

110TH CONGRESS
1ST SESSION

H. R. 1500

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2007

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Oversight and Government Reform, Judiciary, Natural Resources, and Foreign Affairs, 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

A BILL

To provide for the stabilization of prices for gasoline, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Gasoline Price Stabilization Act of 2007”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Strategic petroleum reserve drawdown.
- Sec. 3. Minimum inventory levels.
- Sec. 4. Ban on exporting of Alaskan oil.

- Sec. 5. Sense of Congress regarding the Organization of the Petroleum Exporting Countries and the World Trade Organization.
- Sec. 6. Windfall profits tax and credit for purchasing fuel-efficient American-made passenger vehicles.
- Sec. 7. Merger moratoriums.
- Sec. 8. Petroleum Industry Concentration and Market Power Review Commission.
- Sec. 9. Increased average fuel economy standards for passenger automobiles and light trucks.
- Sec. 10. Fuel economy of the Federal fleet of vehicles.

1 **SEC. 2. STRATEGIC PETROLEUM RESERVE DRAWDOWN.**

2 (a) DRAWDOWNS AUTHORIZED TO ADDRESS STATE
 3 OR REGIONAL ECONOMIC HARM.—Section 161(d)(2)(C)
 4 of the Energy Policy and Conservation Act (42 U.S.C.
 5 6241(d)(2)(C)) is amended by inserting “, or on a State
 6 or regional economy” after “national economy”.

7 (b) DRAWDOWNS AUTHORIZED TO COMBAT ANTI-
 8 COMPETITIVE CONDUCT.—Section 161(d) of the Energy
 9 Policy and Conservation Act (42 U.S.C. 6241(d)) is fur-
 10 ther amended by adding at the end the following new para-
 11 graph:

12 “(3)(A) For purposes of this section, in addition to
 13 the circumstances set forth in section 3(8) and in para-
 14 graph (2) of this subsection, a severe energy supply inter-
 15 ruption exists if the President determines that—

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

18 (I) is of significant scope and duration;
 19 and

1 “(II) has caused a significant increase in
2 the price of petroleum products;

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

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

9 “(I) at least one foreign country or inter-
10 national entity; or

11 “(II) at least one producer, refiner, or
12 marketer of petroleum products.

13 “(B) Proceeds from the sale of petroleum drawn
14 down pursuant to a Presidential determination under sub-
15 paragraph (A) shall—

16 “(i) be deposited in the SPR Petroleum Ac-
17 count established under section 167; and

18 “(ii) be used only for the purposes specified in
19 such section.”.

20 (c) REPORTING AND CONSULTATION REQUIRE-
21 MENTS.—When the price of a barrel of crude oil exceeds
22 \$50 (in constant 2005 United States dollars) on the New
23 York Mercantile Exchange for a period greater than 14
24 days, the President, through the Secretary of Energy,

1 shall, not later than 30 days after the end of the 14-day
2 period, submit to Congress a report that—

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

6 (2) provides an estimate of the likely duration
7 of the price increase, based on analyses and fore-
8 casts of the Energy Information Administration;

9 (3) provides an analysis of the effects of the
10 price increase on the cost of gasoline at the whole-
11 sale and retail levels; and

12 (4) states whether, and provides a specific ra-
13 tionale for why, the President does or does not sup-
14 port the drawdown and distribution of a specified
15 amount of oil from the Strategic Petroleum Reserve.

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

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

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

1 (3) what the impact on oil prices was as a re-
2 sult of the exercising of the presidential authority;
3 and

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

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

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

14 (C) requiring such companies to replace
15 the oil (and additional barrels) at some pre-
16 determined time in the future.

17 **SEC. 3. MINIMUM INVENTORY LEVELS.**

18 (a) **ESTABLISHING MINIMUM LEVELS.**—The Sec-
19 retary of Energy shall establish minimum inventory levels
20 that producers, refiners, and marketers of crude oil and
21 petroleum products must maintain in order to limit the
22 impact unexpected supply disruptions have on prices at
23 the wholesale and retail levels.

