

109TH CONGRESS
1ST SESSION

S. 1794

To establish a Strategic Gasoline and Fuel Reserve.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2005

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

A BILL

To establish a Strategic Gasoline and Fuel Reserve.

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 “Strategic Gasoline and
5 Fuel Reserve Act of 2005”.

6 **SEC. 2. STRATEGIC GASOLINE AND FUEL RESERVE.**

7 (a) IN GENERAL.—Title I of the Energy Policy and
8 Conservation Act (42 U.S.C. 6201 et seq.) is amended—

9 (1) by redesignating part E (42 U.S.C. 6251 et
10 seq.) as part F;

1 “(1) SITING.—Not later than 1 year after the
2 date of enactment of this Act, the Secretary shall
3 determine not less than 3 Reserve sites, and not
4 more than 5 Reserve sites, throughout the United
5 States that are regionally strategic.

6 “(2) OPERATION.—The Reserve sites described
7 in paragraph (1) shall be operational not later than
8 2 years after the date of enactment of this Act.

9 “(e) SECURITY.—In establishing the Reserve under
10 this section, the Secretary shall obtain the concurrence of
11 the Secretary of Homeland Security with respect to phys-
12 ical design security and operational security.

13 “(f) AUTHORITY.—In carrying out this part, the Sec-
14 retary may—

15 “(1) purchase, contract for, lease, or otherwise
16 acquire, in whole or in part, storage and related fa-
17 cilities and storage services;

18 “(2) use, lease, maintain, sell, or otherwise dis-
19 pose of storage and related facilities acquired under
20 this part;

21 “(3) acquire by purchase, exchange, lease, or
22 other means gasoline and fuel for storage in the Re-
23 serve;

24 “(4) store gasoline and fuel in facilities not
25 owned by the United States; and

1 “(5) sell, exchange, or otherwise dispose of gas-
2 oline and fuel from the Reserve, including to main-
3 tain—

4 “(A) the quality or quantity of the gasoline
5 or fuel in the Reserve; or

6 “(B) the operational capacity of the Re-
7 serve.

8 “(g) FILL DATE.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), the Secretary shall complete the process
11 of filling the Reserve under this section by March 1,
12 2008.

13 “(2) EXTENSIONS.—The President may extend
14 the deadline established under paragraph (1) if—

15 “(A) the President determines that filling
16 the Reserve within that deadline would cause an
17 undue economic burden on the United States;
18 and

19 “(B) the President receives approval from
20 Congress.

21 **“SEC. 193. RELEASE OF GASOLINE AND FUEL.**

22 “(a) IN GENERAL.—The Secretary shall release gaso-
23 line or fuel from the Reserve only if—

24 “(1) the President finds that there is a severe
25 fuel supply disruption by finding that—

1 “(A) a regional or national supply shortage
2 of gasoline or fuel of significant scope and du-
3 ration has occurred;

4 “(B) a substantial increase in the price of
5 gasoline or fuel has resulted from the shortage;

6 “(C) the price increase is likely to cause a
7 significant adverse impact on the national econ-
8 omy; and

9 “(D) releasing gasoline or fuel from the
10 Reserve would assist directly and significantly
11 in reducing the adverse impact of the shortage;
12 or

13 “(2)(A) the Governor of a State submits to the
14 Secretary a written request for a release from the
15 Reserve that contains a finding that—

16 “(i) a regional or statewide supply short-
17 age of gasoline or fuel of significant scope and
18 duration has occurred;

19 “(ii) a substantial increase in the price of
20 gasoline or fuel has resulted from the shortage;
21 and

22 “(iii) the price increase is likely to cause a
23 significant adverse impact on the economy of
24 the State; and

1 “(B) the Secretary concurs with the findings of
2 the Governor under subparagraph (A) and deter-
3 mines that—

4 “(i) a release from the Reserve would miti-
5 gate gasoline or fuel price volatility in the
6 State;

7 “(ii) a release from the Reserve would not
8 have an adverse effect on the long-term eco-
9 nomic viability of retail gasoline or fuel markets
10 in the State and adjacent States; and

11 “(iii) a release from the Reserve would not
12 suppress prices below long-term market trend
13 levels.

14 “(b) PROCEDURE.—

15 “(1) RESPONSE OF SECRETARY.—The Sec-
16 retary shall respond to a request submitted under
17 subsection (a)(2) not later than 5 days after receipt
18 of the request by—

19 “(A) approving the request;

20 “(B) denying the request; or

21 “(C) requesting additional supporting in-
22 formation.

23 “(2) RELEASE.—The Secretary shall establish
24 procedures governing the release of gasoline or fuel
25 from the Reserve in accordance with this subsection.

1 “(3) REQUIREMENTS.—

2 “(A) ELIGIBLE ENTITY.—In this para-
3 graph, the term ‘eligible entity’ means an entity
4 that is customarily engaged in the sale or dis-
5 tribution of gasoline or fuel.

6 “(B) SALE OR DISPOSAL FROM RE-
7 SERVE.—The procedures established under this
8 subsection shall provide that the Secretary
9 may—

10 “(i) sell gasoline or fuel from the Re-
11 serve to an eligible entity through a com-
12 petitive process; or

13 “(ii) enter into an exchange agree-
14 ment with an eligible entity under which
15 the Secretary receives a greater volume of
16 gasoline or fuel as repayment from the eli-
17 gible entity than the volume provided to
18 the eligible entity.

