SA 942. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 943. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 944. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 945. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 946. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 947. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 948. Mr. LIEBERMAN (for himself, Mr. BAYH, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 951. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 952. Mr. SHELBY submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 953. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 954. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 955. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 956. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 957. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 958. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 959. Mr. ROCKEFELLER (for himself, Mr. BUNNING, and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 960. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 961. Mr. ALEXANDER (for himself, Mr. WADE, Ms. INOUYE, Mr. MCCAIN, Mr. ALLEN, Mr. VOINOVICH, Mr. BROWNBACK, Mr. BURH, and Mr. BUNNING) proposed an amendment to the bill H.R. 6, supra.

SA 962. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 963. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 964. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 965. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 966. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 967. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 968. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 969. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 970. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 971. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 972. Mr. WARNER (for himself, Mr. ALEXANDER, and Mr. VOINOVICH) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy.

SA 973. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 974. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 975. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 976. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 977. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 978. Mr. FRIST (for Mr. CONRAD (for himself, Mr. DURBIN, and Ms. STABENOW)) proposed an amendment to the bill H.R. 6, supra.

SA 979. Mr. FRIST (for Mr. HATCH (for himself and Mr. SALAZAR)) proposed an amendment to the bill H.R. 6, supra.

SA 980. Mr. FRIST (for Ms. STABENOW (for herself, Ms. BOXER, and Mr. DOBAN)) proposed an amendment to the bill H.R. 6, supra.

SA 981. Mr. FRIST (for Mr. KOHL (for himself, Mr. DEWINE, and Mr. LIEBERMAN)) proposed an amendment to the bill H.R. 6, supra.

SA 982. Mr. FRIST (for Mr. ALEXANDER) proposed an amendment to the bill H.R. 6, supra.

SA 983. Mr. FRIST (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 6, supra.

SA 984. Mr. FRIST (for Mr. CORNYN) proposed an amendment to the bill H.R. 6, supra.

SA 985. Mr. FRIST (for Mrs. HUTCHISON) proposed an amendment to the bill H.R. 6, supra.

SA 986. Mr. FRIST (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 6, supra.

SA 987. Mr. FRIST (for Mr. ALEXANDER) proposed an amendment to the bill H.R. 6, supra.

SA 988. Mr. FRIST (for Mr. HARKIN) proposed an amendment to the bill H.R. 6, supra.

SA 989. Mr. FRIST (for Mr. DOMENICI) proposed an amendment to the bill H.R. 6, supra.

SA 990. Mr. FRIST (for Ms. STABENOW) proposed an amendment to the bill H.R. 6, supra.

TEXT OF AMENDMENTS

SA 841. Mrs. FEINSTEIN (for herself, Ms. SNOWE, Mr. REED, Mr. SESSIONS, Mr. KENNEDY, Ms. COLLINS, Mr. DODD, Mrs. BOXER, Mrs. CLINTON, Mr. LIEBERMAN, Ms. CANTWELL, Mr. KERRY, Mr. SCHUMER, Mrs. MURRAY, and Mr. CARPER) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 311, after line 24, add the following:

"(3A) The Commission shall not approve an application for the authorization under this section of the siting, construction, expansion, or operation of facilities located on the State’s land or in State waters for the import of natural gas from a foreign country or the export of natural gas to a foreign country without the approval of the Governor of the State in which the facility would be located.

Subject to subparagraph (B), if the Governor fails to submit to the Commission an approval or disapproval not later than 45 days after the issuance of the final environmental impact statement on the proposed project, the approval shall be conclusively presumed.

If the Governor notifies the Commission that the application, which would otherwise be approved under this paragraph, is inconsistent with State programs relating to environmental protection, land and water use, public health and safety, and coastal zone management, the Commission shall condition the license granted so as to make the license consistent with the State programs.

On page 312, line 1, strike "(3)" and insert "(4)"

On page 312, line 24, strike "(4)" and insert "(5)"

SA 842. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 755, after line 25, add the following:

SEC. 13.—STUDY OF MARITIME HERITAGE IN MICHIGAN.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the National Park Service Midwest Regional Office.

(2) STATE.—The term "State" means the State of Michigan.
(3) STUDY AREA.—The term “study area” means the State of Michigan.

(b) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the State, the State historic preservation officer, local historical societies, State and local economic development, tourism, and parks and recreation offices, and other agencies and organizations, shall conduct a special resource study of the study area to determine—

(A) the potential economic and tourism benefits of preserving State maritime heritage resources;

(B) suitable and feasible options for long-term protection of significant State maritime heritage resources; and

(C) the manner in which the public can best learn about and experience State maritime heritage resources.

(2) REQUIREMENTS.—In conducting the study under paragraph (1), the Secretary shall—

(A) review Federal, State, and local maritime resource inventories and studies to establish the context, breadth, and potential for interpretation and preservation of State maritime heritage resources;

(B) examine the potential economic and tourism impacts of protecting State maritime heritage resources;

(C) recommend management alternatives that will ensure the protection of the long-term resource protection and providing for public enjoyment of State maritime heritage resources;

(D) address how to assist regional, State, and local partners in efforts to increase public awareness of and access to the State maritime heritage resources;

(E) identify sources of financial and technical assistance available to communities for the conservation and interpretation of State maritime heritage resources; and

(F) address ways in which to link appropriate national parks, State parks, waterways, monuments, parkways, communities, national and State historic sites, and regional or local heritage areas and sites into a Michigan Maritime Heritage Destination Network.

(3) REPORT.—Not later than 18 months after the date on which funds are made available to carry out the study under paragraph (1), the Secretary shall submit to the Committee of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that describes—

(A) the results of the study; and

(B) any findings and recommendations of the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000.

SA 843. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. — TREATMENT OF ELECTRONIC WASTE AS A QUALIFIED RECYCLABLE MATERIAL FOR THE PURCHASE OF RECYCLABLE EQUIPMENT CREDIT.

