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115TH CONGRESS
2^D SESSION

H. R. 6511

[Report No. 115-]

To authorize the Secretary of Energy to carry out a program to lease underutilized Strategic Petroleum Reserve facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2018

Mr. BARTON (for himself and Mr. RUSH) introduced the following bill; which was referred to the Committee on Energy and Commerce

SEPTEMBER --, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 25, 2018]

A BILL

To authorize the Secretary of Energy to carry out a program to lease underutilized Strategic Petroleum Reserve facilities, 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 Petroleum Re-*
5 *serve Reform Act”.*

6 **SEC. 2. USE OF UNDERUTILIZED STRATEGIC PETROLEUM**
7 **RESERVE FACILITIES.**

8 *Section 168 of the Energy Policy and Conservation Act*
9 *(42 U.S.C. 6247a) is amended to read as follows:*

10 **“SEC. 168. USE OF UNDERUTILIZED FACILITIES.**

11 *“(a) AUTHORITY.—Notwithstanding any other provi-*
12 *sion of this title, the Secretary may establish and carry out*
13 *a program to lease underutilized Strategic Petroleum Re-*
14 *serve storage facilities and related facilities to the private*
15 *sector, or a foreign government or its representative. Petro-*
16 *leum products stored under this section are not part of the*
17 *Strategic Petroleum Reserve.*

18 *“(b) PROTECTION OF FACILITIES.—Any lease entered*
19 *into under the program established under subsection (a)*
20 *shall contain provisions providing for fees to fully com-*
21 *pensate the United States for all related costs of storage and*
22 *removals of petroleum products (including the propor-*
23 *tionate cost of replacement facilities necessitated as a result*
24 *of any withdrawals) incurred by the United States as a*
25 *result of such lease.*

1 “(c) *ACCESS BY THE UNITED STATES.*—*The Secretary*
2 *shall ensure that leasing of facilities under the program es-*
3 *tablished under subsection (a) does not impair the ability*
4 *of the United States to withdraw, distribute, or sell petro-*
5 *leum products from the Strategic Petroleum Reserve in re-*
6 *sponse to an energy emergency or to the obligations of the*
7 *United States under the Agreement on an International*
8 *Energy Program.*

9 “(d) *NATIONAL SECURITY.*—*The Secretary shall en-*
10 *sure that leasing of facilities under the program established*
11 *under subsection (a) to a foreign government or its rep-*
12 *resentative will not impair national security.*

13 “(e) *DEPOSITS OF AMOUNTS RECEIVED.*—

14 “(1) *IN GENERAL.*—*Except as provided in para-*
15 *graph (2), amounts received through the leasing of fa-*
16 *cilities under the program established under sub-*
17 *section (a) shall be deposited in the general fund of*
18 *the Treasury during the fiscal year in which such*
19 *amounts are received.*

20 “(2) *COSTS.*—*The Secretary may use for costs*
21 *described in subsection (b) (other than costs described*
22 *in subsection (f)), without further appropriation,*
23 *amounts received through the leasing of facilities*
24 *under the program established under subsection (a).*

1 “(f) *PREPARATION OF FACILITIES.*—*The Secretary*
2 *shall only use amounts available in the Energy Security*
3 *and Infrastructure Modernization Fund established by sec-*
4 *tion 404 of the Bipartisan Budget Act of 2015 for costs de-*
5 *scribed in subsection (b) of this section that relate to addi-*
6 *tion of facilities or changes to facilities or facility oper-*
7 *ations necessary to lease such facilities, including costs re-*
8 *lated to acquisition of land, acquisition of ancillary facili-*
9 *ties and equipment, and site development, and other nec-*
10 *essary costs related to capital improvement.”.*

11 **SEC. 3. PILOT PROGRAM TO LEASE STRATEGIC PETROLEUM**
12 **RESERVE FACILITIES.**

13 “(a) *IN GENERAL.*—*Part B of title I of the Energy Pol-*
14 *icy and Conservation Act (42 U.S.C. 6231 et seq.) is amend-*
15 *ed by adding at the end the following:*

16 **“SEC. 170. PILOT PROGRAM TO LEASE STORAGE AND RE-**
17 **LATED FACILITIES.**

18 “(a) *ESTABLISHMENT.*—*In carrying out section 168*
19 *and not later than 180 days after the date of enactment*
20 *of the Strategic Petroleum Reserve Reform Act, the Sec-*
21 *retary shall establish and carry out a pilot program to*
22 *make available for lease—*

23 “(1) *capacity for storage of up to 200,000,000*
24 *barrels of petroleum products at Strategic Petroleum*
25 *Reserve storage facilities; and*

1 “(2) *related facilities.*”

2 “(b) *CONTENTS.—In carrying out the pilot program*
3 *established under subsection (a), the Secretary shall—*

4 “(1) *identify appropriate Strategic Petroleum*
5 *Reserve storage facilities and related facilities to*
6 *lease, in order to make maximum use of such facili-*
7 *ties;*

8 “(2) *identify and implement any changes to fa-*
9 *cilities or facility operations necessary to so lease*
10 *such facilities, including any such changes necessary*
11 *to ensure the long-term structural viability and use of*
12 *the facilities for purposes of this part and part C;*

13 “(3) *make such facilities available for lease; and*

14 “(4) *identify environmental effects, including*
15 *benefits, of leasing storage facilities and related facili-*
16 *ties.*

17 “(c) *REPORT.—Not later than 1 year after the date*
18 *of enactment of the Strategic Petroleum Reserve Reform*
19 *Act, the Secretary shall submit to Congress a report on the*
20 *status of the pilot program established under subsection*
21 *(a).”.*

22 “(b) *CONFORMING AMENDMENT.—The table of contents*
23 *for the Energy Policy and Conservation Act is amended by*
24 *adding after the item relating to section 169 the following:*

 “*Sec. 170. Pilot program to lease storage and related facilities.*”.