

106TH CONGRESS
2D SESSION

H. R. 3608

To provide the Secretary of Energy with authority to create a Fuel Oil Product 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 HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2000

Mr. SANDERS (for himself, Mr. BOEHLERT, Mr. LARSON, Mrs. JOHNSON of Connecticut, Mr. GEJDENSON, Mr. MCHUGH, Mr. MENENDEZ, Mr. SHAYS, Mr. HOLDEN, Mr. ALLEN, Ms. DELAURO, Mr. MCGOVERN, Mr. FRANK of Massachusetts, Mr. KENNEDY of Rhode Island, Mrs. MCCARTHY of New York, Mr. McNULTY, Mrs. JONES of Ohio, Mr. WEYGAND, Mr. DELAHUNT, Mr. CROWLEY, Mr. CAPUANO, Mr. MALONEY of Connecticut, Mr. BALDACCI, Mr. ANDREWS, Mr. SWEENEY, and Ms. MILLENDER-MCDONALD) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To provide the Secretary of Energy with authority to create a Fuel Oil Product 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Home Heating Oil
3 Price Stability Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that—

6 (1) a sharp, sustained increase in the price of
7 fuel oil would negatively affect the overall economic
8 well-being of the United States, and such increases
9 have occurred in the winters of 1983–84, 1988–89,
10 1996–97, and 1999–2000;

11 (2) the United States currently imports roughly
12 55 percent of its oil;

13 (3) heating oil price increases disproportionately
14 harm the poor and the elderly;

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

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

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

1 (B) the Government would make a profit
2 of \$46,000,000 from drawing down and selling
3 the distillate;

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

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

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

16 **SEC. 3. AUTHORIZATION OF FUEL OIL PRODUCT RESERVE.**

17 The Secretary of Energy shall immediately create a
18 fuel oil reserve containing 2,000,000 barrels of heating oil
19 in leased storage facilities in the New York Harbor area
20 and 4,700,000 barrels of heating oil in one of the four
21 Strategic Petroleum Reserve caverns in the Gulf Coast.
22 The Secretary of Energy may fill this heating oil reserve
23 by trading crude oil from the Strategic Petroleum Reserve
24 for heating oil.

1 **SEC. 4. DRAWDOWN OF FUEL OIL PRODUCT RESERVE.**

2 The President may immediately draw down the Fuel
3 Oil Product Reserve only when fuel oil prices in the United
4 States rise sharply because of anticompetitive activity,
5 during a fuel oil shortage, or during periods of extreme
6 winter weather.

7 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

8 There are authorized to be appropriated
9 \$125,000,000 to the Secretary of Energy for the period
10 encompassing fiscal years 2000 through 2019 for the pur-
11 pose of carrying out this Act.

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