



For Immediate Release
Office of the Press Secretary
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Fact Sheet: President Bush Discusses Energy Supplies in the Gulf Region

Today, President Bush Attended A Briefing On National Energy Supplies In The Aftermath Of Hurricanes Katrina And Rita. President Bush received a briefing at the Department of Energy and afterward discussed the effect of Hurricanes Katrina and Rita and the steps that Americans can take to help alleviate energy supply disruptions.

- **The Federal Government Is Prepared To Again Tap The Strategic Petroleum Reserve (SPR).** To alleviate any gasoline supply disruptions caused by Hurricane Rita, the President announced that the Federal government is willing to use supplies from the SPR. This will help mitigate any shortfall in crude oil that could impact American consumers.
- **The Impact Of The Hurricanes On Energy Production In The Gulf Is Still Being Assessed.** The Federal government is working closely with state and local authorities as well as the private sector to monitor the situation, support repairs, and ensure adequate energy supplies. The President is committed to working with Congress to examine our energy supplies and expedite the capacity of our refiners to expand or build new refineries.
- **President Bush Has Called On Americans To Conserve Energy and Help Hurricane Recovery.** The American people can do their part by conserving fuels and ensuring that hardest-hit areas have the energy supplies they need for first response and restoration efforts. The President has also directed all Federal agencies to conserve energy in practical ways, such as curbing nonessential travel and conserving electricity. Americans can access energy saving tips at www.energysavers.gov.

The Federal Government Has Taken Action To Mitigate The Energy Impact From Hurricanes Katrina And Rita.

The Administration Took Steps To Prepare For Hurricane Rita. In advance of landfall, the government pre-positioned fuel depots of diesel and gas in affected areas so that first responders would have ready supplies. The Federal government worked with state and local officials to ensure that energy workers would be allowed back as soon as possible to help restore infrastructure. Departments are also in constant contact with private energy companies to help with their needs.

- **While Hurricane Rita's Full Impact On Energy Supplies Is Not Yet Known, Oil Supplies In The Gulf Have Been Affected.** Currently, 100% or 1.56 million barrels of oil production in the Gulf of Mexico has been shut in and assessments are underway on the 700 platforms and rigs that were in the path of Rita. Before Rita, approximately 880,000 barrels per day were still down due to Katrina. Gulf Coast oil refineries affected by Rita and Katrina represent 31% of national production, and many of those refineries were shut down out of precaution, but are beginning to return to operation. Energy companies are assessing damage to a number of facilities directly in the path of Hurricane Rita that refine 1.7 million barrels per day.

The International Energy Agency (IEA) Agreed To Release 60 Million Barrels Of Oil And Gasoline. IEA member countries have begun making available an average of 2 million barrels of oil and gasoline per day to the markets.

- **At The Direction Of The President, The Department Of Energy Has Made Crude Oil Available From The SPR.** The United States, as a part of the IEA effort, agreed to loan 13.2 million barrels and offered to sell an additional 30 million barrels of crude oil from the Strategic Petroleum Reserve to help ensure the continuity of energy supplies for drivers, businesses, and the entire American economy. This oil is currently entering the markets.

The Department Of Homeland Security Acted To Remove Obstacles To Fuel Distribution. After Hurricane Katrina, Secretary Chertoff waived the Jones Act, allowing foreign-flagged ships to temporarily transport fuel from one U.S. port to another. Following Hurricane Rita, the President has directed Secretary Chertoff to again waive these restrictions. This increases the flexibility of our energy distribution system, allowing fuel to be delivered more rapidly to areas that need it.

The Environmental Protection Agency (EPA) Has Worked To Increase Flexibility Of Gasoline Supply. EPA waived the winter/summer blend requirements, increasing the supply of available gasoline. EPA also temporarily increase flexibility in diesel supply and waived reformulated gas mandates in certain local markets such as Atlanta and Richmond to relieve significant supply pressure points.

The Treasury Department Has Waived Regulatory Rules For Dyed Diesel Fuel. The Internal Revenue Service (IRS) announced that it would allow use of "dyed diesel fuel" for on-road use without a tax penalty, increasing diesel supplies. Dyed diesel fuel ordinarily is not subject to Federal excise taxes because it is intended for off-road use in farm equipment or in certain government vehicles such as school buses. The IRS announced that it would not penalize those who used dyed diesel fuel for on-road use, and this waiver has been extended following Hurricane Rita.

The Administration Has Worked Closely With Private Firms To Get Pipelines Up And Running. Several pipelines were shut down as a result of power outages and disruptions from Hurricane Katrina. The Plantation pipeline to the East Coast is now back up to full capacity, and the Colonial pipeline to the East Coast will be at full capacity by the end of the week. The Explorer and Capline pipelines to the Midwest are also expected to be back to full capacity by the end of the week or as production resumes.

The Department Of Transportation (DOT) Has Eased Transportation Rules To Facilitate The Delivery Of Fuel. DOT's Federal Motor Carrier Safety Administration has eased its hours-of-service rules applicable to truck drivers to facilitate fuel transportation services, and this action has been extended following Hurricane Rita.

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