

RESOLUTION OF INQUIRY REQUESTING THE PRESIDENT, AND DIRECTING THE SECRETARY OF ENERGY, TO TRANSMIT TO THE HOUSE OF REPRESENTATIVES CERTAIN INFORMATION RELATING TO PLANS TO DRAW DOWN AND SELL PETROLEUM PRODUCTS FROM THE STRATEGIC PETROLEUM RESERVE AND PLANS TO REFILL THE STRATEGIC PETROLEUM RESERVE

SEPTEMBER 30, 2022.—Referred to the House Calendar and ordered to be printed

Mr. PALLONE, from the Committee on Energy and Commerce, submitted the following

ADVERSE REPORT

together with

DISSENTING VIEWS

[To accompany H. Res. 1260]

The Committee on Energy and Commerce, to whom was referred the resolution (H. Res. 1260) of inquiry requesting the President, and directing the Secretary of Energy, to transmit to the House of Representatives certain information relating to plans to draw down and sell petroleum products from the Strategic Petroleum Reserve and plans to refill the Strategic Petroleum Reserve, having considered the same, reports unfavorably thereon without amendment and recommend that the resolution not be agreed to.

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## I. PURPOSE AND SUMMARY

H. Res. 1260 requests the President, and directs the Secretary of Energy, to transmit to the House of Representatives, not later than 14 days after the date of the adoption of the resolution, information relating to plans to draw down and sell petroleum products from and to refill the Strategic Petroleum Reserve (SPR).

## II. BACKGROUND AND NEED FOR LEGISLATION

H. Res. 1260 requests information pertaining to plans to draw down and sell petroleum products from the SPR and plans to refill the SPR. This request is unnecessary and duplicative of information already provided by the President and Department of Energy (DOE).

On November 23, 2021, the President announced the planned release of 50 million barrels of crude oil from the SPR to lower gasoline prices and address the supply and demand mismatch created by the pandemic.<sup>1</sup> Of those 50 million barrels, 32 million were released as part of the SPR's exchange mechanism and will ultimately be returned to the SPR.<sup>2</sup> The other 18 million barrels would be released pursuant to sales mandated by Congress in the Bipartisan Budget Act of 2018.<sup>3</sup> The President's release of crude oil from the SPR coincided with announcements by several other major energy-consuming nations, including Japan, the United Kingdom, and the Republic of Korea.<sup>4</sup>

On March 2, 2022, the President announced a coordinated release of crude oil from the SPR of 30 million barrels in concert with the member countries of the International Energy Agency. That release contributed to a combined total of 60 million barrels of crude oil to address supply shortages caused by the Russian Federation's invasion of Ukraine.<sup>5</sup>

On March 31, 2022, the President announced the release of an additional 180 million barrels from the SPR to address oil supply shortages caused by the Russian Federation's invasion of Ukraine.<sup>6</sup>

On July 26, 2022, the President announced additional guidance on the planned sales from the Reserve, and issued a U.S. Department of the Treasury report calculating that the release of oil from the SPR had lowered the cost of gasoline by 40 cents per gallon.<sup>7</sup> The President also announced plans to permit fixed-price forward purchases of crude oil to replenish the Reserve.<sup>8</sup> According to the President, those purchases would not take place until after Fiscal Year 2023.<sup>9</sup>

<sup>1</sup> White House, *President Biden Announces Release from the Strategic Petroleum Reserve As Part of Ongoing Efforts to Lower Prices and Address Lack of Supply Around the World* (Nov. 23, 2021).

<sup>2</sup> *Id.*

<sup>3</sup> The Bipartisan Budget Act of 2018, Pub. L. No. 115–123.

<sup>4</sup> See note 1.

<sup>5</sup> Department of Energy, *DOE Announces an Emergency Sale of 30 Million Barrels of Crude Oil From The Strategic Petroleum Reserve* (March 2, 2022).

<sup>6</sup> White House, *FACT SHEET: President Biden's Plan to Respond to Putin's Price Hike at the Pump* (March 31, 2022).

