I

109TH CONGRESS
1ST SESSION

H. R. 3544

To provide for the stabilization of prices for gasoline, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2005

Mr. DEFAZIO (for himself and Mr. SANDERS) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Government Reform, the Judiciary, Resources, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To provide for the stabilization of prices for gasoline, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Gasoline Price Stabilization Act of 2005".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. AUTHORIZATION FOR GASOLINE PRICE STABILIZATION.

(a) PRESIDENTIAL AUTHORITY.—The President may issue such orders and regulations as he may deem appropriate, including price caps, to stabilize prices for wholesale and retail gasoline to levels at or below levels prevailing on March 1, 2004, if the President makes a determination that—

(1) there is an increase in gasoline prices that—

(A) is of significant scope and duration; and

(B) is likely to cause a significant adverse impact on the national economy, or on a State or regional economy; and

(2) the price increase is substantially caused by conduct that lessens competition (or tends to create a monopoly) by—

(A) at least one foreign country or international entity; or

(B) at least one producer, refiner, or marketer of petroleum products.

(b) CIVIL MONEY PENALTY.—Whoever willfully violates any order or regulation issued under this section shall be subject to a civil money penalty for each violation of not more than $1,000,000.

(c) INJUNCTIONS.—Whenever it appears to any agency of the United States, authorized by the President to exercise the authority contained in this subsection to enforce orders and regulations issued under this section, that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation under this section, such agency may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing the court may issue a permanent or temporary injunction or restraining order without bond. Upon application of the agency, any such court may also order any person to comply with any order or regulation under this section.

(d) EXPIRATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall cease to have effect one year after the date of the enactment of this Act.

(2) EXCEPTION.—Paragraph (1) shall not affect enforcement relating to a violation of this section occurring before the expiration date in paragraph (1).

SEC. 3. STRATEGIC PETROLEUM RESERVE DRAWDOWN.

(a) DRAWDOWNS AUTHORIZED TO ADDRESS STATE OR REGIONAL ECONOMIC HARM.—Section 161(d)(2)(C) of the Energy Policy and Conservation Act (42 U.S.C. 6241(d)(2)(C)) is amended by inserting '', or on a State or regional economy'' after ''national economy''.

(b) DRAWDOWNS AUTHORIZED TO COMBAT ANTI-COMPETITIVE CONDUCT.—Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241(d)) is further amended by adding at the end the following new paragraph:

''(3)(A) For purposes of this section, in addition to the circumstances set forth in section 3(8) and in paragraph (2) of this subsection, a severe energy supply interruption exists if the President determines that—

''(i) there is a significant reduction in supply that—

"(I) is of significant scope and duration; and

"(II) has caused a significant increase in the price of petroleum products;

"(ii) the increase in price is likely to cause a significant adverse impact on the national economy, or on a State or regional economy; and

"(iii) the reduction in supply is substantially caused by conduct that lessens competition (or tends to create a monopoly) by—

"(I) at least one foreign country or international entity; or

"(II) at least one producer, refiner, or marketer of petroleum products.

"(B) Proceeds from the sale of petroleum drawn down pursuant to a Presidential determination under subparagraph (A) shall—

"(i) be deposited in the SPR Petroleum Account established under section 167; and

"(ii) be used only for the purposes specified in such section.".

(c) REPORTING AND CONSULTATION REQUIREMENTS.—When the price of a barrel of crude oil exceeds $30 (in constant 2005 United States dollars) on the New York Mercantile Exchange for a period greater than 14 days, the President, through the Secretary of Energy, shall, not later than 30 days after the end of the 14-day period, submit to Congress a report that—

(1) states the results of a comprehensive review of the causes and potential consequences of the price increase;

(2) provides an estimate of the likely duration of the price increase, based on analyses and forecasts of the Energy Information Administration;

(3) provides an analysis of the effects of the price increase on the cost of gasoline at the wholesale and retail levels; and

(4) states whether, and provides a specific rationale for why, the President does or does not support the drawdown and distribution of a specified amount of oil from the Strategic Petroleum Reserve.

