

107TH CONGRESS  
1ST SESSION

# H. R. 3274

To provide assistance to those individuals most affected by high energy prices and to promote and accelerate energy conservation investments in the United States.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2001

Mr. SANDERS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide assistance to those individuals most affected by high energy prices and to promote and accelerate energy conservation investments in the United States.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Comprehensive Energy Conservation Act for the 21st  
6 Century”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

- Sec. 1. Short title.  
 Sec. 2. Findings and purposes.

#### TITLE I—ENERGY CONSERVATION

- Sec. 101. Increased funding for LIHEAP, weatherization, and State energy grants.  
 Sec. 102. Funding for the Energy Star program.  
 Sec. 103. Increased average fuel economy standards.  
 Sec. 104. Renewable energy.  
 Sec. 105. Fuel efficient tire program.

#### TITLE II—TAX PROVISIONS

##### Subtitle A—Credits

- Sec. 201. Credit for purchase of Energy Star products.  
 Sec. 202. Credit for purchasing fuel efficient American-made passenger vehicles.

##### Subtitle B—Windfall Profits Tax

- Sec. 211. Windfall profits tax.  
 Sec. 212. Windfall profits fund.  
 Sec. 213. Reasonable profits board.

### 1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) high energy costs are causing hardship for  
 4 families;

5 (2) restructured energy markets have increased  
 6 the need for a higher and more consistent level of  
 7 funding for low income energy assistance programs;

8 (3) conservation programs implemented by the  
 9 States and the low income weatherization program  
 10 reduce costs and need for additional energy supplies;

11 (4) raising the Corporate Average Fuel Econ-  
 12 omy (CAFE) standards to 45 miles per gallon for  
 13 cars, and 34 miles per gallon for light trucks, over  
 14 the next decade would save consumers

1       \$80,000,000,000 a year at the pump, reduce green-  
 2       house gas emissions by more than  
 3       1,500,000,000,000 pounds a year, and save  
 4       51,000,000,000 barrels of oil over the next 50 years,  
 5       more than 15 times the likely yield from the Arctic  
 6       National Wildlife Refuge; and

7           (5) upgrading the quality of replacement tires  
 8       to match that of tires that come as standard equip-  
 9       ment on new cars would save 5,400,000,000 barrels  
 10      of oil over the next 50 years - 70 percent more than  
 11      the total amount of oil that would likely be pumped  
 12      from the Arctic National Wildlife Refuge over the  
 13      same time period.

14      (b) PURPOSES.—The purposes of this Act are to pro-  
 15      vide assistance to those individuals most affected by high  
 16      energy prices, to enhance national security, and to pro-  
 17      mote and accelerate energy conservation investments in  
 18      the United States.

## 19                           **TITLE I—ENERGY** 20                           **CONSERVATION**

### 21   **SEC. 101. INCREASED FUNDING FOR LIHEAP, WEATHERIZA-** 22                           **TION, AND STATE ENERGY GRANTS.**

23      (a) LIHEAP.—

24           (1) AUTHORIZATION OF APPROPRIATIONS.—

25      Section 2602(b) of the Low-Income Home Energy

1 Assistance Act of 1981 (42 U.S.C. 8621(b)) is  
2 amended by striking the first sentence and inserting  
3 the following: “There are authorized to be appro-  
4 priated to carry out the provisions of this title (other  
5 than section 2607A), \$9,000,000,000 for fiscal year  
6 2002, \$12,600,000,000 for fiscal year 2003, and  
7 \$12,600,000,000 for fiscal year 2004.”.

8 (2) STATE ALLOTMENTS.—Section 2604(a)(2)  
9 of the Low-Income Home Energy Assistance Act of  
10 1981 (42 U.S.C. 8623(a)(2)) is amended by striking  
11 “, except that States” and all that follows through  
12 “\$2,140,000,000”.

