

106TH CONGRESS
2D SESSION

H. CON. RES. 274

Expressing the sense of the Congress concerning drawdowns of the Strategic Petroleum Reserve.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2000

Mr. KLINK (for himself, Mr. BALDACCI, Mr. MURTHA, Mr. HOLDEN, Mr. COYNE, Mr. BRADY of Pennsylvania, Mr. GEJDENSON, Mr. WYNN, Mr. OLVER, Mr. SANDERS, Mr. WEYGAND, and Mr. MALONEY of Connecticut) submitted the following concurrent resolution; which was referred to the Committee on Commerce

CONCURRENT RESOLUTION

Expressing the sense of the Congress concerning drawdowns of the Strategic Petroleum Reserve.

Whereas the price of crude oil has more than doubled in the past year to over \$30 per barrel, and prices of petroleum products such as heating oil, diesel fuel, and gasoline have reached record levels;

Whereas a sharp sustained increase in the price of crude oil negatively affects the overall economic well-being of the United States;

Whereas high oil prices harm people and businesses;

Whereas the Energy Information Administration has determined that Northeastern United States fuel reserves are

the lowest in 20 years and that Americans are “skating on thin ice” in meeting energy requirements;

Whereas the current price and supply crisis was largely created through the actions of the Organization of Petroleum Exporting Countries (“OPEC”) by market-distorting and collusive production reductions, and OPEC’s activities would be in violation of United States antitrust laws if conducted within the United States;

Whereas OPEC has demonstrated unity not seen since the energy crises of the 1970’s;

Whereas the United States has a Strategic Petroleum Reserve of over 570,000,000 barrels of crude oil to protect against threats to oil supplies;

Whereas many experts, trade associations, and Members of Congress have called for a drawdown of the Strategic Petroleum Reserve to combat OPEC’s market distorting behavior;

Whereas a drawdown or the threat of a drawdown of the Strategic Petroleum Reserve could provide a critical tool to break the resolve of OPEC to practice market distorting behavior, and a sale of oil from the Strategic Petroleum Reserve would increase domestic supplies and drive down prices in the short term;

Whereas swaps from the Strategic Petroleum Reserve offer a way to increase the overall size of the Strategic Petroleum Reserve at no cost to the taxpayer;

Whereas low global inventories allow OPEC to retain inordinate control over supply and pricing, and consequently undue influence over the global economy; and

Whereas the member nations of OPEC are scheduled to convene a summit on March 27 for the purpose of discussing increased production of oil: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring),*

3 **SECTION 1. SENSE OF CONGRESS.**

4 It is the sense of Congress that—

5 (1) if the March 27 OPEC summit does not result in a decision to increase production sufficiently to reduce the price of oil in the United States, reversing OPEC's market-distorting behavior, then using authority under existing law, directly through time exchanges (or "swaps") or through other means, the President and the Secretary of Energy should draw down the Strategic Petroleum Reserve in an economically feasible manner and to a responsible degree, to combat unfair foreign trade practices of the Organization of Petroleum Exporting Countries and alleviate the severely deleterious consequences to people and business in the United States that those practices have caused; and

19 (2) the President and the Secretary of Energy should prepare for future threats to the economy and energy supply of the United States by developing methods to—

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