



The Secretary of Energy
Washington, D.C. 20585

January 7, 2008

The Honorable Edward J. Markey
U.S. House of Representatives
Washington, DC 20515-2107

Dear Congressman Markey: ^{Ed}

This is in response to your letter of November 2, 2007, to President Bush urging the release of oil from the Strategic Petroleum Reserve (SPR) and Northeast Home Heating Oil Reserve as a measure to adopt in dealing with heating oil crisis facing American consumers.

As your letter points out, the Energy Policy and Conservation Act (EPCA) (42 U.S.C. 6201 *et seq.*) authorizes the President to draw down and sell oil from the SPR in response to a severe supply interruption. The SPR is a critical insurance policy for our country's economic security should we face a significant interruption in fuel supply. The most effective and prudent step is to reduce our dependence on imported oil by increasing the use of alternative fuels and vehicle efficiency and opening up new sources of domestic supply.

The Northeast Home Heating Oil Reserve, authorized by EPCA currently holds 1,965,000 barrels of heating oil. This is approximately two days worth of supply for the Northeast during peak heating season. Similar to the provision governing the Strategic Petroleum Reserve, EPCA only authorizes the sale of this oil in the event of a severe energy supply interruption, which is not present at this time. Prematurely releasing heating oil from the Northeast Home Heating Oil Reserve would not only be an unnecessary market intervention, but would also leave the Northeast vulnerable to a true supply shortage this winter.

However, the strain that the current high heating oil prices is putting on consumers in the Northeast is being addressed through the Low Income Home Energy Assistance Program. That Program is administered by the Department of Health and Human Services and is designed to assist consumers incurring high home heating oil bills in the winter months.

The Department of Energy will continue to aggressively monitor the heating oil situation and stands prepared to react immediately should a severe energy supply disruption occur. We participate in weekly conference calls with your State energy officials and the New England Governors Council throughout the winter months to monitor State energy issues and fuel concerns and to confirm the readiness of the Northeast Home Heating Oil Reserve to respond in an emergency.

If you require additional information, please contact me or Ms. Lisa E. Epifani, Assistant Secretary for Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam", written over a horizontal line.

Samuel W. Bodman