13 (b) WEATHERIZATION ASSISTANCE.—Section 422 of  
14 the Energy Conservation and Production Act (42 U.S.C.  
15 6872) is amended by striking “for fiscal years 1999  
16 through 2003 such sums as may be necessary” and insert-  
17 ing “\$1,000,000,000 for fiscal year 2002 and  
18 \$2,000,000,000 for fiscal year 2003”.

19 (c) STATE ENERGY CONSERVATION GRANTS.—Sec-  
20 tion 365(f) of the Energy Policy and Conservation Act (42  
21 U.S.C. 6325(f)) is amended by striking “for fiscal years  
22 1999 through 2003 such sums as may be necessary” and  
23 inserting “\$75,000,000 for fiscal year 2002 and  
24 \$100,000,000 for fiscal year 2003”.

1 **SEC. 102. FUNDING FOR THE ENERGY STAR PROGRAM.**

2 For purposes of carrying out the Energy Star pro-  
3 gram, there are authorized to be appropriated—

4 (1) to the Administrator of the Environmental  
5 Protection Agency \$150,000,000 for fiscal year  
6 2002 and \$200,000,000 for fiscal year 2003; and

7 (2) to the Secretary of Energy \$100,000,000  
8 for fiscal year 2002 and \$150,000,000 for fiscal  
9 year 2003.

10 **SEC. 103. INCREASED AVERAGE FUEL ECONOMY STAND-**  
11 **ARDS.**

12 (a) INCREASED STANDARDS.—Section 32902 of title  
13 49, United States Code, is amended—

14 (1) in subsection (a)—

15 (A) by striking “NON-PASSENGER AUTO-  
16 MOBILES.—” and inserting “PRESCRIPTION OF  
17 STANDARDS BY REGULATION.—”; and

18 (B) by striking “(except passenger auto-  
19 mobiles)” and inserting “(except passenger  
20 automobiles and light trucks)”; and

21 (2) by amending subsection (b) to read as fol-  
22 lows:

23 “(b) PASSENGER AUTOMOBILES AND LIGHT  
24 TRUCKS.—

25 “(1) PASSENGER AUTOMOBILES, GENERALLY.—

26 (A) Except as provided in subparagraph (B) of this

1 paragraph and in paragraph (2), the average fuel  
2 economy standard for passenger automobiles manu-  
3 factured by a manufacturer in a model year shall be  
4 45.0 miles per gallon.

5 “(B) The average fuel economy standard for  
6 passenger automobiles manufactured by a manufac-  
7 turer in a model year after model year 2004 and be-  
8 fore model year 2011 shall be not less than 34.0  
9 miles per gallon.

10 “(2) LIGHT TRUCKS.—(A) Except as provided  
11 in subparagraph (B), the average fuel economy  
12 standard for light trucks manufactured by a manu-  
13 facturer in a model year shall be 34.0 miles per gal-  
14 lon.

15 “(B) The average fuel economy standard for  
16 light trucks manufactured by a manufacturer in a  
17 model year after model year 2004 and before model  
18 year 2011 shall be not less than 27.5 miles per gal-  
19 lon.”.

20 (b) DEFINITION OF LIGHT TRUCK.—Section  
21 32901(a) of title 49, United States Code, is amended by  
22 adding at the end the following:

23 “(17) ‘light truck’ has the meaning given that  
24 term in regulations prescribed by the Secretary of

1       Transportation in the administration of this chap-  
2       ter.”.

3       (c) CONFORMING AMENDMENTS.—Section 32902(c)  
4 of title 49, United States Code, is amended—

5           (1) in paragraph (1), by striking “the stand-  
6       ard” and inserting “a standard”; and

7           (2) in paragraph (2), by striking “increases the  
8       standard above 27.5 miles per gallon, or decreases  
9       the standard below 26.0 miles per gallon,” and in-  
10       serting “increases the standard above 34.0 miles per  
11       gallon or decreases the standard below 32.5 miles  
12       per gallon in the case of light trucks, or increases  
13       the standard above 45.0 miles per gallon or de-  
14       creases the standard below 43.5 miles per gallon in  
15       the case of passenger automobiles,”.