(a) IN GENERAL.—Section 45M(c)(2) of the Internal Revenue Code of 1986 (relating to credits for purchase of recyclable equipment), as added by title XV, is amended by inserting “or electronic waste (including any cathode ray tube, flat panel screen, or similar video display screen) which is greater than 4 inches measured diagonally, or a central processing unit)” after “aluminum”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SA 844. Mr. KERRY (for himself, Mr. BIDEN, Mrs. FEINSTEIN, and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 768, after line 20, add the following:

TITLE XV—CLIMATE CHANGE

SEC. 1501. SENSE OF SENATE REGARDING THE NEED FOR THE UNITED STATES TO LEAD THE EFFORT AGAINST GLOBAL CLIMATE CHANGE.

(a) FINDINGS.—The Senate finds that—

(1) there is a scientific consensus, as established by the Intergovernmental Panel on Climate Change and confirmed by the National Academy of Sciences, that the continued buildup of anthropogenic greenhouse gases in the atmosphere threatens the stability of the global climate;

(2) there are significant long-term risks to the economy, the environment, and the security of the United States from the temperature increases and climatic disruptions that are projected to result from increased greenhouse gas concentrations;

(3) the United States, as the largest economy in the world, is currently the largest greenhouse gas emitter;

(4) the greenhouse gas emissions of the United States are projected to continue to rise;

(5) the greenhouse gas emissions of developing countries are rising more rapidly than the emissions of the United States and will soon surpass the greenhouse gas emissions of the United States and other developed countries;

(6) reducing greenhouse gas emissions to the levels necessary to avoid serious climatic disruption requires the introduction of new energy technologies and other practices, the use of which results in low or no emissions of greenhouse gases or in the capture and storage of greenhouse gases;

(7) the development of such technologies in the United States and internationally presents significant economic opportunities for workers and businesses in the United States;

(8) such technologies can enhance energy security by reducing reliance on imported oil, diversifying energy sources, and reducing the vulnerability of energy delivery infrastructure;

(9) other industrialized countries are undertaking measures to reduce greenhouse gas emissions which provide industries in those countries with a competitive advantage in the growing global market for such technologies;

(10) efforts to limit emissions growth in developing countries in a manner that is consistent with the development needs of the developing countries could establish significant markets for such technologies and contribute to international efforts to address climate change;

(11) the United States is a party to the United Nations Framework Convention on Climate Change adopted in May 1992, and entered into force in 1994 (referred to in this section as the “Convention”); and

(12) the Convention establishes the long-term objective of stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

(b) REQUIREMENTS.—(1) The Secretary of the Treasury shall conduct an investigation and report to Congress on whether the increase in gasoline prices is the result of market manipulation and whether there is price gouging with respect to gasoline. The investigation shall include an analysis of manipulation and price gouging on both the national and regional levels.

SA 845. Ms. STABENOW (for herself and Mrs. Boxer) submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE XV—ANTI-CONSUMER GASOLINE PRICING AND MARKETING PRACTICES INVESTIGATION

SEC. 1501. INVESTIGATION BY FEDERAL TRADE COMMISSION.

Not later than 60 days after the date of enactment of this Act, the Federal Trade Commission shall conduct an investigation and report to Congress on whether the increase in gasoline prices is the result of market manipulation and whether there is price gouging with respect to gasoline. The investigation shall include an analysis of manipulation and price gouging on both the national and regional levels.

SA 846. Mr. BAUCUS submitted an amendment intended to be proposed by
him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 296, after line 25, add the following:

SEC. 347. LEASE EXCHANGES ON THE ROCKY MOUNTAIN FRONT.

(a) FINDINGS.—Congress finds that—

(1) the Rocky Mountain Front in the State of Montana, bordered by Glacier National Park, wilderness, and the Blackfeet Indian Reservation, is—

(A) the last intact wild places in the lower 48 states; (B) home to prized populations of elk, deer, bighorn sheep, grizzly bears, multiple bird species, and other flora and fauna; and (C) highly valued by the local community and the State of Montana as a vital recreation, hunting, and fishing destination; (2) the Badger-Two Medicine area of the Front is sacred ground to the Blackfeet Indian Tribe; (3) past attempts to carry out oil and gas development in the Front have met with limited or no success and as of the date of enactment of this Act it has been more than a decade since any development activity actually occurred on the Front; and (4) in order to promote and enhance the recovery of the domestic oil and gas reserves of the United States in the most efficient manner possible, Congress should encourage holders of leases in the Front to cancel the leases in exchange for incentives to carry out oil and gas production activities in more readily available and appropriate areas.

(b) DEFINITIONS.—In this section:

(1) BADGER-TWO MEDICINE AREA.—The term “Badger-Two Medicine Area” means the Federal land located in—

(A) T. 31 N., R. 12-13 W.; (B) T. 30 N., R. 11-13 W.; (C) T. 29 N., R. 10-16 W.; and (D) T. 28 N., R. 10-14 W.

(2) BLACKFEET AREA.—The term “Blackfeet Area” means the Federal land owned by the Forest Service and Bureau of Land Management that is located in—

(A) T. 27 N., R. 9 W.; (B) T. 26 N., R. 9-10 W.; (C) T. 25 N., R. 8-10 W.; and (D) T. 24 N., R. 8-9 W.

(3) ELIGIBLE LESSEE.—The term “eligible lessee” means a lessee under a nonproducing lease.

(4) NONPRODUCING LEASE.—The term “nonproducing lease” means a Federal oil or gas lease that is—

(A) in existence and in good standing on the date of enactment of this Act; and (B) located in the Badger-Two Medicine Area or the Blackfeet Area.

(5) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(6) STATE.—The term “State” means the State of Montana.

(c) OPPORTUNITIES FOR CANCELLATION NONPRODUCING LEASES.—

(1) IN GENERAL.—An eligible lessee may elect to cancel a nonproducing lease in exchange for receiving—

(A) oil and gas lease tracts of comparable value in the State; (B) the issuance of bidding, royalty, or rental credits for Federal onshore oil and gas leases in the State equal to the fair market value of the nonproducing lease; or (C) a tax credit under subsection (e).

