

**FRANK R. WOLF**  
10TH DISTRICT, VIRGINIA



241 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4610  
(202) 225-5136

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(800) 850-3463 (IN STATE)

# Congress of the United States

## House of Representatives

April 24, 2008

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The Honorable George W. Bush  
The President  
The White House  
Washington DC 20500

Dear Mr. President:

I write today to urge you to take action to help relieve the pressure on the American people caused by soaring fuel prices. While I believe our country needs a comprehensive approach to address energy costs over the long term – and I have supported initiatives to help reduce U.S. dependence on foreign oil – I ask that you temporarily suspend filling the Strategic Petroleum Reserve (SPR) as a short-term solution.

This week crude oil prices climbed to \$119 per barrel with no sign of abating. The SPR currently holds over 700 million barrels, which is 96 percent of capacity. In April 2006, when you announced a temporary halt to filling the SPR as part of a program to stem high fuel prices then, the nationwide average price per gallon was \$2.90. According to the American Automobile Association (AAA), the current nationwide average price per gallon for regular unleaded is \$3.55, the highest recorded price by AAA. I believe a temporary suspension could help to increase supply and offer some relief at the pump. Our economy is showing signs of a recession and needs a push in the right direction. Giving American consumers some immediate relief is crucial.

Americans are feeling this pinch not only with high prices at the pump, but in home heating bills and in soaring food costs. Gasoline prices are affecting our nation's businesses and industries that rely on trucks to move goods. The independent trucker is one of the hardest hit. With the cost of diesel now over \$4 a gallon, truckers with a 300-gallon semi could pay over \$1,200 each time they fill up. Every American is paying in some way for these increases.

No one action alone can make our nation energy independent overnight, and that's why it is critical that work begin today on a comprehensive approach for the long term. I urge your administration to take action on long-term solutions, including increasing refinery capacity, tapping into domestic sources of energy, supporting research on clean coal technology, investing in the development of alternative and renewable fuels, increasing research and development of biomass and biofuel, increasing accessibility of E85 filling stations, developing the hydrogen economy and promoting energy conservation.

Increasing refinery capacity and production in the U.S. must be a priority. There has not

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been a new refinery built in the U.S. in over 30 years. Other priorities must be allowing environmentally responsible exploration in the Arctic National Wildlife Refuge and on the outer continental shelf as well as developing domestic crude resources in oil shale – all critical to curbing U.S. dependence on foreign oil and to lowering the price at the pump.

There is another concern I must raise which I believe could be artificially inflating the price of crude oil. I have become concerned about unregulated oil commodity futures trading and a recent Washington Post article underscored that concern, reporting that "some economists say the price of oil today should be slightly higher than the cost of finding and producing a new barrel of oil. If that were the case, the price might be about \$60 a barrel." An increasing amount of oil commodity trading is happening in off-market deals known as "over-the-counter" (OTC) trading. It is estimated that up to 50 percent of all energy trades are over-the-counter, without any regulation or oversight by the federal government. Without effective oversight, we don't know if energy speculators are trading on market realities or speculation based on fear and greed at the expense of hard-working Americans paying at the pump. We must end that practice and bring regulation to OTC trading.

Again, I urge your administration to take immediate steps to halt the filling of the SPR to provide relief today at the pump for American consumers and to work for long-term solutions that can provide energy independence for our country.

Sincerely,

Frank R. Wolf  
Member of Congress

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