

110TH CONGRESS
1ST SESSION

H. R. 559

To promote renewable fuel and energy security of the United States, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2007

Mr. DELAHUNT (for himself, Ms. HERSETH, and Mr. INSLEE) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Oversight and Government Reform and the Judiciary, 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

A BILL

To promote renewable fuel and energy security of the United
States, and for other purposes.

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 “Biofuels Security Act of 2007”.

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

Sec. 1. Short title; table of contents.

TITLE I—RENEWABLE FUELS

Sec. 101. Renewable fuel program.

Sec. 102. Installation of E-85 fuel pumps by major oil companies at owned stations and branded stations.

Sec. 103. Minimum Federal fleet requirement.

Sec. 104. Application of Gasohol Competition Act of 1980.

TITLE II—DUAL FUELED AUTOMOBILES

Sec. 201. Requirement to manufacture dual fueled automobiles.

Sec. 202. Manufacturing incentives for dual fueled automobiles.

1 **TITLE I—RENEWABLE FUELS**

2 **SEC. 101. RENEWABLE FUEL PROGRAM.**

3 Section 211(o)(2) of the Clean Air Act (42 U.S.C.
4 7545(o)(2)) is amended by striking subparagraph (B) and
5 inserting the following:

6 “(B) APPLICABLE VOLUME.—

7 “(i) IN GENERAL.—For the purpose
8 of subparagraph (A), the applicable volume
9 for calendar year 2010 and each calendar
10 year thereafter shall be determined, by
11 rule, by the Administrator, in consultation
12 with the Secretary of Agriculture and the
13 Secretary of Energy, in a manner that en-
14 sures that—

15 “(I) the requirements described
16 in clause (ii) for specified calendar
17 years are met; and

18 “(II) the applicable volume for
19 each calendar year not specified in
20 clause (ii) is determined on an annual
21 basis.

1 “(ii) REQUIREMENTS.—The require-
 2 ments referred to in clause (i) are—

3 “(I) for calendar year 2010, at
 4 least 10,000,000,000 gallons of re-
 5 newable fuel;

6 “(II) for calendar year 2020, at
 7 least 30,000,000,000 gallons of re-
 8 newable fuel; and

9 “(III) for calendar year 2030, at
 10 least 60,000,000,000 gallons of re-
 11 newable fuel.”.

12 **SEC. 102. INSTALLATION OF E-85 FUEL PUMPS BY MAJOR**
 13 **OIL COMPANIES AT OWNED STATIONS AND**
 14 **BRANDED STATIONS.**

15 Section 211(o) of the Clean Air Act (42 U.S.C.
 16 7545(o)) is amended by adding at the end the following:

17 “(11) INSTALLATION OF E-85 FUEL PUMPS BY
 18 MAJOR OIL COMPANIES AT OWNED STATIONS AND
 19 BRANDED STATIONS.—

20 “(A) DEFINITIONS.—In this paragraph:

21 “(i) E-85 FUEL.—The term ‘E-85
 22 fuel’ means a blend of gasoline approxi-
 23 mately 85 percent of the content of which
 24 is derived from ethanol produced in the
 25 United States.

1 “(ii) MAJOR OIL COMPANY.—The
2 term ‘major oil company’ means any per-
3 son that, individually or together with any
4 other person with respect to which the per-
5 son has an affiliate relationship or signifi-
6 cant ownership interest, has not less than
7 4,500 retail station outlets according to
8 the latest publication of the Petroleum
9 News Annual Factbook.

10 “(iii) SECRETARY.—The term ‘Sec-
11 retary’ means the Secretary of Energy,
12 acting in consultation with the Adminis-
13 trator of the Environmental Protection
14 Agency and the Secretary of Agriculture.

15 “(B) REGULATIONS.—The Secretary shall
16 promulgate regulations to ensure that each
17 major oil company that sells or introduces gaso-
18 line into commerce in the United States
19 through wholly-owned stations or branded sta-
20 tions installs or otherwise makes available 1 or
21 more pumps that dispense E-85 fuel (including
22 any other equipment necessary, such as includ-
23 ing tanks, to ensure that the pumps function
24 properly) at not less than the applicable per-
25 centage of the wholly-owned stations and the

1 branded stations of the major oil company spec-
2 ified in subparagraph (C).

3 “(C) APPLICABLE PERCENTAGE.—For the
4 purpose of subparagraph (B), the applicable
5 percentage of the wholly-owned stations and the
6 branded stations shall be determined in accord-
7 ance with the following table:

“Calendar year:	Applicable percentage of wholly-owned stations and branded stations (percent):
2008	5
2009	10
2010	15
2011	20
2012	25
2013	30
2014	35
2015	40
2016	45
2017 and each calendar year thereafter	50.