(2) REGULATIONS AND VALUATION OF NONPRODUCING LEASES.—For the purpose of evaluating either of the options in subparagraph (A) or (B) of paragraph (1), the Secretary shall—

(A) issue—

(i) regulations establishing a methodology for determining the fair market value of nonproducing leases, including consideration of established standards and practices in the oil and gas industry; and (ii) such other regulations as are necessary to carry out this section; and (B) identify suitable lease tracts available in the State for exchange under paragraph (1).

(3) EFFECT OF CANCELLATION OF NONPRODUCING LEASE.—A nonproducing lease canceled for any reason under this Act, shall be permanently withdrawn from future oil and gas leasing activity.

(4) SUSPENSION OF LEASES IN THE BADGER-TWO MEDICINE AREA.—In consideration of the options under paragraph (1), the terms of nonproducing leases in the Badger-Two Medicine Area shall be suspended for a 3-year period beginning on the date of enactment of this Act.

(5) SUNSET.—The authority provided under this subsection terminates on December 31, 2009.

(d) GRANTS TO SUPPORT SUSTAINABLE ECONOMIC DEVELOPMENT.—

(1) IN GENERAL.—In general, the Secretary shall, not later than 180 days after the date of enactment of this Act, prepare and publish an inventory of the Federal land located within the Rocky Mountain Front.

(2) CARFTOWARD OF UNUSED CREDIT.—If the credit allowable under paragraph (1) for any taxable year exceeds the limitation imposed by section 26(a) of the Internal Revenue Code of 1986 for such taxable year reduced by the sum of the credits allowable under subpart A of part IV of chapter 1 of such Code, such excess shall be carried to the succeeding taxable year and added to the credit allowable under paragraph (1) for such taxable year.

(3) VALUATION OF LEASE.—For purposes of this subsection, the fair market value of a nonproducing lease shall be determined by the Secretary in consultation with the Secretary of the Interior, based on the regulation under subsection (c)(2).

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SA 847. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 767, line 6, strike “and”. On page 767, line 15, strike the period and insert “;” and “;”.

(e) PROJECT TO PRODUCE ENERGY AND CLEAN FUELS, USING APPROPRIATE COAL LIGEFOCTION TECHNOLOGY.—For purposes of paragraph (1) of section 160(z) of the Internal Revenue Code of 1986, and in subpart E of part I of subchapter D of chapter 1 of such Code, the term “qualified coal” means—

(1) owned by a State government; or (2) from private and tribal coal resources.

SA 848. Mr. BINGAMAN submitted an amendment intended to be proposed by
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(i) by inserting a period after “47 percent”, and
(ii) by striking the last 2 items.
(E) Section 2001(c)(2)(A) of such Code is amended by striking “2010” and inserting “2005”.
(F) The item in the table of sections for part II of subchapter O of chapter 1 of such Code to section 1022 is amended by striking “December 31, 2009” and inserting “December 31, 2009”.
(G) Section 501(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.
(H) Paragraph (3) of section 511(f) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.
(I) Paragraph (2) of section 521(e) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.
(J) Subsection (i) of section 542 of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.

SA 850. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

Beginning on page 602, strike line 5 and all that follows through page 603, line 7, and insert the following:

SEC. 1107. NATIONAL POWER PLANT OPERATIONS TECHNOLOGY AND EDUCATIONAL CENTER.

(a) ESTABLISHMENT.—The Secretary shall support the establishment of a National Power Plant Operations Technology and Education Center (referred to in this section as the “Center”), to address the need for training and educating certified operators and technicians for the electric power industry.

(b) LOCATION OF CENTER.—The Secretary shall support the establishment of the Center at an institution of higher education that has—

(1) expertise in providing degree programs in electric power generation, transmission, and distribution technologies;

(2) demonstrated responsiveness to workforce and training requirements in the electric power industry;

(c) TRAINING AND CONTINUING EDUCATION.—

(1) IN GENERAL.—The Center shall provide training and continuing education in electric power generation, transmission, and distribution technologies and operations.

(2) LOCATION.—The Center shall carry out training and education activities under paragraph (1)—

(A) at the Center; and

(B) through Internet-based information technologies that allow for learning at remote sites.

SEC. 706. JOINT FLEXIBLE FUEL/HYBRID VEHICLE COMMERCIALIZATION INITIATIVE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term eligible entity means—

(A) a for-profit corporation;

(B) a nonprofit corporation; or

(C) an institution of higher education.

(2) PROGRAM.—The term “program” means the applied research program established under subsection (b).

(b) ESTABLISHMENT.—The Secretary shall establish an applied research program to improve technologies for the commercialization of—

(1) a combination hybrid/flexible fuel vehicle;

(2) a plug-in hybrid/flexible fuel vehicle;

(3) grants.—In carrying out the program, the Secretary shall—

(A) establish an applied research program to improve technologies for the commercialization of—

(1) a combination hybrid/flexible fuel vehicle;

(2) a plug-in hybrid/flexible fuel vehicle;

(3) grants.—In carrying out the program, the Secretary shall—

(A) establish an applied research program to improve technologies for the commercialization of—

(1) a combination hybrid/flexible fuel vehicle;

(2) a plug-in hybrid/flexible fuel vehicle;

(3) such amounts as may be appropriated to the account; and

(4) any interest earned on investment of amounts in the account.

(c) INVESTMENT OF AMOUNTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the amounts in the account as he determines, in interest-bearing obligations of the United States.

(2) INTEREST-BEARING OBLIGATIONS.—In investing such amounts, the Secretary shall invest in interest-bearing obligations of the United States.

(d) TRANSFERS OF AMOUNTS.—

(1) IN GENERAL.—The amounts required to be transferred to the account under this section shall be transferred at least monthly from the general fund of the Treasury to the account on the basis of the amounts made by the Secretary of the Treasury.

(2) ADJUSTMENTS.—Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(b) CONFORMING AMENDMENT.—The analysis for chapter 529 of title 49, United States Code, is amended by inserting after the item relating to section 53215 the following:

“53215A. Use of Civil Penalties For Fuel Economy Research.”

SA 852. Mrs. LINCOLN (for herself and Mr. SANTORUM) submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

At the appropriate place, insert the following:

SEC. 8426A. CREDIT FOR RENEWABLE LIQUID FUELS.