(d) GENERAL ACCOUNTING OFFICE STUDY.—The Comptroller General of the United States shall, not later than one year after the date of the enactment of this Act, submit to Congress a review of the drawdown authority of the President with respect to the Strategic Petroleum Reserve. Such review shall address—

(1) how and why the authority has changed over time;

(2) under what circumstances Presidents have actually exercised the authority;

(3) what the impact on oil prices was as a result of the exercising of the presidential authority; and

(4) the implications of expanding the drawdown authority beyond the severe energy supply interruption standard described in section 3(8) or 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6202(8), 6241(d)), by—

(A) allowing the release of oil as a regular hedging tool for oil companies;

(B) allowing such companies to tap the Strategic Petroleum Reserve as necessary to dampen price shocks; and

(C) requiring such companies to replace the oil (and additional barrels) at some predetermined time in the future.

SEC. 4. REQUIREMENT FOR THE RELEASE OF OIL FROM THE STRATEGIC PETROLEUM RESERVE.

(a) FINDINGS.—Congress makes the following findings:

(1) The prices of gasoline and crude oil have a direct and substantial impact on the financial well-being of families and businesses in the United

States, on the potential for national economic recovery, and on the economic security of the United States.

(2) The Strategic Petroleum Reserve was created to enhance the physical and economic security of the United States, and the law allows the Strategic Petroleum Reserve to be used to provide relief when oil and gasoline supply shortages cause economic hardship.

(3) The proper management of the resources of the Strategic Petroleum Reserve could provide gasoline price relief to families in the United States and provide the United States with a tool to counterbalance the supply management policies of the Organization of the Petroleum Exporting Countries.

(4) In order to combat high gasoline prices during the summer and fall of 2000, President Clinton released 30,000,000 barrels of oil from the Strategic Petroleum Reserve and stabilized the price of gasoline.

(b) REQUIREMENT.—For purposes of lowering the burden of gasoline prices on the economy of the United States and circumventing the Organization of the Petroleum Exporting Countries' efforts to reap windfall crude oil profits and starting on the date of the enactment of this Act, the President shall—

(1) suspend the delivery of oil to the Strategic Petroleum Reserve until the date on which the price for a gallon of gasoline, as reported by the United States Energy Information Administration, is less than $1.50 per gallon; and

(2) release at least 1,000,000 barrels of oil per day from the Strategic Petroleum Reserve until the sooner of —

(A) the date that is 60 days following the date of the enactment of this Act; or

(B) the date on which the average price for a gallon of gasoline, as reported by the United States Energy Information Administration, is less than $1.50 per gallon.

SEC. 5. MINIMUM INVENTORY LEVELS.

(a) ESTABLISHING MINIMUM LEVELS.—The Secretary of Energy shall establish minimum inventory levels that producers, refiners, and marketers of crude oil and petroleum products must maintain in order to limit the impact unexpected supply disruptions have on prices at the wholesale and retail levels.

(b) REGIONAL VARIATIONS.—For purposes of subsection (a), the minimum inventory levels shall take into account regional variations in supply and demand, and market structure.

(c) ADMINISTRATIVE PROCEDURES.—For purposes of subsection (a), the Secretary may perform the following procedures:

(1) DIFFERENT INDUSTRY SEGMENTS.—Set varying levels for each segment of the oil industry as the Secretary determines appropriate.

(2) DIFFERENT PRODUCTS.—Set different levels for the various crude oil and petroleum products, including gasoline, home heating oil, and jet fuel.

(3) SEASONAL ADJUSTMENT.—Adjust minimum inventory levels to reflect seasonal adjustments.

SEC. 6. BAN ON EXPORTING OF ALASKAN OIL.

(a) REPEAL OF PROVISION AUTHORIZING EXPORTS.—Section 28(s) of the Mineral Leasing Act (30 U.S.C. 185(s)) is repealed.

(b) REIMPOSITION OF PROHIBITION ON CRUDE OIL EXPORTS.—Section 7(d) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d)) shall be effective as of the date of the enactment of this Act, and those provisions of the Export Administration Act of 1979 (including sections 11 and 12) shall apply to the extent necessary to carry out such section 7(d), notwithstanding section 20 of such Act and notwithstanding any other provision of law that would otherwise allow the export of oil to which such section 7(d) applies.

SEC. 7. SENSE OF CONGRESS REGARDING THE ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES AND THE WORLD TRADE ORGANIZATION.

(a) FINDINGS.—Congress makes the following findings:

(1) No free market exists in oil production because of collusion among large oil-producing countries.

(2) The Organization of the Petroleum Exporting Countries (in this section referred to as "OPEC") and other oil-producing countries have repeatedly agreed to coordinated cutbacks in production, thus manipulating world oil markets, resulting in de facto price fixing.

