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Congress of the United States  
House of Representatives  
Washington, DC 20515

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READINESS

June 1, 2022

The Honorable Joseph R. Biden, Jr.  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear President Biden,

We write to express our grave concern about the current shortage of oil refining capacity in the United States and around the world, and we respectfully request that your administration use all tools at your disposal, including the Defense Production Act, to bring idled refineries back online and avert a worst-case scenario of gasoline and diesel shortages.

As oil companies continue to make mindboggling profits and the average retail gas price in America moves into unprecedented territory, some oil & gas companies are paradoxically shutting down oil refineries, further restricting supply and driving prices even higher. Global refining capacity is now almost 4 million barrels per day below pre-pandemic levels, and U.S. capacity is nearly 1 million barrels per day below pre-pandemic levels.<sup>1</sup> According to the U.S. Energy Information Administration, U.S. refineries capable of processing an additional 208,000 barrels of crude per day are currently idled, and several refineries that were shuttered during the pandemic are being permanently decommissioned. The Marathon refineries in Martinez, CA and Gallup, NM—with a combined refining capacity of 188,000 barrels of oil per day—were both shut down in 2020, and a Shell plant in Louisiana, capable of processing 211,146 barrels of oil per day, was closed in early 2021.<sup>2</sup>

Despite the calls from some in Washington to “drill, baby, drill,” these refinery shutdowns have created a bottleneck in our fuel supply chain that no amount of oil drilling can solve. The shortage of refining capacity has exacerbated the supply and demand imbalance in gasoline markets and threatens to cause such severe diesel shortages that it could necessitate rationing over the coming months. New oil wells will not produce oil in time to bring down gas prices this year, but expanding refining capacity could have a very real impact on gas prices in the near-term. We should rightly be concerned about the long-term impacts of increasing oil production as we face the looming, existential threat of climate change, but targeted government interventions to increase refinery capacity in the near-term could help alleviate the current energy crunch without derailing decarbonization efforts.

It was recently reported that your administration is in talks with industry representatives about restarting some of these shuttered refineries.<sup>3</sup> We strongly support these efforts, and we encourage you to use all tools at your disposal, including the Defense Production Act, to bring these refineries back online and expand U.S. refining capacity without locking in increased oil production and without sabotaging your administration’s climate goals.

Sincerely,



Raja Krishnamoorthi  
Member of Congress

<sup>1</sup> Sanicola, Laura. May 31, 2022. Global refiners falter in efforts to keep up with demand. *Reuters*.

<https://www.reuters.com/markets/commodities/global-refiners-falter-efforts-keep-up-with-demand-2022-05-31/>

<sup>2</sup> U.S. Energy Information Administration. May 31, 2022. Refinery Utilization and Capacity.

[https://www.eia.gov/dnav/pet/pet\\_pnp\\_unc\\_dcu\\_nus\\_m.htm](https://www.eia.gov/dnav/pet/pet_pnp_unc_dcu_nus_m.htm). U.S. Energy Information Administration. July 8, 2021. Refinery closures decreased U.S. refinery capacity during 2020. <https://www.eia.gov/todayinenergy/detail.php?id=48636>

<sup>3</sup> Natter, Ari. May 26, 2022. White House Eyes Restarting Idle Refineries to Tame Fuel Prices. *Bloomberg*.

<https://www.bloomberg.com/news/articles/2022-05-26/white-house-eyes-idle-refineries-amid-effort-to-tame-fuel-prices>