(a) IN GENERAL.—Chapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to rules of special application) is amended by inserting after section 6426 the following new section:

“SEC. 6426A. CREDIT FOR RENEWABLE LIQUID FUELS.

“(a) ALLOWANCE OF CREDITS.—There shall be allowed as a credit against the tax imposed by section 40B an amount equal to the renewable liquid mixture credit.

(b) RENEWABLE LIQUID MIXTURE CREDIT.—

“(1) IN GENERAL.—For purposes of this section, the renewable liquid mixture credit is the product of the applicable amount and the number of gallons of renewable liquid fuel used by the taxpayer in producing any renewable liquid mixture for sale or use in a trade or business of the taxpayer.

“(2) APPLICABLE AMOUNT.—The applicable amount is—

(1) such amounts as are collected as civil penalties imposed under section 32912 of this title after the date of enactment of the Energy Policy Act of 2005; and

(3) such amounts as are collected as civil penalties imposed under section 32912 of this title after the date of enactment of the Energy Policy Act of 2005 and that remain unappropriated on such date.

(4) any interest earned on investment of amounts in the account.
(2) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount is $0.75.

(3) RENEWABLE LIQUID MIXTURE.—For purposes of this section, the term ‘‘renewable liquid mixture’’ means renewable liquid and taxable fuel which—

(A) is sold by the taxpayer producing such mixture to any person for use as a fuel or feedstock, or

(B) is used as a fuel or feedstock by the taxpayer producing such mixture.

For purposes of subparagraph (A), a mixture produced by any person at a refinery prior to a taxable event which includes renewable liquid shall be treated as sold at the time of its removal from the refinery (and only at such time) or sold to another person for use as a fuel or feedstock.

(4) OTHER DEFINITIONS.—For purposes of this subsection—

(1) RENEWABLE LIQUID.—The term ‘‘renewable liquid’’ means liquid fuels derived from waste and byproduct streams including: agricultural and forestry products and byproducts, agricultural byproducts and wastes, agricultural materials produced from waste streams, food processing plant byproducts, municipal solid and semi-solid waste streams, industrial waste streams, automotive scrap waste streams, automotive scrap waste, municipal solid and semi-solid waste streams, industrial waste streams, automotive scrap waste streams, as further provided by regulations.

(2) TAXABLE FUEL.—The term ‘‘taxable fuel’’ has the meaning given such term by section 4083(a)(1).

(3) FEEDSTOCK.—The term ‘‘feedstock’’ means any material subject to further processing to make a petrochemical, solvent, or other fuel which has the effect of displacing conventional fuels, or products produced from conventional fuels.

(4) ADDITIONAL DEFINITIONS.—Any term used in this section which is also used in section 4083 shall have the meaning given such term by that section.

(d) CERTIFICATION FOR RENEWABLE LIQUID FUEL.—No credit shall be allowed under this section unless the taxpayer obtains a certification (in such form and manner as prescribed by the Secretary) from the producer of the renewable liquid fuel which identifies the product produced and percentage of renewable liquid fuel in the product.

(e) MIXTURE NOT USED AS FUEL, ETC.—

(1) IMPOSITION OF TAX.—If—

(A) any credit was determined under this section with respect to a mixture to which an amount is allowed as a credit under section 6426A, or

(B) any person mixes such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g),

then there is hereby imposed on such person a tax equal to the product of the applicable amount and the number of gallons of such renewable liquid.

(2) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under paragraph (1) as if such tax were imposed by section 4083 and not by this section.

(f) COORDINATION WITH EXCISE TAX.—If the application of subsection (d) of section 52 shall apply.

(g) IMPOSITION.—This section shall not apply to any sale, use, or removal for any period after December 31, 2010.

(b) REGISTRATION REQUIREMENT.—Section 4083(a)(1) of the Internal Revenue Code of 1986 (relating to registration), as amended by this Act, is amended by inserting ‘‘and every person producing or importing renewable liquid fuel described in section 6426A(c)(1)’’ before ‘‘shall register with the Secretary’’.

(c) PAYMENTS.—Section 6207 of the Internal Revenue Code of 1986 (relating to payments by producer) is amended by inserting after subsection (f) the following new subsection:

(1) USED TO PRODUCE A MIXTURE.—

(A) any credit was determined under this section with respect to a mixture to which an amount is allowed as a credit under section 6426A, or

(B) any person mixes such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g),

then there is hereby imposed on such person a tax equal to the product of the applicable amount and the number of gallons of such renewable liquid.

(2) MIXTURE OR RENEWABLE LIQUID NOT USED AS A FUEL, ETC.—

(1) IMPOSITION OF TAX.—If—

(A) any credit was determined under this section with respect to a mixture to which an amount is allowed as a credit under section 6426A or 6427(g),

then there is hereby imposed on such person a tax equal to the product of the applicable amount and the number of gallons of such renewable liquid.

(2) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subsection (b)(1)(A) and the number of gallons of such renewable liquid.

(g) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subsection (b)(1)(A) and the number of gallons of such renewable liquid.

(h) PASSENGER IN THE CARE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules for subchapter (d) of section 52 shall apply.

(i) TERMINATION.—This section shall not apply to any sale or use after December 31, 2010.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to business credit), as amended by this Act, is amended by inserting ‘‘plus’’ at the

is $0.75 for each gallon of renewable liquid which is not in a mixture with taxable fuel and which during the taxable year—

(i) is used by the taxpayer as a fuel or feedstock in a trade or business, or

(ii) is sold by the taxpayer at retail to a person and placed in the fuel tank of such person's vehicle.

(c) CERTIFICATION FOR RENEWABLE LIQUID.—No credit shall be allowed under subparagraph (A)(i) with respect to any renewable liquid which was sold in a retail sale described in subparagraph (A)(ii).

(d) EFFECTIVE DATES.

(1) IN GENERAL.—

(i) GENERAL.—All provisions of this section shall be effective as of January 1, 2008.

(ii) EFFECTIVE DATE FOR THE REPEAL OF THE PHASEOUT PROVISION.—The repeal of the phaseout provision of section 9503(b)(1) of the Internal Revenue Code of 1986 is amended by striking ‘‘section 6426’’ and inserting ‘‘sections 6426 and 6427’’.