24 (b) **REGIONAL VARIATIONS.**—For purposes of sub-
25 section (a), the minimum inventory levels shall take into

1 account regional variations in supply and demand, and
2 market structure.

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

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

9 (2) DIFFERENT PRODUCTS.—Set different lev-
10 els for the various crude oil and petroleum products,
11 including gasoline, home heating oil, and jet fuel.

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

14 **SEC. 4. BAN ON EXPORTING OF ALASKAN OIL.**

15 (a) REPEAL OF PROVISION AUTHORIZING EX-
16 PORTS.—Section 28(s) of the Mineral Leasing Act (30
17 U.S.C. 185(s)) is repealed.

18 (b) REIMPOSITION OF PROHIBITION ON CRUDE OIL
19 EXPORTS.—Section 7(d) of the Export Administration
20 Act of 1979 (50 U.S.C. App. 2406(d)) shall be effective
21 as of the date of the enactment of this Act, and those
22 provisions of the Export Administration Act of 1979 (in-
23 cluding sections 11 and 12) shall apply to the extent nec-
24 essary to carry out such section 7(d), notwithstanding sec-
25 tion 20 of such Act and notwithstanding any other provi-

1 sion of law that would otherwise allow the export of oil
2 to which such section 7(d) applies.

3 **SEC. 5. SENSE OF CONGRESS REGARDING THE ORGANIZA-**
4 **TION OF THE PETROLEUM EXPORTING COUN-**
5 **TRIES AND THE WORLD TRADE ORGANIZA-**
6 **TION.**

7 (a) FINDINGS.—Congress makes the following find-
8 ings:

9 (1) No free market exists in oil production be-
10 cause of collusion among large oil-producing coun-
11 tries.

12 (2) The Organization of the Petroleum Export-
13 ing Countries (in this section referred to as
14 “OPEC”) and other oil-producing countries have re-
15 peatedly agreed to coordinated cutbacks in produc-
16 tion, thus manipulating world oil markets, resulting
17 in de facto price fixing.

18 (3) Such manipulation led to the highest price
19 per barrel of oil in nearly a decade, substantial in-
20 creases in consumer prices for items such as home
21 heating oil and gasoline, and continued price vola-
22 tility.

23 (4) Rising oil prices greatly harm consumers,
24 farmers, small businesses, and manufacturers, in-
25 crease the likelihood of inflation, increase the cost of

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

4 (5) Article XI of the General Agreement on
5 Tariffs and Trade of 1994 (in this section referred
6 to as “GATT”) prohibits members of the World
7 Trade Organization (in this section referred to as
8 “WTO”) from setting quantitative restrictions on
9 the import or export of resources or products across
10 their borders; specifically the language reads: “No
11 prohibitions or restrictions other than duties, taxes
12 or other charges, whether made effective through
13 quotas, import or export licenses or other measures,
14 shall be instituted or maintained by any contracting
15 party on the importation of any product of the terri-
16 tory of any other contracting party or on the export-
17 ation or sale for export of any product destined for
18 the territory of any other contracting party.”.

19 (6) The precise meaning of such article XI was
20 spelled out in a GATT Panel Report issued in 1988
21 entitled “Japan—Trade in Semi-conductors”, which
22 notes, “. . . this wording [in article XI] was com-
23 prehensive: it applied to all measures instituted or
24 maintained by a contracting party prohibiting or re-
25 stricting the importation, exportation, or sale for ex-

1 port of products other than measures that take the
2 form of duties, taxes, or other charges. . . . This
3 wording indicated clearly that any measure insti-
4 tuted or maintained by a contracting party which re-
5 stricted the exportation or sale for export of prod-
6 ucts was covered by this provision, irrespective of
7 the legal status of the measure.”.

