

**AMENDMENT TO H.R. 2647, AS REPORTED
OFFERED BY MR. HENSARLING OF TEXAS**

At the end of subtitle D of title III (page 109, before line 1), add the following new section:

1 **SEC. 335. REPEAL OF ALTERNATIVE FUEL PROCUREMENT**
2 **REQUIREMENT FOR FEDERAL AGENCIES.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) Section 526 of the Energy Independence
5 and Security Act of 2007, which restricts the purchase of fuels not derived from “conventional” petroleum, was included in the legislation “in response to
6 proposals under consideration by the Air Force to
7 develop coal-to-liquid fuels”, according to the author
8 of the section.
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11 (2) Section 526, though aimed at the Air Force,
12 affects the entire Department of Defense and any
13 other Federal agency that purchases fuel.

14 (3) Section 526, though aimed at coal-to-liquids, affects all “unconventional” fuels, including oil
15 shale, tar sands, heavy oil, and possibly ethanol and
16 other biofuels.
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18 (4) The Air Force is interested in procuring unconventional fuels over the long-term as a way to re-
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1 duce its reliance on fuels from unfriendly or unstable
2 countries and increasing its use of fuels from North
3 America.

4 (5) Coal-to-liquids, oil shale, and tar sands are
5 all abundant in the United States and Canada.

6 (6) The Air Force wants to use its purchasing
7 power to spur the development of a domestic coal
8 based synthetic fuel industry by signing long-term
9 fuel contracts with coal-based fuel producers, ensur-
10 ing that producers have a guaranteed market to off-
11 set the millions of dollars in up-front investment
12 needed to produce coal-based fuel.

13 (7) Canada is currently the largest United
14 States oil supplier. It sent over 1,800,000 barrels
15 per day of crude oil and 593,000 barrels per day of
16 refined products to the United States in March
17 2009, according to the Department of Energy's En-
18 ergy Information Administration. About half of Ca-
19 nadian crude is derived from oil sands, with sands
20 production forecast to reach about 3,000,000 barrels
21 per day in 2020.

22 (8) Section 526 could choke this flow of fuel
23 from one of the Nation's most reliable allies and eco-
24 nomic partners.

1 (9) To limit the ability of the Pentagon to get
2 its fuels from friendly sources and force increased
3 petroleum importation from unfriendly or unstable
4 countries does nothing less than put the national
5 and economic security at risk.

6 (10) The Department of Defense should be al-
7 lowed to proceed with its vital efforts to increase re-
8 liance on American and Canadian fuels and reduce
9 reliance on fuels from overseas.

10 (b) REPEAL.—Section 526 of the Energy Independ-
11 ence and Security Act of 2007 (Public Law 110–140; 42
12 U.S.C. 17142) is repealed.

