

116TH CONGRESS  
2D SESSION

# S. 3816

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

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IN THE SENATE OF THE UNITED STATES

MAY 21, 2020

Mr. CASSIDY introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To authorize the Secretary of Energy to carry out a program to lease underused facilities of the Strategic Petroleum 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 Petroleum  
5 Reserve Reform Act”.

1 **SEC. 2. USE OF UNDERUSED STRATEGIC PETROLEUM RE-**  
2 **SERVE FACILITIES.**

3 (a) IN GENERAL.—Section 168 of the Energy Policy  
4 and Conservation Act (42 U.S.C. 6247a) is amended to  
5 read as follows:

6 **“SEC. 168. USE OF UNDERUSED FACILITIES.**

7 **“(a) LEASING OF FACILITIES.—**

8 **“(1) IN GENERAL.—**Notwithstanding any other  
9 provision of this title, the Secretary may establish a  
10 program (referred to in this section as the ‘pro-  
11 gram’) under which the Secretary may lease  
12 underused storage facilities and related facilities of  
13 the Strategic Petroleum Reserve to private entities  
14 and foreign governments for any term and under  
15 such other conditions as the Secretary considers nec-  
16 essary or appropriate.

17 **“(2) EXCLUSION FROM STRATEGIC PETROLEUM**  
18 **RESERVE.—**Petroleum products stored in a storage  
19 facility or related facility leased under the program  
20 shall not be part of the Strategic Petroleum Reserve.

21 **“(b) PROTECTION OF FACILITIES.—**Each lease en-  
22 tered into under the program shall contain provisions re-  
23 quiring the lessee to pay fees to fully compensate the  
24 United States for all costs relating to the storage and re-  
25 moval of petroleum products (including the proportionate  
26 cost of any replacement facility necessitated as a result

1 of any withdrawal) incurred by the United States as a re-  
2 sult of the lease.

3 “(c) ACCESS TO PETROLEUM PRODUCTS BY THE  
4 UNITED STATES.—The Secretary shall ensure that each  
5 lease entered into under the program shall not impair the  
6 ability of the United States to withdraw, distribute, or sell  
7 petroleum products from the Strategic Petroleum Reserve  
8 in response to—

9 “(1) an energy emergency; or

10 “(2) the obligations of the United States under  
11 the international energy program.

12 “(d) NATIONAL SECURITY.—The Secretary shall en-  
13 sure that any lease entered into under the program with  
14 a foreign government shall not impair national security.

15 “(e) DEPOSITS OF AMOUNTS RECEIVED.—

16 “(1) IN GENERAL.—Except as provided in para-  
17 graph (2), amounts received from a lease entered  
18 into under the program shall be deposited in the  
19 general fund of the Treasury during the fiscal year  
20 in which the amounts are received.

21 “(2) PAYMENT OF COSTS.—

22 “(A) IN GENERAL.—Except as provided in  
23 subparagraph (B), the Secretary, without fur-  
24 ther appropriation, may use amounts received

1 from a lease entered into under the program for  
2 the costs described in subsection (b).

3 “(B) EXCEPTION.—The Secretary may not  
4 use amounts received from a lease entered into  
5 under the program for any cost for additions or  
6 changes described in subsection (f)(1).

7 “(f) PREPARATION OF FACILITIES.—

8 “(1) IN GENERAL.—In using amounts available  
9 in the Energy Security and Infrastructure Mod-  
10 ernization Fund established by section 404 of the  
11 Bipartisan Budget Act of 2015 (42 U.S.C. 6239  
12 note; Public Law 114–74) (referred to in this sub-  
13 section as the ‘Fund’) for costs described in sub-  
14 section (b), the Secretary shall only use amounts for  
15 costs that relate to the addition of a facility or  
16 changes to a facility or facility operations necessary  
17 to lease the facility, including costs relating to—

18 “(A) the acquisition of land;

19 “(B) the acquisition of any ancillary facil-  
20 ity or equipment;

21 “(C) site development; and

22 “(D) other necessary costs relating to cap-  
23 ital improvement.

24 “(2) EFFECT.—Nothing in this subsection al-  
25 ters or limits the authority of the Secretary to use

1 amounts in the Fund for the uses authorized by sec-  
2 tion 404(d) of the Bipartisan Budget Act of 2015  
3 (42 U.S.C. 6239 note; Public Law 114–74).”.

4 (b) CONFORMING AMENDMENT.—The table of con-  
5 tents for the Energy Policy and Conservation Act (42  
6 U.S.C. prec. 6201) is amended by striking the item relat-  
7 ing to section 168 and inserting the following:

“Sec. 168. Use of underused facilities.”.

8 **SEC. 3. PROGRAM TO LEASE STRATEGIC PETROLEUM RE-**  
9 **SERVE 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. PROGRAM TO LEASE STORAGE AND RELATED**  
14 **FACILITIES.**

15 “(a) ESTABLISHMENT.—Not later than 180 days  
16 after the date of enactment of the Strategic Petroleum Re-  
17 serve Reform Act, as part of the program established  
18 under section 168, the Secretary shall establish a program  
19 (referred to in this section as the ‘program’) to make avail-  
20 able for lease—

21 “(1) capacity for storage of not more than  
22 200,000,000 barrels of petroleum products at stor-  
23 age facilities of the Strategic Petroleum Reserve;  
24 and

25 “(2) related facilities.

1       “(b) CONTENTS.—In carrying out the program, the  
2 Secretary shall—

3           “(1) identify appropriate storage facilities and  
4 related facilities of the Strategic Petroleum Reserve  
5 to lease, to make maximum use of those facilities;

6           “(2) identify and implement any changes to fa-  
7 cilities or facility operations necessary to lease the  
8 facilities identified under paragraph (1), including  
9 any changes necessary to ensure the long-term  
10 structural viability and use of the facilities for pur-  
11 poses of this part and part C;

12           “(3) make the facilities identified under para-  
13 graph (1) available for lease; and

14           “(4) identify environmental effects, including  
15 benefits, of leasing storage facilities and related fa-  
16 cilities of the Strategic Petroleum Reserve.

17       “(c) REPORT.—Not later than 18 months after the  
18 date of enactment of the Strategic Petroleum Reserve Re-  
19 form Act, the Secretary shall submit to Congress a report  
20 describing the status of the program.”.

21       (b) CONFORMING AMENDMENT.—The table of con-  
22 tents for the Energy Policy and Conservation Act (42  
23 U.S.C. prec. 6201) is amended by adding at the end of  
24 the items relating to part B of title I the following:

“Sec. 170. Program to lease storage and related facilities.”.