



Legislative Bulletin.....October 7, 2005

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H.R. 3893—Amendments to the Gasoline for America's Security Act

H.R. 3893, the Gasoline for America's Security Act (sponsored by Rep. Barton), is scheduled to be considered on the House floor today, Friday, October 7th, subject to a structured rule (H.Res. 481). Below is the summary of the one amendment that will be automatically considered as adopted upon passage of the rule and the one other amendment made in order to be offered under the rule. **Note: summaries are based on RSC staff's review of actual amendment text.** For a summary of the underlying bill, see a separate RSC document released yesterday.

Amendment automatically adopted upon passage of H.Res. 481:

Barton (R-TX). Manager's Amendment.

- Fixes the \$3 billion budget-violation in the underlying bill by striking the direct-discount language in the bill for small refineries and replacing it with a rebate program that would be subject to appropriations. That is, the assistance for small refineries has been switched from mandatory to discretionary. The rebate would have to reflect the actual cost of transporting the crude oil from the point of origin to the refinery and could not exceed \$4.50 per barrel. Terminates the rebate program on and after the date on which the Secretary of Energy determines that the U.S. domestic refining capacity is sufficient.
- Accelerates the required FTC development of "price gouging" regulations from one year to six months.
- Strikes the provisions in the underlying bill requiring the revision of the New Source Review regulations under the Clean Air Act.
- Strikes the section authorizing a new grant program for the development of carbon fuel cells.
- Clarifies that the fuel-waiver language in the underlying bill does not affect ethanol or MTBE.
- Strikes the entire title that would create the Commission for the Deployment of the Hydrogen Economy.
- Strikes the following required analysis in the gas prices investigation in the underlying bill: the varying cost of credit card interchange rates that are applied to different channels of trade.

- Clarifies that the BRAC process has to be followed for any closed military bases designated by the President as potential refinery sites.
- Deletes the language on the Northwest crude oil supply.
- Makes a variety of technical and clarifying changes.

Other amendment allowed to be offered under the rule:

Stupak (D-MI). Amendment in the nature of a substitute.

- Implements more aggressive provisions regarding “price gouging” than are included in the underlying bill.
- Makes it a federal crime to sell oil or related products at prices that are “unconscionably excessive” or that take “unfair advantage...unreasonably” in disaster areas.
- Creates new crimes for market manipulation and false pricing information.
- Provides for presidential declarations of up-to-45-day federal energy emergencies.
- Authorizes the FTC to define and punish “price gouging.”
- Preserves the FTC’s existing civil penalty authority and authorizes new civil penalties of up to three times the amount of “unjust profits” gained by companies who engage in price gouging.
- Fines collected under this legislation would be deposited in a Consumer Relief Trust Fund (created by this amendment), which in turn would fund the Low Income Home Energy Assistance Program (LIHEAP).
- Provides for state actions against price gouging.
- Directs the FTC to make market information about oil and gas prices more publicly available, through a variety of means and gives the FTC new authority to obtain information about such prices and market factors.
- Requires a report on U.S. energy emergency preparedness.
- Requires a report on how to better protect America’s energy supply from mass disaster (whether natural or man-made).
- Authorizes “such sums” for all of the above.
- Establishes a federal Strategic Refinery Reserve, which would authorize the federal government to “design and construct new refineries, or acquire closed refineries and reopen them...” to provide petroleum products to the general public and the federal and state governments during emergencies.
- Requires that all existing environmental laws still apply to the Strategic Refinery Reserve.
- Requires the owner or operator of a refinery in the U.S. to notify the federal government at least six months in advance of permanently closing the refinery and to include in such notice an explanation of the reasons for the proposed closing. (Note: this provision does not clarify how an operator would always know that far in advance that he was going to close his refinery—such as in the case of a natural disaster.)

(Debatable for 40 minutes)

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