

108TH CONGRESS
1ST SESSION

H. R. 3023

To authorize the construction and operation of regional reserves of gasoline, for use as a response to acute gasoline price increases resulting from accidents or other physical disruptions to regional supplies of gasoline.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2003

Mr. BROWN of Ohio (for himself, Mrs. JONES of Ohio, Mr. MICHAUD, and Mr. KLECZKA) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To authorize the construction and operation of regional reserves of gasoline, for use as a response to acute gasoline price increases resulting from accidents or other physical disruptions to regional supplies of gasoline.

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 “Gasoline Availability
5 Stabilization (GAS) Reserves Act”.

6 **SEC. 2. GASOLINE AVAILABILITY STABILIZATION RESERVE.**

7 (a) ESTABLISHMENT.—

1 (1) AUTHORITY.—The Secretary shall establish
2 a Gasoline Availability Stabilization Reserve (in this
3 section referred to as the “GAS Reserve”) system
4 with a total capacity of 20,000,000 barrels of reg-
5 ular unleaded gasoline.

6 (2) RESERVE SITES.—Not later than 1 year
7 after the date of enactment of this Act, the Sec-
8 retary shall determine a site for one GAS Reserve
9 each in the Northeast and Midwest regions of the
10 United States, and one in California. Such reserve
11 sites shall be operational within 2 years after the
12 date of enactment of this Act. The Secretary may
13 establish two additional GAS Reserve sites at loca-
14 tions selected by the Secretary.

15 (3) SECURITY.—In establishing the GAS Re-
16 serve under this section, the Secretary shall obtain
17 the concurrence of the Secretary of Homeland Secu-
18 rity with respect to physical design security and
19 operational security.

20 (b) TRANSPORTATION PLAN.—Not later than 2 years
21 after the date of enactment of this Act, the Secretary shall
22 transmit to the Congress, the Secretary of Homeland Se-
23 curity, and the Governor of each State in which a reserve
24 will be sited a plan for the transportation of the contents

1 of the GAS Reserve under this section to consumers in
2 the event of an emergency sale under subsection (d).

3 (c) FILL DATE.—The Secretary shall complete the
4 process of filling the GAS Reserve under this section by
5 March 1, 2006.

6 (d) EMERGENCY SALE AUTHORIZATION.—The Sec-
7 retary shall sell gasoline from the GAS Reserve if—

8 (1) the Governor of a State transmits to the
9 Secretary a written request for GAS Reserve emer-
10 gency sales assistance which—

11 (A) cites a physical disruption in the sys-
12 tem supplying gasoline to the Governor’s State;
13 and

14 (B) demonstrates to the satisfaction of the
15 Secretary that such disruption is likely to result
16 in price volatility for retail gasoline markets in
17 the Governor’s State; and

18 (2) the Secretary determines that—

19 (A) GAS Reserve emergency sales would
20 mitigate gasoline price volatility in the Gov-
21 ernor’s State;

22 (B) GAS Reserve emergency sales would
23 not have an adverse effect on the long-term eco-
24 nomic viability of retail gasoline markets in the
25 Governor’s State and adjacent States;

1 (C) the physical disruption described in
2 paragraph (1)(A) is likely to result in general
3 economic disruption in the Governor's State
4 and adjacent States; and

5 (D) GAS Reserve emergency sales would
6 serve to stabilize gasoline prices, not suppress
7 prices below long-term market trend levels.

8 (e) PROCEDURE.—

9 (1) SECRETARY'S RESPONSE.—The Secretary
10 shall respond to a request transmitted under sub-
11 section (d)(1) within 10 days of receipt of a request
12 by—

13 (A) approving the request;

14 (B) denying the request; or

15 (C) requesting additional supporting infor-
16 mation.

17 (2) APPROVAL.—If the Secretary approves a re-
18 quest, the Secretary shall provide to the Governor a
19 written notice of approval that includes—

20 (A) a description of the GAS Reserve
21 emergency sale plan; and

22 (B) an explanation of the Secretary's deci-
23 sion.

24 (3) DENIAL.—If the Secretary denies a request,
25 the Secretary shall provide to the Governor a written

1 notice of denial that includes an explanation of the
2 Secretary's decision.

3 (4) ADDITIONAL INFORMATION.—If the Sec-
4 retary requests additional information and the Gov-
5 ernor does not respond for a period of 10 days, the
6 Governor's request shall be denied. If the Governor
7 provides all requested additional information in
8 timely manner, the Secretary shall approve or deny
9 the request within 10 days after receipt of such in-
10 formation.

11 (f) MAINTENANCE TRANSACTIONS.—The Secretary is
12 authorized to conduct purchases and sales of gasoline at
13 wholesale for maintenance of the GAS Reserve system. In
14 conducting maintenance transactions, the Secretary shall
15 ensure that—

16 (1) the GAS Reserve is available to respond to
17 emergencies during periods of the annual gasoline
18 market cycle when the Secretary expects demand to
19 be highest;

20 (2) the GAS Reserve does not contain gasoline
21 for a period of time so long as to jeopardize its qual-
22 ity; and

23 (3) maintenance transactions are timed so as to
24 minimize their impact on the retail price of gasoline.

1 (g) REPORTS.—Not later than November 1 of each
2 year, the Secretary shall transmit to the Committee on
3 Energy and Commerce of the House of Representatives
4 and to the Committee on Energy and Natural Resources
5 of the Senate a report on the GAS Reserve program, de-
6 scribing the physical status of GAS Reserve facilities, the
7 program’s financial outlook, and the disposition of any
8 emergency sales request received and any emergency sales
9 conducted since the last report, and recommending any
10 additional appropriations or technical changes appropriate
11 to improve the program’s operation.

12 (h) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to the Secretary such
14 sums as may be necessary for construction and operation
15 of the GAS Reserve for fiscal years 2004 through 2009.

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