



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 23, 2023
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 21 – Strategic Production Response Act

(Rep. McMorris Rodgers, R-WA and 31 cosponsors)

The Administration strongly opposes H.R. 21, the Strategic Production Response Act. The bill would significantly weaken a critical energy security tool, resulting in more oil supply shortages and higher gas prices for working families.

This Administration's use of the Strategic Petroleum Reserve (SPR) has been essential to protecting our energy security and to lowering gas prices for Americans. Following Putin's further invasion of Ukraine last year, President Biden authorized the largest-ever emergency release from the SPR, in coordination with historic releases from allies and partners. The results speak for themselves: today, gasoline prices are \$1.60 per gallon lower than their peak this summer and below their pre-invasion levels. That was far from a foregone conclusion: the Treasury Department estimates that SPR actions reduced prices at the pump by as much as 40 cents per gallon.

If enacted, H.R. 21 would significantly weaken America's ability to take such decisive action to increase supply and lower prices in times of crisis. Putin has tried to use energy supply and high prices as a strategy to weaken the United States and Europe's resolve to defend Ukraine. By interfering with the United States' ability to release oil collectively, this legislation would help Putin's war aims. In addition, H.R. 21 would severely restrict the Administration's ability to increase oil supply and prevent price spikes in response to natural disasters or pipeline outages—as Administrations of both parties have done.

By arbitrarily requiring completion of a report related to energy production on Federal lands, H.R. 21 makes it harder to provide relief to Americans during energy disruptions globally and at home. Moreover, there is nothing currently standing in the way of domestic oil production. Production is up by more than 1 million barrels per day under President Biden and is on track to reach a new record this year. Oil and gas companies are currently sitting on thousands of unused but approved permits that they can use to further increase production right now.

Because H.R. 21 will jeopardize our energy security and increase gas prices for working families, the Administration strongly opposes the bill.

If Congress were to pass this bill, the President would veto it.