16       (d) APPLICABILITY OF EXISTING STANDARDS.—This  
17 section does not affect the application of section 32902  
18 of title 49, United States Code, to passenger automobiles  
19 and light trucks manufactured before model year 2003.

20       **SEC. 104. RENEWABLE ENERGY.**

21       (a) STANDARD.—Title VI of the Public Utility Regu-  
22 latory Policies Act of 1978 (16 U.S.C. 2621 note) is  
23 amended by adding the following new section after section  
24 604:

1 **“SEC. 605. FEDERAL RENEWABLE PORTFOLIO STANDARD.**

2 “(a) MINIMUM RENEWABLE GENERATION REQUIRE-  
3 MENT.—(1) For each calendar year beginning with cal-  
4 endar year 2002, every retail electric supplier shall submit  
5 to the Secretary Renewable Energy Credits in an amount  
6 equal to the required annual percentage, specified in sub-  
7 section (b), of the total electric energy sold by the retail  
8 electric supplier to electric consumers during the calendar  
9 year. The retail electric supplier shall make such submis-  
10 sion before April 1 of the following calendar year.

11 “(2) For purposes of this section a ‘renewable energy  
12 facility’ means an electric generation facility that gen-  
13 erates electric energy through the use of solar energy,  
14 wind, geothermal, or biomass.

15 “(3) This section does not preclude a State from re-  
16 quiring additional renewable energy generation in that  
17 State.

18 “(b) REQUIRED ANNUAL PERCENTAGE.—(1) The  
19 Secretary shall determine the percentage of the total elec-  
20 tric energy sold by retail electric suppliers to electric con-  
21 sumers in the United States that is renewable energy for  
22 the calendar year 2001.

23 “(2) The Secretary shall determine the required an-  
24 nual percentage for calendar years 2002 through 2019.  
25 This percentage shall be greater than the percentage in  
26 paragraph (1) and less than the percentage in paragraph



1 (3) and shall be selected to promote a smooth transition  
2 to the percentage in paragraph (3).

3 “(3) For calendar years 2020 and thereafter, the re-  
4 quired annual percentage is 20 percent.

5 “(c) SUBMISSION OF CREDITS.—A retail electric sup-  
6 plier may satisfy the requirements of subsection (a)  
7 through the submission of—

8 “(1) renewable energy credits issued under sub-  
9 section (d) for renewable energy generated by the re-  
10 tail electric supplier in the calendar year for which  
11 Renewable Energy Credits are being submitted or in  
12 any previous calendar year.

13 “(2) renewable energy credits issued under sub-  
14 section (d) to any entity for renewable energy gen-  
15 erated in the calendar year for which renewable en-  
16 ergy credits are being submitted or in any previous  
17 calendar year and acquired by the retail electric sup-  
18 plier; or

19 “(3) any combination of renewable energy cred-  
20 its under paragraphs (1) and (2).

21 “(d) ISSUANCE OF CREDITS.—(1) The Secretary  
22 shall establish, not later than one year after the date of  
23 enactment of this section, a program to issue, monitor the  
24 sale or exchange of, and track Renewable Energy Credits.

1       “(2) An entity that generates electric energy through  
2 the use of a renewable energy facility may apply to the  
3 Secretary for the issuance of Renewable Energy Credits.  
4 The application shall indicate—

5               “(A) the type of renewable energy resource  
6               used to produce the electric energy;

7               “(B) the State in which the electric energy  
8               was produced; and

9               “(C) any other information the Secretary  
10              deems appropriate.

11             “(3)(A) Except as provided in paragraph (B),  
12 the Secretary shall issue to an entity 1 Renewable  
13 Energy Credit for each kilowatt-hour of electric en-  
14 ergy the entity generates through the use of a re-  
15 newable energy facility in any State in 2002 or in  
16 any succeeding year.

