

RON WYDEN
OREGON

CHAIRMAN OF COMMITTEE ON
FINANCE

221 DIRKSEN SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5244

United States Senate
WASHINGTON, DC 20510-3703

COMMITTEES:
COMMITTEE ON FINANCE
COMMITTEE ON BUDGET
COMMITTEE ON ENERGY & NATURAL RESOURCES
SELECT COMMITTEE ON INTELLIGENCE
JOINT COMMITTEE ON TAXATION

October 22, 2014

The Honorable Ernest Moniz
Secretary
United States Department of Energy
1000 Independence Ave. SW
Washington DC 20585

Dear Secretary Moniz:

Recently, the U.S. Government Accountability Office (GAO) published a report titled “Changing Crude Oil Markets, Allowing Exports Could Reduce Consumer Fuel Prices, and the Size of the Strategic Reserves Should Be Reexamined.” The report explores the implications of lifting current restrictions on the export of crude oil and evaluates the size and composition of the Strategic Petroleum Reserve (SPR).

The GAO’s primary recommendation for the SPR encouraged the Department of Energy to initiate a study on whether the SPR is still appropriately configured, given the purposes for which it was established and in the current changing landscape of oil production in the United States. I am writing to urge the Department to follow the GAO’s recommendation and begin such a study as soon as possible.

The recent shale boom is having a profound effect on United States energy policy. In fact, some policy provisions put in place as recently as 2007 are now at best irrelevant, or at worst detrimental, to national environmental and economic goals, while much of our law relating to oil and gas conservation and reserves comes from the 1970s. Regardless of one’s position on the benefits or harm of fossil fuel development and use few policies are constructed to last for more than 40 years without updating or revision.

In the case of the SPR, estimates on size are no longer in line with current net imports. As the GAO points out, we are currently 16 days over our 90-day obligation to the International Energy Agency. This will likely only increase, particularly if the restrictions on the export of crude oil are eased driving net imports even lower. In addition, the GAO points to the significant size of private reserves in the United States as a way to achieve many of the goals of having the SPR.

911 NE 11TH AVENUE
SUITE 630
PORTLAND, OR 97232
(503) 326-7525

405 EAST 8TH AVE
SUITE 2020
EUGENE, OR 97401
(541) 431-0229

SAC ANNEX BUILDING
105 FIR ST
SUITE 201
LA GRANDE, OR 97850
(541) 962-7691

U.S. COURTHOUSE
310 WEST 6TH ST
ROOM 118
MEDFORD, OR 97501
(541) 858-5122

THE JAMISON BUILDING
131 NW HAWTHORNE AVE
SUITE 107
BEND, OR 97701
(541) 330-9142

707 13TH ST, SE
SUITE 285
SALEM, OR 97301
(503) 589-4555

[HTTP://WYDEN.SENATE.GOV](http://wyden.senate.gov)

PRINTED ON RECYCLED PAPER

I ask the Department to follow the GAO recommendation and undertake a comprehensive review of the appropriate size of the SPR as soon as possible. In this recent study, GAO noted that, "Officials from DOE's Office of Petroleum Reserves told us that the last time they conducted a comprehensive re-examination of the size of the SPR was in 2005. At that time, DOE's comprehensive study examined the costs and benefits of alternative SPR sizes." Accordingly, I urge DOE to include a similar cost/benefit analysis in any study it may produce.

I look forward to your response.

Sincerely,



Ron Wyden
U.S. Senator