<sup>7</sup> White House, *FACT SHEET: Department of Energy Releases New Notice of Sale as Gasoline Prices Continue to Fall* (July 26, 2022).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

The President and DOE have been forthcoming about their plans to sell crude oil from and replenish the SPR. The resolution is therefore unnecessary and redundant of information provided to this Committee and the American public.

### III. COMMITTEE HEARINGS

The Committee on Energy and Commerce has not held a hearing on H. Res. 1260.

### IV. COMMITTEE CONSIDERATION

H. Res. 1260 was introduced on July 26, 2022, by Representative Kelly (R–ND) and was referred to the Committee on Energy and Commerce. Subsequently, on July 27, 2022, the resolution was referred to the Subcommittee on Energy. The resolution was discharged from the Subcommittee on Energy on September 21, 2022.

On September 21, 2022, the Committee met in open markup session and ordered H. Res. 1260, without amendment, adversely reported to the House by a record vote of 30 yeas and 19 nays.

### V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list each record vote on the motion to report legislation and amendments thereto. The Committee advises that there was one record vote taken on H. Res. 1260, including a motion by Mr. Pallone ordering H. Res. 1260 adversely reported to the House, without amendment. The motion on final passage of the bill was approved by a record vote of 30 yeas to 19 nays. The following are the record votes taken during Committee consideration, including the names of those members voting for and against:

Committee on Energy and Commerce  
117<sup>th</sup> Congress

Full Committee  
(ratio: 32-26)

ROLL CALL VOTE #156

Bill: **H.Res. 1260**, a resolution of inquiry requesting the President, and directing the Secretary of Energy, to transmit to the House of Representatives certain information relating to plans to draw down and sell petroleum products from the Strategic Petroleum Reserve and plans to refill the Strategic Petroleum Reserve

Vote: Report adversely to the House

Disposition: **AGREED TO** by a roll call vote of 31 yeas to 20 nays

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Mr. Pallone	X			Mrs. Rodgers		X	
Mr. Rush	X			Mr. Upton			
Ms. Eshoo	X			Mr. Burgess		X	
Ms. DeGette	X			Mr. Scalise			
Mr. Doyle	X			Mr. Latta		X	
Ms. Schakowsky	X			Mr. Guthrie		X	
Mr. Butterfield	X			Mr. McKinley			
Ms. Matsui	X			Mr. Kinzinger			
Ms. Castor	X			Mr. Griffith		X	
Mr. Sarbanes	X			Mr. Bilirakis		X	
Mr. McNerney	X			Mr. Johnson		X	
Mr. Welch	X			Mr. Long		X	
Mr. Tonko	X			Mr. Bucshon		X	
Ms. Clarke	X			Mr. Mullin		X	
Mr. Schrader	X			Mr. Hudson			
Mr. Cárdenas	X			Mr. Walberg			
Mr. Ruiz	X			Mr. Carter		X	
Mr. Peters	X			Mr. Duncan		X	
Mrs. Dingell	X			Mr. Palmer		X	
Mr. Veasey	X			Mr. Dunn		X	
Ms. Kuster	X			Mr. Curtis		X	
Ms. Kelly	X			Ms. Lesko		X	
Ms. Barragán	X			Mr. Pence		X	
Mr. McEachin				Mr. Crenshaw		X	
Ms. Blunt Rochester	X			Mr. Joyce		X	
Mr. Soto	X			Mr. Armstrong		X	
Mr. O'Halleran	X						
Ms. Rice	X						
Ms. Craig	X						
Ms. Schrier	X						
Ms. Trahan	X						
Ms. Fletcher	X						

09/21/22

## VI. OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee are reflected in the descriptive portion of the report.

## VII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

## IX. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to request that the President and direct the Secretary of Energy to furnish certain information to the House of Representatives related to the President's plans to sell crude oil from the Strategic Petroleum Reserve and to refill the Strategic Petroleum Reserve.

## X. DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H. Res. 1260 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

## XI. COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

## XII. EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H. Res. 1260 contains no earmarks, limited tax benefits, or limited tariff benefits.

