

1 HOUSE RESOLUTION

2 WHEREAS, The House Special Committee on Gas Pricing
3 conducted fact-finding public hearings during 2000 in order
4 to investigate the reasons for the dramatic increases in
5 Illinois gasoline and to make recommendations on State
6 policies that may impact pricing; and

7 WHEREAS, The House Special Committee issued a report in
8 January 2001 containing seven findings and four
9 recommendations; and

10 WHEREAS, The Governor has created an Energy Cabinet by
11 Executive Order Number 2, and the Energy Cabinet is in the
12 process of developing a State energy policy; and

13 WHEREAS, Evidence and testimony provided to the House
14 Special Committee on Gas Pricing suggest that the economic
15 forces of supply and demand alone do not sufficiently explain
16 the steep price hikes of the summer of 2000; and

17 WHEREAS, The closure of Premcor's Blue Island refinery
18 could result in supply disruptions in unbranded gasoline and
19 a repeat of steep gas spikes during the summer of 2001; and

20 WHEREAS, Several of the findings of the House Special
21 Committee on Gas Pricing contain analyses of the oil industry
22 that suggest that supply disruptions could re-occur in 2001
23 and beyond, leading to the repeat of steep gas spikes during
24 the summer of 2001; and

25 WHEREAS, Remaining issues require further investigation
26 to understand completely the reasons for high Illinois
27 gasoline prices in May and June of 2000 as well as the price
28 spikes that are likely to occur in the future; and

29 WHEREAS, The report of the House Special Committee on Gas
30 Pricing contained the following recommendations:

1 (1) the Governor should direct his new Energy Cabinet
2 to study and report to the General Assembly:

3 (a) whether adequate preparations are being made
4 during the Spring of 2001 by refiners serving Illinois to
5 transition to summer-grade Phase II Reformulated
6 Gasoline;

7 (b) whether adequate preparations are being made to
8 supply Illinois' unbranded gas stations during 2001 in
9 view of the closure of Premcor's Blue Island refinery;

10 (c) whether we should recommend to the EPA a study
11 of the potential for a single standard for "clean air"
12 gasoline in Illinois, rather than our current complex
13 system of "boutique fuels", to more efficiently supply
14 Illinois and Midwest markets, make it possible to correct
15 supply disruptions, and also promote clean air throughout
16 the region; and

17 (d) whether Illinois should lend support to the
18 construction of additional pipelines or refineries to
19 serve Illinois markets to reduce the possibility of
20 supply disruptions;

21 (2) Illinois should refrain from seeking a waiver from
22 the Phase II RFG Program, recognizing both the value of clean
23 air for the health of Illinois residents as well as the
24 short-lived nature of the difficulties encountered by local
25 refiners in producing the new blend in 2000.

26 (3) tax incentives for ethanol should be continued, in
27 part to keep MTBE from entering Illinois markets, which could
28 be accomplished by extending the differential in sales tax
29 for ethanol past its sunset date of January 1, 2003; and

30 (4) incentives for energy conservation should be created
31 that (i) promote the expanded use of alternate fuels and
32 alternate fuel vehicles; (ii) enhance the transit check
33 program encouraging employee transit use; and (iii) encourage
34 businesses to locate close to where workers can afford to

1 live and with convenient access to transit; therefore, be it

2 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
3 NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
4 we respectfully request the Governor to direct his Energy
5 Cabinet to implement the recommendations of the House Special
6 Committee on Gas Pricing and to report its findings to the
7 Illinois General Assembly by October 31, 2001; and be it
8 further

9 RESOLVED, That suitable copies of this resolution be
10 delivered to the Governor of the State of Illinois, the
11 Speaker of the Illinois House of Representatives, the
12 Minority Leader of the Illinois House of Representatives, the
13 President of the Illinois Senate, the Minority Leader of the
14 Illinois Senate, and each member of the Illinois
15 Congressional delegation.