

CASTLE, CONGRESS VOTES TO SUSPEND ACQUISITION OF OIL FOR STRATEGIC PETROLEUM RESERVE -- May 13, 2008

Small Step toward Relief from Soaring Gas Prices

Washington, DC -- Today, Congressman Michael N. Castle (R-DE) voted in favor of H.R. 6022, The Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008, which suspends the acquisition of oil for the Strategic Petroleum Reserve (SPR), which is presently at 96 percent capacity, for the rest of this year, unless the average price of oil over a 90-day period falls below \$75. Rep. Castle believes that this will free up additional supply and provide needed relief from soaring gas prices. An identical provision passed the Senate Tuesday as an amendment to flood insurance legislation.

Last month, Rep. Castle and several other Republican Members sent a letter to House Leadership stressing the need to address soaring gas prices and suspensions to the SPR was among the provisions called for.

"As Memorial Day approaches and the summer driving season begins there is little relief in sight for Americans from high prices at the pump, as gasoline climbs close to \$4 a gallon and diesel fuel reaches over \$4 a gallon. Suspending acquisitions to the SPR will free up 70,000 barrels of oil per day and could reduce gasoline prices by 2-5 cents per gallon," said Rep. Castle. "While such action will only free up a fraction of world oil supplies and make a small contribution to lowering prices, it is a step forward. I hope this temporary suspension to the SPR begins a meaningful dialogue about energy policy in this country, which is so important not only for national security but also for tackling global warming."

"The laws of supply and demand are real and high gas prices are one aspect of the bigger picture; the fact remains that oil dependence affects our economy, security, and environment. Congress should also consider increasing refining capacity in the United States, without compromising environmental permitting, and ask for transparency from oil producing countries to help verify available oil reserves and production capacity. Long-term extensions for renewable energy and energy efficiency tax credits are long overdue and continued research and development for alternative transportation fuels remains paramount."

Rep. Castle, who has always been supportive of smart energy policies such as better fuel efficiency for vehicles, also recently joined colleagues in the House in supporting the Clean Energy Tax Stimulus Act of 2008, which would provide for the limited continuation of clean energy production incentives and incentives to improve energy efficiency that would otherwise lapse under current tax law.