8 “(D) GEOGRAPHIC DISTRIBUTION.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), in promulgating regulations under
11 subparagraph (B), the Secretary shall en-
12 sure that each major oil company described
13 in subparagraph (B) installs or otherwise
14 makes available 1 or more pumps that dis-
15 pense E-85 fuel at not less than a min-
16 imum percentage (specified in the regula-
17 tions) of the wholly-owned stations and the
18 branded stations of the major oil company
19 in each State.

1 “(ii) REQUIREMENT.—In specifying
2 the minimum percentage under clause (i),
3 the Secretary shall ensure that each major
4 oil company installs or otherwise makes
5 available 1 or more pumps described in
6 that clause in each State in which the
7 major oil company operates.

8 “(E) FINANCIAL RESPONSIBILITY.—In
9 promulgating regulations under subparagraph
10 (B), the Secretary shall ensure that each major
11 oil company described in that subparagraph as-
12 sumes full financial responsibility for the costs
13 of installing or otherwise making available the
14 pumps described in that subparagraph and any
15 other equipment necessary (including tanks) to
16 ensure that the pumps function properly.

17 “(F) PRODUCTION CREDITS FOR EXCEED-
18 ING E-85 FUEL PUMPS INSTALLATION REQUIRE-
19 MENT.—

20 “(i) EARNING AND PERIOD FOR AP-
21 PLYING CREDITS.—If the percentage of the
22 wholly-owned stations and the branded sta-
23 tions of a major oil company at which the
24 major oil company installs E-85 fuel
25 pumps in a particular calendar year ex-

ceeds the percentage required under subparagraph (C), the major oil company earns credits under this paragraph, which may be applied to any of the 3 consecutive calendar years immediately after the calendar year for which the credits are earned.

“(ii) TRADING CREDITS.—Subject to clause (iii), a major oil company that has earned credits under clause (i) may sell credits to another major oil company to enable the purchaser to meet the requirement under subparagraph (C).

“(iii) EXCEPTION.—A major oil company may not use credits purchased under clause (ii) to fulfill the geographic distribution requirement in subparagraph (D).”.

SEC. 103. MINIMUM FEDERAL FLEET REQUIREMENT.

Section 303(b)(1) of the Energy Policy Act of 1992 (42 U.S.C. 13212(b)(1)) is amended—

(1) in subparagraph (C), by striking “and” after the semicolon;

(2) in subparagraph (D), by striking “fiscal year 1999 and thereafter,” and inserting “each of fiscal years 1999 through 2007; and”; and

1 (3) by inserting after subparagraph (D) the fol-
 2 lowing:

3 “(E) 100 percent in fiscal year 2008 and
 4 thereafter,”.

5 **SEC. 104. APPLICATION OF GASOHOL COMPETITION ACT OF**
 6 **1980.**

7 Section 26 of the Clayton Act (15 U.S.C. 26a) is
 8 amended—

9 (1) by redesignating subsection (c) as sub-
 10 section (d);

11 (2) by inserting after subsection (b) the fol-
 12 lowing:

13 “(c) For purposes of subsection (a), restricting the
 14 right of a franchisee to install on the premises of that
 15 franchisee a renewable fuel pump, such as one that dis-
 16 penses E-85, shall be considered an unlawful restriction.”;
 17 and

18 (3) in subsection (d) (as redesignated by para-
 19 graph (1))—

20 (A) by striking “section,” and inserting the
 21 following: “section—

22 “(1) the term”;

23 (B) by striking the period at the end and
 24 inserting “; and”; and

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

1 “(2) the term ‘gasohol’ includes any blend of
 2 ethanol and gasoline such as E-85.”.

3 **TITLE II—DUAL FUELED** 4 **AUTOMOBILES**

5 **SEC. 201. REQUIREMENT TO MANUFACTURE DUAL FUELED** 6 **AUTOMOBILES.**

7 (a) REQUIREMENT.—

8 (1) IN GENERAL.—Chapter 329 of title 49,
 9 United States Code, is amended by inserting after
 10 section 32902 the following:

11 **“§ 32902A. Requirement to manufacture dual fueled** 12 **automobiles**

13 “(a) REQUIREMENT.—Each manufacturer of new
 14 automobiles that are capable of operating on gasoline or
 15 diesel fuel shall ensure that the percentage of such auto-
 16 mobiles, manufactured in any model year after model year
 17 2007 and distributed in commerce for sale in the United
 18 States, which are dual fueled automobiles is equal to not
 19 less than the applicable percentage set forth in the fol-
 20 lowing table:

“For each of the following model years:		The percentage of dual fueled automobiles manufactured shall be not less than:
2008		10
2009		20
2010		30
2011		40
2012		50
2013		60
2014		70
2015		80

“For each of the following model years:	The percentage of dual fueled automobiles manufactured shall be not less than:
2016	90
2017 and beyond	100.