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

14 (8) Article XX of GATT, which sets out a se-
15 ries of exceptions to article XI, notes that none of
16 the exceptions is valid if it is “applied in a manner
17 which would constitute . . . a disguised restriction on
18 international trade”, a phrase which describes pro-
19 duction restrictions of OPEC.

20 (9) Of the 12 OPEC countries, eight are mem-
21 bers of the WTO (Angola, Kuwait, Indonesia, Nige-
22 ria, Qatar, Venezuela, Saudi Arabia, and United
23 Arab Emirates), and four have observer status and
24 have applied to join the WTO (Algeria, Libya, Iran,
25 Iraq).

1 (10) In addition, of the remaining large oil-pro-
 2 ducing nations, Mexico, Norway, and Oman are
 3 members of the WTO, and Russia has applied for
 4 membership.

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

10 (b) FILING OF COMPLAINT.—The President shall in-
 11 struct the United States Trade Representative to file a
 12 complaint in the World Trade Organization against oil-
 13 producing countries for violating their obligations under
 14 the rules of that organization.

15 **SEC. 6. WINDFALL PROFITS TAX AND CREDIT FOR PUR-**
 16 **CHASING FUEL-EFFICIENT AMERICAN-MADE**
 17 **PASSENGER VEHICLES.**

18 (a) WINDFALL PROFITS TAX.—

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

23 **“CHAPTER 56—WINDFALL PROFITS ON**
 24 **CRUDE OIL**

“Sec. 5896. Imposition of tax.

“Sec. 5897. Windfall profit; removal price; adjusted base price; qualified investment.

“Sec. 5898. Special rules and definitions.

1 **“SEC. 5896. IMPOSITION OF TAX.**

2 “(a) IN GENERAL.—In addition to any other tax im-
3 posed under this title, there is hereby imposed on any inte-
4 grated oil company (as defined in section 291(b)(4)) an
5 excise tax equal to the excess of—

6 “(1) the amount equal to 50 percent of the
7 windfall profit from all barrels of taxable crude oil
8 removed from the property during each taxable year,
9 over

10 “(2) the amount of qualified investment by such
11 company during such taxable year.

12 “(b) FRACTIONAL PART OF BARREL.—In the case of
13 a fraction of a barrel, the tax imposed by subsection (a)
14 shall be the same fraction of the amount of such tax im-
15 posed on the whole barrel.

16 “(c) TAX PAID BY PRODUCER.—The tax imposed by
17 this section shall be paid by the producer of the taxable
18 crude oil.

19 **“SEC. 5897. WINDFALL PROFIT; REMOVAL PRICE; AD-**
20 **JUSTED BASE PRICE; QUALIFIED INVEST-**
21 **MENT.**

22 “(a) GENERAL RULE.—For purposes of this chapter,
23 the term ‘windfall profit’ means the excess of the removal

1 price of the barrel of taxable crude oil over the adjusted
2 base price of such barrel.

3 “(b) REMOVAL PRICE.—For purposes of this chap-
4 ter—

5 “(1) IN GENERAL.—Except as otherwise pro-
6 vided in this subsection, the term ‘removal price’
7 means the amount for which the barrel of taxable
8 crude oil is sold.

9 “(2) SALES BETWEEN RELATED PERSONS.—In
10 the case of a sale between related persons, the re-
11 moval price shall not be less than the constructive
12 sales price for purposes of determining gross income
13 from the property under section 613.

14 “(3) OIL REMOVED FROM PROPERTY BEFORE
15 SALE.—If crude oil is removed from the property be-
16 fore it is sold, the removal price shall be the con-
17 structive sales price for purposes of determining
18 gross income from the property under section 613.

19 “(4) REFINING BEGUN ON PROPERTY.—If the
20 manufacture or conversion of crude oil into refined
21 products begins before such oil is removed from the
22 property—

23 “(A) such oil shall be treated as removed
24 on the day such manufacture or conversion be-
25 gins, and

1 “(B) the removal price shall be the con-
2 structive sales price for purposes of determining
3 gross income from the property under section
4 613.

