

[By Neal Goswami](#)

A decision by the White House to release 30 million barrels of oil from the country's strategic petroleum reserve is drawing high praise from Vermont's congressional delegation.

The Obama administration made the announcement Thursday, saying it was part of a broader plan to address elevated oil prices that was agreed to by the International Energy Agency. Oil supplies have been reduced because of conflict in Libya and other parts of the Middle East.

The 30 million barrels being released from the U.S. Strategic Petroleum Reserve accounts for half of the 60 million barrels the international community plans to release over a 30-day period. A senior administration official told reporters on a conference call Thursday that the plan was developed in "full consultation with major producer countries." Saudi Arabia is also expected to boost oil production to help boost supply, the official said.

Vermont Rep. Peter Welch, a third-term Democrat, has been calling on the administration to release oil from the reserve for months. He hailed the announcement Thursday, noting the price per barrel of oil had already fallen about 5 percent since the announcement.

"A welcome step"

"This is a welcome step that will provide immediate relief to consumers at the gas pump and a boost to the struggling American economy. And it sends a shot across the bow to oil speculators who are gaming the markets to line their pockets," Welch said. "While this is not a long-term solution, it will provide much-needed short term relief to Americans who are struggling to make ends meet."

Welch first called on Obama to tap the reserve in January. He and other House colleagues circulated a letter to the president in the House, hoping to apply more pressure on the president. Using the reserve, even though gas prices have tailed off a bit in recent weeks, is still needed

because of ongoing conflicts and the approaching summer vacation season.

"There is continuing supply disruption as a result of disruptions in Libya and Yemen. That's likely to continue. Secondly, we're entering the height of driving season," Welch said in a telephone interview. "This price spike, even with it coming down a little bit, is a punitive tax on Vermonters and Americans."

Vermont independent Sen. Bernie Sanders has also called on the administration to tap the nation's reserve. He praised Thursday's announced and called on more aggressive action against speculators that he said are artificially driving up prices.

"I applaud the Obama administration for releasing oil from the Strategic Petroleum Reserve, something that I have strongly supported doing for a long time. While today's action is a positive step forward, much more needs to be done to bring real relief to Americans at the gas pump," Sanders said. "We have got to stop Wall Street speculators from ripping off the American people by constantly betting that oil prices will go up and up and up."

Welch said he intends to push the administration to curb speculation.

"That's where we should be much more aggressive than we are," he said.

The U.S. reserve is at an all-time high of 727 million barrels, according to the administration official. The 30 million barrel release represents less than 5 percent.

The administration will review the market after the 30-day infusion from reserves. "The U.S. stands ready to do more as and if necessary," the administration official said.

Welch said he would back releasing more from the reserve if needed. "We've got to watch and see what the effect is. Let's hope for the best. The immediate response to the market is positive," he said.