H. R. 142

To establish a national Strategic Gasoline Reserve.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2011

Mr. KISSELL introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To establish a national Strategic Gasoline Reserve.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Strategic Gasoline Reserve for Purposes of National Security Act of 2011”.

SEC. 2. STRATEGIC GASOLINE RESERVE.

(a) ESTABLISHMENT.—

(1) AUTHORITY.—The Secretary of Energy shall establish a Strategic Gasoline Reserve (in this section referred to as the “Gasoline Reserve”) sys-
tem with a total capacity of 10,000,000 barrels of regular unleaded gasoline.

(2) Reserve locations.—No later than 1 year after the date of enactment of this Act, the Secretary shall determine strategic locations for no less than three and no more than five Gasoline Reserve sites, each located in a different geographical region of the United States. When determining site locations, the Secretary shall consider all factors including, but not limited to, seasonal and regional variations in gasoline, cost, regional population, accessibility for distribution, and the region’s vulnerability to natural disasters and acts of terrorism. The Secretary shall endeavor to find the most affordable method for storage and when possible should consider the methodology used for the creation of the Home Heating Oil Reserve and the Strategic Petroleum Reserve. Gasoline Reserve site locations shall be operational within 2 years after the date of enactment of this Act.

(3) Onsite protection.—In establishing the Gasoline Reserve under this section, the Secretary of Energy shall confer with the Secretary of Transportation and the Secretary of Homeland Security with

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respect to physical structures’ security, the transportation security, and operational security.

(b) TRANSPORTATION.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy shall transmit to the Congress, the Secretary of Homeland Security, and the Governor of each State, in which a reserve will be sited, a plan for the transportation of the contents of the Gasoline Reserve under this section to wholesale or retail markets in the event of an emergency sale under subsection (e).

(c) CAPACITY.—The Secretary of Energy shall complete the process of filling the Gasoline Reserve to a minimum of 90 percent within 2 years after submitting a transportation plan to the Congress under subsection (b).

(d) AGING SUPPLY.—The Secretary shall conduct an annual review of the Gasoline Reserve supply to ensure that reserves do not exceed their shelf-life. The Secretary shall have in place within 2 years after the date of enactment of this Act a plan for ensuring that the inventory of the Gasoline Reserve is sold and replaced in a manner that ensures the integrity of the product at all times. The Secretary shall have the authority to exchange an aging supply of reserve gasoline through private sales or by utilizing the fuel for military or Government use. The Sec-
(c) Requests for Emergency Sale Authorization.—The Secretary of Energy shall sell gasoline from the Gasoline Reserve if—

(1) the Governor of an affected State submits a written request that—

(A) provides sufficient evidence that the sale or supply of gasoline in the region has been severely disrupted caused in significant part by an interruption in the normal distribution or availability of gasoline which dramatically affects the price of gasoline; and

(B) provides sufficient evidence that the State would experience further adverse effects without the sale of gasoline from the Gasoline Reserve; and

(2) the President issues an Executive Order requiring immediate release from any or all reserves after determining that the conditions specified in paragraph (1) are satisfied.

(f) Procedure.—

(1) Secretary’s response.—The Secretary of Energy shall respond to a request transmitted under subsection (e)(1) within 7 days of receipt of the re-
quest through a written response, regardless of the
decision.

(2) ADDITIONAL INFORMATION.—The Secretary
may request additional information if the Secretary
concludes there are insufficient reasons provided in
a request for the sale of gasoline from the Gasoline
Reserve.

(g) PURCHASE.—The Secretary of Energy is author-
ized to conduct purchases and sales of gasoline at whole-
sale for maintenance of the Gasoline Reserve system. In
conducting these transactions, the Secretary shall—

(1) ensure that the overall supply returns to a
minimum 90 percent capacity in a timely manner
following a sizeable depletion due to an emergency;
and

(2) assess market conditions to avoid to the ex-
tent possible purchases when prices appear to be at
higher levels unlikely to be sustained, or when pur-
chases of gasoline are likely to significantly raise
gasoline prices in the market served by a particular
Reserve, consistent with the need for timely replen-
ishment of the Reserves after emergency or non-
emergency sales.

(h) ANNUAL REPORT.—At a specified date as deter-
mined by the Secretary of Energy, the Secretary shall sub-
mit to the President, the Committee on Energy and Commerce of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate a report on the status of the Gasoline Reserve outlining the Reserve’s current capacity, emergency sales from the previous year, any security threats in the previous year, and the current condition of the storage facilities. The Secretary shall also include in the report any recommendations for improvements in the efficiency of the purchase, transportation, sale, and storage of the Gasoline Reserves.

(i) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary of Energy such sums as may be necessary for construction and operation of the Gasoline Reserve for fiscal years 2011 through 2015.