1 “(b) PRODUCTION CREDITS FOR EXCEEDING FLEXI-
2 BLE FUEL AUTOMOBILE PRODUCTION REQUIREMENT.—

3 “(1) EARNING AND PERIOD FOR APPLYING
4 CREDITS.—If the number of dual fueled automobiles
5 manufactured by a manufacturer in a particular
6 model year exceeds the number required under sub-
7 section (a), the manufacturer earns credits under
8 this section, which may be applied to any of the 3
9 consecutive model years immediately after the model
10 year for which the credits are earned.

11 “(2) TRADING CREDITS.—A manufacturer that
12 has earned credits under paragraph (1) may sell
13 credits to another manufacturer to enable the pur-
14 chaser to meet the requirement under subsection
15 (a).”.

16 (2) TECHNICAL AMENDMENT.—The table of
17 sections for chapter 329 of title 49, United States
18 Code, is amended by inserting after the item relating
19 to section 32902 the following:

“32902A. Requirement to manufacture dual fueled automobiles.”.

20 (b) ACTIVITIES TO PROMOTE THE USE OF CERTAIN
21 ALTERNATIVE FUELS.—The Secretary of Transportation

1 shall carry out activities to promote the use of fuel mix-
2 tures containing gasoline or diesel fuel and 1 or more al-
3 ternative fuels, including a mixture containing at least 85
4 percent of methanol, denatured ethanol, and other alcohols
5 by volume with gasoline or other fuels, to power auto-
6 mobiles in the United States.

7 **SEC. 202. MANUFACTURING INCENTIVES FOR DUAL**
8 **FUELED AUTOMOBILES.**

9 Section 32905(b) of title 49, United States Code, is
10 amended—

11 (1) by redesignating paragraphs (1) and (2) as
12 subparagraphs (A) and (B), respectively;

13 (2) by inserting “(1)” before “Except”;

14 (3) by striking “model years 1993–2010” and
15 inserting “model year 1993 through the first model
16 year beginning not less than 18 months after the
17 date of enactment of the Biofuels Security Act of
18 2007”; and

19 (4) by adding at the end the following:

20 “(2) Except as provided in paragraph (5), subsection
21 (d), or section 32904(a)(2), the Administrator shall meas-
22 ure the fuel economy for each model of dual fueled auto-
23 mobiles manufactured by a manufacturer in the first
24 model year beginning not less than 30 months after the

1 date of enactment of the Biofuels Security Act of 2007
2 by dividing 1.0 by the sum of—

3 “(A) 0.7 divided by the fuel economy measured
4 under section 32904(c) when operating the model on
5 gasoline or diesel fuel; and

6 “(B) 0.3 divided by the fuel economy measured
7 under subsection (a) when operating the model on
8 alternative fuel.

9 “(3) Except as provided in paragraph (5), subsection
10 (d), or section 32904(a)(2), the Administrator shall meas-
11 ure the fuel economy for each model of dual fueled auto-
12 mobiles manufactured by a manufacturer in the first
13 model year beginning not less than 42 months after the
14 date of enactment of the Biofuels Security Act of 2007
15 by dividing 1.0 by the sum of—

16 “(A) 0.9 divided by the fuel economy measured
17 under section 32904(c) when operating the model on
18 gasoline or diesel fuel; and

19 “(B) 0.1 divided by the fuel economy measured
20 under subsection (a) when operating the model on
21 alternative fuel.

22 “(4) Except as provided in subsection (d) or section
23 32904(a)(2), the Administrator shall measure the fuel
24 economy for each model of dual fueled automobiles manu-
25 factured by a manufacturer in each model year beginning

1 not less than 54 months after the date of enactment of
2 the Biofuels Security Act of 2007 in accordance with sec-
3 tion 32904(c).

4 “(5) Notwithstanding paragraphs (2) through (4),
5 the fuel economy for all dual fueled automobiles manufac-
6 tured to comply with the requirements under section
7 32902A(a), including automobiles for which dual fueled
8 automobile credits have been used or traded under section
9 32902A(b), shall be measured in accordance with section
10 32904(c).”.

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