(e) CLERICAL AMENDMENT.

The last sentence of section 9503(b)(1) of the Internal Revenue Code of 1986 is amended by inserting ‘‘section 6426’’ and inserting ‘‘sections 6426 and 6427’’.
SA 855. Mr. STEVENS submitted an amendment identical to the one submitted by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

(3) the aggregate face amount of the bonds issued by such governmental unit under this paragraph as of January 1, 2005, in all State implementation plans and shall not result in such bond being treated as a private activity bond under section 103 of such Code, and

(b) AGENT DESCRIBED.—An agency is described in this subsection if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(ii) The Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(II) In the case of a facility using renewable energy described in subparagraph (A), the term ‘wave, current, tidal, and ocean thermal energy’ means electricity produced from any of the following:

(a) Free flowing ocean water derived from tidal current, ocean currents, waves, or tides. The term ‘ocean thermal energy’ means electric energy produced from any facility using renewable energy described in subparagraph (A) and is defined by section 45(f) of such Code, as amended by this Act.

(8) the term ‘gases’ includes weather derivatives.

(iv) The term ‘gascon’ is the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

SEC. 220. IMPROVING MOTOR FUEL SUPPLY AND DISTRIBUTION.

(a) LIMITING THE NUMBER OF FUEL VARIETIES.—Section 211(c)(4)(C) of the Clean Air Act (42 U.S.C. 7545(c)(4)(C)) as amended by section 220 is amended by adding at the end the following:

(iii)(I) the Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(2) the provisions of subparagraph (A) shall not result in such bond being treated as a private activity bond under section 103 of such Code, and

(c) FACILITIES.—Section 45(d) of such Code, as amended by this Act, is amended by adding at the end the following new subparagraph:

(a) LIMITING NUMBER OF BOUTIQUE FUELS.

(iii)(I) the Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(ii) The Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(III) In the case of a facility using renewable energy described in subparagraph (A), the term ‘ocean thermal energy’ means electric energy produced from any facility using renewable energy described in subparagraph (A) and is defined by section 45(f) of such Code, as amended by this Act.

The amendment made by this section shall apply to sales of fuel additive registered in accordance with subparagraph (b), including any fuel additive registered in accordance with subsection (a) after the enactment of this Act if the fuel, as of the date of consideration by the Administrator—

(a) would replace completely a fuel on the list published under subparagraph (I);

(b) has been approved in at least one State implementation plan in the applicable Petroleum Administration for Defense District; and

(c) is a fuel that differs from the Federal conventional gasoline specifications under subsection (k)(8) only with respect to the requirements of a sumertime Reid Vapor Pressure of 7.0 or 7.8 pounds per square inch.

(V) Nothing in this clause shall be construed to have any effect on any authority of States to require the use of any fuel additive registered in accordance with subsection (b), including any fuel additive registered in accordance with subsection (a) after the enactment of this subsection.

(VI) In this clause:

(aa) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(bb) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(cc) the terms ‘gasoline’ and ‘diesel fuel’ mean fuels.

(dd) the term ‘motor vehicle fuel’ means a fuel that is not included in a list of fuels.

(ee) the term ‘diesel fuel’ means a fuel that is not included in a list of fuels.

(ff) the term ‘motor vehicle fuel’ means a fuel that is not included in a list of fuels.

(gg) the term ‘gasoline’ means a fuel that is not included in a list of fuels.

(hh) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ii) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(jj) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(kk) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ll) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(mn) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(nn) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(oo) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(pp) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(qq) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(rr) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ss) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(tt) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(uu) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(vv) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ww) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(xx) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(yy) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(zz) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(aa) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(bb) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(cc) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(dd) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ee) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ff) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(gg) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(hh) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(ii) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(jj) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(kk) the term ‘fuel’ means gasoline, diesel fuel, and any other liquid petroleum gas or motor vehicle fuel.

(II) The Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.

(II) The Administrator shall have no authority, when considering a State implementation plan or a revision to a State implementation plan, to approve under this paragraph any fuel included in such plan or revision if the effect of such approval would be to increase the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans.
plan under section 110 that is approved by the Administrator under subparagraph (c)(4)(C)(i), if, after consultation with and concurrence by the Secretary of Energy, the Administrator determines that—

(i) an extreme and unusual fuel or fuel additive supply circumstance exists in a State or region that prevents the distribution of an adequate supply of the fuel or fuel additive to consumers;

(ii) the extreme and unusual fuel or fuel additive supply circumstance is the result of a natural disaster or an act of God, a pipeline or refinery equipment failure, or another event that could not reasonably have been foreseen or prevented and not a lack of prudent planning on the part of the suppliers of the fuel or fuel additive to the State or region; and

(iii) it is in the public interest to grant the waiver.

(E) REQUIREMENTS FOR WAIVER.—

(1) DEFINITION OF MOTOR FUEL DISTRIBUTION SYSTEM.—In this subparagraph, the term ‘motor fuel distribution system’ has the meaning given the term by the Administrator, by regulation.

(ii) REQUIREMENTS.—A waiver under subparagraph (D) shall be permitted only if—

(I) the waiver applies to the smallest geographic area necessary to address the extreme and unusual fuel or fuel additive supply circumstance; and

(II) the waiver is effective for a period of 15 calendar days or, if the Administrator determines that the period is adequate, for the shortest practicable time period necessary to permit the correction of the extreme and unusual fuel or fuel additive supply circumstance and to mitigate impact on air quality;

(III) the waiver permits a transitional period, the duration of which shall be determined by the Administrator, after the expiration of the temporary waiver to permit wholesalers and retailers to blend down wholesale and retail inventory;

(IV) the waiver applies to all persons in the motor fuel distribution system; and

(V) the Administrator has given public notice regarding consideration by the Administrator of, and, if applicable, the granting of, a waiver to all parties in the motor fuel distribution system, State and local regulators, public interest groups, and consumers in the State or region to be covered by the waiver.

(F) AFFECT ON WAIVER AUTHORITY.—Nothing in this paragraph—

(i) limits or otherwise affects the application of any other waiver authority of the Administrator under this section or a regulation promulgated pursuant to this section; or

(ii) subjects any State or person to an enforcement action, penalties, or liability solely arising from actions taken pursuant to the issuance of a waiver under subparagraph (D).