(3) Such manipulation led to the highest price per barrel of oil in nearly a decade, substantial increases in consumer prices for items such as home heating oil and gasoline, and continued price volatility.

(4) Rising oil prices greatly harm consumers, farmers, small businesses, and manufacturers, increase the likelihood of inflation, increase the cost of

conducting interstate and international commerce, and pose a strong threat to continued economic growth.

(5) Article XI of the General Agreement on Tariffs and Trade of 1994 (in this section referred to as ''GATT'') prohibits members of the World Trade Organization (in this section referred to as ''WTO'') from setting quantitative restrictions on the import or export of resources or products across their borders; specifically the language reads: ''No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.''.

(6) The precise meaning of such article XI was spelled out in a GATT Panel Report issued in 1988 entitled ''Japan—Trade in Semi-conductors'', which notes, ''. . . this wording [in article XI] was comprehensive: it applied to all measures instituted or maintained by a contracting party prohibiting or restricting the importation, exportation, or sale for ex-

port of products other than measures that take the form of duties, taxes, or other charges. . . . This wording indicated clearly that any measure instituted or maintained by a contracting party which restricted the exportation or sale for export of products was covered by this provision, irrespective of the legal status of the measure.''.

(7) Oil production restrictions clearly qualify as a ''quantitative restriction'' based on the original WTO rules and the 1988 GATT panel report, which certify that only ''duties, taxes, or other charges'' are allowable, not pacts among countries to limit production of a product for export.

(8) Article XX of GATT, which sets out a series of exceptions to article XI, notes that none of the exceptions is valid if it is ''applied in a manner which would constitute . . . a disguised restriction on international trade'', a phrase which describes production restrictions of OPEC.

(9) Of the 11 OPEC countries, six are members of the WTO (Kuwait, Indonesia, Nigeria, Qatar, Venezuela, and United Arab Emirates), two have observer status and have applied to join the WTO (Saudi Arabia and Algeria), and only three have no relationship with the WTO (Libya, Iran, and Iraq).

(10) Of the remaining large oil-producing countries, Mexico, Norway, and Oman are members of the WTO, and Russia has observer status.

(11) Given the substantial WTO membership and pending membership of oil-producing countries, filing a complaint would likely have an immediate impact on the current and future behavior of these countries.

(b) SENSE OF CONGRESS.—Congress strongly urges the President to instruct the United States Trade Representative to file a complaint in the World Trade Organization against oil-producing countries for violating their obligations under the rules of that organization.

SEC. 8. WINDFALL PROFITS TAX.

(a) WINDFALL PROFITS TAX.—

(1) IN GENERAL.—Subtitle E of the Internal Revenue Code of 1986 (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end the following new chapter:

"CHAPTER 56—WINDFALL PROFIT ON CRUDE OIL, GASOLINE, AND PRODUCTS THEREOF

"SEC. 5896. IMPOSITION OF TAX.

"(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed an excise tax on the sale in the United States of any crude oil, gasoline, or other taxable product equal to the applicable percentage of the windfall profit on such sale.

"(b) DEFINITIONS.—For purposes of this section—

"(1) TAXABLE PRODUCT.—The term 'taxable product' means any fuel which is a product of crude oil or gasoline.

"(2) WINDFALL PROFIT.—The term 'windfall profit' means, with respect to any sale, so much of the profit on such sale as exceeds a reasonable profit.

"(3) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

"(A) 50 percent to the extent that the profit on the sale exceeds 100 percent of the reasonable profit on the sale but does not exceed 102 percent of the reasonable profit on the sale;

"(B) 75 percent to the extent that the profit on the sale exceeds 102 percent of the reasonable profit on the sale but does not exceed 105 percent of the reasonable profit on the sale; and

"(C) 100 percent to the extent that the profit on the sale exceeds 105 percent of the reasonable profit on the sale.

"(4) REASONABLE PROFIT.—The term 'reasonable profit' means the amount determined by the Reasonable Profits Board, established under section 8(c) of the 'Gasoline Price Stabilization Act of 2005', to be a reasonable profit on the sale.

"(c) LIABILITY FOR PAYMENT OF TAX.—The taxes imposed by subsection (a) shall be paid by the seller.".

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle E of such Code is amended by adding at the end the following new item:

"CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL, GASOLINE, AND PRODUCTS THEREOF".

