



Senators Reid And Feinstein Call On President Bush To Protect America's Energy Security

March 7, 2006

Washington, DC – *On the eve of a meeting of the Organization of Petroleum Exporting Countries (OPEC), Senate Democratic Leader Harry Reid and Senator Dianne Feinstein called on President Bush to take greater steps to make America energy independent and secure from instability in the Middle East.*

The full text of the letter follows below:

March 7, 2006

The President
The White House
Washington, D.C.

Dear Mr. President:

We are concerned that our overdependence on foreign oil coupled with recent volatility in energy markets increasingly places our economy and security at risk. As you well know, volatile oil prices cost American consumers and businesses dearly, while speculators make millions. Many analysts have reported that instability in many oil producing nations is adding a substantial risk premium to the cost of oil that is being passed onto consumers here in the United States. In addition, already three-quarters of our growing trade deficit is due to the rising cost of energy. For all these reasons, it is long past time for you to use your leadership to provide a comprehensive energy strategy that protects America's security and consumers.

In recent weeks, the current OPEC president, Nigerian Oil Minister Edmund Daukoru, told reporters that \$60 per barrel was a fair price, a price they are likely to reaffirm at their meeting on Wednesday, March 8. That amount is almost three times the price of a barrel of oil delivered to refiners in 2001. Yet, in the same period, there has not been even close to a commensurate increase in the costs of oil extraction. As a result of the price-control measures instituted by OPEC, these countries are siphoning off hundreds of billions of our hard-earned dollars at artificially inflated prices while some of them, at the same time, are contributing to global instability or taking insufficient steps to quell it. Further exacerbating this situation, Iran has attempted to blackmail the world by threatening to take millions of barrels of daily oil production off the international market.

There are a number of steps that you should take to address these problems and ensure our energy security. For example, in light of this week's OPEC meeting, your administration should outline a set of policies to increase stability, ensure adequate oil supplies, and prevent oil price spikes. When you were campaigning to be president in 2000, you promised Americans you would "jawbone OPEC." It is long past time that you fulfill that promise and ensure stable oil supplies and lower prices for American consumers. We strongly encourage you to develop a plan that will protect the American economy and consumers. A good first step toward this objective would be for you to clarify how you intend to reach your stated goal of reducing our dependence on Middle Eastern oil by 75 percent by 2025.

Sincerely,

Harry Reid
Dianne Feinstein

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