5 “(5) PROPERTY.—The term ‘property’ has the
6 meaning given such term by section 614.

7 “(c) ADJUSTED BASE PRICE DEFINED.—

8 “(1) IN GENERAL.—For purposes of this chap-
9 ter, the term ‘adjusted base price’ means \$50 for
10 each barrel of taxable crude oil plus an amount
11 equal to—

12 “(A) such base price, multiplied by

13 “(B) the inflation adjustment for the cal-
14 endar year in which the taxable crude oil is re-
15 moved from the property.

16 The amount determined under the preceding sen-
17 tence shall be rounded to the nearest cent.

18 “(2) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—For purposes of para-
20 graph (1), the inflation adjustment for any cal-
21 endar year after 2008 is the percentage by
22 which—

23 “(i) the implicit price deflator for the
24 gross national product for the preceding
25 calendar year, exceeds

1 “(ii) such deflator for the calendar
2 year ending December 31, 2007.

3 “(B) FIRST REVISION OF PRICE DEFLATOR
4 USED.—For purposes of subparagraph (A), the
5 first revision of the price deflator shall be used.

6 “(d) QUALIFIED INVESTMENT.—For purposes of this
7 chapter—

8 “(1) IN GENERAL.—The term ‘qualified invest-
9 ment’ means any amount paid or incurred with re-
10 spect to—

11 “(A) section 263(c) costs,

12 “(B) qualified refinery property (as defined
13 in section 179C(c) and determined without re-
14 gard to any termination date),

15 “(C) any qualified facility described in
16 paragraph (1), (2), (3), or (4) of section 45(d)
17 (determined without regard to any placed in
18 service date),

19 “(D) any facility for the production of al-
20 cohol used as a fuel (within the meaning of sec-
21 tion 40) or biodiesel or agri-biodiesel used as a
22 fuel (within the meaning of section 40A).

23 “(2) SECTION 263(c) COSTS.—For purposes of
24 this subsection, the term ‘section 263(c) costs’
25 means intangible drilling and development costs in-

1 curred by the taxpayer which (by reason of an elec-
2 tion under section 263(e)) may be deducted as ex-
3 penses for purposes of this title (other than this
4 paragraph). Such term shall not include costs in-
5 curred in drilling a nonproductive well.

6 **“SEC. 5898. SPECIAL RULES AND DEFINITIONS.**

7 “(a) WITHHOLDING AND DEPOSIT OF TAX.—The
8 Secretary shall provide such rules as are necessary for the
9 withholding and deposit of the tax imposed under section
10 5896 on any taxable crude oil.

11 “(b) RECORDS AND INFORMATION.—Each taxpayer
12 liable for tax under section 5896 shall keep such records,
13 make such returns, and furnish such information (to the
14 Secretary and to other persons having an interest in the
15 taxable crude oil) with respect to such oil as the Secretary
16 may by regulations prescribe.

17 “(c) RETURN OF WINDFALL PROFIT TAX.—The Sec-
18 retary shall provide for the filing and the time of such
19 filing of the return of the tax imposed under section 5896.

20 “(d) DEFINITIONS.—For purposes of this chapter—

21 “(1) PRODUCER.—The term ‘producer’ means
22 the holder of the economic interest with respect to
23 the crude oil.

24 “(2) CRUDE OIL.—

1 “(A) IN GENERAL.—The term ‘crude oil’
2 includes crude oil condensates and natural gas-
3 oline.

4 “(B) EXCLUSION OF NEWLY DISCOVERED
5 OIL.—Such term shall not include any oil pro-
6 duced from a well drilled after the date of the
7 enactment of the Gasoline Price Stabilization
8 Act of 2007, except with respect to any oil pro-
9 duced from a well drilled after such date on any
10 proven oil or gas property (within the meaning
11 of section 613A(c)(6)(A)).

