

PENDING

Calendar No.

Purpose: To express the sense of the Senate regarding management of the Strategic Petroleum Reserve to lower the burden of gasoline prices on the economy of the United States and circumvent the efforts of OPEC to reap windfall profits.

IN THE HOUSE OF REPRESENTATIVES—109th Cong., 1st Sess.

**AMENDMENT No. 0805**

By Schumer and

To: H. R. 6

Re 5

Page(s)

GPO: 2004 97-290(Mac)

AMENDMENT intended to be proposed by Mr. SCHUMER

Viz:

- 1 On page 208, after line 24, add the following:
- 2 **SEC. 303. SENSE OF THE SENATE REGARDING MANAGE-**
- 3 **MENT OF SPR.**
- 4 (a) FINDINGS.—Congress finds that—
- 5 (1) the prices of gasoline and crude oil have a
- 6 direct and substantial impact on the financial well-
- 7 being of families of the United States, the potential
- 8 for national economic recovery, and the economic se-
- 9 curity of the United States;

1           (2) on June 13, 2005, crude oil prices closed at  
2           the exceedingly high level of \$55.62 per barrel, the  
3           price of crude oil has remained above \$50 per barrel  
4           since May 25, 2005, and the price of crude oil has  
5           exceeded \$50 per barrel for approximately  $\frac{1}{3}$  of cal-  
6           endar year 2005;

7           (3) on June 6, 2005, the Energy Information  
8           Administration announced that the national price of  
9           gasoline, at \$2.12 per gallon, could reach even high-  
10          er levels in the near future;

11          (4) despite the severely high, sustained price of  
12          crude oil—

13                 (A) the Organization of Petroleum Export-  
14                 ing Countries (referred to in this section as  
15                 “OPEC”) has refused to adequately increase  
16                 production to calm global oil markets and offi-  
17                 cially abandoned its \$22–\$28 price target; and

18                 (B) officials of OPEC member nations  
19                 have publicly indicated support for maintaining  
20                 oil prices of \$40–\$50 per barrel;

21          (5) the Strategic Petroleum Reserve (referred  
22          to in this section as “SPR”) was created to enhance  
23          the physical and economic security of the United  
24          States;

1           (6) the law allows the SPR to be used to pro-  
2           vide relief when oil and gasoline supply shortages  
3           cause economic hardship;

4           (7) the proper management of the resources of  
5           the SPR could provide gasoline price relief to fami-  
6           lies of the United States and provide the United  
7           States with a tool to counterbalance OPEC supply  
8           management policies;

9           (8) the Administration's policy of filling the  
10          SPR despite the fact that the SPR is nearly full has  
11          exacerbated the rising price of crude oil and record  
12          high retail price of gasoline;

13          (9) in order to combat high gasoline prices dur-  
14          ing the summer and fall of 2000, President Clinton  
15          released 30,000,000 barrels of oil from the SPR,  
16          stabilizing the retail price of gasoline;

17          (10) increasing vertical integration has al-  
18          lowed—

19                 (A) the 5 largest oil companies in the  
20                 United States to control almost as much crude  
21                 oil production as the Middle Eastern members  
22                 of OPEC, over ½ of domestic refiner capacity,  
23                 and over 60 percent of the retail gasoline mar-  
24                 ket; and

1                   (B) Exxon/Mobil, BP, Royal Dutch Shell  
2                   Group, Conoco/Philips, and Chevron/Texaco to  
3                   increase first quarter profits of 2005 over first  
4                   quarter profits of 2004 by 36 percent, for total  
5                   first quarter profits of over \$25,000,000,000;

6                   (11) the Administration has failed to manage  
7                   the SPR in a manner that would provide gasoline  
8                   price relief to working families; and

9                   (12) the Administration has failed to ade-  
10                   quately demand that OPEC immediately increase oil  
11                   production in order to lower crude oil prices and  
12                   safeguard the world economy.

13                  (b) SENSE OF CONGRESS.—It is the sense of Con-  
14                  gress that the President should—

15                   (1) directly confront OPEC and challenge  
16                   OPEC to immediately increase oil production; and

17                   (2) direct the Federal Trade Commission and  
18                   Attorney General to exercise vigorous oversight over  
19                   the oil markets to protect the people of the United  
20                   States from price gouging and unfair practices at  
21                   the gasoline pump.

22                  (c) RELEASE OF OIL FROM SPR.—

23                   (1) IN GENERAL.—For the period beginning on  
24                   the date of enactment of this Act and ending on the  
25                   date that is 30 days after the date of enactment of

1       this Act, 1,000,000 barrels of oil per day shall be re-  
2       leased from the SPR.

3               (2) ADDITIONAL RELEASE.—If necessary to  
4       lower the burden of gasoline prices on the economy  
5       of the United States and to circumvent the efforts  
6       of OPEC to reap windfall crude oil profits,  
7       1,000,000 barrels of oil per day shall be released  
8       from the Strategic Petroleum Reserve for an addi-  
9       tional 30 days.