

115TH CONGRESS
2D SESSION

S. 3618

To authorize the Secretary of Energy to carry out a program to lease underused facilities of the Strategic Petroleum Reserve, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2018

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

A BILL

To authorize the Secretary of Energy to carry out a program to lease underused facilities of the Strategic Petroleum Reserve, 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 “Strategic Petroleum
5 Reserve Reform Act”.

1 **SEC. 2. USE OF UNDERUSED STRATEGIC PETROLEUM RE-**
2 **SERVE FACILITIES.**

3 (a) IN GENERAL.—Section 168 of the Energy Policy
4 and Conservation Act (42 U.S.C. 6247a) is amended to
5 read as follows:

6 **“SEC. 168. USE OF UNDERUSED FACILITIES.**

7 **“(a) LEASING OF FACILITIES.—**

8 **“(1) IN GENERAL.—**Notwithstanding any other
9 provision of this title, the Secretary may establish a
10 program (referred to in this section as the ‘pro-
11 gram’) under which the Secretary may lease
12 underused storage facilities and related facilities of
13 the Strategic Petroleum Reserve to—

14 **“(A) private entities; and**

15 **“(B) foreign governments.**

16 **“(2) EXCLUSION FROM STRATEGIC PETROLEUM**
17 **RESERVE.—**Petroleum products stored in a storage
18 facility or related facility leased under the program
19 shall not be part of the Strategic Petroleum Reserve.

20 **“(b) PROTECTION OF FACILITIES.—**Each lease en-
21 tered into under the program shall contain provisions re-
22 quiring the lessee to pay fees to fully compensate the
23 United States for all costs relating to the storage and re-
24 moval of petroleum products (including the proportionate
25 cost of any replacement facility necessitated as a result

1 of any withdrawal) incurred by the United States as a re-
2 sult of the lease.

3 “(c) ACCESS TO PETROLEUM PRODUCTS BY THE
4 UNITED STATES.—The Secretary shall ensure that each
5 lease entered into under the program shall not impair the
6 ability of the United States to withdraw, distribute, or sell
7 petroleum products from the Strategic Petroleum Reserve
8 in response to—

9 “(1) an energy emergency; or

10 “(2) the obligations of the United States under
11 the international energy program.

12 “(d) NATIONAL SECURITY.—The Secretary shall en-
13 sure that any lease entered into under the program with
14 a foreign government shall not impair national security.

15 “(e) DEPOSITS OF AMOUNTS RECEIVED.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), amounts received from a lease entered
18 into under the program shall be deposited in the
19 general fund of the Treasury during the fiscal year
20 in which the amounts are received.

21 “(2) PAYMENT OF COSTS.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), the Secretary, without fur-
24 ther appropriation, may use amounts received

1 from a lease entered into under the program for
2 the costs described in subsection (b).

3 “(B) EXCEPTION.—The Secretary may not
4 use amounts received from a lease entered into
5 under the program for any cost described in
6 subsection (f).

7 “(f) PREPARATION OF FACILITIES.—The Secretary
8 may use amounts available in the Energy Security and In-
9 frastructure Modernization Fund established by section
10 404 of the Bipartisan Budget Act of 2015 (42 U.S.C.
11 6239 note; Public Law 114–74) for costs described in sub-
12 section (b) that relate to the addition of a facility or
13 changes to a facility or facility operations necessary to
14 lease the facility, including costs relating to—

15 “(1) the acquisition of land;

16 “(2) the acquisition of any ancillary facility or
17 equipment;

18 “(3) site development; and

19 “(4) other necessary costs relating to capital
20 improvement.”.

21 (b) CONFORMING AMENDMENT.—The table of con-
22 tents for the Energy Policy and Conservation Act (42
23 U.S.C. prec. 6201) is amended by striking the item relat-
24 ing to section 168 and inserting the following:

“Sec. 168. Use of underused facilities.”.

1 **SEC. 3. PILOT PROGRAM TO LEASE STRATEGIC PETRO-**
2 **LEUM RESERVE FACILITIES.**

3 (a) IN GENERAL.—Part B of title I of the Energy
4 Policy and Conservation Act (42 U.S.C. 6231 et seq.) is
5 amended by adding at the end the following:

6 **“SEC. 170. PILOT PROGRAM TO LEASE STORAGE AND RE-**
7 **LATED FACILITIES.**

8 “(a) ESTABLISHMENT.—Not later than 180 days
9 after the date of enactment of the Strategic Petroleum Re-
10 serve Reform Act, as part of the program established
11 under section 168, the Secretary shall establish a pilot
12 program (referred to in this section as the ‘pilot program’)
13 to make available for lease—

14 “(1) capacity for storage of not more than
15 200,000,000 barrels of petroleum products at stor-
16 age facilities of the Strategic Petroleum Reserve;
17 and

18 “(2) related facilities.

19 “(b) CONTENTS.—In carrying out the pilot program,
20 the Secretary shall—

21 “(1) identify appropriate storage facilities and
22 related facilities of the Strategic Petroleum Reserve
23 to lease, to make maximum use of those facilities;

24 “(2) identify and implement any changes to fa-
25 cilities or facility operations necessary to lease the
26 facilities identified under paragraph (1), including

1 any changes necessary to ensure the long-term
2 structural viability and use of the facilities for pur-
3 poses of this part and part C;

4 “(3) make the facilities identified under para-
5 graph (1) available for lease; and

6 “(4) identify environmental effects, including
7 benefits, of leasing storage facilities and related fa-
8 cilities of the Strategic Petroleum Reserve.

9 “(c) REPORT.—Not later than 1 year after the date
10 of enactment of the Strategic Petroleum Reserve Reform
11 Act, the Secretary shall submit to Congress a report de-
12 scribing the status of the pilot program.”.

13 (b) CONFORMING AMENDMENT.—The table of con-
14 tents for the Energy Policy and Conservation Act (42
15 U.S.C. prec. 6201) is amended by adding at the end of
16 the items relating to part B of title I the following:

“Sec. 170. Pilot program to lease storage and related facilities.”.

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