

108TH CONGRESS
2D SESSION

H. R. 5405

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

NOVEMBER 19, 2004

Mr. LARSON of Connecticut introduced the following bill; which was referred to the Committee on Energy and 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Oil Price Safeguard
5 Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

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

6 (2) the United States currently imports roughly
7 55 percent of its oil;

8 (3) heating oil price increases disproportionately
9 harm the poor and the elderly; and

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

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

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

17 “(3) REDUCTION IN SUPPLY CAUSED BY ANTI-
18 COMPETITIVE CONDUCT.—

19 “(A) IN GENERAL.—For the purposes of this
20 section, in addition to the circumstances set forth in
21 section 3(8) and in paragraph (2) of this subsection,
22 a severe energy supply interruption shall be deemed
23 to exist if the President determines that—

24 “(i) there is a significant reduction in sup-
25 ply that—

1 “(I) is of significant scope and dura-
2 tion; and

3 “(II) has caused a significant increase
4 in the price of petroleum products;

5 “(ii) the increase in price is likely to cause
6 a significant adverse impact on the national
7 economy; and

8 “(iii) a substantial cause of the reduction
9 in supply is the anticompetitive conduct of 1 or
10 more foreign countries or international entities.

11 “(B) DEPOSIT AND USE OF PROCEEDS.—Pro-
12 ceeds from the sale of petroleum drawn down pursu-
13 ant to a Presidential determination under subpara-
14 graph (A) shall—

15 “(i) be deposited in the SPR Petroleum
16 Account; and

17 “(ii) be used only for the purposes speci-
18 fied in section 167.”.

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

20 If the price of a barrel of crude oil exceeds \$35 (in
21 constant 2003 United States dollars) for a period greater
22 than 14 days, the President, through the Secretary of En-
23 ergy, shall, not later than 30 days after the end of the
24 14-day period, submit to the Committee on Energy and
25 Natural Resources of the Senate and the Committee on

1 Energy and Commerce of the House of Representatives
2 a report that—

3 (1) states the results of a comprehensive review
4 of the causes and potential consequences of the price
5 increase;

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

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

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

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