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U.S. SENATE CLIMATE CHANGE TASK FORCE

## United States Senate

August 30, 2017

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President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Mr. President,

As Hurricane Harvey impacts refineries located along the Gulf Coast, I urge you to tap the Strategic Petroleum Reserve (SPR) to help consumers and mitigate upward pressure on refined product markets.

An immediate release of gasoline or crude oil, if also warranted, from the SPR would help protect consumers from price spikes at the pump and tame any market speculation that could be unduly affecting markets and harming consumers.

Since Hurricane Harvey made landfall, prices for U.S. gasoline futures surged earlier this week by more than eight percent—to a level not seen since July 2015. According to the American Automobile Association (AAA), retail gas prices have already begun to rise across the country as a result of this disaster as well—they have increased six cents since last week. This gasoline price spike has occurred despite the fact that the price for U.S. benchmark crude oil has fallen more than three percent during that time. These price impacts have continued today, with U.S. gasoline futures rising six percent in intraday trading even as crude oil prices continued to decline by one percent. Tapping the SPR could help protect consumers by addressing this market dynamic of the divergence of gasoline and oil prices and any speculation that may be further fueling it.

The hurricane has forced the shutdown of nearly 20 percent of our nation's oil refining capacity, including America's largest refinery—Motiva Port Arthur—and this could put significant additional pressure on our nation's gasoline supply in the days ahead. In the Mid-Atlantic and Northeast region, refineries remain fully operational, but gasoline inventories were already nearly 10 percent below last year's level before the storm. I am concerned that these low inventory levels further raise the risk that gasoline prices will continue to increase, harming families in Massachusetts and across the nation. Immediately tapping the SPR, including using the SPR authority to release gasoline from the Northeast Gasoline Supply Reserve, could help protect consumers by putting downward pressure on markets and combating any market speculation that may be occurring.

Going forward, I urge you to also continue to monitor market conditions closely to ensure that refineries not located along the Gulf Coast that remain operational can remain fully supplied. Releasing oil from the SPR could help ensure that there is no disruption in oil supplies to these refineries from the storm, should any occur.

The SPR has a proven record of effectively protecting consumers from price spikes in gasoline, home heating oil, diesel or other fuels. I urge you to tap the SPR in response to Hurricane Harvey to help protect families in Massachusetts and across the country from rising prices.

Sincerely,

A handwritten signature in blue ink that reads "Edward J. Markey". The signature is written in a cursive style with a large, stylized "E" and "M".

Edward J. Markey  
U.S. Senator