17             “(B) To be eligible for a Renewable Energy  
18 Credit, the unit of electricity generated through the  
19 use of a renewable energy facility may be sold or  
20 may be used by the generator. If an electric genera-  
21 tion facility uses both a renewable energy resource  
22 and a nonrenewable energy resource to generate  
23 electric energy, the number of credits issued for a  
24 calendar year shall equal the percentage of the elec-  
25 tric energy generated by the electric generation facil-

1       ity during such calendar year that is generated  
2       through the use of a renewable energy resource,  
3       multiplied by the total amount of kilowatt-hours of  
4       electric energy generated by the electric generation  
5       facility during such calendar year. The Secretary  
6       shall identify Renewable Energy Credits by type of  
7       renewable energy resource used and by the State in  
8       which the generating facility is located.

9               “(4) In order to receive a Renewable Energy  
10       Credit, the recipient of a Renewable Energy Credit  
11       shall pay a fee, calculated by the Secretary, that  
12       equals the administrative costs of issuing, recording,  
13       monitoring the sale or exchange of, and tracking the  
14       Renewable Energy Credit, or that equal 5 percent of  
15       the dollar value of the Renewable Energy Credit,  
16       whichever is less. The Secretary shall retain the fee  
17       and use it to pay such administrative costs.

18               “(5) When a generator sells electric energy gen-  
19       erated through the use of a renewable energy facility  
20       to a retail electric supplier under a contract subject  
21       to section 210 of this Act, for the purposes of this  
22       section the retail electric supplier shall be treated as  
23       the generator of the electric energy for the duration  
24       of the contract.

1       “(e) SALE OR EXCHANGE.—A Renewable Energy  
2 Credit may be sold or exchanged by the entity to which  
3 issued or by any other entity that acquires the Renewable  
4 Energy Credit. A Renewable Energy Credit issued during  
5 any year that is not used to satisfy the minimum renew-  
6 able generation requirement of subsection (a) for that year  
7 may be carried forward for use in a succeeding year.

8       “(f) ENFORCEMENT.—The Secretary may bring an  
9 action in the appropriate United States district court to  
10 impose a civil penalty on a retail electric supplier that  
11 does not comply with subsection (a). Such civil penalty  
12 shall equal not more than 3 times the value of the Renew-  
13 able Energy Credits the retail electric supplier has failed  
14 to submit, as determined by the Secretary.

15       “(g) INFORMATION COLLECTION.—The Secretary  
16 may collect the information necessary to verify and  
17 audit—

18               “(1) the annual electric energy generation and  
19 renewable energy generation of any entity applying  
20 for Renewable Energy Credits under this section;

21               “(2) the validity of Renewable Energy Credits  
22 submitted by a retail electric supplier to the Sec-  
23 retary; and

24               “(3) the quantity of electricity sales of all retail  
25 electric suppliers.”.

1 (b) DEFINITIONS.—Section 3 of the Public Utilities  
 2 Regulatory Policies Act of 1978 (16 U.S.C. 2602) is  
 3 amended by adding at the end the following:

4 “(22) The term ‘retail electric supplier’ means  
 5 a person, State agency, or Federal agency that sells  
 6 electric energy to an electric consumer.”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
 8 title VI of the Public Utility Regulatory Policies Act of  
 9 1978 is amended by adding the following item after the  
 10 item relating to section 604:

“Sec. 605. Federal renewable portfolio standard.”.

11 **SEC. 105. FUEL EFFICIENT TIRE PROGRAM.**

12 Section 30123 of title 49, United States Code, is  
 13 amended—

14 (1) in subsection (b)—

15 (A) by inserting “(1)” before the first sen-  
 16 tence; and

17 (B) by adding at the end the following:

18 “(2) The uniform quality system shall include stand-  
 19 ards for rating tires for the following:

20 “(A) Treadwear.

21 “(B) Traction.

22 “(C) Temperature resistance.

23 “(D) Rolling resistance and fuel economy.”;

24 and

25 (2) by adding at the end the following:

1       “(d) NATIONAL TIRE FUEL EFFICIENCY PRO-  
2 GRAM.—(1) The Secretary shall, after consulting with the  
3 Administrator of the Environmental Protection Agency,  
4 industry representatives, and other appropriate organiza-  
5 tions, develop a national tire fuel efficiency program that  
6 will develop fuel efficiency ratings and label requirements  
7 for tires.

