

Calendar No. 81

109TH CONGRESS
1ST SESSION**S. 847**

To lower the burden of gasoline prices on the economy of the United States
and circumvent the efforts of OPEC to reap windfall oil profits.

IN THE SENATE OF THE UNITED STATES

APRIL 19, 2005

Ms. STABENOW (for herself and Mr. SCHUMER) introduced the following bill;
which was read the first time

APRIL 20, 2005

Read the second time and placed on the calendar

A BILL

To lower the burden of gasoline prices on the economy of
the United States and circumvent the efforts of OPEC
to reap windfall oil profits.

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. GASOLINE AND CRUDE OIL PRICES.**

4 (a) FINDINGS.—Congress finds that—

5 (1) the prices of gasoline and crude oil have a
6 direct and substantial impact on the financial well-
7 being of families of the United States, the potential

1 for national economic recovery, and the economic se-
2 curity of the United States;

3 (2) on April 12, 2005, crude oil prices closed at
4 the exceedingly high level of \$51.86 per barrel and
5 the price of crude oil has remained above \$50 per
6 barrel since February 22, 2005;

7 (3) on April 11, 2005, the Energy Information
8 Administration announced that the national price of
9 gasoline, at \$2.28 per gallon—

10 (A) had set a new record high for a 4th
11 consecutive week;

12 (B) was \$0.49 higher than last year; and

13 (C) could reach even higher levels in the
14 near future;

15 (4) despite the severely high, sustained price of
16 crude oil—

17 (A) the Organization of Petroleum Export-
18 ing Countries (referred to in this section as
19 “OPEC”) has refused to adequately increase
20 production to calm global oil markets and offi-
21 cially abandoned its \$22–\$28 price target; and

22 (B) officials of OPEC member nations
23 have publicly indicated support for maintaining
24 oil prices of \$40–\$50 per barrel;

1 (5) the Strategic Petroleum Reserve (referred
2 to in this section as “SPR”) was created to enhance
3 the physical and economic security of the United
4 States;

5 (6) the law allows the SPR to be used to pro-
6 vide relief when oil and gasoline supply shortages
7 cause economic hardship;

8 (7) the proper management of the resources of
9 the SPR could provide gasoline price relief to fami-
10 lies of the United States and provide the United
11 States with a tool to counterbalance OPEC supply
12 management policies;

13 (8) the Administration’s current policy of filling
14 the SPR despite the fact that the SPR is more than
15 98 percent full has exacerbated the rising price of
16 crude oil and record high retail price of gasoline;

17 (9) in order to combat high gasoline prices dur-
18 ing the summer and fall of 2000, President Clinton
19 released 30,000,000 barrels of oil from the SPR,
20 stabilizing the retail price of gasoline;

21 (10) increasing vertical integration has al-
22 lowed—

23 (A) the 5 largest oil companies in the
24 United States to control almost as much crude
25 oil production as the Middle Eastern members

1 of OPEC, over ½ of domestic refiner capacity,
2 and over 60 percent of the retail gasoline mar-
3 ket; and

4 (B) the top 10 oil companies in the world
5 to make more than \$100,000,000,000 in profit
6 and in some instances to post record-breaking
7 fourth quarter earnings that were in some cases
8 more than 200 percent higher than the previous
9 year;

10 (11) the Administration has failed to manage
11 the SPR in a manner that would provide gasoline
12 price relief to working families; and

13 (12) the Administration has failed to ade-
14 quately demand that OPEC immediately increase oil
15 production in order to lower crude oil prices and
16 safeguard the world economy.

17 (b) SENSE OF CONGRESS.—It is the sense of Con-
18 gress that the President should—

19 (1) directly confront OPEC and challenge
20 OPEC to immediately increase oil production; and

21 (2) direct the Federal Trade Commission and
22 Attorney General to exercise vigorous oversight over
23 the oil markets to protect the people of the United
24 States from price gouging and unfair practices at
25 the gasoline pump.

1 (c) STRATEGIC PETROLEUM RESERVE.—

2 (1) IN GENERAL.—For the period beginning on
3 the date of enactment of this Act and ending on the
4 date that is 30 days after the date of enactment of
5 this Act—

6 (A) deliveries of oil to the SPR shall be
7 suspended; and

8 (B) 1,000,000 barrels of oil per day shall
9 be released from the SPR.

10 (2) EXTENSION.—If necessary to lower the bur-
11 den of gasoline prices on the economy of the United
12 States and to circumvent the efforts of OPEC to
13 reap windfall crude oil profits, 1,000,000 barrels of
14 oil per day shall be released from the Strategic Pe-
15 troleum Reserve for an additional 30 days.

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