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POLITICS

Biden releasing 1 million barrels of gasoline from Northeast reserve in bid to lower prices at pump

BY [MATTHEW DALY](#)

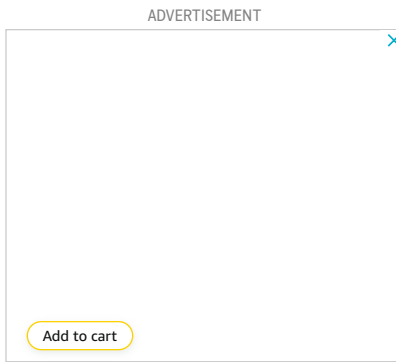
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WASHINGTON (AP) — The Biden administration said Tuesday it is releasing 1 million barrels of gasoline from a Northeast reserve established after Superstorm Sandy in a bid to lower prices at the pump this summer.

The sale, from storage sites in New Jersey and Maine, will be allocated in increments of 100,000 barrels at a time. The approach will create a competitive bidding process that ensures gasoline can flow into local retailers ahead of the July 4 holiday and sold at competitive prices, the Energy Department said.

The move, which the department said is intended to help “lower costs for American families and consumers,” follows a mandate from Congress to sell off the 10-year-old Northeast reserve and then close it. The language was included in a [spending deal Congress approved in March](#) to avert a partial government shutdown.

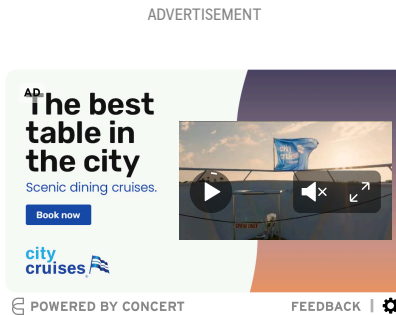
The Energy Department said the sale of 1 million barrels, about 42 million gallons, was timed to provide relief for motorists as the summer driving season begins.



Gasoline prices average about \$3.60 per gallon nationwide, up 6 cents from a year ago, according to AAA. Tapping gasoline reserves is one of the few actions a president can take by himself to try to control inflation, an election year liability for the party in control of the White House.

“The Biden-Harris administration is laser-focused on lowering prices at the pump for American families, especially as drivers hit the road for summer driving season,” Energy Secretary Jennifer Granholm said in a statement. “By strategically releasing this reserve in between Memorial Day and July 4th, we are ensuring sufficient supply flows to the tri-state and Northeast at a time hardworking Americans need it the most.”

White House Press Secretary Karine Jean-Pierre said release of gas from the Northeast reserve builds on actions by President Joe Biden “to lower gas and energy costs — including historic releases from the Strategic Petroleum Reserve and the largest-ever investment in clean energy.”



Biden [significantly drained the Strategic Petroleum Reserve](#) in 2022 following Russia’s invasion of Ukraine, dropping the stockpile to its lowest level since the 1980s. The election year move helped stabilize gasoline prices that had been rising in the wake of the war in Europe but drew complaints from Republicans that the Democratic president was playing politics with a reserve meant for national emergencies.

The Biden administration has since [begun refilling the oil reserve](#), which had more than 367 million barrels of crude oil as of last week. The total is lower than levels before the Russia-Ukraine war but still the world’s largest emergency crude oil supply.

The Northeast sale will require that the 42-million-gallon reserve is transferred or delivered no later than June 30, the Energy Department said.

Congressional Republicans have long criticized the Northeast reserve, which was established by former President Barack Obama, saying any such stockpile should have been created by Congress. A 2022 report by the Government Accountability Office said the gasoline reserve, which has never been tapped, would provide minimal relief during a severe shortage. The reserve costs about \$19 million a year to maintain.

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Patrick De Haan, an analyst for GasBuddy, said sale of the Northeast reserve would have little impact on gasoline prices nationally, although there “may be a slight downward pressure on prices” in the Northeast. The million-barrel reserve only amounts to about 2.7 hours of total U.S. gasoline consumption, he said.

“As an analyst, this reserve never really made a whole lot of sense to have,” De Haan said in an Associated Press interview. The reserve is very small and must be frequently rotated, “because gasoline has a shelf life,” De Haan said. “That’s why there’s really no nation that has an emergency stockpile of gasoline” other than the U.S.

The Strategic Petroleum Reserve has vastly more quantities of oil needed in an emergency, he said.

AP Radio reporter Shelley Adler in Fairfax, Virginia, contributed to this story.



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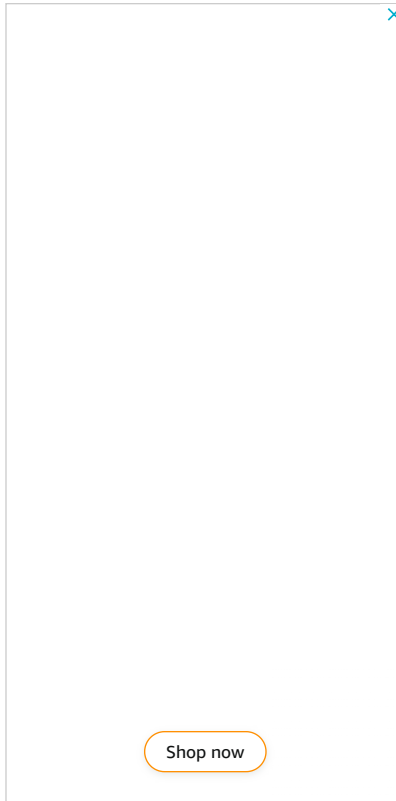
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