

# Biden releases oil reserves, says Putin seems to be self-isolating

President Joe Biden on Thursday (31 March) launched the largest release ever from the US emergency oil reserve and challenged oil companies to drill more in an attempt to bring down gasoline prices that have soared during Russia's war with Ukraine, even as he said that Russian President Vladimir Putin was self-isolating.



Source: REUTERS.

Starting in May, the United States will release 1 million barrels per day (bpd) of crude oil for six months from the Strategic Petroleum Reserve (SPR), he said.

"This is a wartime bridge to increase oil supply until production ramps up later this year, and it is by far the largest release of our national reserve in our history. It will provide a historic amount of supply for a historic amount of time: a six-month bridge to the fall," Biden said at an event at the White House.

"It's also a moment of patriotism," Biden said, as he asked oil-company executives to serve their customers and American families, instead of the investors they have rewarded with billions of dollars in dividends.

He also called on Congress to make companies pay a fee if they are sitting on thousands of unused oil and gas leases and wells on public lands.

Biden's 180 million-barrel release is equivalent to about two days of global demand, and marks the third time Washington has tapped the SPR in the past six months.

It will more than cover oil exports to the United States from Russia, which Biden banned this month. Russia typically produces about 10% of the world's crude, but only accounts for 8% of US liquid fuel imports.



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But the release will fall short of a loss of about 3 million bpd of Russian oil which the International Energy Agency estimates will be caused by Western sanctions and as global buyers avoid the oil.

Biden also called on US oil companies to drill more, and for boosts in production of electric vehicles and batteries.

The Biden administration has long said that energy companies are sitting on thousands of unused leases and are slow to open the spigot. Biden called for a "use it or lose it" policy that will seek to push oil companies to take advantage of unused oil leasing permits.

Biden also invoked the Defense Production Act to support the production and processing of minerals and materials used for large capacity batteries used in electric vehicles - such as lithium, nickel, cobalt, graphite, and manganese. He also called on Congress to pass his plan to move the country toward clean energy policies.

The decision comes as he said that Russian President Vladimir Putin seems to be self-isolating in Russia and may have fired or put under house arrest some of his advisers.

"He seems to be self-isolated and there's some indication that he has fired or put under house arrest some of his advisers," Biden said without citing evidence. "But I don't want to put too much stock in that at this time."

Oil prices plunged about 5% on the news of the latest US reserve draws while OPEC+, a production group including Saudi Arabia and Russia, stuck to a modest deal to slowly ramp up output.

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