12 “(3) BARREL.—The term ‘barrel’ means 42
13 United States gallons.

14 “(e) ADJUSTMENT OF REMOVAL PRICE.—In deter-
15 mining the removal price of oil from a property in the case
16 of any transaction, the Secretary may adjust the removal
17 price to reflect clearly the fair market value of oil removed.

18 “(f) REGULATIONS.—The Secretary shall prescribe
19 such regulations as may be necessary or appropriate to
20 carry out the purposes of this chapter.

21 “(g) TERMINATION.—This section shall not apply to
22 taxable crude oil removed after the date which is 3 years
23 after the date of the enactment of this section.”.

24 “(2) CLERICAL AMENDMENT.—The table of
25 chapters for subtitle E of the Internal Revenue Code

1 of 1986 is amended by adding at the end the fol-
2 lowing new item:

“CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL.”.

3 (3) DEDUCTIBILITY OF WINDFALL PROFIT
4 TAX.—The first sentence of section 164(a) of the In-
5 ternal Revenue Code of 1986 (relating to deduction
6 for taxes) is amended by inserting after paragraph
7 (5) the following new paragraph:

8 “(6) The windfall profit tax imposed by section
9 5896.”.

10 (4) EFFECTIVE DATE.—

11 (A) IN GENERAL.—The amendments made
12 by this section shall apply to crude oil removed
13 after the date of the enactment of this Act, in
14 taxable years ending after such date.

15 (B) TRANSITIONAL RULES.—For the pe-
16 riod ending December 31, 2007, the Secretary
17 of the Treasury or the Secretary’s delegate
18 shall prescribe rules relating to the administra-
19 tion of chapter 56 of the Internal Revenue Code
20 of 1986. To the extent provided in such rules,
21 such rules shall supplement or supplant for
22 such period the administrative provisions con-
23 tained in chapter 56 of such Code (or in so
24 much of subtitle F of such Code as relates to
25 such chapter 56).

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

3 (1) IN GENERAL.—Subpart A of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code
5 of 1986 (relating to nonrefundable personal credits)
6 is amended by inserting after section 25D the fol-
7 lowing new section:

8 **“SEC. 25E. PURCHASE OF FUEL-EFFICIENT AMERICAN-**
9 **MADE PASSENGER VEHICLES.**

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

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

17 “(1) \$3,000 in the case of a qualified passenger
18 vehicle not described in paragraph (2) or (3),

19 “(2) \$4,500 in the case of a qualified passenger
20 vehicle the fuel economy of which is—

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

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

4 “(3) \$6,000 in the case of a qualified passenger
5 vehicle the fuel economy of which is—

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

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

10 “(c) QUALIFIED PASSENGER VEHICLE.—For pur-
11 poses of this section—

12 “(1) IN GENERAL.—The term ‘qualified pas-
13 senger vehicle’ means any automobile (as defined in
14 section 4064(b)(1))—

15 “(A) which is purchased after the date of
16 the enactment of this section,

17 “(B) which is assembled in the United
18 States by individuals employed under a collec-
19 tive bargaining agreement,

20 “(C) the original use of which begins with
21 the taxpayer,

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

24 “(E) the fuel economy of such automobile
25 is—

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

3 “(ii) at least 45 miles per gallon in
4 any other case.

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

7 “(d) SPECIAL RULES.—

8 “(1) BASIS REDUCTION.—The basis of any
9 property for which a credit is allowable under sub-
10 section (a) shall be reduced by the amount of such
11 credit.

12 “(2) PROPERTY USED OUTSIDE UNITED STATES
13 NOT QUALIFIED.—No credit shall be allowed under
14 subsection (a) with respect to any property referred
15 to in section 50(b)(1).”.

16 (2) CLERICAL AMENDMENT.—The table of sec-
17 tions for such subpart A is amended by inserting
18 after the item relating to section 25D the following
19 new item:

“Sec. 25E. Purchase of fuel-efficient American-made passenger vehicles.”.

