

112TH CONGRESS  
1ST SESSION

# H. R. 1914

To provide for the sale of light grade petroleum from the Strategic Petroleum Reserve and its replacement with heavy grade petroleum.

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IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2011

Mr. CUELLAR introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To provide for the sale of light grade petroleum from the Strategic Petroleum Reserve and its replacement with heavy grade petroleum.

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 “Gas Price Stabilization  
5 Act of 2011”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the term “light grade petroleum” means  
9 crude oil with an API gravity of 30 degrees or high-  
10 er;

1           (2) the term “heavy grade petroleum” means  
2           crude oil with an API gravity of 26 degrees or lower;  
3           and

4           (3) the term “Secretary” means the Secretary  
5           of Energy.

6 **SEC. 3. SALE AND REPLACEMENT OF OIL FROM THE STRA-**  
7 **TEGIC PETROLEUM RESERVE.**

8           (a) INITIAL PETROLEUM SALE AND REPLACE-  
9           MENT.—Notwithstanding section 161 of the Energy Policy  
10          and Conservation Act (42 U.S.C. 6241), the Secretary  
11          shall publish a plan not later than 15 days after the date  
12          of enactment of this Act to—

13           (1) sell, in the amounts and on the schedule de-  
14          scribed in subsection (b), light grade petroleum from  
15          the Strategic Petroleum Reserve and acquire an  
16          equivalent volume of heavy grade petroleum;

17           (2) deposit the cash proceeds from sales under  
18          paragraph (1) into the SPR Petroleum Account es-  
19          tablished under section 167 of the Energy Policy  
20          and Conservation Act (42 U.S.C. 6247); and

21           (3) from the cash proceeds deposited pursuant  
22          to paragraph (2), withdraw the amount necessary to  
23          pay for the direct administrative and operational  
24          costs of the sale and acquisition.

1           (b) AMOUNTS AND SCHEDULE.—The sale and acqui-  
2 sition described in subsection (a) shall require the offer  
3 for sale of a total quantity of 70,000,000 barrels of light  
4 grade petroleum from the Strategic Petroleum Reserve.  
5 The sale shall commence, whether or not a plan has been  
6 published under subsection (a), not later than 30 days  
7 after the date of enactment of this Act and be completed  
8 no more than six months after the date of enactment of  
9 this Act, with at least 20,000,000 barrels to be offered  
10 for sale within the first 60 days after the date of enact-  
11 ment of this Act. In no event shall the Secretary sell bar-  
12 rels of oil under subsection (a) that would result in a Stra-  
13 tegic Petroleum Reserve that contains fewer than 90 per-  
14 cent of the total amount of barrels in the Strategic Petro-  
15 leum Reserve as of the date of enactment of this Act.  
16 Heavy grade petroleum, to replace the quantities of light  
17 grade petroleum sold under this section, shall be obtained  
18 through acquisitions which—

19           (1) shall commence no sooner than 6 months  
20 after the date of enactment of this Act;

21           (2) shall be completed, at the discretion of the  
22 Secretary, not later than 5 years after the date of  
23 enactment of this Act;

1           (3) shall be carried out in a manner so as to  
2           maximize the monetary value to the Federal Govern-  
3           ment; and

4           (4) shall be acquired using the receipts from  
5           the sale of light petroleum authorized under this sec-  
6           tion.

7           (c) DEFERRALS.—The Secretary is encouraged to,  
8           when economically beneficial and practical, grant requests  
9           to defer scheduled deliveries of petroleum to the Reserve  
10          under subsection (a) if the deferral will result in a pre-  
11          mium paid in additional barrels of oil which will reduce  
12          the cost of oil acquisition and increase the volume of oil  
13          delivered to the Reserve or yield additional cash bonuses.

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