8       “(2) The program shall include—

9           “(A) specifications for testing procedures and  
10 labels that will enable tire buyers to make more in-  
11 formed purchasing decisions about the fuel efficiency  
12 of tires;

13           “(B) dissemination of information through la-  
14 bels, catalogs, trade publications, or other mecha-  
15 nisms, that will allow tire buyers to assess the en-  
16 ergy consumption and potential costs savings of al-  
17 ternative tire products;

18           “(C) by no later than September 30, 2002, de-  
19 velopment by the Secretary of recommendations for  
20 minimum fuel efficiency standards for tires; and

21           “(D) by no later than January 1, 2003, pre-  
22 scription by the Secretary of minimum fuel efficiency  
23 standards for tires.

24       “(3) Recommendations and standards under para-  
25 graph (2) (C) and (D), respectively, shall—

1           “(A) be designed to ensure that the fuel effi-  
 2           ciency of replacement tires is equal to or better than  
 3           the fuel efficiency of tires sold as original equipment  
 4           on new vehicles;

5           “(B) consider all safety implications; and

6           “(C) ensure the standards do not adversely im-  
 7           pact tire safety.”.

## 8           **TITLE II—TAX PROVISIONS**

### 9           **Subtitle A—Credit for Energy Star** 10           **Products**

#### 11   **SEC. 201. CREDIT FOR PURCHASE OF ENERGY STAR PROD-** 12           **UCTS.**

13           (a) IN GENERAL.—Subpart B of part IV of sub-  
 14           chapter A of chapter 1 of the Internal Revenue Code of  
 15           1986 is amended by inserting after section 30A the fol-  
 16           lowing new section:

#### 17   **“SEC. 30B. CREDIT FOR PURCHASE OF ENERGY STAR PROD-** 18           **UCTS.**

19           “(a) ALLOWANCE OF CREDIT.—In the case of indi-  
 20           viduals and small employers, there shall be allowed as a  
 21           credit against the tax imposed by this chapter for the tax-  
 22           able year an amount equal to 30 percent of the amount  
 23           paid by the taxpayer for the purchase of any Energy Star  
 24           product during the taxable year.

1       “(b) ENERGY STAR PRODUCT.—For purposes of this  
2 section, the term ‘Energy Star product’ means a product  
3 which—

4               “(1) meets the guidelines, specifications, and  
5 performance levels of the Energy Star program  
6 jointly managed by the Environmental Protection  
7 Agency and the Department of Energy, and

8               “(2) displays the Energy Star label.

9       “(c) SMALL EMPLOYER.—For purposes of this sec-  
10 tion, the term ‘small employer’ means, with respect to any  
11 calendar year, any employer if such employer employed an  
12 average of 100 or fewer employees on business days during  
13 either of the 2 preceding calendar years. For purposes of  
14 the preceding sentence, a preceding calendar year may be  
15 taken into account only if the employer was in existence  
16 throughout such year.

17       “(d) APPLICATION WITH OTHER CREDITS.—Except  
18 as provided in subsection (e), the credit allowable under  
19 subsection (a) for any taxable year shall not exceed the  
20 excess (if any) of—

21               “(1) the regular tax for the taxable year, re-  
22 duced by the sum of the credits allowable under sub-  
23 part A and the preceding sections of this subpart,  
24 over



1           “(2) the tentative minimum tax for the taxable  
2       year.

3       “(e) REFUNDABLE CREDIT FOR CERTAIN TAX-  
4 PAYERS.—In the case of an individual, if the adjusted  
5 gross income of the taxpayer for the taxable year is  
6 \$75,000 or less (\$150,000 or less in the case of a joint  
7 return), the credit allowable under subsection (a) shall be  
8 treated as a credit allowed under subpart C.”.

