

Larson Drafts Legislation To Counter Rising Heating Oil Costs

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Will introduce when Congress reconvenes on January 27 WASHINGTON -- Promising last month that he would be taking legislative action to help address the effect of rising crude oil prices on consumers, U.S. Congressman John B. Larson (CT-01) today released a draft of the bill that he will introduce when Congress reconvenes on Thursday, January 27.

Larson's bill would give the Administration greater authority to release oil from the strategic petroleum reserve to counter unfair foreign oil price manipulation. The bill would require the Administration to formally make a decision on whether to release oil from the reserve if prices stay above \$25 per barrel for at least two weeks. The Administration would have to report to Congress on its reasons for whatever course of action they decide. U.S. Senator Charles Schumer (D-NY) has put forth a similar proposal in the Senate.

Larson stated, "People should not have to choose between heating their homes and the food they eat. Over the past few months, I have received numerous calls and letters from constituents concerned about the impact of the rising costs of home heating oil. I am doing all I can to ease this financial strain, and I am hopeful that my bill will have a positive impact. Today's major snowstorm has only highlighted the vital need for Congress to help Connecticut consumers raise their thermostats, not their level of frustration."

Yesterday (January 24) Larson and several of his Connecticut colleagues sent a letter to President Clinton asking him to immediately draw down the Strategic Petroleum Reserve and release additional emergency Low-Income Home Energy Assistance Program (LIHEAP) funding to help the nearly 60,000 qualifying Connecticut families affected by this crisis. Congress has already secured approximately \$22.5 million in LIHEAP funding for Connecticut residents this winter, but more will be clearly be needed due to the severity of the recent cold spell and the increasing cost of heating oil.

The delegation also asked that Clinton consider "long-term actions to address what is becoming a perennial problem, including the creation of regional reserves and examining anti-competitive behavior along the supply chain."

Last month Larson wrote to House Commerce Committee leaders, Rep. John Dingell (D-MI) and Rep. Thomas Bliley, Jr. (R-VA) to encourage the Committee to consider this legislation when Congress reconvenes. Larson has received support for his initiative from leaders in the Connecticut petroleum market as well as from local distributors, who are doing their best to manage this crisis for consumers.

To help prevent a repetition of the economic dislocation caused by the 1973-74 Arab oil embargo, Congress authorized the Strategic Petroleum Reserve (SPR) in the Energy Policy and Conservation Act. The SPR comprises five underground storage facilities located in Texas and Louisiana.

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