SA 858. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Begin page 296, line 6 and all that follows through page 296, line 25, and insert the following:

SEC. 346. OIL SHALE.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States that—

(1) United States oil shale and tar sands are strategic resources that should be developed through methods that help reduce the growing dependence of the United States on politically and economically unstable sources of foreign oil imports;

(2) the development of oil shale and tar sands involves research and commercial development, should be conducted in an economically feasible and environmentally sound manner, using practices that minimize impacts;

(3) development should occur at a deliberate pace, with an emphasis on sustainabilty, to benefit the United States while taking into account affected States and communities; and

(4) the Secretary of the Interior should work toward developing a commercial leasing program that will ensure that such a program can be implemented when production technologies are commercially viable.

(b) LEASING PROGRAM.—

(1) RESEARCH AND DEVELOPMENT.—

(A) IN GENERAL.—In accordance with section 21 of the Mineral Leasing Act (30 U.S.C. 241) and any other applicable law, except as provided in this section, not later than 1 year after the date of enactment of this Act, from land otherwise available for leasing, the Secretary of the Interior (referred to in this section as the ‘Secretary’) shall, for a period determined by the Secretary, make available for leasing such land as the Secretary determines to be necessary to conduct research and development activities with respect to innovative technologies for the recovery of shale oil from oil shale resources on public land.

(B) APPLICATION.—The Secretary may offer to lease the land to persons that submit an application for the lease, if the Secretary determines that there is no competitive interest in the land.

(C) ADMINISTRATION.—In carrying out this paragraph, the Secretary shall—

(i) provide for environmentally sound research and development of oil shale;

(ii) provide for an appropriate return to the public, as determined by the Secretary;

(iii) before carrying out any activity that will disturb the surface of land, provide for an adequate bond, surety, or other financial arrangement to ensure reclamation;

(iv) provide for a term of leases of not less than 10 years, after which the lease term may be extended if the Secretary determines that diligent research and development activities are occurring on the land;

(v) require the owner or operator of a project under this subsection, within such period as the Secretary may determine—

(I) to submit a plan of operations; and

(II) to develop an environmental protection plan; and

(vi) to undertake diligent research and development activities;

(vii) ensure that leases under this section are not larger than necessary to conduct research and development activities under an application under subparagraph (B); and

(viii) require consultation with affected State and local governments;

and

(B) an analysis of—

(i) whether leases under the program should be issued on a competitive basis;

(ii) the term of the lease;

(iii) the maximum size of the leases;

(iv) the use and distribution of bonus bid lease payments;

(v) the royalty rate to be applied, including whether a sliding scale royalty rate should be used;

(vi) whether an opportunity should be provided to convert research and development leases into leases for commercial development, including the terms and conditions that should apply to the conversion;

(vii) the maximum number of leases and maximum acreage to be leased under the leasing program to an individual; and

(viii) any infrastructure required to support oil shale development in industry and communities;

(C) an identification of events that should serve as a precursor to commercial leasing, including development of environmentally and commercially viable technologies, and the completion of land use planning and environmental reviews; and

(b) an analysis, developed in conjunction with the appropriate State water resource agencies, of the demand for, and availability of, water with respect to the development of oil shale and tar sands;

(2) PUBLIC PARTICIPATION.—In preparing the report under this subsection, the Secretary shall provide notice to, and solicit comment from—

(A) the public;

(B) representatives of local governments;

(C) representatives of industry; and

(D) other interested parties.

(3) PARTICIPATION BY CERTAIN STATES.—In preparing the report under this subsection, the Secretary shall—

(A) provide notice to, and solicit comment from, the Governors of the States of Colorado, Utah, and Wyoming; and

(B) incorporate into the report submitted to Congress pursuant to paragraph (1) any response of the Secretary to those comments.

(e) OIL SHALE AND TAR SANDS TASK FORCE.—

(1) ESTABLISHMENT.—The Secretary of Energy, in cooperation with the Secretary of the Interior, shall establish an Oil Shale and Tar Sands Task Force to develop a program to coordinate and accelerate the commercial development of oil shale and tar sands in an integrated manner.

(2) COMPOSITION.—The Task Force shall be comprised of—

(A) the Secretary of Energy (or the designee of the Secretary of Energy);
(B) the Secretary of Defense (or the designee of the Secretary of Defense); (C) the Secretary of the Interior (or the designee of the Secretary of the Interior); (D) the Governors of the affected States; and (E) representatives of local governments in affected areas.

(2) COASTAL MANAGEMENT OF A 5-YEAR PLAN.— (A) IN GENERAL.—The Task Force shall formulate a 5-year plan to promote the development of oil shale and tar sands by industry. (B) TASK FORCE.—In formulating the plan, the Task Force shall—
(i) identify public actions that are required to stimulate prudent development of oil shale and tar sands by industry;
(ii) analyze the costs and benefits of those actions;
(iii) make recommendations concerning specific actions that should be taken to stimulate prudent development of oil shale and tar sands by industry, including economic, investment, tax, technology, research and development, infrastructure, environmental, educational, and socio-economic actions;
(iv) consult with representatives of industry and other stakeholders;
(v) provide notice and opportunity for public comment on the plan;
(vi) identify oil shale and tar sands technologies that—
(I) are ready for pilot plant and seminetwork development; and
(II) have a high probability of leading to advanced technology for first- or second-generation commercial production; and
(vii) assess the availability of water from the Green River Formation to meet the needs of the oil shale and tar sands industry. (C) NATIONAL PROGRAM OFFICE.—The Task Force shall analyze and make recommendations regarding the need for a national program office to administer the plan. (D) PARTNERSHIP.—The Task Force shall recommend whether to initiate a partnership with Alberta, Canada, for purposes of sharing information relating to the development and production of oil from tar sands. (E) REPORTS.—

(1) INITIAL REPORT.—Not later than 180 days after the date of enactment of this Act, the Task Force shall submit to the President and Congress a report describing the analysis and recommendations of the Task Force and contains the 5-year plan. (2) SUBSEQUENT REPORTS.—The Secretary of Energy shall provide an annual report describing the progress in carrying out the plan for each of the 5 years following submission of the report provided for in subparagraph (A). (b) MINERAL LEASING ACT AMENDMENTS.— Section 21(a) of the Mineral Leasing Act (30 U.S.C. 241) is amended—

(1) by designating the first, second, and third sentences as paragraphs (1), (2), and (3), respectively; and
(2) in paragraph (3) (as designated by paragraph (1))—
(A) by striking “rate of 50 cents per acre” and inserting “rate of $2.00 per acre”; and
(B) in the last paragraph—
(i) by striking “That not more than one lease shall be granted under this section to any” and inserting “That no”; and
(ii) by striking “except that with respect to leases for” and inserting “shall acquire or hold more than 25,000 acres of oil shale leases in the United States. For”.

