

106TH CONGRESS
2D SESSION

S. 2047

To direct the Secretary of Energy to create a Heating Oil Reserve to be available for use when fuel oil prices in the United States rise sharply because of anticompetitive activity, during a fuel oil shortage, or during periods of extreme winter weather.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 9, 2000

Mr. DODD (for himself, Mr. LIEBERMAN, Ms. SNOWE, Mr. JEFFORDS, Mr. LAUTENBERG, Mr. REED, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To direct the Secretary of Energy to create a Heating Oil Reserve to be available for use when fuel oil prices in the United States rise sharply because of anticompetitive activity, during a fuel oil shortage, or during periods of extreme winter weather.

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 “Home Heating Oil
5 Price Stability Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) a sharp, sustained increase in the price of
4 fuel oil would negatively affect the overall economic
5 well-being of the United States, and such increases
6 have occurred in the winters of 1983–84, 1988–89,
7 1996–97, and 1999–2000;

8 (2) the United States currently imports roughly
9 55 percent of its oil;

10 (3) heating oil price increases disproportionately
11 harm the poor and the elderly;

12 (4) the global oil market is often greatly influ-
13 enced by nonmarket-based supply manipulations, in-
14 cluding price fixing and production quotas; and

15 (5) according to the June 1998 Department of
16 Energy “Report to Congress on the Feasibility of
17 Establishing a Heating Oil Component to the Stra-
18 tegic Petroleum Reserve”—

19 (A) the use of a Government-owned dis-
20 tillate reserve in the Northeast would provide
21 benefits to consumers in the Northeast and to
22 the Nation;

23 (B) the Government would make a profit
24 of \$46,000,000 from drawing down and selling
25 the distillate;

1 (C) consumer savings, including reductions
2 in jet fuel, would total \$425,000,000;

3 (D) there are a number of commercial pe-
4 troleum storage facilities with available capacity
5 for leasing in the New York/New Jersey area;
6 and

7 (E) it would be cost-effective to keep a
8 Government stockpile of approximately
9 2,000,000 barrels in leased storage in the
10 Northeast, filled by trading some crude oil from
11 the Government's strategic reserve of oil for the
12 refined product.

13 **SEC. 3. AUTHORIZATION OF HEATING OIL RESERVE.**

14 (a) CREATION OF RESERVE.—The Secretary of En-
15 ergy shall immediately create a heating oil reserve con-
16 sisting of—

17 (1) 2,000,000 barrels of heating oil in leased
18 storage facilities in the New York Harbor area; and

19 (2) 4,700,000 barrels of heating oil in 1 of the
20 4 Strategic Petroleum Reserve caverns on the coast
21 of the Gulf of Mexico.

22 (b) EXCHANGE FOR CRUDE OIL.—The Secretary of
23 Energy may acquire heating oil for the reserve by trading
24 crude oil from the Strategic Petroleum Reserve for heating
25 oil.

1 **SEC. 4. DRAWDOWN OF HEATING OIL RESERVE.**

2 The President may immediately draw down the Heat-
3 ing Oil Reserve—

4 (1) when fuel oil prices in the United States
5 rise sharply because of anticompetitive activity;

6 (2) during a fuel oil shortage; or

7 (3) during a period of extreme winter weather.

8 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

9 There is authorized to be appropriated to the Sec-
10 retary of Energy to carry out this Act \$125,000,000 for
11 the period of fiscal years 2000 through 2019.

○