

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2251

To amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 30 (legislative day, JUNE 7), 1994

Mr. JOHNSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, 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       That this Act may be cited as the “Energy Policy and  
4       Conservation Act Amendments Act”.

5       SEC. 2. Section 2 of the Energy Policy and Conserva-  
6       tion Act (42 U.S.C. 6201) is amended—

7               (1) in paragraph (1) by striking “standby” and  
8       “”, subject to congressional review, to impose ration-  
9       ing, to reduce demand for energy through the imple-  
10       mentation of energy conservation plans, and”; and

1 (2) by striking paragraphs (3) and (6).

2 SEC. 3. Title I of the Energy Policy and Conservation  
3 Act (42 U.S.C. 6211–6251) is amended—

4 (1) by striking section 102 (42 U.S.C. 6211);

5 (2) in section 105 (42 U.S.C. 6213)—

6 (A) by amending subsection (a) to read as  
7 follows—

8 “(a) The Secretary of the Interior shall prohibit the  
9 bidding for any right to develop crude oil, natural gas,  
10 and natural gas liquids on any lands located on the Outer  
11 Continental Shelf by any person if more than one major  
12 oil company, more than one affiliate of a major oil com-  
13 pany, or a major oil company and any affiliate of a major  
14 oil company, has or have a significant ownership interest  
15 in that person, when the Secretary determines prior to any  
16 lease sale that this bidding would adversely affect competi-  
17 tion or the receipt of fair market value.”; and

18 (B) by striking subsections (c) and (e);

19 (3) by striking section 106 (42 U.S.C. 6214);

20 (4) in section 1151 (42 U.S.C. 6231)—

21 (A) in subsection (a) by striking “limited”  
22 and “short-term”; and

23 (B) by amending subsection (b) to read as  
24 follows:

1 “(b) It is the policy of the United States to provide  
2 for the creation of a Strategic Petroleum Reserve for the  
3 storage of up to 1 billion barrels of petroleum products  
4 to reduce the impact of disruptions in supplies of petro-  
5 leum products or to carry out obligations of the United  
6 States under the international energy program.”;

7 (5) in section 152 (42 U.S.C. 6232)—

8 (A) by striking paragraph (1), and

9 (B) in paragraph (11) by striking “, the  
10 Early Storage Reserve”;

11 (6) by striking section 153 (42 U.S.C. 6233);

12 (7) in section 154 (42 U.S.C. 6234)—

13 (A) by amending subsection (a)(1) to read  
14 as follows:

15 “(a)(1) A Strategic Petroleum Reserve for the stor-  
16 age of up to 1 billion barrels of petroleum products shall  
17 be created pursuant to this part.”;

18 (B) by amending subsection (b) to read as  
19 follows:

20 “(b) The Secretary, acting through the Strategic Pe-  
21 troleum Reserve Office and in accordance with this part,  
22 shall exercise authority over the development, operation,  
23 and maintenance of the Reserve.”; and

24 (C) by striking subsections (c), (d), and  
25 (e);

1 (8) by striking section 155 (42 U.S.C. 6235);

2 (9) in section 156(b) (42 U.S.C. 6236(b)), by  
3 striking “To implement the Early Storage Reserve  
4 Plan or the Strategic Petroleum Reserve Plan which  
5 has taken effect pursuant to section 159(a), the”  
6 and inserting “The”;

7 (10) by amending section 157 (42 U.S.C.  
8 6237)—

9 (A) in subsection (a), by striking “The  
10 Strategic Petroleum Reserve Plan shall provide  
11 for the establishment and maintenance of” and  
12 insert “The Secretary shall establish and main-  
13 tain as part of the Strategic Petroleum Re-  
14 serve”, and

15 (B) in subsection (b), by striking “To im-  
16 plement the Strategic Petroleum Reserve Plan,  
17 the Secretary shall accumulate and maintain”  
18 and inserting “The Secretary shall establish  
19 and maintain as part of the Strategic Petro-  
20 leum Reserve”;

21 (11) by striking section 158 (42 U.S.C. 6238);

22 (12) by amending the heading for section 159  
23 (42 U.S.C. 6239) to read, “Development, Operation,  
24 and Maintenance of the Reserve”;

25 (13) in section 159 (42 U.S.C. 6239)—

1 (A) by striking subsections (a), (b), (c),  
2 (d), and (e);