9       (b) CLERICAL AMENDMENT.—The table of sections  
10 for subpart B of part IV of subchapter A of chapter 1  
11 of such Code is amended by inserting after the item relat-  
12 ing to section 30A the following new item:

“Sec. 30B. Credit for purchase of Energy Star products.”

13       (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2001.

16 **SEC. 202. CREDIT FOR PURCHASING FUEL-EFFICIENT**  
17 **AMERICAN-MADE PASSENGER VEHICLES.**

18       (a) IN GENERAL.—Subpart A of part IV of sub-  
19 chapter A of chapter 1 of the Internal Revenue Code of  
20 1986 (relating to nonrefundable personal credits) is  
21 amended by inserting after section 25A the following new  
22 section:

1 **“SEC. 25B. PURCHASE OF FUEL-EFFICIENT AMERICAN-**  
2 **MADE PASSENGER VEHICLES.**

3 “(a) IN GENERAL.—In the case of an individual,  
4 there shall be allowed as a credit against the tax imposed  
5 by this chapter for the taxable year an amount equal to  
6 the cost of any qualified passenger vehicle purchased by  
7 the taxpayer during the taxable year.

8 “(b) MAXIMUM CREDIT.—The credit allowed by this  
9 section for the taxable year shall not exceed—

10 “(1) \$3,000 in the case of a qualified passenger  
11 vehicle not described in paragraph (2) or (3),

12 “(2) \$4,500 in the case of a qualified passenger  
13 vehicle the fuel economy of which is—

14 “(A) in the case of a truck or sport utility  
15 vehicle, at least 45 miles per gallon but less  
16 than 55 miles per gallon, and

17 “(B) in any other case, at least 55 miles  
18 per gallon but less than 65 miles per gallon,  
19 and

20 “(3) \$6,000 in the case of a qualified passenger  
21 vehicle the fuel economy of which is—

22 “(A) in the case a truck or sport utility ve-  
23 hicle, at least 55 miles per gallon, and

24 “(B) in any other case, at least 65 miles  
25 per gallon.

1       “(c) QUALIFIED PASSENGER VEHICLE.—For pur-  
2 poses of this section—

3               “(1) IN GENERAL.—The term ‘qualified auto-  
4 mobile’ means any automobile (as defined in section  
5 4064(b))—

6                       “(A) which is purchased after the date of  
7 the enactment of this section,

8                       “(B) which is assembled in the United  
9 States by individuals employed under a collec-  
10 tive bargaining agreement,

11                      “(C) the original use of which begins with  
12 the taxpayer,

13                      “(D) substantially all of the use of which  
14 is for personal, nonbusiness purposes, and

15                      “(E) the fuel economy of such automobile  
16 is—

17                               “(i) at least 35 miles per gallon in the  
18 case of a truck or sport utility vehicle, and

19                               “(ii) at least 45 miles per gallon in  
20 any other case.

21               “(2) FUEL ECONOMY.—Fuel economy shall be  
22 determined in accordance with section 4064.

23       “(d) SPECIAL RULES.—

24               “(1) BASIS REDUCTION.—The basis of any  
25 property for which a credit is allowable under sub-

1 section (a) shall be reduced by the amount of such  
2 credit.

3 “(2) PROPERTY USED OUTSIDE UNITED STATES  
4 NOT QUALIFIED.—No credit shall be allowed under  
5 subsection (a) with respect to any property referred  
6 to in section 50(b).”

7 (b) CLERICAL AMENDMENT.—The table of sections  
8 for such subpart A is amended by inserting after the item  
9 relating to section 25A the following new item:

“Sec. 25B. Purchase of fuel-efficient American-made passenger  
vehicles.”

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years ending after the  
12 date of the enactment of this Act.

