

STRATEGIC PETROLEUM RESERVE REAUTHORIZATION

MARCH 6, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TAUZIN, from the Committee on Energy and Commerce, submitted the following

REPORT

[To accompany H.R. 724]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 724) to authorize appropriations to carry out part B of title I of the Energy Policy and Conservation Act, relating to the Strategic Petroleum Reserve, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary	1
Background and Need for Legislation	2
Hearings	2
Committee Consideration	2
Committee Votes	2
Committee Oversight Findings	2
Committee on Government Reform Oversight Findings	3
New Budget Authority, Entitlement Authority, and Tax Expenditures	3
Committee Cost Estimate	3
Congressional Budget Office Estimate	3
Federal Mandates Statement	4
Advisory Committee Statement	4
Constitutional Authority Statement	5
Applicability to Legislative Branch	5
Section-by-Section Analysis of the Legislation	5
Changes in Existing Law Made by the Bill, as Reported	5

PURPOSE AND SUMMARY

The purpose of H.R. 724 is to amend Section 166 of the Energy Policy and Conservation Act (EPCA) to authorize such sums as

may be necessary to be appropriated for the operations of the Strategic Petroleum Reserve.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 724, a bill to authorize appropriations to carry out part B of Title I of the Energy Policy and Conservation Act (EPCA) relating to the Strategic Petroleum Reserve (Reserve), makes a technical correction to a prior reauthorization of EPCA. EPCA authorizes the Department of Energy to operate the Strategic Petroleum Reserve. The Strategic Petroleum Reserve contains approximately 541 million barrels of oil stored along the Gulf Coast. It costs approximately \$165 million per year to operate the Reserve.

The majority of EPCA was reauthorized through Fiscal Year 2003 during the 106th Congress (H.R. 2884, Public Law 106-469). Section 166 is the section of EPCA that provides authorization for “such sums as may be necessary” to be appropriated for operation of the Strategic Petroleum Reserve. Due to a technical error in the most recent EPCA reauthorization, section 166 provides authorization for appropriations only through March 31, 2000. In contrast, section 181 of EPCA provides the authority for the Department of Energy to operate the Strategic Petroleum Reserve through September 30, 2003. As a practical matter, last year’s Interior Appropriations Bill appropriated funds to operate the Strategic Petroleum Reserve through Fiscal Year 2001.

H.R. 724 will eliminate the March 31, 2000 limitation on appropriations for the Strategic Petroleum Reserve allowing future appropriations for the Reserve. With this change and pursuant to Section 181 of EPCA, the Reserve would not have to be reauthorized again until September 30, 2003.

HEARINGS

The Committee held no hearings on H.R. 724 because the legislation is a technical correction. The Committee did hold hearings on EPCA generally in the 106th Congress.

COMMITTEE CONSIDERATION

On February 28, 2001, the Committee on Energy and Commerce met in open markup session and approved H.R. 724, without amendment, by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 724 reported. A motion by Mr. Tauzin to order H.R. 724 reported to the House, without amendment, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

COMMITTEE ON GOVERNMENT REFORM OVERSIGHT FINDINGS

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 724 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 5, 2001.

Hon. W.J. "BILLY" TAUZIN,
*Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 724, a bill to authorize appropriations to carry out part B of title I of the Energy Policy and Conservation Act, relating to the Strategic Petroleum Reserve.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Lisa Cash Driskill.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 724—A bill to authorize appropriations to carry out part B of title I of the Energy Policy and Conservation Act, relating to the Strategic Petroleum Reserve

Summary: H.R. 724 would extend the authorization for the Strategic Petroleum Reserve (SPR) to September 30, 2003. The authorization for the SPR expired on March 30, 2000.

Assuming appropriation of the necessary amounts, CBO estimates that implementing this legislation would cost \$342 million over the 2002–2006 period, if the 2001 appropriation is increased in 2002 and 2003 to account for anticipated inflation. (Without such inflation adjustments, the cost would be \$330 million.) H.R. 724 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergov-

ernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and would have no impact on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 724 is shown in the following table. Two alternative funding paths are shown: one with adjustments for inflation, and one without such adjustments. The costs of this legislation fall within budget function 270 (energy).

	By fiscal year, in millions of dollars—					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
Spending Under Current Law:						
Budget Authority ¹	165	0	0	0	0	0
Estimated Outlays	164	90	33	8	0	0
Proposed Changes:						
Estimated Authorization Level	0	169	173	0	0	0
Estimated Outlays	0	76	137	86	34	9
Spending Under H.R. 724:						
Estimated Authorization Level ¹	165	169	173	0	0	0
Estimated Outlays	164	166	170	94	34	9
Without Adjustments for Inflation						
Spending Under Current Law:						
Budget Authority ¹	165	0	0	0	0	0
Estimated Outlays	164	90	33	8	0	0
Proposed Changes:						
Estimated Authorization Level	0	165	165	0	0	0
Estimated Outlays	0	74	132	83	33	8
Spending Under H.R. 724:						
Estimated Authorization Level ¹	165	165	165	0	0	0
Estimated Outlays	164	164	165	91	33	8

¹The 2001 level is the amount appropriated for that year.

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2001, and that the necessary amounts will be appropriated by the start of each fiscal year to operate and maintain the SPR. Outlay estimates are based on historical spending patterns for the SPR program.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: The bill contains no intergovernmental or private-sector mandates as defined in UMRA, and would have no impact on state, local, or tribal governments.

Estimate prepared by: Federal costs: Lisa Cash Driskill; impact on State, local, and tribal governments: Tori Heid Hall; impact on the private sector: Lauren Marks.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

H.R. 724 will eliminate the March 31, 2000 limitation on appropriations for the Strategic Petroleum Reserve allowing future appropriations for the Reserve. With this change and pursuant to Section 181 of EPCA, the Reserve would not have to be reauthorized again until September 30, 2003.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets and existing law in which no change is proposed is shown in roman):

SECTION 166 OF THE ENERGY POLICY AND CONSERVATION
ACT

AUTHORIZATION OF APPROPRIATIONS

SEC. 166. There are authorized to be appropriated **[[for fiscal year 2000]** such sums as may be necessary to implement this part**[, to remain available only through March 31, 2000]**.