

JOHN B. LARSON

FIRST DISTRICT, CONNECTICUT

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON TRADE

SUBCOMMITTEE ON SELECT REVENUE MEASURES

DEMOCRATIC STEERING COMMITTEE



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August 24, 2005

The Honorable Joe Barton
Chairman
House Committee on Energy and
Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable John D. Dingell
Ranking Member
House Committee on Energy and
Commerce
2322 Rayburn House Office Building,
Washington, DC 20515

Dear Chairman Barton and Ranking Member Dingell:

I write today to urge you to investigate whether oil companies are taking unfair advantage of Americans at the pump and options to provide relief from spiking costs as soon as we return from the current congressional recess.

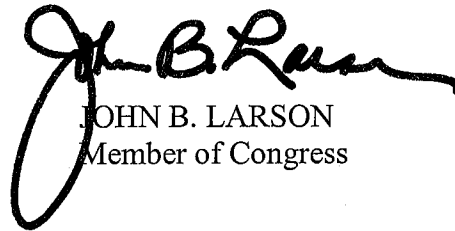
As you know, gasoline prices have risen over 25 cents per gallon over the last two weeks, which the Energy Information Administration recently stated was the largest increase it has ever seen since it began weekly reporting in 1990, and they are still rising. Crude oil has risen to record highs as well, topping \$60 per barrel at the end of July and showing no signs of slowing down. In fact, EIA estimates that crude oil prices are expected to remain well above \$56 per barrel for the next two years. Heating oil prices rose over 30 percent in the first half of 2005, and have more than doubled since 2003, while EIA is predicting a very high likelihood of additional price increase for the upcoming 2005-2006 winter season.

The rising cost of gasoline and home heating oil affects Connecticut and the nation in many ways, including not only the out of pocket expenses of private citizens, but also the working expenses of many businesses and corporations, expenses which are ultimately passed down to their consumers. In October 2004, the EIA predicted that in 2005, high world oil prices begin to slow the pace of world economic growth. Earlier this week, the Department of Labor reported that the Consumer Price Index rose another 0.5 percent in July, reflecting the sharp increases in energy prices. Wall Street Corporations are blaming decreased revenues on weak consumer spending due to energy prices. The consequences of this additional downward economic pressure given the continued fragile state of our economy demands action if we are going to ward off additional slowdowns on the path to economic recovery.

For Connecticut residents, who already experience some of the highest prices in the nation for automobile and heating fuel, these unchecked increases are a tremendous burden. I am especially concerned about the effect these prices have on the elderly and others living on fixed incomes. Many already have to choose between paying to put food on the table and paying for healthcare. With transportation costs increasing so dramatically and the winter heating season just around the corner, their ability to accomplish even those most basic needs are in jeopardy.

As I travel around the first district during this congressional recess, it is clear to me that my constituents are feeling the pinch of rising energy costs. With no relief in sight in the near future, I respectfully urge your committee to immediately begin investigations to ensure that they and Americans around the country are not being taken advantage of at the pump, and to look at options to provide the nation with relief from skyrocketing energy costs. I thank you for your consideration of this request, and look forward to working with you to find new and innovative ways to meet our nation's current and future energy needs.

Respectfully,

A handwritten signature in black ink, appearing to read "John B. Larson". The signature is fluid and cursive, with a large loop at the end of the last name.

JOHN B. LARSON
Member of Congress