

**(a) Findings.**—Congress finds that—

1. the availability and affordability of fuel is critical to national defense and military readiness;
2. port infrastructure and associated fuel distribution systems are essential to the movement of energy resources supporting both civilian and defense needs; and
3. certain State or local policies may, under extraordinary circumstances, disrupt fuel supply chains in a manner that threatens national security.

**(b) Authority to Recommend Invocation of the Defense Production Act.**—

1. If the Secretary of Defense determines that a State or local law, regulation, or policy materially disrupts fuel supply chains or access to critical port infrastructure in a manner that threatens national security, the Secretary may recommend that the President exercise authorities under the Defense Production Act of 1950 (50 U.S.C. 4501 et seq.).
2. Upon such recommendation, the President may designate affected port infrastructure, fuel distribution systems, or related assets as critical to national defense.

**(c) Federal Jurisdiction for Operational Continuity.**—

1. In carrying out subsection (b), the President may direct that designated infrastructure operate under temporary Federal jurisdiction for the limited purpose of ensuring continuity of operations and national defense needs.
2. Nothing in this subsection shall be construed—
  - (A) to authorize the permanent Federal acquisition or nationalization of such infrastructure; or
  - (B) to displace ownership rights of private or State entities beyond what is necessary to ensure operational continuity.

**(d) Termination of Federal Jurisdiction.**—

1. Federal jurisdiction under subsection (c) shall terminate upon a determination by the President that the conditions giving rise to the designation no longer exist.
2. The Governor of an affected State may notify the President and the Secretary of Defense that the State or local policies that caused the disruption have been repealed, suspended, or materially modified.
3. Not later than 30 days after receipt of such notification, the President shall determine whether to terminate the designation and associated authorities.

**(e) Preservation of State Fuel Standards.**—Nothing in this section shall be construed to alter or preempt State requirements relating to fuel composition, including environmental or air quality standards applicable to fuel sold within the State.

**(f) Limitation on Excessive Regulatory Impacts on Fuel Costs.**—

1. The President, in exercising authorities under this section or the Defense Production Act, shall seek to ensure that Federal actions do not impose regulatory or administrative costs that increase

the retail price of fuel by more than \$0.50 per gallon above baseline market conditions, unless the President determines that a higher increase is necessary to address an imminent threat to national security.

2. Any such determination shall be reported to the congressional defense committees within 7 days.

**(g) Rule of Construction.**—Nothing in this section shall be construed to directly preempt State taxation authority; however, Federal actions under this section may supersede State or local regulations to the extent necessary to address a national security threat to fuel supply chains.