## 13 **Subtitle B—Windfall Profits Tax**

### 14 **SEC. 211. WINDFALL PROFITS TAX.**

15 (a) IN GENERAL.—Subtitle E of the Internal Rev-  
16 enue Code of 1986 (relating to alcohol, tobacco, and cer-  
17 tain other excise taxes) is amended by adding at the end  
18 thereof the following new chapter:

## 19 **“CHAPTER 55—WINDFALL PROFIT ON** 20 **ELECTRICITY, FUEL OIL, NATURAL** 21 **GAS, COAL, AND PRODUCTS THEREOF**

“Sec. 5886. Imposition of tax.

1   **“SEC. 5886. IMPOSITION OF TAX.**

2           “(a) IN GENERAL.—In addition to any other tax im-  
3 posed under this title, there is hereby imposed an excise  
4 tax on the sale in the United States of any electricity, fuel  
5 oil, natural gas, coal, or other taxable product equal to  
6 the windfall profit on such sale.

7           “(b) DEFINITIONS.—For purposes of this section—

8                   “(1) TAXABLE PRODUCT.—The term ‘taxable  
9 product’ means any fuel which is a product of fuel  
10 oil, natural gas, or coal.

11                   “(2) WINDFALL PROFIT.—The term ‘windfall  
12 profit’ means, with respect to any sale, so much of  
13 the profit on such sale as exceeds a reasonable prof-  
14 it.

15                   “(3) REASONABLE PROFIT.—The term ‘reason-  
16 able profit’ means the amount determined by the  
17 Reasonable Profits Board to be a reasonable profit  
18 on the sale.

19           “(c) LIABILITY FOR PAYMENT OF TAX.—The taxes  
20 imposed by subsection (a) shall be paid by the seller.”

21           (b) CLERICAL AMENDMENT.—The table of chapters  
22 for subtitle E of such Code is amended by adding at the  
23 end the following new item:

“Chapter 55. Windfall profit on electricity and fuel oil, natural  
gas, coal, and products thereof.”

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act.

4 **SEC. 212. WINDFALL PROFITS FUND.**

5       (a) IN GENERAL.—Subchapter A of chapter 98 of the  
6 Internal Revenue Code of 1986 (relating to establishment  
7 of trust funds) is amended by adding at the end the fol-  
8 lowing new section:

9 **“SEC. 9511. WINDFALL PROFITS FUND.**

10       “(a) CREATION OF TRUST FUND.—There is estab-  
11 lished in the Treasury of the United States a trust fund  
12 to be known as the ‘Windfall Profits Fund’, consisting of  
13 such amounts as may be appropriated or credited to such  
14 fund as provided in this section or section 9602(b).

15       “(b) TRANSFERS TO TRUST FUND.—There are here-  
16 by appropriated to the Windfall Profits Fund amounts  
17 equivalent to the taxes received under section 5886 (relat-  
18 ing to tax on windfall profits on electricity and fuel oil,  
19 natural gas, coal, and products thereof).

20       “(c) EXPENDITURES.—Amounts in the Windfall  
21 Profits Fund shall be available, as provided in appropria-  
22 tion Acts, for purposes of making qualified expenditures,  
23 to the extent that such amounts exceed the aggregate of  
24 all Federal administrative costs attributable to the imple-

1 mentation of section 5886, subsections (a) and (b) of this  
 2 section, and (with respect to such fund) section 9602.

3 “(d) QUALIFIED EXPENDITURES.—For purposes of  
 4 subsection (c), the term ‘qualified expenditure’ means an  
 5 expenditure to carry out any provision of, or any amend-  
 6 ment made by, the Comprehensive Energy Conservation  
 7 Act for the 21st Century.”.

8 (b) CLERICAL AMENDMENT.—The table of sections  
 9 for subchapter A of chapter 98 of such Code is amended  
 10 by adding at the end the following new item:

“Sec. 9511. Windfall Profits Fund.”

11 (c) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to taxable years beginning after  
 13 December 31, 2001.

14 **SEC. 213. REASONABLE PROFITS BOARD.**

15 (a) ESTABLISHMENT.—There is established an inde-  
 16 pendent board to be known as the “Reasonable Profits  
 17 Board” (hereafter in this section referred to as the  
 18 “Board”).

