



Legislation Text

File #: Res 1194-2005, **Version:** *

Res. No. 1194

Resolution calling upon President Bush to continue utilizing the Strategic Petroleum Reserve to mitigate the rising price of fuel caused by Hurricanes Katrina and Rita, and to compel him to consider alternative methods to help alleviate the concern over possible record-high winter fuel costs.

By Council Members Gentile, Barron, Comrie, Fidler, James, Jennings, Nelson, Palma, Recchia Jr., Stewart, Weprin and Jackson

Whereas, The devastating results of both Hurricane Katrina and Hurricane Rita, have demonstrated that natural disasters in the Gulf region produce an eminent threat to oil production on the Gulf Coast; and

Whereas, “Through the end of September, the 2005 season has had nine hurricanes, five of them major, and 17 named storms,” according to the National Hurricane Center, which notes that the number of hurricanes have increased, dramatically, over the past few years; and

Whereas, Hurricane researchers forecast another two hurricanes for the month of October, one of which will be of sufficient destructive power that could put the United States at the mercy of a further energy crisis; and

Whereas, The Gulf region produces roughly 29% of United States crude oil and 30% of United States gasoline production; and

Whereas, Hurricanes Katrina and Rita have closed 109 oil rigs and 5 major drilling stations, according to the Secretary of the Interior, as well as the Louisiana Offshore Platform and the New Orleans Port, responsible for a bulk of oil importation and transportation; and

Whereas, On October 4, 2005, close to 90% of Gulf crude oil production and nearly 75% of Gulf natural gas extractions remain shut down, according to the Minerals Management Service, an agency of the U.S. Department of the Interior; and

Whereas, As of October 4, 2005, the average price of a gallon of regular unleaded gasoline had risen to \$3.005 in New York City, a price nearly a dollar more than Oct. 4, 2004, according to AAA's Daily Fuel Gauge Report; and

Whereas, The average U.S. household can expect to pay 53% more on their gas bills this winter, due to the loss of natural gas extraction from the Gulf, combined with the already 33% spike on fuel costs for their automobiles; and

Whereas, Senator Charles Schumer has proposed various legislative devices to curb the continual rise in fuel costs, including calling on President Bush to continue to offer crude oil from the nation's Strategic Petroleum Reserve (SPR) for a time period of at least three months, whereby oil producers are given the opportunity to supplement their dwindling supply lines through online auction; and

Whereas, Senator Schumer believes that the release of crude oil from the SPR will force crude oil producers, both foreign and domestic, to reduce their demanded price for crude oil by providing refineries with an alternative source; and

Whereas, Senator Schumer, along with Senator Richard Durbin, has introduced a bill to create the Strategic Gasoline and Fuel Reserve, calling for the storage of up to 40 million barrels of refined gasoline and up to 7.5 million barrels of jet fuel which would immediately hit the market in time of need to accelerate the process of getting refined products to consumers; and

Whereas, Without governmental action, the U.S. public, including millions of New Yorkers, will be forced to cut back on travel and other uses of their automobiles as well as losing a substantial portion of their income to rising gas and heating costs; and

Whereas, The utilization of these measures such as these will assist in sustaining the price of gasoline thereby helping consumers handle the rising cost of the natural gas required for heating their homes and businesses during the winter months; now, therefore, be it

Resolved, That the Council of the City of New York calls upon President Bush to continue utilizing the

Strategic Petroleum Reserve to mitigate the rising price of fuel caused by Hurricanes Katrina and Rita, and to compel him to consider alternative methods to help alleviate the concern over possible record-high winter fuel costs.