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

1 **SEC. 7. MERGER MORATORIUMS.**

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

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

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

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

23 (2) WAIVER AUTHORITY.—The Attorney Gen-
24 eral may waive the moratorium imposed by para-
25 graph (1) only under extraordinary circumstances,

1 such as insolvency or similar financial distress of one
2 of the affected parties.

3 **SEC. 8. PETROLEUM INDUSTRY CONCENTRATION AND**
4 **MARKET POWER REVIEW COMMISSION.**

5 (a) ESTABLISHMENT OF COMMISSION.—There is es-
6 tablished a commission to be known as the “Petroleum
7 Industry Concentration and Market Power Review Com-
8 mission” (in this section referred to as the “Commis-
9 sion”).

10 (b) DUTIES OF THE COMMISSION.—

11 (1) STUDY ON PETROLEUM INDUSTRY.—The
12 Commission shall study the nature, causes, and con-
13 sequences of concentration of ownership in the ex-
14 ploration, production, transportation, refinement,
15 wholesale distribution, and retail sale of crude oil
16 and petroleum products in the United States in the
17 broadest possible terms.

18 (2) ISSUES TO BE ADDRESSED.—The study
19 shall include an examination of the following mat-
20 ters:

21 (A) The nature and extent of the con-
22 centration described in paragraph (1).

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

1 (C) The effect of such concentration on the
2 exploration, production, transportation, refine-
3 ment, wholesale distribution, and retail sale of
4 crude oil and petroleum products.

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

7 (E) The effect of such concentration on
8 consumers of petroleum products, including re-
9 tail consumers, businesses (including fuel de-
10 pendent industries such as aviation and truck-
11 ing), and farmers.

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

15 (G) Such related matters as the Commis-
16 sion determines to be important.

17 (c) MEMBERSHIP OF COMMISSION.—

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

20 (A) Three persons shall be appointed by
21 the President pro tempore of the Senate upon
22 the recommendation of the Majority Leader of
23 the Senate, after consultation with the Chair-
24 man of the Committee on Energy and Natural
25 Resources.

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

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

11 (D) Three persons shall be appointed by
12 the Minority Leader of the House of Represent-
13 atives, after consultation with the ranking mi-
14 nority member of the Committee on Energy and
15 Commerce.

16 (2) QUALIFICATIONS OF MEMBERS.—

17 (A) APPOINTMENTS.—Persons who are ap-
18 pointed under paragraph (1) shall be persons
19 who—

20 (i) have expertise in petroleum eco-
21 nomics and antitrust, or have other perti-
22 nent qualifications or experience relating to
23 petroleum industries; and

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

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

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

5 (I) explorers, producers, trans-
6 porters, refiners, wholesale distribu-
7 tors, and retail sellers in the petro-
8 leum industry;

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

11 (III) consumers, fuel-dependent
12 businesses, and other interests that
13 the Secretary considers necessary to
14 ensure a balanced representation of
15 perspectives and expertise in the pe-
16 troleum industry; and

17 (ii) provide fresh insights to analyzing
18 the causes and impacts of the concentra-
19 tion of ownership described in subsection
20 (b)(1).

21 (3) PERIOD OF APPOINTMENT AND VACAN-
22 CIES.—

23 (A) PERIOD OF APPOINTMENT.—Members
24 shall be appointed not later than 60 days after
25 the date of enactment of this Act and the ap-

1 pointment shall be for the life of the Commis-
2 sion.

3 (B) VACANCIES.—Any vacancy in the
4 Commission shall not affect its powers, but
5 shall be filled in the same manner as the origi-
6 nal appointment.

