

**Congress of the United States**  
**Washington, DC 20515**

February 22, 2012

The Honorable Barack Obama  
President  
The White House  
1600 Pennsylvania Avenue  
Washington, DC 20500

Dear President Obama:

Yesterday, U.S. benchmark crude prices spiked over \$106 per barrel on the New York Mercantile Exchange on the news that Iran is moving to cut off crude supplies to the U.K. and France and was considering extending the oil embargo to other European Union countries. Oil prices are now at the highest level seen since last May, and prices at the gas pump are the highest ever for this time of year. This most recent run-up in prices is primarily the result of fear driving oil markets, not an actual loss of supply. The U.K. and France currently import little crude from Iran, and a ban on imports of Iranian crude across the entire EU had already been scheduled to begin on July 1. Because of speculative activity, Iran's threat has the potential to significantly impact prices paid by American consumers. It is essential that the United States have an aggressive strategy for releasing oil from the Strategic Petroleum Reserve (SPR) to combat the speculators capitalizing on the fear in oil markets and to send a message to Iran that we are ready, willing, and able to deploy our oil reserves.

One tool that the United States has at its disposal to protect against the threat of supply disruptions and related speculation in the oil markets is the SPR. As we approach the summer driving season, we must carefully consider all immediate options in order to prevent a runaway increase in prices. We commend you for your willingness last year to use this weapon that the American people have against OPEC. We urge you to consider again deploying oil from the SPR to respond to combat the rapid price escalations resulting from speculation in the oil markets.

Releasing oil from the SPR has driven down prices in the past. When President George H. W. Bush deployed oil from the SPR in 1991, oil prices immediately dropped by more than 33 percent. When President Clinton exchanged oil from the SPR in 2000, it again drove prices down by nearly 19 percent. And when President Bush released oil from the reserve in 2005 following Hurricane Katrina, oil prices fell by more than 9 percent. And last year, when you directed the release of 30 million barrels of oil from the SPR – less than 5 percent of the reserve -- in conjunction with the release of an additional 30 million barrels from our international partners, prices declined by 8 percent.

Right now, the Strategic Petroleum Reserve holds approximately 696 million barrels and is filled to more than 95 percent of its capacity. Releasing even a small fraction of that oil could once again have a significant impact on speculation in the marketplace and on prices. It would also stand as a reminder to markets that the United States is ready to employ an aggressive and effective SPR drawdown policy if needed. Signaling that the United States will continue to

employ an aggressive SPR policy in the near term would send a strong signal to oil markets responding to the unrest in the Middle East.

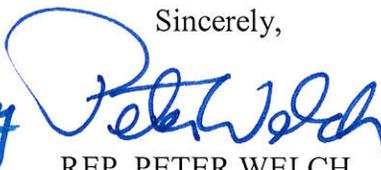
Gas prices are up 40 cents from a year ago and high energy prices have the potential to derail the progress our economy is making in recovering and adversely impact American consumers. In the long term, we need to develop clean energy alternatives that can reduce our dependence on oil. We also need to carefully review our current practice of allowing oil companies to export petroleum products derived from oil produced on public lands. However, as a short-term step, once again considering the release of oil from the SPR could help prevent oil prices from spiking in the short term and help American consumers and our economy.

Thank you for your consideration of this request.

Sincerely,



REP. EDWARD J. MARKEY



REP. PETER WELCH



REP. ROSA L. DELAURO