(3) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act.

(b) CREDIT FOR PURCHASING FUEL EFFICIENT AMERICAN-MADE PASSENGER VEHICLES.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

“SEC. 25C. PURCHASE OF FUEL-EFFICIENT AMERICAN-MADE PASSENGER VEHICLES.

“(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the cost of any qualified passenger vehicle purchased by the taxpayer during the taxable year.

“(b) MAXIMUM CREDIT.—The credit allowed by this section for the taxable year shall not exceed—

“(1) $3,000 in the case of a qualified passenger vehicle not described in paragraph (2) or (3),

“(2) $4,500 in the case of a qualified passenger vehicle the fuel economy of which is—

“(A) in the case of a truck or sport utility vehicle, at least 45 miles per gallon but less than 55 miles per gallon, and

“(B) in any other case, at least 55 miles per gallon but less than 65 miles per gallon, and

“(3) $6,000 in the case of a qualified passenger vehicle the fuel economy of which is—

“(A) in the case of a truck or sport utility vehicle, at least 55 miles per gallon, and

“(B) in any other case, at least 65 miles per gallon.

"(c) QUALIFIED PASSENGER VEHICLE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified passenger vehicle' means any automobile (as defined in section 4064(b)(1))—

"(A) which is purchased after the date of the enactment of this section,

"(B) which is assembled in the United States by individuals employed under a collective bargaining agreement,

"(C) the original use of which begins with the taxpayer,

"(D) substantially all of the use of which is for personal, nonbusiness purposes, and

"(E) the fuel economy of such automobile is—

"(i) at least 35 miles per gallon in the case of a truck or sport utility vehicle, and

"(ii) at least 45 miles per gallon in any other case.

"(2) FUEL ECONOMY.—Fuel economy shall be determined in accordance with section 4064.

"(d) SPECIAL RULES.—

"(1) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit.

"(2) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b).".

(2) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Purchase of fuel-efficient American-made passenger vehicles.".

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(c) REASONABLE PROFITS BOARD.—

(1) ESTABLISHMENT.—There is established an independent board to be known as the "Reasonable Profits Board" (in this subsection referred to as the "Board").

(2) DUTIES.—The Board shall make reasonable profit determinations for purposes of applying section 5896 of the Internal Revenue Code of 1986, as added by subsection (a) (relating to windfall profit on crude oil, gasoline, and products thereof).

(3) ADVISORY COMMITTEE.—The Board shall be considered an advisory committee within the

meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

(4) APPOINTMENT.—

(A) MEMBERS.—The Board shall be composed of three members appointed by the President of the United States.

(B) TERM.—Member of the Board shall be appointed for a term of three years.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of the term of such member until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(5) FINANCIAL INTERESTS.—

(A) PROHIBITION.—No member may have a financial interest in any of the businesses for which reasonable profits are determined by the Board.

(B) REMOVAL.—A member shall be removed from the Board if the member is in violation of subparagraph (A).

(6) PAY AND TRAVEL EXPENSES.—

(A) PAY.—Notwithstanding section 7 of the Federal Advisory Committee Act (5 U.S.C. App.), members of the Board shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Board.

(B) TRAVEL EXPENSES.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with section 5702 and 5703 of title 5, United States Code.

(7) DIRECTOR OF STAFF.—

(A) QUALIFICATIONS.—The Board shall appoint a Director who has no financial interests in any of the businesses for which reasonable profits are determined by the Board.

(B) PAY.—Notwithstanding section 7 of the Federal Advisory Committee Act (5 U.S.C.

App.), the Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(8) STAFF.—

(A) ADDITIONAL PERSONNEL.—The Director, with the approval of the Board, may appoint and fix the pay of additional personnel.

(B) APPOINTMENTS.—The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(C) DETAILEES.—Upon the request of the Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Board to assist the Board in accordance with an agreement entered into with the Board.

(D) ASSISTANCE.—The Comptroller General of the United States may provide assistance, including the detailing of employees, to the Board in accordance with an agreement entered into with the Board.

(9) OTHER AUTHORITY.—

(A) EXPERTS AND CONSULTANTS.—The Board may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(B) LEASING.—The Board may lease space and acquire personal property to the extent that funds are available.

(10) FUNDING.—There are authorized to be appropriated such funds as are necessary to carry out this subsection.

SEC. 9. MERGER MORATORIUMS.