(c) COST-SHARED DEMONSTRATION TECHNOLOGIES.—

(1) IDENTIFICATION.—The Secretary of Energy shall identify technologies for the development and extraction of oil from tar sands that—
(A) are ready for demonstration at a commercially-representative scale; and
(B) have a high probability of leading to commercial production. (2) ASSISTANCE.—For each technology identified under paragraph (1), the Secretary of Energy shall—
(A) technical assistance;
(B) assistance in meeting environmental and regulatory requirements; and
(C) cost-shared assistance in accordance with section 1002. (d) TECHNICAL ASSISTANCE.— (1) IN GENERAL.—The Secretary of Energy shall provide technical assistance to private industry for the purpose of overcoming technical challenges to the development of oil shale and tar sands technologies for application in the United States. (2) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a fee-for-service or cost-shared basis in accordance with section 1002 through individual agreements, cooperative research and development agreements, partnerships, or other approaches. (1) NATIONAL OIL SHALE ASSESSMENT. (1) IN GENERAL.—The Secretary shall carry out a national assessment of oil shale resources for the purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B). (B) GEOGRAPHIC AREAS.—The geographic areas referred to in subparagraph (A), listed in the order in which the Secretary shall assign priority, are—
(i) the Green River Region of the States of Colorado, Utah, and Wyoming; and
(ii) the Devonian oil shale of the eastern United States; and
(iii) any remaining area in the central and western United States (including the State of Alaska) that contains oil shale, as determined by the Secretary. (2) USE OF STATE SURVEYS AND UNIVERSITIES.—In carrying out the assessment under paragraph (1), the Secretary may request assistance from any State-administered geological survey or university. (3) NATIONAL OIL SHALE ASSESSMENT.—Nothing in this section preempts or affects any State water rights. (A) IN GENERAL.—The Secretary shall acquire or hold more than 25,000 acres of oil shale leases issued under this Act. (B) Assistance in meeting environmental and regulatory requirements; and (C) zone of in assistance in accordance with section 1002.

(e) TECHNICAL ASSISTANCE.— (1) IN GENERAL.—The Secretary shall carry out a national assessment of oil shale resources for the purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B).

(f) GEOGRAPHIC AREAS.—The geographic areas referred to in subparagraph (A), listed in the order in which the Secretary shall assign priority, are—
(i) the Green River Region of the States of Colorado, Utah, and Wyoming; and
(ii) the Devonian oil shale of the eastern United States; and
(iii) any remaining area in the central and western United States (including the State of Alaska) that contains oil shale, as determined by the Secretary. (2) USE OF STATE SURVEYS AND UNIVERSITIES.—In carrying out the assessment under paragraph (1), the Secretary may request assistance from any State-administered geological survey or university.

(g) AUTHORIZATION OF APPROPRIATIONS.— There are authorized to be appropriated such sums as are necessary to carry out this section.

SA 859. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

On page 166, before line 1, insert the following:

SEC. 220. TREATMENT OF NUCLEAR ENERGY. (a) IN GENERAL.—The purposes for which any renewable standard established by this title or an amendment made by this title or any other provision of law shall be considered to be a renewable form of energy.

SA 860. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

On page 310, after line 25, add the following:

SEC. 372. OUTER CONTINENTAL SHELF REVENUE SHARING FOR NONNOMORATORIAL COASTAL PRODUCING STATES. (a) In General.—The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end the following:
“(1) TRANSFER OF AMOUNTS.—From qualified Outer Continental Shelf revenues deposited in the Treasury under this Act for a fiscal year, the Secretary of the Treasury shall transfer an amount to make payments to producing States and coastal political subdivisions under this section—

(A) for each of fiscal years 2006 through 2010, $500,000,000; and

(B) for fiscal year 2011 and each subsequent fiscal year, an amount equal to 50 percent of qualified Outer Continental Shelf revenues received for a fiscal year.

(2) DISBURSEMENT.—During each fiscal year, the Secretary shall, subject to the availability of appropriations for purposes of paragraph (1)(A), and without further appropriation for purposes of paragraph (1)(B), disburse to each producing State for which the Secretary has approved a plan under this section (c), and to coastal political subdivisions, the funds allocated to such producing State or coastal political subdivision under this section for the fiscal year.

(3) ALLOCATION AMONG PRODUCING STATES.—

(A) IN GENERAL.—The transferred amount shall be allocated to each producing State based on the ratio—

(i) the amount of qualified outer Continental Shelf revenues generated off the coastline of the producing State; bears to

(ii) the amount of qualified outer Continental Shelf revenues generated off the coastline of all producing States; and

(B) QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

(1) FISCAL YEARS 2006 THROUGH 2010.—For each of fiscal years 2006 through 2008, a calculation of a payment under this subsection shall be based on qualified outer Continental Shelf revenues received during fiscal year 2005.

(ii) FISCAL YEARS 2009 THROUGH 2013.—For each of fiscal years 2009 through 2010, a calculation of a payment under this subsection shall be based on qualified outer Continental Shelf revenues received during fiscal year 2008.

(III) FISCAL YEAR 2011 AND THEREAFTER.—Beginning in fiscal year 2011, a calculation of a payment under this subsection for each fiscal year during a 2-year fiscal year period shall be based on qualified outer Continental Shelf revenues received during the fiscal year preceding the first fiscal year of the 2-year fiscal year period.