19 (b) DUTIES.—The Board shall make reasonable prof-  
 20 it determinations for purposes of applying section 5886  
 21 of the Internal Revenue Code of 1986 (relating to windfall  
 22 profit on electricity and fuel oil, natural gas, coal, and  
 23 products thereof).

1       (c) ADVISORY COMMITTEE.—The Board shall be con-  
2 sidered an advisory committee within the meaning of the  
3 Federal Advisory Committee Act (5 U.S.C. App.).

4       (d) APPOINTMENT.—

5           (1) MEMBERS.—The Board shall be composed  
6 of 9 members appointed by the President, as follows:

7               (A) 2 members of the Board shall be from  
8 organized labor.

9               (B) 2 members of the Board shall be from  
10 consumer groups.

11              (C) 2 members of the Board shall be from  
12 the environmental community.

13              (D) 2 members of the Board shall be ex-  
14 perts in renewable energy.

15              (E) 1 member of the Board shall be from  
16 the small business community.

17       (2) TERM.—Members of the Board shall be ap-  
18 pointed for a term of 3 years.

19       (3) BACKGROUND.—The members shall have no  
20 financial interests in any of the businesses for which  
21 reasonable profits are determined by the Board.

22       (e) PAY AND TRAVEL EXPENSES.—

23           (1) PAY.—Notwithstanding section 7 of the  
24 Federal Advisory Committee Act (5 U.S.C. App.),  
25 members of the Board shall be paid at a rate equal



1 to the daily equivalent of the minimum annual rate  
2 of basic pay for level IV of the Executive Schedule  
3 under section 5315 of title 5, United States Code,  
4 for each day (including travel time) during which the  
5 member is engaged in the actual performance of du-  
6 ties vested in the Board.

7 (2) TRAVEL EXPENSES.—Members shall receive  
8 travel expenses, including per diem in lieu of subsist-  
9 ence, in accordance with section 5702 and 5703 of  
10 title 5, United States Code.

11 (f) DIRECTOR OF STAFF.—

12 (1) QUALIFICATIONS.—The Board shall appoint  
13 a Director who has no financial interests in any of  
14 the businesses for which reasonable profits are de-  
15 termined by the Board.

16 (2) PAY.—Notwithstanding section 7 of the  
17 Federal Advisory Committee Act (5 U.S.C. App.),  
18 the Director shall be paid at the rate of basic pay  
19 payable for level IV of the Executive Schedule under  
20 section 5315 of title 5, United States Code.

21 (g) STAFF.—

22 (1) ADDITIONAL PERSONNEL.—The Director,  
23 with the approval of the Board, may appoint and fix  
24 the pay of additional personnel.

1           (2) APPOINTMENTS.—The Director may make  
2       such appointments without regard to the provisions  
3       of title 5, United States Code, governing appoint-  
4       ments in the competitive service, and any personnel  
5       so appointed may be paid without regard to the pro-  
6       visions of chapter 51 and subchapter III of chapter  
7       53 of that title relating to classification and General  
8       Schedule pay rates.

9           (3) DETAILEES.—Upon the request of the Di-  
10      rector, the head of any Federal department or agen-  
11      cy may detail any of the personnel of that depart-  
12      ment or agency to the Board to assist the Board in  
13      accordance with an agreement entered into with the  
14      Board.

15          (4) ASSISTANCE.—The Comptroller General of  
16      the United States may provide assistance, including  
17      the detailing of employees, to the Board in accord-  
18      ance with an agreement entered into with the Board.

19      (h) OTHER AUTHORITY.—

20          (1) EXPERTS AND CONSULTANTS.—The Board  
21      may procure by contract, to the extent funds are  
22      available, the temporary or intermittent services of  
23      experts or consultants pursuant to section 3109 of  
24      title 5, United States Code.

1           (2) LEASING.—The Board may lease space and  
2       acquire personal property to the extent that funds  
3       are available.

4       (i) FUNDING.—There are authorized to be appro-  
5       priated such funds as are necessary to carry out this sec-  
6       tion.

