

Public Law 99-413
99th Congress

An Act

Aug. 29, 1986

[H.R. 4843]

To provide for a minimum price and an alternative production rate for petroleum produced from the naval petroleum reserves, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRODUCTION RATE AND MINIMUM PRICE FOR NAVAL PETROLEUM RESERVES.

(a) **RATE OF PRODUCTION.**—(1) Section 7422(c)(1) of title 10, United States Code, is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

“(B) to produce, during any extension of a period under paragraph (2), such reserves—

“(i) at the maximum efficient rate consistent with sound engineering practices; or

“(ii) at a lesser rate consistent with sound engineering practices and the protection, conservation, maintenance, and testing of such reserves if the Secretary determines that the minimum price described in section 7430(b)(2) of this title cannot be attained for the United States share of petroleum produced from such Reserves;”.

(2) Section 7422(c) of such title is amended by striking out paragraph (3).

(b) **MINIMUM PRICE.**—Section 7430(b) of such title is amended—

(1) by striking out “(b) Notwithstanding” and inserting in lieu thereof “(b)(1) Subject to paragraph (2) and notwithstanding”; and

(2) by adding at the end the following paragraph:

“(2) The Secretary may not sell any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 1, 2, and 3 at a price less than the higher of—

“(A) 90 percent of the current sales price, as estimated by the Secretary, of comparable petroleum in the same area; or

“(B) the price of petroleum being purchased for the Strategic Petroleum Reserve, minus the cost of transporting petroleum from the naval petroleum reserve concerned to the nearest storage area of the Strategic Petroleum Reserve, with adjustments for the difference in the quality of the petroleum being

purchased for the Strategic Petroleum Reserve and petroleum being produced from the naval petroleum reserve concerned.”.

(c) NOTICE PERIOD.—Section 7430(g)(2) of such title is amended by striking out “30 days” and “30-day” and inserting in lieu thereof “15 days” and “15-day”, respectively.

10 USC 7430.

Approved August 29, 1986.

LEGISLATIVE HISTORY—H.R. 4843:

HOUSE REPORTS: No. 99-775, Pt. 1 (Comm. on Energy and Commerce).

CONGRESSIONAL RECORD, Vol. 132 (1986):

Aug. 13, considered and passed House.

Aug. 15, considered and passed Senate.