

**Congress of the United States**  
**Washington, DC 20515**

July 19, 2022

The Honorable Frank Pallone, Jr.  
Chairman  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Pallone:

We write to request that you schedule a hearing with officials of the Department of Energy (DOE) to examine the Biden Administration's mismanagement of the U.S. Strategic Petroleum Reserve (SPR), and recent reports that millions of barrels from America's stockpile are being exported to China.

In June, Members of the Energy and Commerce Committee sent a letter to DOE Secretary Granholm expressing concerns that DOE is rapidly depleting the nation's petroleum reserves ahead of elections in November, while failing to establish long-term plans for the optimal size, configuration, maintenance, and operational capabilities of the reserves. The Members also raised concerns that China is ramping up purchases of crude oil from Russia to boost its own reserves, even as oil prices surged, and President Biden called on China for a coordinated release. The letter requested information to help the Members assess whether the Administration's actions were consistent with statutory authority. Unfortunately, Secretary Granholm has failed to respond to the information requests.

Since the June letter to Secretary Granholm, available data show that millions of barrels from our emergency reserves have been sent overseas, as U.S. refineries have reached maximum utilization. According to a recent report, more than 5 million barrels of oil from the SPR was exported to Europe and Asia in the month of June.<sup>1</sup> Earlier this year, DOE announced it sold nearly 1 million barrels to Unipec, the trading arm of the China Petrochemical Corporation.<sup>2</sup>

We are concerned that the SPR may have difficulty meeting its energy security mission. As you know, President Biden announced the largest SPR drawdown in history, with plans to release up to 260 million barrels of crude oil. Prior to this announcement, there had been only three emergency SPR releases: Operation Desert Storm in 1991, Hurricane Katrina in 2005, and the Libya oil supply disruption in 2011. These prior emergency SPR releases resulted in sales ranging from 11 million barrels to 30.6 million barrels.

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<sup>1</sup> Somasekhar, Arathy. "Oil from U.S. reserves sent overseas as gasoline prices stay high." *Reuters*, 6 July 2022. <https://www.reuters.com/business/energy/oil-us-reserves-head-overseas-gasoline-prices-stay-high-2022-07-05/>

<sup>2</sup> U.S. Department of Energy. (21 April 2022). DOE Announces Sales from Strategic Petroleum Reserve to Combat Putin's Price Hike. <https://www.energy.gov/articles/doe-announces-sales-strategic-petroleum-reserve-combat-putins-price-hike>

At the current pace of drawdowns, the SPR – now at its lowest level since 1985 – will decline from its peak capacity of 727 million barrels to approximately 130 million barrels by 2031. Meanwhile, China is building its reserves and may now control the world's largest stockpile of oil, with an estimated 950-million-barrel supply.

Releasing oil from the SPR is not the solution to the energy crisis Americans are facing today. The oil being released from the SPR today has nowhere to go with pipelines and refineries operating at maximum capacity. As a result, our strategic stock is being shipped to foreign countries, including China. Selling off our strategic stockpile is not a solution to high gasoline prices, and when it is exported to our foreign adversaries, it further harms our economy and national security.

Given the significant taxpayer investments in the SPR, and its critical energy security mission, Members of Congress should have the opportunity to question DOE officials in a hearing to understand why the Administration continues to release oil from the SPR and allows China to purchase crude oil to build up its own strategic stocks. DOE should also explain its plans to refill the SPR and what steps it will take to strengthen and protect America's energy security.

The Biden Administration's mismanagement of the SPR deserves serious and diligent oversight, and the Committee should plan a hearing as soon as possible. Thank you for your consideration.

Sincerely,



Fred Upton  
Member of Congress



Markwayne Mullin  
Member of Congress