7 (4) MEETINGS.—

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

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

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

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

21 (d) FINAL REPORT.—

22 (1) FINDINGS, CONCLUSION, AND REC-
23 OMMENDATIONS OF COMMISSION.—Not later than
24 12 months after the date of the initial meeting of
25 the Commission, the Commission shall submit to the

1 President and Congress a final report that con-
2 tains—

3 (A) the findings and conclusions of the
4 study of the Commission required under sub-
5 section (b); and

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

8 (2) SEPARATE VIEWS.—Any member of the
9 Commission may submit additional findings and rec-
10 ommendations as part of the final report.

11 (e) POWERS OF COMMISSION.—

12 (1) HEARINGS.—The Commission may hold
13 such hearings, sit and act at such times and places,
14 take such testimony, and receive such evidence as
15 the Commission may find advisable to fulfill the re-
16 quirements of this section. The Commission shall
17 hold at least one hearing in Washington, D.C., and
18 at least four in a variety of geographic regions of the
19 United States.

20 (2) INFORMATION FROM FEDERAL AGENCIES.—
21 The Commission may secure directly from any Fed-
22 eral department or agency such information as the
23 Commission considers necessary to carry out the
24 provisions of this section. Upon request of the Chair-
25 man of the Commission, the head of such depart-

1 ment or agency shall furnish such information to the
2 Commission.

3 (3) **MAILS.**—The Commission may use the
4 United States mails in the same manner and under
5 the same conditions as other departments and agen-
6 cies of the Federal Government.

7 **(f) COMMISSION PERSONNEL MATTERS.**—

8 (1) **COMPENSATION OF MEMBERS.**—Each mem-
9 ber of the Commission shall be compensated at a
10 rate equal to the daily equivalent of the annual rate
11 of basic pay prescribed for level IV of the Executive
12 Schedule under section 5315 of title 5, United
13 States Code, for each day (including travel time)
14 during which such member is engaged in the per-
15 formance of the duties of the Commission.

16 (2) **TRAVEL EXPENSES.**—The members of the
17 Commission shall be allowed travel expenses, includ-
18 ing per diem in lieu of subsistence, at rates author-
19 ized for employees of agencies under subchapter I of
20 chapter 57 of title 5, United States Code, while
21 away from their homes or regular places of business
22 in the performance of duties of the Commission.

23 (3) **STAFF.**—

24 (A) **IN GENERAL.**—The Chairman of the
25 Commission may, without regard to the civil

1 service laws and regulations, appoint and termi-
2 nate an executive director and such other addi-
3 tional personnel as may be necessary to enable
4 the Commission to perform its duties. The em-
5 ployment of an executive director shall be sub-
6 ject to confirmation by the Commission.

7 (B) COMPENSATION.—The Chairman of
8 the Commission may fix the compensation of
9 the executive director and other personnel with-
10 out regard to the provisions of chapter 51 and
11 subchapter III of chapter 53 of title 5, United
12 States Code, relating to classification of posi-
13 tions and General Schedule pay rates, except
14 that the rate of pay for the executive director
15 and other personnel may not exceed the rate
16 payable for level V of the Executive Schedule
17 under section 5316 of such title.

18 (4) DETAIL OF GOVERNMENT EMPLOYEES.—
19 Upon request of the Chairman, the head of any Fed-
20 eral department or agency may detail any of the per-
21 sonnel of that department or agency to the Commis-
22 sion to assist it in carrying out its duties under this
23 section. Such detail shall be without reimbursement
24 and without interruption or loss of civil service sta-
25 tus or privilege.

1 (5) PROCUREMENT OF TEMPORARY AND INTER-
2 MITTENT SERVICES.—The Chairman of the Commis-
3 sion may procure temporary and intermittent serv-
4 ices under section 3109(b) of title 5, United States
5 Code, at rates for individuals which do not exceed
6 the daily equivalent of the annual rate of basic pay
7 prescribed for level V of the Executive Schedule
8 under section 5316 of such title.

9 (g) SUPPORT SERVICES.—The Administrator of Gen-
10 eral Services shall provide to the Commission on a reim-
11 bursable basis such administrative support services as the
12 Commission may request.

