

109TH CONGRESS  
1ST SESSION

# S. 1979

To provide for the establishment of a strategic refinery reserve, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 2005

Mr. KOHL introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To provide for the establishment of a strategic refinery reserve, and for other purposes.

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. STRATEGIC REFINERY RESERVE.**

4       (a) ESTABLISHMENT.—

5           (1) IN GENERAL.—The Secretary of Energy  
6       shall establish and operate a Strategic Refinery Re-  
7       serve (referred to in this section as the “Reserve”)  
8       in the United States.

9           (2) AUTHORITIES.—To carry out this sub-  
10      section, the Secretary of Energy may contract for—

3 (B) the acquisition or reopening of closed  
4 refineries.

5 (b) OPERATION.—The Secretary of Energy shall op-  
6 erate the Reserve—

7 (1) to provide petroleum products to—

10 (B) any State governments and political  
11 subdivisions of States that opt to purchase re-  
12 fined petroleum products from the Reserve; and

15 (c) EMERGENCY PERIODS.—The Secretary of Energy

16 shall make petroleum products from the Reserve available  
17 under subsection (b)(2) only if the President determines  
18 that—

23 (2)(A) there is a regional petroleum product  
24 supply shortage of significant scope and duration;  
25 and

1 (B) action taken under subsection (b)(2) would  
2 directly and significantly assist in reducing the ad-  
3 verse impact of the shortage.

4 (d) LOCATIONS.—In determining the location of a re-  
5 finery for inclusion in the Reserve, the Secretary of En-  
6 ergy shall take into account—

## 11 (2) regional vulnerability to—

12 (A) natural disasters; and

13 (B) terrorist attacks;

14 (3) the proximity of the refinery to the Stra-  
15 tegic Petroleum Reserve;

20 (5) the need to minimize adverse public health  
21 and environmental impacts; and

22 (6) the energy needs of the Federal Government  
23 (including the Department of Defense).

24 (e) INCREASED CAPACITY.—The Secretary of Energy  
25 shall ensure that refineries in the Reserve are designed

1 to provide a rapid increase in production capacity during  
2 periods described in subsection (c).

3 (f) IMPLEMENTATION PLAN.—

4 (1) IN GENERAL.—Not later than 180 days  
5 after the date of the enactment of this Act, the Sec-  
6 retary of Energy shall submit to Congress a plan for  
7 the establishment and operation of the Reserve  
8 under this section.

9 (2) REQUIREMENTS.—The plan required under  
10 paragraph (1) shall—

11 (A)(i)(I) provide for, within 2 years after  
12 the date of enactment of this Act, a capacity  
13 within the Reserve equal to 5 percent of the  
14 total United States daily demand for gasoline,  
15 diesel, and aviation fuel; and

16 (II) provide for a capacity within the Re-  
17 serve such that not less than 75 percent of the  
18 gasoline and diesel fuel produced by the Re-  
19 serve contain an average of 10 percent renew-  
20 able fuel (as that term is defined in  
21 211(o)(1)(C) of the Clean Air Act (42 U.S.C.  
22 7545(o)(1)(C)); or

23 (ii) if the Secretary of Energy finds that  
24 achieving the capacity described in either sub-

1           clause (I) or (II) of clause (i) is not feasible  
2           within 2 years, include—

3                   (I) an explanation from the Secretary  
4                   of Energy of the reasons why achieving the  
5                   capacity within the timeframe is not fea-  
6                   sible; and

7                   (II) provisions for achieving the re-  
8                   quired capacity as soon as practicable; and  
9                   (B) provide for adequate delivery systems  
10                  capable of providing Reserve product to the en-  
11                  tities described in subsection (b)(1).

12           (g) COORDINATION.—The Secretary of Energy shall  
13           carry out this section in coordination with the Secretary  
14           of Defense.

15           (h) COMPLIANCE WITH FEDERAL ENVIRONMENTAL  
16           REQUIREMENTS.—Nothing in this section affects any re-  
17           quirement to comply with Federal or State environmental  
18           or other laws.

19 **SEC. 2. REPORTS ON REFINERY CLOSURES.**

20           (a) REPORTS TO SECRETARY OF ENERGY.—

21                   (1) IN GENERAL.—Not later than 180 days be-  
22                  fore permanently closing a refinery in the United  
23                  States, the owner or operator of the refinery shall  
24                  provide to the Secretary of Energy notice of the clos-  
25                  ing.

5 (b) REPORTS TO CONGRESS.—The Secretary of En-  
6 ergy shall, in consultation with the Secretary of Defense,  
7 the Administrator of the Environmental Protection Agen-  
8 cy, and the Federal Trade Commission and as soon as  
9 practicable after receipt of a report under subsection (a),  
10 submit to Congress—

11 (1) the report; and

12 (2) an analysis of the effects of the proposed  
13 closing covered by the report on—

14 (A) in accordance with the Clean Air Act  
15 (42 U.S.C. 7401 et seq.), supplies of clean fuel;

16 (B) petroleum product prices;

17 (C) competition in the refining industry;

18 (D) the national economy;

19 (E) regional economies;

20 (F) regional supplies of

21 products;

22 (G)

23 of Defense; and

24 (H) energy