

106TH CONGRESS  
2D SESSION

# H. R. 3543

To provide the Secretary of Energy with authority to draw down the Strategic Petroleum Reserve when oil and gas prices in the United States rise sharply because of anticompetitive activity, and to require the President, through the Secretary of Energy, to consult with Congress regarding the sale of oil from the Strategic Petroleum Reserve.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2000

Mr. LARSON (for himself, Ms. DELAURO, Mrs. JOHNSON of Connecticut, Mr. GEJDENSON, Mr. SHAYS, Mrs. MCCARTHY of New York, Mr. ALLEN, Mr. MEEKS of New York, Mr. WEINER, Mr. MALONEY of Connecticut, Mr. MCGOVERN, Mr. HOLDEN, Mr. DELAHUNT, Mr. BORSKI, Mr. MASCARA, Mr. BRADY of Pennsylvania, Mr. SANDERS, Mr. LOBIONDO, Mr. KANJORSKI, Mr. MENENDEZ, Mr. NADLER, Mr. CAPUANO, Mr. BOEHLERT, and Mr. HOLT) introduced the following bill; which was referred to the Committee on Commerce

---

## A BILL

To provide the Secretary of Energy with authority to draw down the Strategic Petroleum Reserve when oil and gas prices in the United States rise sharply because of anti-competitive activity, and to require the President, through the Secretary of Energy, to consult with Congress regarding the sale of oil from the Strategic Petroleum Reserve.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Oil Price Safeguard  
3 Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) a sharp, sustained increase in the price of  
7 crude oil would negatively affect the overall economic  
8 well-being of the United States;

9 (2) the United States currently imports roughly  
10 55 percent of its oil;

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

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

16 **SEC. 3. DRAWDOWN OF STRATEGIC PETROLEUM RESERVE.**

17 Section 161(d) of the Energy Policy and Conserva-  
18 tion Act (42 U.S.C. 6241(d)) is amended by adding at  
19 the end the following:

20 “(3) REDUCTION IN SUPPLY CAUSED BY ANTI-  
21 COMPETITIVE CONDUCT.—

22 “(A) IN GENERAL.—For the purposes of  
23 this section, in addition to the circumstances  
24 set forth in section 3(8) and in paragraph (2)  
25 of this subsection, a severe energy supply inter-

1           ruption shall be deemed to exist if the President  
2           determines that—

3                   “(i) there is a significant reduction in  
4           supply that—

5                           “(I) is of significant scope and  
6                           duration; and

7                           “(II) has caused a significant in-  
8                           crease in the price of petroleum prod-  
9                           ucts;

10                   “(ii) the increase in price is likely to  
11           cause a significant adverse impact on the  
12           national economy; and

13                   “(iii) a substantial cause of the reduc-  
14           tion in supply is the anticompetitive con-  
15           duct of 1 or more foreign countries or  
16           international entities.

17                   “(B) DEPOSIT AND USE OF PROCEEDS.—  
18           Proceeds from the sale of petroleum drawn  
19           down pursuant to a Presidential determination  
20           under subparagraph (A) shall—

21                   “(i) be deposited in the SPR Petro-  
22           leum Account; and

23                   “(ii) be used only for the purposes  
24           specified in section 167.”.

1 **SEC. 4. REPORTING AND CONSULTATION REQUIREMENTS.**

2       If the price of a barrel of crude oil exceeds \$25 (in  
3 constant 1999 United States dollars) for a period greater  
4 than 14 days, the President, through the Secretary of En-  
5 ergy, shall, not later than 30 days after the end of the  
6 14-day period, submit to the Committee on Energy and  
7 Natural Resources of the Senate and the Committee on  
8 Commerce of the House of Representatives a report  
9 that—

10           (1) states the results of a comprehensive review  
11       of the causes and potential consequences of the price  
12       increase;

13           (2) provides an estimate of the likely duration  
14       of the price increase, based on analyses and fore-  
15       casts of the Energy Information Administration;

16           (3) provides an analysis of the effects of the  
17       price increase on the cost of home heating oil; and

18           (4) states whether, and provides a specific ra-  
19       tionale for why, the President does or does not sup-  
20       port the drawdown and distribution of a specified  
21       amount of oil from the Strategic Petroleum Reserve.

○