



*Formerly The Foundation for Taxpayer & Consumer Rights*

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April 11, 2008

President George Bush  
The White House  
1600 Pennsylvania Ave.  
Washington, DC, 20500

Also by electronic mail & fax

Dear President Bush,

Continuing record-level prices and volatility in oil and transportation fuel markets are weakening the U.S. economy, from family budgets to food prices to manufacturing costs. We agree with legislators of both parties, including Sen. John McCain, that you must respond by suspending purchases of petroleum for the federal Strategic Petroleum Reserve. However, you must also release reserves with an explicitly stated intent to deflate and stabilize petroleum prices in futures markets bloated by speculative trading.

The existing reserve is ample, particularly given today's economic conditions. Repurchasing for the reserve after prices stabilize will benefit the Treasury.

\* The SPR is near an all-time high, at over 700 million gallons--more than 150 million barrels above the level when you took office.

\* The reserve has grown by 4 million gallons since the beginning of the year, and by 1.5 million gallons in the past month alone.

\* Taxpayers have paid record prices for this oil. Even worse, the removal of this oil from the market abets continued price increases.

In April 2006, you announced a temporary halt in petroleum deposits to the reserve, specifically to help alleviate high fuel prices.

The price situation today is significantly worse, and the nation's economic condition significantly weaker.

Releases from the reserve are necessary as well--not because of outright shortage but because of uncontrollable prices, due in large part to market speculation.

In addition to the consumer price benefits of both actions, the oil company royalties that are forgiven for additions to the reserve will flow instead to the Treasury. At a time of record deficits, and as the Treasury prepares to write \$1,200 economic stimulus checks to American families, the revenue cannot be disregarded.

We also request that you use your presidential bully pulpit to demand, for the national good, that refiners restrict their margins on fuel production instead of driving for maximum profits on gasoline and diesel, the pattern of the last two spring-summer seasons. You have a powerful voice in this industry, and at this point it must be used for the economic relief of consumers and the economy.

Sincerely,

Jamie Court  
President

Judy Dugan  
Research Director