3 (B) by amending subsection (f) to read as  
4 follows:

5 “(f) In order to develop, operate, or maintain the  
6 Strategic Petroleum Reserve, the Secretary may—

7 “(1) issue rules, regulations, or orders;

8 “(2) acquire by purchase, condemnation, or oth-  
9 erwise, land or interests in land for the location of  
10 storage and related facilities;

11 “(3) construct, purchase, lease, or otherwise ac-  
12 quire storage and related facilities;

13 “(4) use, lease, maintain, sell, or otherwise dis-  
14 pose of storage and related facilities acquired under  
15 this part, under such terms and conditions as the  
16 Secretary may deem necessary or appropriate;

17 “(5) acquire subject to the provisions of section  
18 160 by purchase, exchange, or otherwise, petroleum  
19 products for storage in the Strategic Petroleum Re-  
20 serve;

21 “(6) store petroleum products in storage facili-  
22 ties owned and controlled by the United States or in  
23 storage facilities owned by others if those facilities  
24 are subject to audit by the United States;

1           “(7) execute any contracts necessary to develop,  
2           operate, or maintain the Strategic Petroleum Re-  
3           serve;

4           “(8) require an importer of petroleum products  
5           or refiner to acquire and to store and maintain, in  
6           readily available inventories, petroleum products in  
7           the Industrial Petroleum Reserve, under section 156;

8           “(9) require the storage of petroleum products  
9           in the Industrial Petroleum Reserve, under section  
10          156, on terms that the Secretary specifies in storage  
11          facilities owned and controlled by the United States  
12          or in storage facilities other than those owned by the  
13          United States if those facilities are subject to audit  
14          by the United States;

15          “(10) require the maintenance of the Industrial  
16          Petroleum Reserve; and

17          “(11) bring an action, when the Secretary con-  
18          siders it necessary, in any court having jurisdiction  
19          over the proceedings, to acquire by condemnation  
20          any real or personal property, including facilities,  
21          temporary use of facilities, or other interests in land,  
22          together with any personal property located on or  
23          used with the land.”;

24                           (C) in subsection (g)—

1 (i) by striking “implementation” and  
2 inserting “development”; and

3 (ii) by striking “Plan”;

4 (D) by striking subsections (h) and (i);

5 (E) by amending subsection (j) to read as  
6 follows:

7 “(j) When a pattern of appropriations for fill of the  
8 Strategic Petroleum Reserve develops such that a 750 mil-  
9 lion barrel inventory can reasonably be expected to be  
10 reached within five years by the continuation of that pat-  
11 tern, a plan for expansion will be submitted to the Con-  
12 gress.”; and

13 (F) by amending subsection (1) to read as  
14 follows:

15 “(1) During any period in which drawdown and  
16 distribution are being implemented, the Secretary  
17 may issue rules, regulations, or orders to implement  
18 the drawdown and distribution of the Strategic Pe-  
19 troleum Reserve in accordance with section 523 of  
20 this Act, without regard to the requirements of sec-  
21 tion 553 of title 5, United States Code, and section  
22 501 of the Department of Energy Organization Act  
23 (42 U.S.C. 7191).”;

24 (14) in section 160 (42 U.S.C. 6240)—

1 (A) in subsection (a), by striking all before  
2 the dash and inserting the following:

3 “(a) To the extent funds are available under section  
4 167(b) (2) and (3) and for the purposes of implementing  
5 the Strategic Petroleum Reserve, the Secretary may ac-  
6 quire, place in storage, transport, or exchange”;

7 (B) in subsection (b), by striking “includ-  
8 ing the Early Storage Reserve” and paragraph  
9 (2); and

10 (C) by striking subsections (c), (d), and  
11 (e);

12 (15) in section 161 (42 U.S.C. 6241)—

13 (A) by striking subsections (b) and (c);

14 (B) by amending subsection (d)(1) to read  
15 as follows:

16 “(d)(1) No drawdown and distribution of the Strate-  
17 gic Petroleum Reserve may be made unless the President  
18 has found drawdown and distribution is required by a se-  
19 vere energy supply interruption or by obligations of the  
20 United States under the international energy program.”;  
21 and

22 (C) by amending subsection (e) to read as  
23 follows:

24 “(e)(1) The Secretary shall sell any petroleum prod-  
25 uct withdrawn from the Strategic Petroleum Reserve at

1 public sale to the highest qualified bidder in the amounts,  
2 for the period, and after a notice of sale the Secretary  
3 considers proper, and without regard to Federal, State,  
4 or local regulations controlling sales of petroleum prod-  
5 ucts.