(a) PROHIBITION ON CERTAIN MERGERS IN OIL INDUSTRY.—Section 7 of the Clayton Act (15 U.S.C. 18) is amended by adding at the end the following:

''No person engaged in commerce in the petroleum industry may be acquired by another person unless the acquisition is likely to result in a net benefit to consumers by maintaining or increasing competition.''.

(b) MORATORIUM ON LARGE PETROLEUM AND CRUEL OIL MERGERS.—

(1) ONE-YEAR MORATORIUM.—During the one-year period beginning on the date of the enactment of this Act and except as provided in paragraph (2), with respect to petroleum and crude oil products no explorer, producer, transporter, refiner, or wholesale distributor of such products, or operator of a retail gasoline outlet, with annual net sales or total assets of more than $10,000,000 shall merge or acquire, directly or indirectly, any voting securities or assets of any other such explorer, producer, transporter, refiner, distributor, or operator with annual net sales or total assets of more than $10,000,000.

(2) WAIVER AUTHORITY.—The Attorney General may waive the moratorium imposed by paragragraph (1) only under extraordinary circumstances, such as insolvency or similar financial distress of one of the affected parties.

SEC. 10. PETROLEUM INDUSTRY CONCENTRATION AND MARKET POWER REVIEW COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the ‘‘Petroleum Industry Concentration and Market Power Review Commission’’ (in this section referred to as the ‘‘Commission’’).

(b) DUTIES OF THE COMMISSION.—

(1) STUDY ON PETROLEUM INDUSTRY.—The Commission shall study the nature, causes, and consequences of concentration of ownership in the exploration, production, transportation, refinement, wholesale distribution, and retail sale of crude oil and petroleum products in the United States in the broadest possible terms.

(2) ISSUES TO BE ADDRESSED.—The study shall include an examination of the following matters:

(A) The nature and extent of the concentration described in paragraph (1).

(B) Current trends in such concentration and what such industry is likely to look like in the near term and longer term future.

(C) The effect of such concentration on the exploration, production, transportation, refinement, wholesale distribution, and retail sale of crude oil and petroleum products.

(D) The effect of such concentration on prices at the wholesale and retail levels.

(E) The effect of such concentration on consumers of petroleum products, including retail consumers, businesses (including fuel dependent industries such as aviation and trucking), and farmers.

(F) The relationship between current laws and administrative practices and the support and encouragement of such concentration.

(G) Such related matters as the Commission determines to be important.

(c) MEMBERSHIP OF COMMISSION.—

(1) COMPOSITION.—The Commission shall be composed of 12 members as follows:

(A) Three persons shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Energy and Natural Resources.

(B) Three persons shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the Senate, after consultation with the ranking minority member of the Committee on Energy and Natural Resources.

(C) Three persons shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Energy and Commerce.

(D) Three persons shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Energy and Commerce.

(2) QUALIFICATIONS OF MEMBERS.—

(A) APPOINTMENTS.—Persons who are appointed under paragraph (1) shall be persons who—

(i) have expertise in petroleum economics and antitrust, or have other pertinent qualifications or experience relating to petroleum industries; and

(ii) are not officers or employees of the United States.

(B) OTHER CONSIDERATION.—Persons who are appointed under paragraph (1) shall—

(i) be representative of a broad cross sector of—

(I) explorers, producers, transporters, refiners, wholesale distributors, and retail sellers in the petroleum industry;

(II) various antitrust perspectives within the United States; and

(III) consumers, fuel-dependent businesses, and other interests that the Secretary considers necessary to ensure a balanced representation of perspectives and expertise in the petroleum industry; and

(ii) provide fresh insights to analyzing the causes and impacts of the concentration of ownership described in subsection (b)(1).

(3) PERIOD OF APPOINTMENT AND VACANCIES.—

(A) PERIOD OF APPOINTMENT.—Members shall be appointed not later than 60 days after the date of enactment of this Act and the appointment shall be for the life of the Commission.

(B) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) MEETINGS.—

(A) IN GENERAL.—The Commission shall meet at the call of the Chairman.

(B) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(5) CHAIRMAN AND VICE CHAIRMAN.—The members of the Commission shall elect a chairman and vice chairman from among the members of the Commission.

