

117TH CONGRESS
2D SESSION

H. RES. 1184

Urging the use of the Defense Production Act of 1950 to expand short-term refinery capacity.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2022

Mr. KRISHNAMOORTHY (for himself, Ms. SPANBERGER, and Ms. DAVIDS of Kansas) submitted the following resolution; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Financial Services, 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

RESOLUTION

Urging the use of the Defense Production Act of 1950 to expand short-term refinery capacity.

Whereas rising gasoline, diesel, and jet fuel prices are exacerbating inflation and reducing the purchasing power of American consumers, especially low-income households;

Whereas historic fuel prices are due in large part to high oil prices, but a global shortage of oil refining capacity has further driven up the cost of refined petroleum products, causing fuel prices to outpace oil prices;

Whereas global oil refining capacity is now over 3,000,000 barrels per day below prepandemic levels, and domestic

refining capacity in the United States is currently around 1,000,000 barrels per day below prepandemic capacity;

Whereas much like crude oil production, which declined precipitously during the pandemic as demand for oil plummeted, demand for oil refineries also plummeted, and many companies decided to shut down their refineries rather than continue running at a loss;

Whereas, in 2020, the Shell refinery in Convent, Louisiana, capable of refining 211,146 barrels of crude oil per day, and the Marathon refinery in Martinez, California, capable of refining 161,000 barrels per day, were powered down due to low demand;

Whereas the Philadelphia Energy Solutions refinery, which had been offline following an accident, was permanently shuttered, and the Phillips 66 refinery in Belle Chasse, Louisiana, which had suffered water damage during Hurricane Ida, was similarly closed permanently;

Whereas oil production is recovering to prepandemic levels, but without enough oil refining capacity, the refineries will act as a bottleneck, limiting the supply of gasoline and keeping fuel prices elevated;

Whereas the “crack spread”, the profit margin between crude oil and refined fuels, has reached a near record high, but companies are not investing in new refining capacity in the United States;

Whereas despite high profit margins and a shortage of refining capacity, several refineries that were idled during the pandemic are now being permanently decommissioned, contributing to record high gas prices and even higher diesel prices;

Whereas while combating climate change will require a rapid reduction in the use of fossil fuels, the United States is not yet in a position to completely replace combustion engines with electric vehicles; and

Whereas a long-term expansion of oil production beyond prepandemic levels could put us on a path to climate catastrophe, but restarting idled American oil refineries for a limited time could reduce gas prices and cool inflationary pressures without endangering our climate goals: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 resentatives that—

3 (1) any effort to increase the supply of oil and
4 gas to address urgent inflationary challenges must
5 not be implemented at the expense of the climate
6 goals of the United States;

7 (2) Congress should support policies to appro-
8 priately increase refinery capacity as much as is nec-
9 essary to meet current fuel demands over the short-
10 term, while continuing to invest in policies that re-
11 duce reliance on fossil fuels over the longer term;
12 and

13 (3) in order to ensure sufficient refining capac-
14 ity to reduce fuel prices and prevent fuel shortages
15 in the near term, the President should use authori-
16 ties granted him by the Defense Production Act of
17 1950 to provide targeted technical and financial as-

- 1 sistance to restart certain idled refineries for a lim-
- 2 ited time.

