



Written by [Daniel Sayani](#) on March 16, 2011

Democrats Propose Opening Up Oil Reserves

In response to the latest energy-related crisis to affect the lives of the American people, the Obama administration, in conjunction with House Democrats, has announced its latest proposal to deal with rising oil prices: opening up the nation's federal oil reserve supplies. Opening reserves rather than increasing domestic oil production, however, would further exacerbate the energy crisis being primarily driven by increased global demand.



With oil prices at their highest levels since September 2008 — a barrel of crude oil topped \$107 on the New York Mercantile Exchange — the administration has responded impotently, as indicated in a [press conference](#) Friday. Obama defended his record on domestic oil production, claiming it is at a seven-year high:

So any notion that my administration has shut down oil production might make for a good political sound bite, but it doesn't match up with reality. We are encouraging offshore exploration and production. We're just doing it responsibly.

In an economy that relies on oil, gas prices affect everybody, from farmers and truck drivers to restaurant owners and workers, as well as consumers. And businesses see rising prices affect their bottom line. Families see the pinch every time they fill up the tank.

The administration is "prepared" to tap the country's oil reserves if necessary, the President said. But he stressed that traditionally such a move has been made only when there are supply disruptions:

Right now what we're seeing is not a shortage of supply. The problem is a great deal of uncertainty in the oil markets.

Here at home, everybody should know that, should the situation demand it, we are prepared to tap the significant stockpile of oil that we have in the Strategic Petroleum Reserve.

Obama would not specify what price level would trigger a release from the strategic reserve. But in a pointed message to the oil market, he declared that the United States and its allies will do whatever it takes "to make sure that oil supplies remain stable and that economic growth will continue."

The President's call to consider opening up the country's oil reserves is being echoed by several congressional Democrats. Sen. Richard Durbin (D-Ill.), Sen. Jeff Bingaman (D-N.M.), Rep. Chellie Pingree (D-Maine), and Rep. Edward Markey (D-Mass.) have all issued calls this past week for Obama to tap into the 727-million barrel emergency Strategic Petroleum Reserve. House Democrats say that oil from the reserve could be a "response to supply disruptions and combat the rapid price escalations." The White House privately indicates that it's not likely the reserves will be opened, because despite the



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fighting in Libya, there's no real disruption in the supply of oil, which is what the reserve is intended for.

Appearing on CNN Sunday morning, [Sen. Durbin](#) said, "we need to consider moving toward the Strategic Petroleum Reserve to put the oil we have ... into the economy, to try to temper this increase in gas prices." Additionally, he is calling for legislation that would roll back tax breaks for big oil companies. Rather than acknowledging the true causes of the increasing oil prices — Federal Reserve policies, inflation, and the environmentalist lobby blocking efforts for increased domestic oil production in Alaska and the Gulf of Mexico (all of which Durbin ardently supports, given his favorable ratings by groups such as the Sierra Club and League of Conservation Voters) — he continues to place the [blame](#) on oil companies:

While it's been a tough month for consumers, it's been a great month for the oil industry. When oil sells for more than \$100 a barrel, as it is today, there's really only one group in the United States that wins: Big Oil. It's one industry that isn't struggling to make a profit in this challenging economy. Every year, the large oil companies take advantage of tax breaks and sweetheart deals on drilling rights that cost the federal government billions of dollars.

Though as Majority Whip Durbin is the second-leading Democrat in the Senate, he fails to realize the economic implications of the nation's energy crisis. Rather than supporting measures that would truly wean America from foreign oil in an economically viable manner that is favorable to the private sector, Durbin instead places his faith in the power of leviathan — big government. Such policies, which includes supporting environmentalist initiatives such as ethanol and solar power, are economically disastrous; they not only result in lost revenues, but also fail to adequately meet human needs. Durbin noted that "the strategic petroleum reserve is not a long-term solution. To gain real energy independence and break our addiction to foreign oil, we need to continue to invest in energy innovation and research."

Even former Democratic President Bill Clinton realizes the need for increased domestic drilling. According to attendees at Friday's IHS CERAWEEK Conference in Houston, Texas, where Clinton spoke on a panel with former President George W. Bush, Clinton said that delays in offshore oil and gas drilling permits are "ridiculous" at a time when the economy is still rebuilding. [Politico](#) reports:

Bush said all the things you'd expect him to say" on oil and gas issues, said Jim Noe, senior vice president at Hercules Offshore and executive director of the pro-drilling Shallow Water Energy Security Coalition. But Clinton added, "You'd be surprised to know that I agree with all that," according to Noe and others in the room.

Clinton said there are "ridiculous delays in permitting [drilling] when our economy doesn't need it," according to Noe and others.

"That was the most surprising thing they said," Noe said.

The two former presidents both generally agreed on the need to get offshore drilling workers back on the job.

Clinton and Bush also agreed on the need for more domestic shale gas production, with Clinton noting that it has been done safely for years in his home state of Arkansas.

Another Democrat supporting increased drilling in the Gulf of Mexico is Senator Mary Landrieu (D-La.). [Sen. Landrieu](#) has always defended oil drilling in the gulf, even back in June 2010, when the BP oil spill



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ravaged the region, realizing that her state and the entire region depend on offshore drilling for their economic survival. She said that the federal government red tape must be cut in order to allow for greater oil drilling, adding, “the last thing we want them to do is take the time they don’t have, the resources they don’t have, to review every lease to see whether it should be extended or not.”

