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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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September 15, 2005

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The Honorable Samuel W. Bodman
Secretary
Department of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Bodman:

The devastation wrought by Hurricane Katrina demonstrated what energy experts have been telling us for months, if not years – that our Nation’s refining industry is operating at maximum capacity and unable to absorb unexpected shutdowns without serious effects on retail prices. Many have suggested that the construction of new refineries will lessen the risk of another supply disruption, lower retail gasoline prices, and help meet the Nation’s growing demand for refined products. The question for policymakers is how to spur growth in this capital intensive, highly complex industry without sacrificing environmental quality or local concerns.

Last week the Committee on Energy and Commerce held a hearing entitled “Recovering from Katrina” during which several witnesses discussed the importance of expanding the Nation’s refining capacity. We expect further Committee action on this matter, and note that we have not yet heard from several important stakeholders, including state and local officials. As the Committee continues to investigate what, if any, policy changes need to be made in order to avoid future disruptions in retail gasoline supply, I would appreciate the Department’s assistance in gathering information that may be relevant to our deliberations.

According to statistics gathered by the Energy Information Administration, some 30 refineries have closed in the United States since 1995, representing over 900,000 barrels per day of refining capacity. Has the refining industry made any effort to date to bring any of these facilities back online? Has the Department conducted any analysis of the readiness of these facilities to be restarted? If so, please provide it. If not, I would appreciate the Department’s analysis of the readiness of these facilities to be restarted. We trust you have information available to you, or otherwise readily available, to include the following information in your analysis:

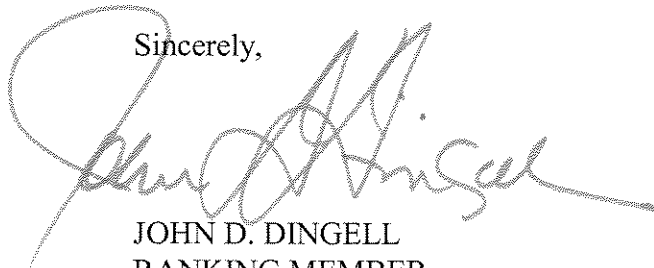
The Honorable Samuel W. Bodman
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- (1) the last date on which the refinery produced refined petroleum products and its throughput capacity at that time;
- (2) whether substantial equipment and infrastructure remain that would allow production of gasoline and other refined products to resume within a reasonable time; and
- (3) whether appropriate transportation facilities, including necessary pipeline hookups, remain in place. If the owners have provided to you estimates of the time and capital expenditures required to reopen the facility, we would appreciate them as well.

On April 27, 2005, President Bush proposed a policy of siting new refineries on closed military bases. What efforts has the Department undertaken to promote this policy? How many closed military bases has the Department determined may be suitable locations to site a new refinery? How many inquiries have been made by the refining industry to the Department (or any other Federal agency) expressing an interest in siting a new refinery on a closed military base? If the Department or any other Federal agency has no information as to the suitability of these facilities to be used for the siting of new refineries, I would appreciate the Department conducting an analysis and transmitting this information to the Committee on Energy and Commerce.

Thank you for your attention to this matter. Given Chairman Barton's expressed wish to move expeditiously, I would appreciate your response no later than the close of business on Friday, September 30, 2005. If you have any questions regarding this request please contact me, or have your staff contact Bruce Harris, Minority Professional Staff member, at (202) 226-3400.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER

cc: The Honorable Joe Barton, Chairman
Committee on Energy and Commerce

The Honorable Ralph M. Hall, Chairman
Subcommittee on Energy and Air Quality

The Honorable Rick Boucher, Ranking Member
Subcommittee on Energy and Air Quality