

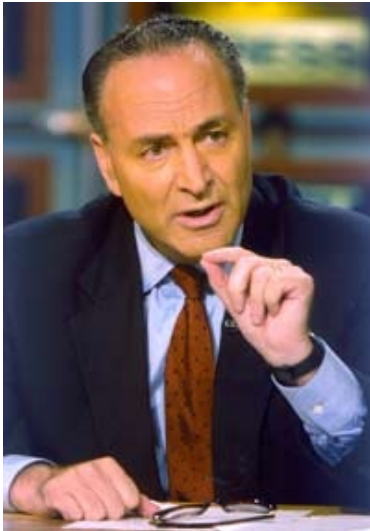


Schumer: Wrong on the SPR Since 1999

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[Senator Charles Schumer](#) of NY (D) just doesn't get it. And it's really surprising, because he's usually a pretty pragmatic guy on a whole range of issues. Let's go back to his first year as the guy who had just beat [Al D'Amato](#) and was trying to make a name for himself as a national leader of the Democratic Party that has earned him the Chair of the [Democratic Senatorial Campaign Committee](#).

His voting record in 1999-2000 earned him one of only 7 100% ratings from the League of Conservation Voters on October 25, 2000:

"In a time when the majority of Americans are turning to their elected officials to help promote clean air, safe water, and healthy neighborhoods, it is clear from his exceptional environmental score that Chuck Schumer is working to address these quality of life concerns in the Senate," said LCV President Deb Callahan. "Senator Schumer has chosen to embrace the public's interest in a clean and healthy environment, instead of siding with the polluting special interests."

That is unless anyone complains about the prices of those polluting substances. Then he seems to do quite the opposite on environmental issues. If oil is the nation's heroine addiction, then Sen. Schumer has been trying to make the price on the street as cheap as possible since he was elected Senator. And his favor honey pot to raid is the Strategic Petroleum Reserve (SPR). Let's review:

In his first energy related [press release](#), he pleaded with President Clinton to release oil from the strategic petroleum reserve.

September 21, 1999

In a letter today, Senator Charles E. Schumer (D-NY) called on President Clinton and

Energy Secretary Bill Richardson to release several hundred thousand barrels of oil a day from the government's Strategic Petroleum Reserve to lower oil prices and to persuade OPEC to increase oil production. Schumer released his letter on the eve of OPEC's semi-annual ministerial summit and as world oil prices continue their meteoric ascent to nearly \$25 per barrel.

And then a month later, after all his pleaded, he decided to introduce legislation:

November 8, 1999

"We are close to the point where the price of gas and heating oil goes from being a nuisance to a crisis," said Schumer.

Between April 1 and November 1 this year, the average price of a gallon of regular unleaded self-service gasoline at Syracuse gas stations increased from \$1.09 to \$1.33. Among all upstate gas stations between April and October, the average price for regular unleaded self-service gasoline increased by twenty-two cents, from \$1.14 to \$1.36 per gallon. Meanwhile, home heating oil prices are already nearly 20% higher than this time last year and will likely climb further as the weather turns colder. Central New York homeowners are paying ninety-nine cents for a gallon of home heating oil this year, compared to seventy-eight cents last year.

This week, Schumer plans to introduce bipartisan legislation with Maine Republican Senator Susan Collins to make it easier for the Administration to use the Strategic Petroleum Reserve in the face of anti-competitive foreign forces who arbitrarily set the price of oil too high.

Ok, Schumer thought that \$1.33 at the pump in Syracuse was "a crisis" and wanted to deplete the SPR. He must have learned his lesson as oil and gas prices continued to rise continuously that Fall, right? No.

November 21, 1999

"I am convinced that if we released even a small amount of oil, OPEC's unity would begin to crumble and prices would drop," Schumer said adding, "I don't believe in interfering in the free market, but OPEC's cartel is price fixing. We have a right to defend our economy and our consumers by releasing part of the reserve."