Nonetheless, Democrats introduced legislation earlier this week calling upon Obama to open up the oil reserves. This should not be surprising, as generally Democrats not only tend to obstruct any efforts to drill, but also oppose fracking, the practice by which natural gas is obtained from geologically-opportune areas such as the Marcellus Shale in Upstate New York and Pennsylvania. Democrats strongly supported the [FRAC Act](#) (which had only one moderate Republican supporter, John McHugh, who is now Obama’s Army Secretary), which curbs domestic natural gas production. Rep. Edward Markey (D-Mass.) and other Democrats issued the Enhanced Strategic Petroleum Reserve Act Thursday, a bill which would direct the Department of Energy to release at least 30 million barrels of oil from the reserves, or about 5 percent of the current total volume, and replace the oil with a refined product such as gasoline or diesel fuel.

Likewise, co-sponsor Rep. Lois Capps (D-Calif.) attacked Republicans, claiming that their calls for increased production (which she derided as “Drill, baby, drill!”) would not bring down oil prices for at least another decade. This is yet another example of myopic politics — employing measures that should be utilized only as a last resort as a means of avoiding the bigger picture — in order to satisfy demands from constituents and the radical environmentalist lobby.

In addition to House Republican leadership, Democratic Minority Whip Steny Hoyer (Md.) is also [opposed](#) to tapping into the oil reserves. Hoyer observes that opening the reserves in order to sway prices would leave the country at risk if a real disaster occurred. “The SPR is for a true emergency, not for market management,” Hoyer told reporters in the Capitol. “If the Middle East, in fact, implodes, and it’s not a question of the price but the fact that there is no supply — that supply is reduced by a quarter, or by a half — then, in that event, I think you have the emergency for which SPR was established.”

As expected, House Republicans are vociferously opposed to any efforts to open up the federal oil reserves. House Speaker John Boehner declared that the administration helped created the run-up in the oil market by blocking “American energy production that would lower costs and create new jobs.”

Republican lawmakers insisted that more domestic production was a better solution than tapping the nation’s emergency reserves. Sen. Jon Kyl of Arizona and Rep. Kevin McCarthy of California both blamed the Obama administration for a drop in domestic production in the past two years.

“The problem is not supply,” Sen. Kyl said on CNN. “By the way, gas prices have doubled under Obama. And one of the reasons is he has not issued drilling permits in the Gulf [of Mexico].” “We will lose 13 percent of production this year,” he added. “We can get American energy on line if we simply grant the permits.”

Senate Minority Leader Mitch McConnell (R-Ky.), in an appearance on “Fox News Sunday,” placed the blame for rising oil prices squarely on the shoulders of the President:

This administration has been shutting down wells. It has been a conscious effort to make it difficult to drill in this country, both on shore and offshore, by the bureaucrats who have been appointed by this administration.

“The administration now wants to open up the strategic petroleum reserve, which is supposed to be used in severe shortages,” Rep. Charles Boustany (R-La.) asserted in a statement. “That’s not an energy



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policy. That actually hurts our country.”

Rep. Tom Price, [chairman](#) of the House Republican Policy Committee, pointed out:

The Strategic Petroleum Reserve was created to offer relief should there be a temporary disruption in the supply of crude oil, like a devastating hurricane or a blockade of oil imports. It was not intended to be a tool to manipulate the market or provide political relief.

The rise in gas prices is not merely the consequence of some temporary disruption and will therefore not be solved by some short-term fix. It is a problem that requires an all-of-the-above energy strategy and one that should begin immediately.

Sen. Lisa Murkowski (R-Alaska) emphasized,

The SPR is our nation’s insurance policy against serious disruptions in oil supply. It is not a political lever to be pulled when rising prices at the gas pump demonstrate our lack of a coherent energy policy.

Right now, we do not face a supply crisis, but we could very well in the near future if unrest in North Africa and the Middle East spreads to other OPEC nations. If we empty our strategic reserves now, and then face an actual shortage, we will literally have nowhere to turn.

Created in 1975 in the wake of the oil crises, the Strategic Petroleum Reserve emergency supply has been tapped by the federal government to stabilize prices only two times: during the Persian Gulf War in 1991 and after Hurricane Katrina in 2005. The reserve contains 727 million barrels of oil.

While failed Federal Reserve, environmentalist, and liberal congressional policies do continue to plunder the economy and the country’s ability to meet the energy needs of the 21st century, prudent Americans realize that these policies should not be viewed as a calamity requiring the release of oil reserved for times of national disaster.

Once again, instead of meeting the demands of the ailing economy, liberals in Congress are proposing more of the same failed policies, expecting different results.

Some would say this fulfills Einstein’s definition of insanity.

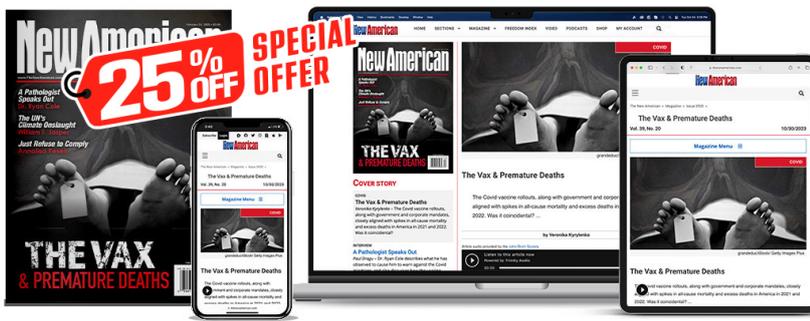


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