeal, we urge you to protect funding for the Highway Trust Fund and critical infrastructure upgrades.

There are also a number of ways Americans can reduce costs now. Basic conservation and efficiency measures such as maintaining driving speeds of not more than 55 miles per hour and proper tire inflation can make an immediate difference, slowing gasoline consumption and saving consumers money.

Looking forward, adoption of long-term extensions of existing and new tax incentives for renewable energy production and alternative energy research and development, as well as providing tax incentives for auto manufacturers and consumers to make and purchase clean vehicle technologies, remain critical for providing the type of certainty industry needs to produce the next generation of electricity and transportation technologies necessary to shift transportation off oil. We also need to support funding for authorized programs in alternative and renewable research and development.

The finite supply of oil in the world ensures that our dependence will always directly correlate to the world's supply and demand structure. While pursuing immediate relief to skyrocketing fuel and energy costs, we must actively work to reduce our dependence on oil and create a more comprehensive and balanced energy strategy that will benefit Americans now and well into the future.

We appreciate your consideration and look forward to working together on this important issue.

Sincerely,

Rep. Michael N. Castle (DE-AL)

Rep. Vernon J. Ehlers (MI-3rd)

Rep. Ray LaHood (IL-18th)

Rep. Jim Gerlach (PA-6th)

Rep. Christopher Shays (CT - 4th)

Rep. Roscoe G. Bartlett (MD-6th)

Rep. Wayne T. Gilchrest (MD-1st)

Rep. Timothy V. Johnson (IL-15th)

Rep. Todd Russell Platts (PA-19th)

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