A few months go by and with gas prices at record levels (\$1.33 for regular unleaded), Sen. Schumer reiterates that we have now entered a crisis and the SPR is the answer:

January 31, 2000

"For months I have been warning that the rising price of crude oil would cease being a nuisance and would become a crisis. With the price of heating oil climbing by the day, we have reached the crisis point. It's time for the Administration to face down OPEC and release part of our Strategic Petroleum Reserve," said Schumer. "In the short term, releasing part of the reserve is certain to reduce oil and gas prices. In the long term it is certain to break OPEC's resolve and lead to greater production."

Finally, instead of opening the SPR reserve, someone with some common sense decided that providing a little financial aid to the poorest to heat their homes might help avert the "crisis". Sen. Schumer is somewhat mollified by the bounty he has earned his constituents, but still clings to his SPR solution as the long term answer.:

February 10, 2000

US Senator Charles E. Schumer today announced that the Federal government will release \$34,337,864 from the Low Income Heating Energy Assistance Program to assist New Yorkers who have been adversely affected by this winter's record-high home heating oil prices.

"This is welcome relief for New Yorkers who have been stunned by spiraling home heating costs," said Schumer. "But let's face it, this is a temporary solution for a long-term problem."

Since September 1999, Schumer has been calling on the Administration to release oil from the strategic Petroleum Reserve in anticipation that OPEC supply cuts would lead to skyrocketing heating oil and gasoline prices. Today, Schumer reiterated the need for the Administration to release part of the nation's well-stocked, 470 million barrel strategic petroleum reserve.

No, it can't be demand. Anything but demand. It's all about Supply and showing our resolve against OPEC by releasing SPR oil:

February 22, 2000

"The only way to break OPEC's resolve is to use our well-stocked, 570 million barrel oil reserve as leverage to convince OPEC nations to increase production," said Schumer who introduced legislation last November with Maine Republican Senator Susan Collins to make it easier for the Administration to use the reserves to counter OPEC supply cuts.

Just in advance of an OPEC meeting in Vienna, Sen. Schumer again asks the President to unsheath our SPR sword against to evil cartel:

"If OPEC does not agree to an output increase that addresses the gap between global supply and demand and the shortage in oil stocks, two things are likely to occur," Schumer wrote. "First, the market price of oil will shoot back up, ensuring record gasoline prices in the US this summer. Second, and more important, insufficient global oil supply will ensure that stocks will remain low, meaning OPEC will continue to maintain inordinate leverage over the American and global economy."

And then after OPEC agrees to increase their quota by 1 million barrels despite not tapping the SPR, comes this almost absurd statement about a well stocked SPR being our best defense against OPEC (you know, as opposed to anything related to demand):

March 29, 2000

"In the long term, we also should slowly increase the size of the SPR and quickly put in place a mechanism that allows the Administration to use it when supply squeezes threaten our economy. A well-stocked SPR is our best defense against OPEC supply quotas that threaten the western economies. I am convinced that the threat of releasing the SPR helped the Administration achieve the production increase from OPEC.

And then as gas prices continue to increase throughout that Summer, he finally convinces Clinton to release some of the SPR just 2 month before the Bush v. Gore election:

"I applaud Secretary Richardson for his decisive announcement. The President is

absolutely right to tap into the reserves. Rising oil prices are no longer an economic inconvenience but an economic emergency. Bill Clinton and Al Gore deserve credit for standing up to the oil industry, facing down OPEC, and stepping in to protect our economy and families who will face sky high heating oil costs.

"Those who call this election year politics are those who believe the government should do nothing to help people during an election year. Just as Washington helped to solve an emergency when forest fires devastated the West; the Northeast is facing an emergency of its own and needs help."

Whatever it was, the magic elixir of releasing some oil from the SPR did little to stop the continuous upward march of oil prices. And not refilling it now seems about as short sighted as it was to release it when oil was at \$20/barrel. It will do little to affect worldwide oil prices and leave us short of oil in case of real shortages which could occur this year from many different sources.

We need more from our representatives on both sides of the political divide to start explaining the situation that we are in to the American public. We need them to start fighting for short and long term ways of reducing demand for oil products in all sectors, not looking for quick fixes to maintain our addiction.



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