

Congress of the United States
Washington, DC 20515

July 22, 2022

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500-0005

Dear President Biden:

When President Gerald Ford signed the Energy Policy and Conservation Act (EPCA) in 1975, authorizing the creation of the Strategic Petroleum Reserve (SPR), it was in response to supply disruptions caused by the Organization of Arab Petroleum Exporting Countries' (OAPEC) oil trade embargo against the United States.¹ The SPR's purpose is simple—to serve as a resource for emergency supply chain disruptions or severe economic disruptions.² In fact, the U.S. Statement of Policy for the SPR in 1998 stated, the “[r]eserve should be used solely for responding to the types of severe oil supply interruptions presently contemplated in the Energy Policy and Conservation Act.”³ Policies and actions by your Administration have deviated the SPR off course from its original intent to provide cover for your war on domestic energy production.

It is clear that your administration wishes to use the SPR as a stopgap for your policies—policies that have crippled American energy independence. Even after signing EPCA, President Ford understood the necessity of achieving energy independence by increasing domestic production.⁴ Alarming, the Department of Energy (DOE) released data that the SPR dipped below 500 million barrels—its lowest level since 1986. Current projections show that the SPR will be drained to approximately 130 million barrels by 2031.⁵ The egregious depletion of emergency supplies is troubling to the American public and puts the United States at a disadvantage should there be a real disaster or a national security threat.

¹ Energy Policy and Conservation Act, Pub. Law 94-163.

² Letter from Hon. James Comer, Ranking Member, H. Comm on Oversight and Gov't Reform, et. al, to Hon. Jennifer Granholm, Secretary, U.S. DOE, May 26, 2022.

³ Why Draining America's Strategic Petroleum Reserve is Wrong, Press Release, Independent Petroleum Assoc. of America, Nov. 9, 2021.

⁴ Energy, Ford Library Museum, *available at* <https://www.fordlibrarymuseum.gov/library/document/factbook/energy.htm>.

⁵ Letter from Hon. Cathy McMorris Rodgers, H. Comm on Energy and Commerce, et. al, to Hon. Jennifer Granholm, Secretary, U.S. DOE, June 2, 2022.

As Americans continue to feel the pain in their pocketbooks, it was recently reported that your administration exported more than 5 million barrels of oil—specifically, light-sweet crude oil, from the SPR in order to keep “energy prices under control.”⁶ Additionally, it was reported that SPR crude was exported to China—including the sale of 950,000 barrels of oil to China’s UNIPEC.⁷ Information shows that your administration also sold 2.5 million barrels and 1.5 million barrels of SPR crude to China in October and in November respectively.⁸ This comes as China continues to rapidly build its own strategic petroleum reserve with oil from both Russia and Iran.⁹ Some analysts forecast that China has the capacity to store more than 1 billion barrels of combined commercial and strategic stockpiles. Data analytics firm, Kpler, estimates that China’s overall stockpiles are at 926.1 million barrels, up from 869 million barrels in mid-March.¹⁰ China is also benefitting from loopholes in current sanctions against Russia and from your lack of sanctions enforcement. It is troubling that the United States is exporting SPR crude to China as China continues to align itself with our adversaries.

Meanwhile, your administration has consistently undercut domestic energy production. From the start, you have actively worked to discourage the growth of domestic natural gas and oil production. On your first day in office, you signed a temporary moratorium on oil and gas lease activities in the Arctic National Wildlife Refuge (ANWR), withdrew offshore areas in Arctic waters and the Bering Sea from oil and gas drilling, and revoked a key permit for the Keystone XL pipeline.¹¹ A little over a week later, another executive order was signed that put a “pause” on new oil and gas leasing on federal lands and offshore waters, a decision which may have violated federal law.¹² The 2.67 million barrels of oil produced daily on U.S. federal land and water in 2019 would have made it the eleventh largest daily oil producer in the world that year.¹³ We are concerned that your administration is disregarding the historic opportunity to ensure energy independence. The dramatic implications of dependence on foreign energy resources continues to play out across Europe and the rest of the world since the onset of the Russian war in Ukraine. The United States should not become beholden to adversarial nations on account of ill-founded regulations over critical resources.

⁶ Arathy Somasekhar, *Oil from U.S. reserves sent overseas as gasoline prices stay high*, Reuters, July 6, 2022.

⁷ *Id.*

⁸ Glenn Kessler, *The Washington Post*, July 12, 2022.

⁹ Reuters Staff, *China Imports 2 mln barrels more of Iran oil, likely for reserves -tanker trackers*, Reuters, June 22, 2022.

¹⁰ Anna Kitanaka, *China in Talks With Russia to Buy Oil for Strategic Reserves*, Bloomberg, May 19, 2022.

¹¹ *Keystone pipeline officially canceled after Biden revokes key permit*, Reuters, Jan 9, 2021; *Biden Cancels Offshore Oil Lease Sales in Gulf Coast, Alaska*, Assoc. Press, May 12, 2022.

¹² *Tackling the Climate Crisis at Home and Abroad*, E.O. 14008, Jan. 27, 2021; *Drilling Down on the Federal Leasing Facts*, Press Release, American Petroleum Institute.

¹³ *Id.*

Your policies are harming American energy independence and benefiting our adversaries. Draining the SPR to historic lows for the sake of political expediency is contrary to the original intent of the EPCA, threatens the national security of our nation, and contemplates no long-term strategy to ensure the energy independence of the United States.

The American people deserve to know why SPR crude ended up in ports located in China. To that end, we are requesting the following information:

1. All documents and communications, from January 20, 2021, to present, referring or relating to any release or sale of oil held in reserve by the federal government.
2. All documents and communications, from January 20, 2021, to present, referring or relating to China's petroleum reserve, including the quantity of exports and any assessments or analysis conducted by the federal government.
3. All documents and communications, from January 20, 2021, to present, referring or relating to SPR crude being shipped to foreign adversaries—specifically, the People's Republic of China.
4. All documents and communications, from January 20, 2021, to present, referring or relating to the plan to replenish any such oil reserves held by the federal government.

We look forward to your response.

Sincerely,



Pat Fallon
Member of Congress



W. Gregory Steube
Member of Congress



Jake LaTurner
Member of Congress



Andy Biggs
Member of Congress



Ralph Norman
Member of Congress



Ronny L. Jackson
Member of Congress



Glenn Grothman
Member of Congress

CC: The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue S.W.
Washington, D.C. 20585