19 “(c) CONTINUING EVALUATION.—The Secretary
20 shall conduct a continuing evaluation of the drawdown and
21 sales procedures established under this section.

22 **“SEC. 194. REPORTS.**

23 “(a) GASOLINE AND FUEL.—Not later than 45 days
24 after the date of enactment of this section, the Secretary

1 shall submit to Congress and the President a plan describ-
2 ing—

3 “(1) the acquisition of storage and related fa-
4 cilities or storage services for the Reserve, including
5 the use of storage facilities not currently in use or
6 not currently used to capacity;

7 “(2) the acquisition of gasoline and fuel for
8 storage in the Reserve;

9 “(3) the anticipated methods of disposition of
10 gasoline and fuel from the Reserve;

11 “(4) the estimated costs of establishment, main-
12 tenance, and operation of the Reserve;

13 “(5) efforts that the Department will take to
14 minimize any potential need for future drawdowns
15 from the Reserve; and

16 “(6) actions to ensure the quality of the gaso-
17 line and fuel in the Reserve are maintained.

18 “(b) NATURAL GAS AND DIESEL.—Not later than 90
19 days after the date of enactment of this section, the Sec-
20 retary shall submit to Congress a report describing the
21 feasibility of creating a natural gas and diesel reserve
22 similar to the Reserve under this part.

1 **“SEC. 195. STRATEGIC GASOLINE AND FUEL RESERVE**
2 **FUND.**

3 “(a) ESTABLISHMENT.—There is established in the
4 Treasury of the United States a revolving fund, to be
5 known as the ‘Strategic Gasoline and Fuel Reserve Fund’
6 (referred to in this section as the ‘Fund’), consisting of—

7 “(1) such amounts as are appropriated to the
8 Fund under subsection (b);

9 “(2) such amounts as are appropriated to the
10 Fund under section 196; and

11 “(3) any interest earned on investment of
12 amounts in the Fund under subsection (d).

13 “(b) TRANSFERS TO FUND.—There are appropriated
14 to the Fund amounts equivalent to amounts collected as
15 receipts and received in the Treasury from the sale, ex-
16 change, or other disposition of gasoline or fuel from the
17 Reserve.

18 “(c) EXPENDITURES FROM FUND.—On request by
19 the Secretary and without the need for further appropria-
20 tion, the Secretary of the Treasury shall transfer from the
21 Fund to the Secretary such amounts as the Secretary de-
22 termines are necessary to carry out activities under this
23 part, to remain available until expended.

24 “(d) INVESTMENT OF AMOUNTS.—

25 “(1) IN GENERAL.—The Secretary of the
26 Treasury shall invest such portion of the Fund as is

1 not, in the judgment of the Secretary of the Treas-
2 ury, required to meet current withdrawals.

3 “(2) INTEREST-BEARING OBLIGATIONS.—In-
4 vestments may be made only in interest-bearing obli-
5 gations of the United States.

6 “(3) ACQUISITION OF OBLIGATIONS.—For the
7 purpose of investments under paragraph (1), obliga-
8 tions may be acquired—

9 “(A) on original issue at the issue price; or

10 “(B) by purchase of outstanding obliga-
11 tions at the market price.

12 “(4) SALE OF OBLIGATIONS.—Any obligation
13 acquired by the Fund may be sold by the Secretary
14 of the Treasury at the market price.

15 “(5) CREDITS TO FUND.—The interest on, and
16 the proceeds from the sale or redemption of, any ob-
17 ligations held in the Fund shall be credited to and
18 form a part of the Fund.

19 “(e) TRANSFERS OF AMOUNTS.—

20 “(1) IN GENERAL.—The amounts required to
21 be transferred to the Fund under this section shall
22 be transferred at least monthly from the general
23 fund of the Treasury to the Fund on the basis of es-
24 timates made by the Secretary of the Treasury.

1 “(2) ADJUSTMENTS.—Proper adjustment shall
 2 be made in amounts subsequently transferred to the
 3 extent prior estimates were in excess of or less than
 4 the amounts required to be transferred.

5 **“SEC. 196. AUTHORIZATION OF APPROPRIATIONS.**

6 “‘There are authorized to be appropriated such sums
 7 as are necessary to carry out this part, to remain available
 8 until expended.’”.

9 **SEC. 3. CONFORMING AMENDMENTS.**

10 The table of contents for title I of the Energy Policy
 11 and Conservation Act (42 U.S.C. 6201 note) is amended
 12 by striking the matter relating to part D and inserting
 13 the following:

 “PART D—NORTHEAST HOME HEATING OIL RESERVE

- “Sec. 181. Establishment.
- “Sec. 182. Authority.
- “Sec. 183. Conditions for release; plan.
- “Sec. 184. Northeast home heating oil reserve account.
- “Sec. 185. Exemptions.
- “Sec. 186. Authorization of appropriations.

 “PART E—STRATEGIC GASOLINE AND FUEL RESERVE

- “Sec. 191. Definitions.
- “Sec. 192. Establishment.
- “Sec. 193. Release of gasoline and fuel.
- “Sec. 194. Reports.
- “Sec. 195. Strategic Gasoline and Fuel Reserve Fund.
- “Sec. 196. Authorization of appropriations.

 “PART F—EXPIRATION

- “Sec. 199. Expiration.”.

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