(6) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(d) FINAL REPORT.—

(1) FINDINGS, CONCLUSION, AND RECOMMENDATIONS OF COMMISSION.—Not later than 12 months after the date of the initial meeting of the Commission, the Commission shall submit to the President and Congress a final report that contains—

(A) the findings and conclusions of the study of the Commission required under subsection (b); and

(B) recommendations for addressing any problems identified in such study.

(2) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

(e) POWERS OF COMMISSION.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this section. The Commission shall hold at least one hearing in Washington, D.C., and at least four in a variety of geographic regions of the United States.

(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(f) COMMISSION PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of duties of the Commission.

(3) STAFF.—

(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Chairman, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section. Such detail shall be without reimbursement and without interruption or loss of civil service status or privilege.

(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay

prescribed for level V of the Executive Schedule under section 5316 of such title.

(g) SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) AUTHORIZATION FOR APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 to carry out the provisions of this section.

SEC. 11. INCREASED AVERAGE FUEL ECONOMY STANDARDS FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(a) DEFINITION OF LIGHT TRUCK.—Section 32901(a) of title 49, United States Code, is amended by adding at the end the following:

"(17) 'light truck' has the meaning given that term in regulations prescribed by the Secretary of Transportation in the administration of this chapter.".

(b) INCREASED STANDARDS.—Section 32902 of such title is amended—

(1) in subsection (a)—

(A) by striking "NON-PASSENGER AUTOMOBILES—" and inserting "PRESCRIPTION OF STANDARDS BY REGULATION—"; and

(B) by striking ''(except passenger automobiles)'' and inserting ''(except passenger automobiles and light trucks)''; and

(2) by amending subsection (b) to read as follows:

''(b) PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—

''(1) PASSENGER AUTOMOBILES.—The average fuel economy standard for passenger automobiles manufactured by a manufacturer in a model year after model year 2014 shall be 45.0 miles per gallon.

''(2) LIGHT TRUCKS.—The average fuel economy standard for light trucks manufactured by a manufacturer in a model year after model year 2014 shall be 34.0 miles per gallon.''.

(c) CONFORMING AMENDMENTS.—Such section is amended in subsection (c)—

(1) in paragraph (1), by striking ''the standard'' and inserting ''a standard''; and

(2) in paragraph (2), by striking ''increases the standard above 27.5 miles per gallon, or decreases the standard below 26.0 miles per gallon'' and inserting ''increases the standard above 45.0 miles per gallon or decreases the standard below 43.5 miles per gallon in the case of passenger automobiles, or

increases the standard above 34.0 miles per gallon or decreases the standard below 32.5 miles per gallon in the case of light trucks,''.

(d) APPLICABILITY OF EXISTING STANDARDS.—This section does not affect the application of section 32902 of title 49, United States Code, to passenger automobiles and light trucks manufactured before model year 2015.

SEC. 12. FUEL ECONOMY OF THE FEDERAL FLEET OF VEHICLES.

(a) BASELINE AVERAGE FUEL ECONOMY.—The head of each executive agency shall determine, for each class of vehicles that are in the agency's fleet of vehicles in fiscal year 2007, the average fuel economy for all of the vehicles in that class that are in the agency's fleet of vehicles for that fiscal year. For the purposes of this section, the average fuel economy so determined for the agency's vehicles in a class of vehicles shall be the baseline average fuel economy for the agency's fleet of vehicles in that class.

(b) INCREASE OF AVERAGE FUEL ECONOMY.—The head of an executive agency shall manage the procurement of vehicles in each class of vehicles for that agency in such a manner that—

(1) not later than September 30, 2009, the average fuel economy of the new vehicles in the agency's fleet of vehicles in each class of vehicles is not

less than three miles per gallon higher than the baseline average fuel economy determined for that class; and

(2) not later than September 30, 2012, the average fuel economy of the new vehicles in the agency's fleet of vehicles in each class of vehicles is not less than six miles per gallon higher than the baseline average fuel economy determined for that class.

(c) CALCULATION OF AVERAGE FUEL ECONOMY.—Average fuel economy shall be calculated for the purposes of this section in accordance with guidance which the Secretary of Transportation shall prescribe for the implementation of this section.

(d) DEFINITIONS.—

(1) The term "class of vehicles" means a class of vehicles for which an average fuel economy standard is in effect under chapter 329 of title 49, United States Code.

(2) The term "executive agency" has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(3) The term "new vehicle", with respect to the fleet of vehicles of an executive agency, means a ve-

hicle procured by or for the agency after September 30, 2008.

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