

116TH CONGRESS
2D SESSION

H. R. 7019

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

MAY 26, 2020

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

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
5 Reserve Reform Act”.

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

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

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

2 “(a) **AUTHORITY.**—Notwithstanding any other provi-
3 sion of this title, the Secretary may establish and carry
4 out a program to make available, by lease or otherwise,
5 underutilized Strategic Petroleum Reserve storage facili-
6 ties and related facilities to the private sector, or a foreign
7 government or its representative, for any term and under
8 such other conditions as the Secretary considers necessary
9 or appropriate. Petroleum products stored under this sec-
10 tion are not part of the Strategic Petroleum Reserve.

11 “(b) **PROTECTION OF FACILITIES.**—Any lease en-
12 tered into under the program established under subsection
13 (a) shall contain provisions providing for fees to fully com-
14 pensate the United States for all related costs of storage
15 and removals of petroleum products (including the propor-
16 tionate cost of replacement facilities necessitated as a re-
17 sult of any withdrawals) incurred by the United States
18 as a result of such lease.

19 “(c) **ACCESS BY THE UNITED STATES.**—The Sec-
20 retary shall ensure that leasing of facilities under the pro-
21 gram established under subsection (a) does not impair the
22 ability of the United States to withdraw, distribute, or sell
23 petroleum products from the Strategic Petroleum Reserve
24 in response to an energy emergency or to the obligations
25 of the United States under the Agreement on an Inter-
26 national Energy Program.

1 “(d) NATIONAL SECURITY.—The Secretary shall en-
2 sure that leasing of facilities under the program estab-
3 lished under subsection (a) to a foreign government or its
4 representative will not impair national security.

5 “(e) DEPOSITS OF AMOUNTS RECEIVED.—

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2), amounts received through the leasing of
8 facilities under the program established under sub-
9 section (a) shall be deposited in the general fund of
10 the Treasury during the fiscal year in which such
11 amounts are received.

12 “(2) COSTS.—The Secretary may use for costs
13 described in subsection (b) (other than costs de-
14 scribed in subsection (f)), without further appropria-
15 tion, amounts received through the leasing of facili-
16 ties under the program established under subsection
17 (a).

18 “(f) PREPARATION OF FACILITIES.—The Secretary
19 shall only use amounts available in the Energy Security
20 and Infrastructure Modernization Fund established by
21 section 404 of the Bipartisan Budget Act of 2015 for costs
22 described in subsection (b) of this section that relate to
23 addition of facilities or changes to facilities or facility op-
24 erations necessary to lease such facilities, including costs
25 related to acquisition of land, acquisition of ancillary fa-

1 cilities and equipment, and site development, and other
 2 necessary costs related to capital improvement.”.

3 **SEC. 3. PILOT PROGRAM TO LEASE STRATEGIC PETRO-**
 4 **LEUM RESERVE FACILITIES.**

5 (a) IN GENERAL.—Part B of title I of the Energy
 6 Policy and Conservation Act (42 U.S.C. 6231 et seq.) is
 7 amended by adding at the end the following:

8 **“SEC. 170. PILOT PROGRAM TO LEASE STORAGE AND RE-**
 9 **LATED FACILITIES.**

10 “(a) ESTABLISHMENT.—In carrying out section 168
 11 and not later than 180 days after the date of enactment
 12 of the Strategic Petroleum Reserve Reform Act, the Sec-
 13 retary shall establish and carry out a pilot program to
 14 make available for lease—

15 “(1) capacity for storage of up to 200,000,000
 16 barrels of petroleum products at Strategic Petroleum
 17 Reserve storage facilities; and

18 “(2) related facilities.

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

21 “(1) identify appropriate Strategic Petroleum
 22 Reserve storage facilities and related facilities to
 23 lease, in order to make maximum use of such facili-
 24 ties;

1 “(2) identify and implement any changes to fa-
 2 cilities or facility operations necessary to so lease
 3 such facilities, including any such changes necessary
 4 to ensure the long-term structural viability and use
 5 of the facilities for purposes of this part and part C;

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

7 “(4) identify environmental effects, including
 8 benefits, of leasing storage facilities and related fa-
 9 cilities.

10 “(c) REPORT.—Not later than 1 year after the date
 11 of enactment of the Strategic Petroleum Reserve Reform
 12 Act, the Secretary shall submit to Congress a report on
 13 the status of the pilot program established under sub-
 14 section (a).”.

15 (b) CONFORMING AMENDMENT.—The table of con-
 16 tents for the Energy Policy and Conservation Act is
 17 amended by adding after the item relating to section 169
 18 the following:

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