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

16 **SEC. 9. INCREASED AVERAGE FUEL ECONOMY STANDARDS.**

17 (a) IN GENERAL.—Section 32902 of title 49, United
18 States Code, is amended—

19 (1) in subsection (c)—

20 (A) by striking “(1) Subject to paragraph

21 (2) of this subsection, the” and inserting

22 “The”; and

23 (B) by striking paragraph (2); and

1 (2) by redesignating subsections (i) and (j) in
2 order as subsections (k) and (l), and by inserting
3 after subsection (h) the following:

4 “(i) STANDARDS FOR MODEL YEARS AFTER 2009.—
5 The Secretary of Transportation shall prescribe by regula-
6 tion average fuel economy standards for automobiles man-
7 ufactured by a manufacturer in model years after model
8 year 2009, that shall—

9 “(1) ensure that the average fuel economy
10 achieved by automobiles (including passenger auto-
11 mobiles) manufactured by a manufacturer in model
12 years after 2017 is no less than 37 miles per gallon,
13 and in model years after 2022 is no less than 40
14 miles per gallon;

15 “(2) ensure that improvements to fuel economy
16 standards do not degrade the safety of automobiles
17 manufactured by a manufacturer; and

18 “(3) maximize the retention of jobs in the auto-
19 mobile manufacturing sector of the United States.

20 “(j) SIZED-BASED STANDARDS.—The Secretary may
21 establish separate standards for different classes of auto-
22 mobiles (including passenger automobiles) according to
23 size.”.

24 (b) CONFORMING AMENDMENTS.—Such section is
25 further amended—

1 (1) in subsection (c)(1) in the first sentence by
2 inserting “and subsection (i)” after “of this sub-
3 section”; and

4 (2) in subsection (k) (as redesignated by sub-
5 section (a)) by striking “or (g)” and inserting “(g),
6 or (i)”.

7 **SEC. 10. FUEL ECONOMY OF THE FEDERAL FLEET OF VEHI-**
8 **CLES.**

9 (a) **BASELINE AVERAGE FUEL ECONOMY.**—The head
10 of each executive agency shall determine, for each class
11 of vehicles that are in the agency’s fleet of vehicles in fiscal
12 year 2008, the average fuel economy for all of the vehicles
13 in that class that are in the agency’s fleet of vehicles for
14 that fiscal year. For the purposes of this section, the aver-
15 age fuel economy so determined for the agency’s vehicles
16 in a class of vehicles shall be the baseline average fuel
17 economy for the agency’s fleet of vehicles in that class.

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

22 (1) not later than September 30, 2010, the av-
23 erage fuel economy of the new vehicles in the agen-
24 cy’s fleet of vehicles in each class of vehicles is not
25 less than three miles per gallon higher than the

1 baseline average fuel economy determined for that
2 class; and

3 (2) not later than September 30, 2013, the av-
4 erage fuel economy of the new vehicles in the agen-
5 cy's fleet of vehicles in each class of vehicles is not
6 less than six miles per gallon higher than the base-
7 line average fuel economy determined for that class.

8 (c) CALCULATION OF AVERAGE FUEL ECONOMY.—

9 Average fuel economy shall be calculated for the purposes
10 of this section in accordance with guidance which the Sec-
11 retary of Transportation shall prescribe for the implemen-
12 tation of this section.

13 (d) DEFINITIONS.—

14 (1) The term “class of vehicles” means a class
15 of vehicles for which an average fuel economy stand-
16 ard is in effect under chapter 329 of title 49, United
17 States Code.

18 (2) The term “executive agency” has the mean-
19 ing given the term in section 4(1) of the Office of
20 Federal Procurement Policy Act (41 U.S.C. 403(1)).

21 (3) The term “new vehicle”, with respect to the
22 fleet of vehicles of an executive agency, means a ve-
23 hicle procured by or for the agency after September
24 30, 2009.

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