

Congressman Paul Opposes Stratton Ridge Oil Reserve Site

July 11, 2006 (The following is a statement issued by Congressman Ron Paul for a public meeting in Lake Jackson with Department of Energy representatives to discuss the proposal to place a new Strategic Petroleum Reserve site at Stratton Ridge).

I want to join with others tonight in expressing my concerns regarding the Stratton Ridge expansion of the Strategic Petroleum Reserve (SPR). In the recent past President Bush has stated the need to judiciously diminish the reserve in order to reduce non-market demand, thus helping to reduce energy costs. In light of that, we should seriously consider not only where, but also whether or not, to increase the reserve. Certainly, if high energy prices are a legitimate concern (and they clearly are at this time) we should not undertake such an expansion in a way that could negatively impact any component of the petro-chemical industry. Any federal action that would threaten to raise costs to business, which would be passed along to consumers, is a bad policy at any time. However, this is a particularly bad time for any such policy to be enacted. In addition, it is always a concern of local property owners that federal activity will result in a taking of private property. Such takings have a direct negative impact not merely on the property owner, who has every right to expect that government will protect his property interests, but also upon economic activity. When property rights are in jeopardy property owners do not take the kinds of economic actions that benefit themselves as well as other economic actors. As a leading advocate of property rights, I share the strong concern of others in the area that locating this reserve expansion at Stratton Ridge will negatively impact property owners. Moreover, I join with the local government authorities and taxpayers who are always concerned about taking property off of the local tax roles. With many suffering from property evaluation inflation, further erosion of the tax base will only serve to further increase property taxes upon already strapped homeowners and businesses. Again, I wish to join with the Economic Development Alliance for Brazoria County, the Dow Chemical Company, and other concerned members of the community in expressing my concern regarding the site of an SPR expansion at Stratton Ridge.