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2D SESSION

S. RES. 330

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (OPEC) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

IN THE SENATE OF THE UNITED STATES

APRIL 2, 2004

Mr. WYDEN submitted the following resolution; which was referred to the
Committee on Foreign Relations

RESOLUTION

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (OPEC) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

Whereas the United States currently imports the majority of its crude oil;

Whereas ensuring access to and stable prices for imported crude oil for the United States and major allies and trading partners of the United States is a continuing critical

objective of United States foreign and economic policy for the foreseeable future;

Whereas the 11 countries that make up the Organization of Petroleum Exporting Countries (OPEC) produce 40 percent of the world's crude oil and control three-quarters of proven reserves, including much of the spare production capacity;

Whereas beginning in February 2004, OPEC instituted production cuts, which reduced production by 2,000,000 barrels per day and have resulted in dramatic increases in crude oil prices;

Whereas in February 2004, crude oil prices were around \$28 per barrel and have steadily risen since then, exceeding \$38 per barrel in March 2004, the highest prices in 13 years;

Whereas the increase in crude oil prices has translated into higher prices for gasoline and other refined petroleum products; in the case of gasoline, the increases in crude oil prices have resulted in a pass-through of cost increases at the pump to an average national price of \$1.75 per gallon;

Whereas increases in the price of crude oil result in increases in prices paid by United States consumers for refined petroleum products, including home heating oil, gasoline, and diesel fuel; and

Whereas increases in the costs of refined petroleum products have a negative effect on many Americans, including the elderly and individuals of low income (whose home heating oil costs have doubled in the last year), families who must pay higher prices at the gas station, farmers (already hurt by low commodity prices, trying to factor in-

creased costs into their budgets in preparation for the growing season), truckers (who face an almost 13-year high in diesel fuel prices), and manufacturers and retailers (who must factor in increased production and transportation costs into the final price of their goods): Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the President and Congress should take
3 both a short-term and a long-term approach to re-
4 ducing and stabilizing crude oil prices as well as re-
5 ducing dependence on foreign sources of energy;

6 (2) to address the problem in the short-term,
7 the President should communicate to the members
8 of the Organization of Petroleum Exporting Coun-
9 tries (OPEC) cartel and non-OPEC countries that
10 participate in the cartel of crude oil producing coun-
11 tries that—

12 (A) the United States seeks to maintain
13 strong relations with crude oil producers around
14 the world while promoting international efforts
15 to remove barriers to energy trade and invest-
16 ment and increased access for United States
17 energy firms around the world;

18 (B) the United States believes that re-
19 stricting supply in a market that is in demand
20 of additional crude oil does serious damage to
21 the efforts that OPEC members have made to

1 demonstrate that they represent a reliable
2 source of crude oil supply;

3 (C) the United States believes that stable
4 crude oil prices and supplies are essential for
5 strong economic growth throughout the world;
6 and

7 (D) the United States seeks an immediate
8 increase in the OPEC crude oil production
9 quotas;

10 (3) the President should be commended for
11 sending Secretary of State Powell to personally com-
12 municate with leaders of several members of the Or-
13 ganization of Petroleum Exporting Countries on the
14 need to increase the supply of crude oil;

15 (4) to ameliorate the long-term problem of the
16 United States dependence on foreign oil sources, the
17 President should—

18 (A) review all administrative policies, pro-
19 grams, and regulations that put an undue bur-
20 den on domestic energy producers; and

21 (B) consider lifting unnecessary regula-
22 tions that interfere with the ability of United
23 States' domestic oil, gas, coal, hydro-electric,
24 biomass, and other alternative energy industries

1 to supply a greater percentage of the energy
2 needs of the United States; and
3 (5) to ameliorate the long-term problem of
4 United States dependence on foreign oil sources, the
5 Senate should appropriate sufficient funds for the
6 development of domestic energy sources, including
7 measures to increase the use of biofuels and other
8 renewable resources.

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