



September 14, 2023

The Honorable Patty Murray
Chair, Senate Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member, Senate Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Chair Murray and Vice Chair Collins:

On behalf of the Energy Marketers of America's (EMA) Northeast Region, we write in response to language included in the Fiscal Year 2024 Senate Appropriations Subcommittee on Energy and Water Development draft bill, which urges closure of the 1-million-barrel Northeast Gasoline Supply Reserve (NGSR). The Department of Energy (DOE) created the NGSR in 2012 following Superstorm Sandy's catastrophic damage to refineries and terminals in New York harbor. We urge the Senate Appropriations Committee to reconsider closing the NGSR and increase the Northeast Home Heating Oil Reserve's (NEHHOR) storage capacity from one million to two million barrels. Both of these emergency reserves were created to buy time for industry to respond to supply disruptions which fuel state and local governments, hospitals and first responders after disaster strikes.

EMA represents a vital link in the motor and heating fuels distribution chain. EMA's member companies supply 80 percent of all finished motor and heating fuel products sold nationwide. Of the 150,000 retail gas stations in the U.S., the majority are independently owned and operated from small to medium sized businesses. Before, during and after a disaster, EMA, and its state associations, work around the clock and are in constant communication with federal, state and local governments to keep the motor and heating fuels markets supplied. Furthermore, EMA's Disaster Fuel Response Program provides up-to-date information on marketers who are willing to deliver fuel to utilities, government agencies, companies, and organizations in responding to disasters. The program has been hugely successful and was used after Hurricane Ida. Additionally, this diagram¹ of the refined products distribution system highlights the upstream, midstream and downstream oil and refined products industry. EMA member companies are downstream (below the terminal rack – marketers/jobbers/tank wagons, small bulk plants/gas stations).

While we acknowledge the NGSR has not been utilized following Superstorm Sandy, we urge the Committee to keep the NGSR open because the emergency stockpile serves as an insurance policy for future natural disasters in the northeast like Superstorm Sandy. In the fuel marketing industry, disaster recovery time typically takes 2 to 3 times longer than the duration of the disaster itself. When fuel supply is disrupted, emergency fuel supplies, hours of service waivers and fuel volatility waivers are essential to restore the flow of finished fuel products to

¹ [Diagram of the refined products distribution system](#)

downstream users.² The HOS waiver increases the number of loads that can be delivered, and the distance traveled to reach far off supply during emergency declarations. In addition, when a terminal or pipeline outage occurs, resulting in a supply disruption, normal inventories of finished fuel products take time to work their way back through the distribution chain to storage terminals.

Additionally, we fully support NEHHOR, which can supply one-million-barrels of ultra-low sulfur diesel (ULSD) designated for heating oil to homes and businesses in the Northeastern United States should supply issues occur. Our organizations' request that the Committee consider increasing the NEHHOR to two million barrels to match the original reserve capacity when it was established in July 2000.

We stand ready to work with you to ensure emergency fuel supplies are maintained in case there is another disaster on the horizon.

Sincerely,

Energy Marketers of America

Connecticut Energy Marketers Association
Empire State Energy Association
Energy Marketers Association of Rhode Island
Fuel Merchants Association of New Jersey
Maine Energy Marketers Association
New England Convenience Store & Energy Marketers Association
Pennsylvania Petroleum Association
Vermont Fuel Dealers Association

² Oil and Natural Gas Industry Preparedness Handbook, pp 27-31. <https://www.api.org/-/media/Files/Policy/Safety/ONG-Industry-Preparedness-Handbook.pdf>