

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6511

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 2018

Received; read twice and referred to the Committee on Energy and Natural  
Resources

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strategic Petroleum  
3 Reserve Reform Act”.

4 **SEC. 2. USE OF UNDERUTILIZED STRATEGIC PETROLEUM**  
5 **RESERVE FACILITIES.**

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

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

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

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

24 “(c) **ACCESS BY THE UNITED STATES.**—The Sec-  
25 retary shall ensure that leasing of facilities under the pro-  
26 gram established under subsection (a) does not impair the

1 ability of the United States to withdraw, distribute, or sell  
2 petroleum products from the Strategic Petroleum Reserve  
3 in response to an energy emergency or to the obligations  
4 of the United States under the Agreement on an Inter-  
5 national Energy Program.

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

10 “(e) DEPOSITS OF AMOUNTS RECEIVED.—

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

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

23 “(f) PREPARATION OF FACILITIES.—The Secretary  
24 shall only use amounts available in the Energy Security  
25 and Infrastructure Modernization Fund established by

1 section 404 of the Bipartisan Budget Act of 2015 for costs  
2 described in subsection (b) of this section that relate to  
3 addition of facilities or changes to facilities or facility op-  
4 erations necessary to lease such facilities, including costs  
5 related to acquisition of land, acquisition of ancillary fa-  
6 cilities and equipment, and site development, and other  
7 necessary costs related to capital improvement.”.

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

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

13 **“SEC. 170. PILOT PROGRAM TO LEASE STORAGE AND RE-**  
14 **LATED FACILITIES.**

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

20 “(1) capacity for storage of up to 200,000,000  
21 barrels of petroleum products at Strategic Petroleum  
22 Reserve storage facilities; and

23 “(2) related facilities.

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

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

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

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

11           “(4) identify environmental effects, including  
12 benefits, of leasing storage facilities and related fa-  
13 cilities.

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

19           (b) CONFORMING AMENDMENT.—The table of con-  
20 tents for the Energy Policy and Conservation Act is

- 1 amended by adding after the item relating to section 169
- 2 the following:

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

Passed the House of Representatives September 25,  
2018.

Attest:

KAREN L. HAAS,  
*Clerk.*