6 “(2) The Secretary may cancel in whole or in part  
7 any offer to sell petroleum products as part of any  
8 drawdown and distribution under this Section.”; and

9 (D) in subsection (g)—

10 (i) in paragraph (1), by striking “Dis-  
11 tribution Plan” and inserting “distribution  
12 procedures”, and

13 (ii) by striking paragraphs (2) and  
14 (6);

15 (16) by striking section 164 (42 U.S.C. 6244);

16 (17) by amending section 165 (42 U.S.C. 6245)

17 to read as follows:

18 “SEC. 165. The Secretary shall report annually to the  
19 President and the Congress on actions taken to implement  
20 this part. This report shall include—

21 “(1) a detailed statement of the status of the  
22 Strategic Petroleum Reserve, including—

23 “(A) the capacity of the Reserve and the  
24 scheduled annual fill rate for achieving this ca-  
25 pacity;

1           “(B) the scheduled annual fill rate for the  
2 fiscal year for which the report is transmitted;

3           “(C) the type and quality of crude oil to be  
4 acquired for the Reserve under the schedule de-  
5 scribed in subparagraph (A);

6           “(D) the schedule of construction of any  
7 facilities, including a description of the type and  
8 location of the facilities, and of enhancements  
9 and improvements to existing facilities;

10           “(E) a description of the current method  
11 of drawdown and distribution to be utilized; and

12           “(F) an explanation of any changes made  
13 in the matters described in subparagraphs (A)  
14 through (E) since the transmittal of the pre-  
15 vious report under this section;

16           “(2) a summary of the actions taken to develop,  
17 operate, or maintain the Strategic Petroleum Re-  
18 serve;

19           “(3) a summary of the financial transactions in  
20 the Strategic Petroleum reserve and SPR Petroleum  
21 Account; and

22           “(4) a summary of existing problems with re-  
23 spect to operation or maintenance of the Strategic  
24 Petroleum Reserve; and

1           “(5) any recommendation for supplemental leg-  
2           islation the Secretary considers necessary or appro-  
3           priate to implement this part.”;

4           (18) in section 166 (42 U.S.C. 6246) by strik-  
5           ing all after appropriated” and inserting “the funds  
6           necessary or appropriate to implement this part.”;

7           (19) in section 167 (42 U.S.C. 6247)—

8           (A) in subsection (b)—

9           (i) by inserting “test sales of petro-  
10           leum products from the Reserve,” after  
11           “Strategic Petroleum Reserve.”;

12           (ii) by striking paragraph (1); and

13           (iii) in paragraph (2), by striking  
14           “after fiscal year 1982”; and

15           (B) by amending subsection (e) to read as  
16           follows

17           “(e) The Impoundment Control Act of 1974 (2  
18           U.S.C. 681–688) applies to funds made available under  
19           subsection (b).”;

20           (20) in section 172 (42 U.S.C. 6249a) by strik-  
21           ing subsections (a) and (b);

22           (21) by striking section 173 (42 U.S.C. 6249b);

23           and

1           (22) in section 181 (42 U.S.C. 6251), by strik-  
2           ing “1994” each time it appears and inserting  
3           “1999”.

4           SEC. 4. Title II of the Energy Policy and Conserva-  
5           tion Act (42 U.S.C. 6211–6251) is amended—

6           (1) by striking Part A (42 U.S.C. 201 through  
7           204);

8           (2) in section 252 (42 U.S.C. 6272)—

9           (A) in subsections (a)(1) and (b), by strik-  
10           ing “allocation and information” and inserting  
11           “emergency response”;

12           (B) in subsection (d)(3), by striking  
13           “known” and inserting after “circumstances”  
14           “known at the time of approval”;

15           (C) in subsection (e)(2) by striking “shall”  
16           and inserting “may”;

17           (D) in subsection (f)(2) by inserting “vol-  
18           untary agreement or” after “approved”;

19           (E) by amending subsection (h) to read as  
20           follows:

