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FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 17, 1980

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CARTER REFUSAL TO FILL STRATEGIC PETROLEUM RESERVE HAS COST PUBLIC MORE THAN A BILLION DOLLARS

WASHINGTON -- "The Carter Administration's refusal to buy oil for the strategic petroleum reserve the past 13 months has cost the American public more than \$1 billion," Senator Bob Dole (R-Kan.) said today.

Dole, along with Senator Bill Bradley (D-N.J.), last year sponsored an amendment to S. 932 requiring the president to resume purchasing oil for the reserve at the minimum average daily rate of 100,000 barrels. That bill was signed by the President on June 30, 1980.

No oil has been bought for the strategic reserve since November 1978, when purchases were halted by President Carter because of opposition to the plan from oil exporting nations. A recent House energy and power subcommittee report states that America's military preparedness is imperiled because of the Administration's failure to fill the reserve while there is a global glut of oil.

"Only now is the executive branch moving to fill the reserve, not because the Department of Energy and President Carter think it's finally the right time, but because Congress directed the President to renew crude oil purchases," Dole said.

"The fact is that for the last 13 months this Administration has refused to buy oil for the reserve. This single act of timidity has cost the American public dearly in protection against an interruption of oil imports. It has left our military preparedness and our overall defense posture in doubt. And at a time when all are concerned with holding the line on federal spending, President Carter's inaction has also wasted precious taxpayer dollars.

"If the Administration had filled the Gulf Coast sites at a rate of 250,000 barrels per day since August of 1979 when reserve storage was halted, the cost to our economy would have been \$2.27 billion. But because the price of oil on the world market has rocketed from \$14.50 per barrel delivered in August of 1979 to \$32 per barrel now, the same amount of oil for the strategic reserve would cost \$3.26 billion -- even if President Carter begins today and we make the obviously conservative assumption that OPEC won't raise its prices for the next 13 months!

"With the near certainty of an oil import interruption of two million to three million barrels per day sometime in the next 10 years, we cannot afford to have a petroleum reserve only one-tenth its intended strength, nor can we permit timidity to threaten the nation's security.

"I cannot stress strongly enough that our reliance upon oil imports from politically unstable countries carries with it the threat of an embargo or other supply interruption which could place the security of the United States in jeopardy. This country is so unprepared and strategically vulnerable due to our weak petroleum reserve that an extended oil embargo would not only devastate our economy to the point where no president, regardless of party affiliation, could hope to reverse the situation, but would also make us vulnerable to foreign military and political aggression. It is essential that this country pursue an energy policy which will free us from dependence on OPEC and ensure future generations of energy security as well as military security."