## XIII. ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

XIV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XV. SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

H. Res. 1260 requests the President, and directs the Secretary of Energy, to transmit to the House of Representatives, not later than 14 days after the date of the adoption of the resolution, information relating to plans to draw down and sell petroleum products from the Strategic Petroleum Reserve and plans to refill the Strategic Petroleum Reserve.

XVI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

There are no changes to existing law made by the bill H. Res. 1260.

## XVII. DISSENTING VIEWS

We support H. Res. 1260, a resolution that requests the President, and directs the Secretary of Energy (DOE), to reveal its plans for drawing down and selling petroleum products from the Strategic Petroleum Reserve (SPR), and to provide Congress with the plan to refill the Reserve. We are concerned that DOE is rapidly depleting the nation's petroleum reserves ahead of elections in November, while failing to establish long-term plans for the optimal size, configuration, maintenance, and operational capabilities of the Reserve.

President Biden is abusing the SPR, conducting more SPR sales than any President in history, to deflect blame from the harmful economic impact of his radical "rush to green" climate agenda. Under the Biden Administration and the Democratic Majority in Congress, energy prices for American consumers have risen to the highest levels on record. To distract from high gasoline prices that exceeded \$6 per gallon in some States, President Biden announced the largest SPR drawdown in history. At the unprecedented pace of SPR sales, the Reserve is projected to decline from its peak of 727 million barrels, to approximately 130 million barrels by 2031.

The Biden administration is depleting the nation's petroleum reserves, while allowing OPEC, Russia, and China to gain geopolitical leverage over the United States. In November 2021, President Biden announced a 50-million-barrel release from the SPR that was supposed to be in tandem with other importing countries, including China.<sup>1</sup> In reality, China ramped up its purchases of crude oil from Russia and the United States to boost its own reserves, even as oil prices surged and President Biden called for a coordinated release.<sup>2</sup> China is reportedly in talks with Russia to buy even more oil for its strategic reserves, while the United States and the E.U. pledged to ban Russian imports.<sup>3</sup> As a result, China may now control the world's largest stockpile of oil, with total crude inventories estimated at 950 million barrels.

H. Res. 1260 is necessary because President Biden and DOE have failed to adequately respond to requests for information from Energy and Commerce Committee Members related to DOE's mismanagement of the SPR, and the Committee Majority has failed to conduct hearings to examine the administration's failings. On June 2, 2022, Republican Leaders' Rodgers and Upton wrote to DOE with questions related to DOE's performance of its statutory re-

<sup>1</sup>The White House, Briefing Room. (23 November 2021). President Biden Announces Release from the Strategic Petroleum Reserve As Part of Ongoing Efforts to Lower Prices and Address Lack of Supply Around the World.

<sup>2</sup>Aizhu, Chen. "China boosts oil reserves, ignoring U.S. push for global release." Reuters, 27 February 2022. <https://www.reuters.com/business/energy/exclusive-china-boosts-oil-reserves-ignoring-us-push-global-release-2022-02-25/>.

<sup>3</sup>Kitanaka, Anna. "China in Talks with Russia to Buy Oil for Strategic Reserves." Bloomberg, 19 May 2022. <https://www.bloomberg.com/news/articles/2022-05-19/china-in-talks-with-russia-to-buy-oil-for-strategic-reserves>.

sponsibilities.<sup>4</sup> Regrettably, DOE failed to address any specific questions relating to SPR, preventing Congress from gathering facts and conducting oversight.

For these reasons, we support H. Res. 1260 and offer these dissenting views.

CATHY McMORRIS RODGERS,  
*Republican Leader, Committee on Energy and Commerce.*

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<sup>4</sup>Letter from Representative Cathy McMorris Rodgers and Representative Fred Upton to the Honorable Jennifer Granholm, Secretary of Energy, (June 2, 2022), available at: <https://republicans-energycommerce.house.gov/wp-content/uploads/2022/06/06.02.2022-Energy-and-Commerce-Strategic-Petroleum-Reserve-Letter.pdf>.