21           “(h) Section 708 of the Defense Production Act of  
22           1950 shall not apply to any agreement or action under-  
23           taken for the purpose of developing or carrying out—

24           “(1) the international energy program, or

1           “(2) any allocation, price control, or similar  
2 program with respect to petroleum products under  
3 this Act.”;

4           (F) in subsection (i) by inserting “annu-  
5 ally, or” after “least” and by inserting “during  
6 an international energy supply emergency”  
7 after “months”;

8           (G) in subsection (k) by amending para-  
9 graph (2) to read as follows:

10           “(2) The term ‘emergency response provisions  
11 of the international energy program’ means—

12           “(A) the provisions of the international en-  
13 ergy program which relate to international allo-  
14 cation of petroleum products and to the infor-  
15 mation system provided in the program, and

16           “(B) the emergency response measures  
17 adopted by the Governing Board of the Inter-  
18 national Energy Agency (including the July 11,  
19 1984 decision by the Governing Board on  
20 “Stocks and Supply Disruptions”) for the co-  
21 ordinated drawdown of stocks of petroleum  
22 products held or controlled by governments and  
23 complementary actions taken by governments  
24 during an existing or impending international  
25 oil supply disruption, whether or not inter-

1 national allocation of petroleum products is re-  
2 quired by chapters III and IV of the inter-  
3 national energy program.”; and

4 (H) by amending subsection (1) to read as  
5 follows:

6 “(1) The antitrust defense under subsection (f)  
7 applies only to the development or carrying out of  
8 voluntary agreements and plans of action to imple-  
9 ment the emergency response provisions of the inter-  
10 national energy program, except that in the event  
11 the International Energy Agency seeks advice and  
12 information concerning preparation and implementa-  
13 tion of measures by governments on the coordinated  
14 drawdown of stocks of petroleum products and com-  
15plementary actions as described in subsection  
16 (k)(2)(B), the antitrust defense also applies but only  
17 to advising and consulting with and providing infor-  
18 mation or data to the International Energy Agency  
19 according to procedures set forth in a voluntary  
20 agreement or plan of action, unless the Attorney  
21 General, after consultation with the Secretary of  
22 State, the Secretary of Energy, and the Federal  
23 Trade Commission, determines that additional ac-  
24 tions are necessary or appropriate to fulfill the pur-  
25 pose of this section; provided that the antitrust de-

1 fense shall not extend to the international allocation  
2 of petroleum products unless allocation is required  
3 by chapters III and IV of the international energy  
4 program during an international energy supply  
5 emergency.”;

6 (3) by adding at the end of section 256(h),  
7 “There are authorized to be appropriated for fiscal  
8 years 1996 through 1999, such sums as may be nec-  
9 essary.”

10 (4) by striking Part C (42 U.S.C. 271 through  
11 272); and

12 (5) in section 281 (42 U.S.C. 6285), by striking  
13 “1994” each time it appears and inserting “1999”.

14 SEC. 5. (a) Title III of the Energy Policy and Con-  
15 servation Act (42 U.S.C. 6291–6327, 6361–6374d) is  
16 amended—

17 (1) in section 365(f) (42 U.S.C. 6325(f)) by  
18 amending paragraph (1) to read as follows:

19 “(1) Except as provided in paragraph (2), for  
20 the purpose of carrying out this part, there are au-  
21 thorized to be appropriated for fiscal years 1995  
22 through 1999, such sums as may be necessary.”;  
23 and

24 (2) section 397 (42 U.S.C. 6371f) is amended  
25 to read as follows: “For the purpose of carrying out

1       this part, there are authorized to be appropriated for  
2       fiscal years 1995 through 1999, such sums as may  
3       be necessary.”.

4       (b) Section 422 of the Energy Conservation and Pro-  
5       duction Act (42 U.S.C. 6872) is amended to read as fol-  
6       lows:

7       “SEC. 422. For the purposes of carrying out the  
8       weatherization program under this part, there are author-  
9       ized to be appropriated for fiscal years 1995 through  
10      1999, such sums as may be necessary.”.

11      SEC. 6. Title V of the Energy Policy and Conserva-  
12      tion Act (42 U.S.C. 6381–6422) is amended—

13           (1) by striking section 507 (42 U.S.C. 6385),

14      and

15           (2) by striking section 522 (42 U.S.C. 6392).

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