

110TH CONGRESS
1ST SESSION

S. 1028

To require the Secretary of Energy to establish a strategic refinery reserve,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2007

Mr. KOHL (for himself and Mrs. FEINSTEIN) introduced the following bill;
which was read twice and referred to the Committee on Energy and Nat-
ural Resources

A BILL

To require the Secretary of Energy to establish 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. SHORT TITLE.**

4 This Act may be cited as the “Strategic Refinery Re-
5 serve Act of 2007”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) RESERVE.—The term “Reserve” means the
9 Strategic Refinery Reserve established under section

10 3.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Energy.

3 **SEC. 3. STRATEGIC REFINERY RESERVE.**

4 (a) ESTABLISHMENT.—

5 (1) IN GENERAL.—The Secretary shall establish
6 and operate a Strategic Refinery Reserve in the
7 United States.

8 (2) AUTHORITIES.—To carry out this section,
9 the Secretary may contract for—

10 (A) the construction or operation of new
11 refineries; or

12 (B) the acquisition or reopening of closed
13 refineries.

14 (b) OPERATION.—The Secretary shall operate the
15 Reserve—

16 (1) to provide petroleum products to—

17 (A) the Federal Government (including the
18 Department of Defense); and

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

22 (2) to provide petroleum products to the general
23 public during any period described in subsection (c).

24 (c) EMERGENCY PERIODS.—The Secretary shall
25 make petroleum products from the Reserve available

1 under subsection (b)(2) only if the President determines
2 that—

3 (1) there is a severe energy supply interruption
4 (as defined in section 3 of the Energy Policy and
5 Conservation Act (42 U.S.C. 6202)); or

6 (2)(A) there is a regional petroleum product
7 supply shortage of significant scope and duration;
8 and

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

12 (d) LOCATIONS.—In determining the location of a re-
13 finery for inclusion in the Reserve, the Secretary shall take
14 into account—

15 (1) the impact of the refinery on the local com-
16 munity, as determined after requesting and review-
17 ing any comments from State and local governments
18 and the public;

19 (2) regional vulnerability to—

20 (A) natural disasters; and

21 (B) terrorist attacks;

22 (3) the proximity of the refinery to the Stra-
23 tegic Petroleum Reserve;

24 (4) the accessibility of the refinery to energy in-
25 frastructure and Federal facilities (including facili-

1 ties under the jurisdiction of the Department of De-
2 fense);

3 (5) the need to minimize adverse public health
4 and environmental impacts; and

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

7 (e) INCREASED CAPACITY.—The Secretary shall en-
8 sure that refineries in the Reserve are designed to provide
9 a rapid increase in production capacity during periods de-
10 scribed in subsection (c).

11 (f) IMPLEMENTATION PLAN.—

12 (1) IN GENERAL.—Not later than 180 days
13 after the date of enactment of this Act, the Sec-
14 retary shall submit to Congress a plan for the estab-
15 lishment and operation of the Reserve under this
16 section.

17 (2) REQUIREMENTS.—The plan required under
18 paragraph (1) shall—

19 (A)(i)(I) provide for, within 2 years after
20 the date of enactment of this Act, a capacity
21 within the Reserve equal to 5 percent of the
22 total United States daily demand for gasoline,
23 diesel, and aviation fuel; and

24 (II) provide for a capacity within the Re-
25 serve such that not less than 75 percent of the

gasoline and diesel fuel produced by the Reserve contain an average of 10 percent renewable fuel (as defined in 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)); or

(ii) if the Secretary finds that achieving the capacity described in subclause (I) or (II) of clause (i) is not feasible within 2 years after the date of enactment of this Act, include—

(I) an explanation from the Secretary of the reasons why achieving the capacity within the timeframe is not feasible; and

(II) provisions for achieving the required capacity as soon as practicable; and

(B) provide for adequate delivery systems capable of providing Reserve product to the entities described in subsection (b)(1).

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

(h) COMPLIANCE WITH FEDERAL ENVIRONMENTAL REQUIREMENTS.—Nothing in this section affects any requirement to comply with Federal or State environmental or other laws.

SEC. 4. REPORTS ON REFINERY CLOSURES.

(a) REPORTS TO SECRETARY.—

1 (1) IN GENERAL.—Not later than 180 days be-
 2 fore permanently closing a refinery in the United
 3 States, the owner or operator of the refinery shall
 4 submit to the Secretary notice of the closing.

5 (2) REQUIREMENTS.—The notice required
 6 under paragraph (1) with respect to a refinery to be
 7 closed shall include an explanation of the reasons for
 8 the closing of the refinery.

9 (b) REPORTS TO CONGRESS.—The Secretary shall, in
 10 consultation with the Secretary of Defense, the Adminis-
 11 trator of the Environmental Protection Agency, and the
 12 Federal Trade Commission and as soon as practicable
 13 after receipt of a report under subsection (a), submit to
 14 Congress—

15 (1) the report; and

16 (2) an analysis of the effects of the proposed
 17 closing covered by the report on—

18 (A) in accordance with the Clean Air Act

19 (42 U.S.C. 7401 et seq.), supplies of clean fuel;

20 (B) petroleum product prices;

21 (C) competition in the refining industry;

22 (D) the economy of the United States;

23 (E) regional economies;

24 (F) regional supplies of refined petroleum
 25 products;

- 1 (G) the supply of fuel to the Department
- 2 of Defense; and
- 3 (H) energy security.

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