

106TH CONGRESS
1ST SESSION

S. 1951

To provide the Secretary of Energy with authority to draw down the Strategic Petroleum Reserve when oil and gas prices in the United States rise sharply because of anticompetitive activity, and to require the President, through the Secretary of Energy, to consult with Congress regarding the sale of oil from the Strategic Petroleum Reserve.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 17, 1999

Mr. SCHUMER (for himself and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide the Secretary of Energy with authority to draw down the Strategic Petroleum Reserve when oil and gas prices in the United States rise sharply because of anti-competitive activity, and to require the President, through the Secretary of Energy, to consult with Congress regarding the sale of oil from the Strategic Petroleum Reserve.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Oil Price Safeguard
3 Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) a sharp, sustained increase in the price of
7 crude oil would negatively affect the overall economic
8 well-being of the United States;

9 (2) the United States currently imports roughly
10 55 percent of its oil;

11 (3) heating oil price increases disproportionately
12 harm the poor and the elderly; and

13 (4) the global oil market is often greatly influ-
14 enced by nonmarket-based supply manipulations, in-
15 cluding price fixing and production quotas.

16 **SEC. 3. DRAWDOWN OF STRATEGIC PETROLEUM RESERVE.**

17 Section 161(d) of the Energy Policy and Conserva-
18 tion Act (42 U.S.C. 6241(d)) is amended by adding at
19 the end the following:

20 “(3) REDUCTION IN SUPPLY CAUSED BY ANTI-
21 COMPETITIVE CONDUCT.—

22 “(A) IN GENERAL.—For the purposes of
23 this section, in addition to the circumstances
24 set forth in section 3(8) and in paragraph (2)
25 of this subsection, a severe energy supply inter-

1 ruption shall be deemed to exist if the President
2 determines that—

3 “(i) there is a significant reduction in
4 supply that—

5 “(I) is of significant scope and
6 duration; and

7 “(II) has caused a significant in-
8 crease in the price of petroleum prod-
9 ucts;

10 “(ii) the increase in price is likely to
11 cause a significant adverse impact on the
12 national economy; and

13 “(iii) a substantial cause of the reduc-
14 tion in supply is the anticompetitive con-
15 duct of 1 or more foreign countries or
16 international entities.

17 “(B) DEPOSIT AND USE OF PROCEEDS.—
18 Proceeds from the sale of petroleum drawn
19 down pursuant to a Presidential determination
20 under subparagraph (A) shall—

21 “(i) be deposited in the SPR Petro-
22 leum Account; and

23 “(ii) be used only for the purposes
24 specified in section 167.”.

1 **SEC. 4. REPORTING AND CONSULTATION REQUIREMENTS.**

2 If the price of a barrel of crude oil exceeds \$25 (in
3 constant 1999 United States dollars) for a period greater
4 than 14 days, the President, through the Secretary of En-
5 ergy, shall, not later than 30 days after the end of the
6 14-day period, submit to the Committee on Energy and
7 Natural Resources of the Senate and the Committee on
8 Commerce of the House of Representatives a report
9 that—

10 (1) states the results of a comprehensive review
11 of the causes and potential consequences of the price
12 increase;

13 (2) provides an estimate of the likely duration
14 of the price increase, based on analyses and fore-
15 casts of the Energy Information Administration;

16 (3) provides an analysis of the effects of the
17 price increase on the cost of home heating oil; and

18 (4) states whether, and provides a specific ra-
19 tionale for why, the President does or does not sup-
20 port the drawdown and distribution of a specified
21 amount of oil from the Strategic Petroleum Reserve.

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