

Relief from Fuel Crisis

February 17, 2000

New Orleans, LA

Soaring fuel prices across the country are harming the U.S. economy and working families. Steps must be taken now to curb rising fuel costs and to minimize the effects that the current crisis is having on every segment of the economy and its workers.

For many, in just a matter of a few weeks, heating oil prices have doubled in some areas, passing on enormous costs to working families who can least afford them. Consumer prices at the pump are off the charts, and businesses including transportation companies of all sizes are reeling from fuel price increases that have doubled in some regions from a year ago. Just yesterday, crude oil topped \$30 a barrel, the highest price since the Gulf War in 1991.

As a first step, the AFL-CIO urges the Clinton Administration to draw down and distribute sufficient quantities of petroleum from the United States Strategic Petroleum Reserve which was created to deal with these types of emergencies. We also call on the Organization of Petroleum Exporting Countries (OPEC) and other oil exporters including Mexico to stem the steep price hikes by reversing production cutbacks instituted last year. And the AFL-CIO calls on the Administration and Congress to consider other aggressive measures to contain this mounting crisis.

News accounts, especially in the New England states, report home heating oil shortages and corresponding price increases that have left residents with no heating oil or with astronomical price hikes as high as 30 percent in a single week. These costs are imposing significant economic harm on working families and particularly on the working poor.

Diesel fuel costs have also soared with New England states posting prices in excess of \$2 per gallon. The burden falls on transportation companies, other energy dependent companies and their employees. Many major transportation carriers are being forced to impose fuel surcharges (\$20 per round-trip tickets by some major air carriers) that translate into higher transportation costs for passengers and businesses. Unfortunately, efforts by independent truck drivers are struggling to recoup any of their increased costs as fuel surcharges are largely unsuccessful. These cost increases have reached astronomical proportions and the AFL-CIO calls for action to give these companies and workers much needed relief.

The AFL-CIO commends President Clinton for his decisive action to release several hundred million dollars in emergency heating fuel funds to assist low-income Americans in paying their energy bills, particularly in areas like New England and Alaska that have been hard hit by frigid winter temperatures. We also call upon the governors of all of the hard-hit states to fully use their discretionary authority to ensure that as many families as possible receive assistance. We agree with the Administration that much more must be done to reverse what is fast becoming a crisis for communities of all sizes in every region of the United States and for businesses and employees across the entire American economy.

Forceful government action - including a draw down of petroleum from U.S. reserves - is needed now before working families are forced to shoulder an even larger share of the economic burden.

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