

112TH CONGRESS  
1ST SESSION

# H. R. 1017

To provide for the sale of light grade petroleum from the Strategic Petroleum Reserve and its replacement with refined petroleum product.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2011

Mr. MARKEY (for himself, Mr. OWENS, Mr. WELCH, Ms. DELAURO, and Mrs. CAPPS) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To provide for the sale of light grade petroleum from the Strategic Petroleum Reserve and its replacement with refined petroleum product.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Enhanced Supply and  
5 Price Reduction Act of 2011” or the “Enhanced SPR  
6 Act”.

7 **SEC. 2. DEFINITION.**

8 In this Act, the term “Secretary” means the Sec-  
9 retary of Energy.

1 **SEC. 3. PETROLEUM PRODUCT RESERVE.**

2 Section 154(a) of the Energy Policy and Conserva-  
3 tion Act (42 U.S.C. 6234(a)) is amended by striking “1  
4 billion barrels of petroleum products” and inserting  
5 “1,000,000,000 barrels of petroleum products (including  
6 at least 30,000,000 barrels of refined petroleum prod-  
7 ucts)”.

8 **SEC. 4. SALE OF OIL FROM THE STRATEGIC PETROLEUM**  
9 **RESERVE AND ACQUISITION OF REFINED PE-**  
10 **TROLEUM PRODUCT.**

11 (a) INITIAL PETROLEUM SALE AND REPLACE-  
12 MENT.—Notwithstanding section 161 of the Energy Policy  
13 and Conservation Act (42 U.S.C. 6241), the Secretary  
14 shall—

15 (1) sell, in the amounts and on the schedule de-  
16 scribed in subsection (b), light grade petroleum from  
17 the Strategic Petroleum Reserve and acquire refined  
18 petroleum product;

19 (2) deposit the cash proceeds from sales under  
20 paragraph (1) into the SPR Petroleum Account es-  
21 tablished under section 167 of the Energy Policy  
22 and Conservation Act (42 U.S.C. 6247); and

23 (3) from the cash proceeds deposited pursuant  
24 to paragraph (2), withdraw the amount necessary to  
25 pay for the direct administrative and operational  
26 costs of the sale and acquisition, including for acqui-

1 sition and maintenance of, and improvements to,  
2 storage facilities.

3 (b) AMOUNTS AND SCHEDULE.—

4 (1) IN GENERAL.—The sale and acquisition de-  
5 scribed in subsection (a) shall require the offer for  
6 sale of a total quantity of not less than 30,000,000  
7 barrels of light grade petroleum from the Strategic  
8 Petroleum Reserve. The sale shall commence not  
9 later than 180 days after the date of enactment of  
10 this Act and be completed not later than 3 years  
11 after such date of enactment. In no event shall the  
12 Secretary sell barrels of oil under subsection (a) that  
13 would result in a Strategic Petroleum Reserve that  
14 contains fewer than 90 percent of the total amount  
15 of barrels in the Strategic Petroleum Reserve as of  
16 the date of enactment of this Act.

17 (2) ACQUISITIONS.—The Secretary shall ac-  
18 quire refined petroleum product under this section—

19 (A) beginning no sooner than 180 days  
20 after the date of enactment of this Act;

21 (B) ending no later than 5 years after the  
22 date of enactment of this Act; and

23 (C) in a manner so as to minimize both  
24 the cost to the Federal Government and market  
25 disruption associated with the acquisition.

1 **SEC. 5. REPORT TO CONGRESS.**

2 Not later than 18 months after the date of enactment  
3 of this Act, the Secretary shall transmit to Congress a  
4 report—

5 (1) describing the amounts of light grade petro-  
6 leum sold and refined petroleum product acquired  
7 under this Act;

8 (2) describing the actions taken for the storage  
9 of refined petroleum product acquired under this  
10 Act, and identifying any requirements for additional  
11 facilities;

12 (3) describing efforts the Department has taken  
13 to ensure that distributors and importers are not  
14 discouraged from maintaining and increasing sup-  
15 plies of refined petroleum products;

16 (4) describing actions that the Department has  
17 taken and plans to take to ensure quality of refined  
18 petroleum product in the Reserve, including the ro-  
19 tation of product stored; and

20 (5) analyzing the effects that activities under  
21 this Act have had on oil markets.

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