

112TH CONGRESS
1ST SESSION

H. R. 1807

To provide for the sale of oil from the Strategic Petroleum Reserve and acquisition of refined petroleum product, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2011

Mr. MARKEY introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To provide for the sale of oil from the Strategic Petroleum Reserve and acquisition of refined petroleum product, and for other purposes.

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 refined petroleum products)”.

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

10 (a) INITIAL PETROLEUM SALE AND REPLACE-
11 MENT.—

12 (1) AUTHORITY.—Notwithstanding section 161
13 of the Energy Policy and Conservation Act (42
14 U.S.C. 6241), the Secretary may sell, in the
15 amounts and on the schedule described in subsection
16 (b), petroleum from the Strategic Petroleum Reserve
17 and acquire refined petroleum product.

18 (2) PROCEEDS.—If the Secretary acts pursuant
19 to paragraph (1), the Secretary shall—

20 (A) deposit the cash proceeds from sales
21 under subparagraph (A) into the SPR Petro-
22 leum Account established under section 167 of
23 the Energy Policy and Conservation Act (42
24 U.S.C. 6247); and

25 (B) from the cash proceeds deposited pur-
26 suant to paragraph (2), withdraw the amount

1 necessary to pay for the direct administrative
2 and operational costs of the sale and acquisi-
3 tion, including for acquisition and maintenance
4 of, and improvements to, storage facilities.

5 (b) AMOUNTS AND SCHEDULE.—

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

19 (2) ACQUISITIONS.—If the Secretary acts pur-
20 suant to subsection (a)(1), the Secretary shall ac-
21 quire refined petroleum product under this section—

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

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

1 (C) in a manner so as to minimize both
2 the cost to the Federal Government and market
3 disruption associated with the acquisition.

4 **SEC. 5. REPORT TO CONGRESS.**

5 Not later than 18 months after the commencement
6 of any sale authorized pursuant to section 4, the Secretary
7 shall transmit to Congress a report—

8 (1) describing the amounts and types of petro-
9 leum sold and refined petroleum product acquired
10 under section 4;

11 (2) describing the actions taken for the storage
12 of refined petroleum product acquired under section
13 4, and identifying any requirements for additional
14 facilities;

15 (3) describing efforts the Department of En-
16 ergy has taken to ensure that distributors and im-
17 porters are not discouraged from maintaining and
18 increasing supplies of refined petroleum products;

19 (4) describing actions that the Department of
20 Energy has taken and plans to take to ensure qual-
21 ity of refined petroleum product in the Reserve, in-
22 cluding the rotation of product stored; and

23 (5) analyzing the effects that activities under
24 section 4 have had on oil markets.

1 **SEC. 6. STRATEGIC PETROLEUM RESERVE DRAWDOWN**
2 **AND EXCHANGE IN PUBLIC INTEREST.**

3 Section 161 of the Energy Policy and Conservation
4 Act (42 U.S.C. 6241) is amended by adding at the end
5 the following new subsection:

6 “(k) PUBLIC INTEREST.—

7 “(1) GENERAL AUTHORITY.—If, after consulta-
8 tion with the Secretary of Energy, the Secretary of
9 Defense, and the Chairman of the Federal Trade
10 Commission, the President finds that a cir-
11 cumstance, other than those described in subsections
12 (d) or (h) of this section, exists of such significance
13 and scope that action under this subsection would be
14 warranted to address market manipulation or other-
15 wise be in the public interest, then the President
16 may instruct the Secretary to drawdown and sell or
17 exchange petroleum product from the Reserve under
18 this subsection.

19 “(2) LIMITATIONS.—Petroleum product from
20 the Reserve may not be drawn down or exchanged
21 under this subsection—

22 “(A) in excess of an aggregate of
23 30,000,000 barrels with respect to each cir-
24 cumstance warranting a finding under para-
25 graph (1); or

1 “(B) in an amount that would lower the
2 aggregate level of petroleum product in the Re-
3 serve to less than 600,000,000 barrels of petro-
4 leum product.

5 “(3) REPORT TO CONGRESS.—At the end of
6 any month during which there is a drawdown and
7 sale of petroleum products from the Reserve under
8 this subsection, the Secretary shall transmit a report
9 to the Congress containing an account of the draw-
10 down and sale, along with an assessment of the ef-
11 fects of the drawdown and sale.

12 “(4) REPLENISHMENT.—In the case of a draw-
13 down and sale or exchange under this subsection,
14 the Secretary shall provide for the timely replenish-
15 ment of the Reserve in accordance with the objec-
16 tives and procedures set forth in section 160.”.

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