(C) MULTIPLE PRODUCING STATES.—If more than 1 producing State is located within 200 miles of any portion of a leased tract, the amount allocated to each producing State for the leased tract shall be inversely proportional to the distance between—

(i) the nearest point on the coastline of the producing State; and

(ii) the geographic center of the leased tract.

(D) MINIMUM ALLOCATION.—An amount allocated under paragraph (B) to a producing State under this paragraph shall be not less than 1 percent of the transferred amount.

(4) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS.—

(A) IN GENERAL.—The Secretary shall pay 35 percent of the amount allocated under paragraph (3) to the coastal political subdivisions in the producing State.

(B) FORMULA.—Of the amount paid by the Secretary to coastal political subdivisions under subparagraph (A),—

(i) 25 percent shall be allocated to each coastal political subdivision in the proportion that—

(I) the coastal population of the coastal political subdivision bears to

(II) the population of all coastal political subdivisions in the producing State; and

(ii) 25 percent shall be allocated to each coastal political subdivision in the proportion that—

(I) the number of miles of coastline of the coastal political subdivision bears to

(II) the number of miles of coastline of all coastal political subdivisions in the producing State; and

(III) 50 percent shall be allocated in amounts that are inversely proportional to the respective distances between the points in each coastal political subdivision that are closest to the geographic center of the leased tract, as determined by the Secretary.

(C) EXCEPTION FOR LOUISIANA.—For the purposes of subparagraph (B)(ii), the coastline for coastal political subdivisions in the State of Louisiana without a coastline shall be the average length of the coastline of all other coastal political subdivisions in the State of Louisiana.

(D) EXCEPTION FOR ALASKA.—For the purposes of carrying out subparagraph (B)(iii) in the State of Alaska, the amount allocated to the producing State or coastal political subdivisions that are closest to the geographic center of a leased tract.

(5) NO APPROVED PLAN.—

(A) IN GENERAL.—If the Secretary determines that the plan submitted under paragraph (1) or (3) is not in accordance with applicable Federal and State law, or if the Secretary determines that an approved plan is no longer consistent with the uses described in subparagraph (B)(iii), the Secretary shall allocate the undisbursed amount equally among the producing States.

(B) RETENTION OF ALLOCATION.—The Secretary shall hold in escrow an undisbursed amount equal to the amount allocated to the producing State or coastal political subdivision under subparagraph (A) until the date that the final appeal regarding the disapproval of a plan submitted under subparagraph (c) is decided.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (A) with respect to an approved plan that the Secretary determines that the producing State is making a good faith effort to develop and submit, or update, a plan in accordance with subparagraph (c).

(D) COASTAL IMPACT ASSISTANCE PLAN.—

(1) SUBMISSION OF STATE PLAN.—

(A) IN GENERAL.—Not later than July 1, 2006, the Governor of a producing State shall submit to the Secretary a coastal impact assistance plan.

(B) PUBLIC PARTICIPATION.—In carrying out paragraph (A), the Governor shall solicit public comments and provide for public participation in the development of the plan.

(C) IMPLEMENTATION.—The Secretary shall approve a plan submitted under paragraph (1) if—

(i) the Secretary determines that the plan is consistent with the uses described in subsection (d); and

(ii) the plan contains—

(I) a description of the components of the plan that the Secretary is responsible for administering; and

(II) a description of the components of the plan that will be administered by or on behalf of the producing State or coastal political subdivision.

(2) APPROVAL.—

(A) IN GENERAL.—The Secretary shall approve a plan submitted under paragraph (1) if—

(i) the Secretary determines that the plan is consistent with the uses described in subsection (d); and

(ii) the plan contains—

(I) a description of the components of the plan that the Secretary is responsible for administering; and

(II) a description of the components of the plan that will be administered by or on behalf of the producing State or coastal political subdivision.

(b) a description of how the coastal political subdivision will use amounts provided under this section;

(iv) a certification by the Governor that an opportunity has been provided for public participation in the development and revision of the plan; and

(v) a description of measures that will be taken to determine the availability of assistance from other relevant Federal resources and programs.

(4) AMENDMENT TO A PLAN.—Any amendment to a plan submitted under paragraph (1) shall be—

(A) developed in accordance with this subsection; and

(B) submitted to the Secretary for approval or disapproval under paragraph (4).

(5) PROCEDURE.—Except as provided in subparagraph (B), not later than 90 days after the date on which a plan or amendment to a plan is submitted under paragraph (1) or (3), the Secretary shall approve or disapprove the plan or amendment.

(6) AUTHORIZED USES.—

(1) FISCAL YEARS 2006 THROUGH 2010.—A producing State or coastal political subdivision shall use any amount transferred under subsection (a)(1)(A) that is allocated to the producing State or coastal political subdivision, including any amount deposited in a trust fund that is administered by the State or a coastal political subdivision, to a use consistent with this section, in accordance with all applicable Federal and State law, only for 1 or more of the following purposes:

(A) Projects and activities for the conservation, protection, or restoration of coastal areas, including wetlands.

(B) Acquisition of damages to fish, wildlife, or natural resources.

(C) Planning assistance and the administrative costs of complying with this section.

(D) Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan.

(E) Mitigation of the impact of outer Continental Shelf activities through funding of onshore infrastructure, education, health care, and public service needs.

(F) FISCAL YEARS 2011 AND THEREAFTER.—A producing State or coastal political subdivision shall use at least 25 percent of any amount transferred under subsection (b)(1)(B) that is distributed to the producing State or coastal political subdivision, including any amount deposited in a trust fund that is administered by the State or a coastal political subdivision, to a use consistent with this section, for 1 or more of the purposes described in paragraph (1).

(2) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditures made by a producing State or coastal political subdivision is not consistent with this subsection, the Secretary shall not disburse any additional amount under this section to the producing State or coastal political subdivision until all amounts obligated for unauthorized uses have been repaid or reobligated for authorized uses.

(3) ESTABLISHMENT OF SHARED LATERAL BOUNDARIES FOR COASTAL STATES.—Section 4102(2)(A) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended—

(A) in paragraph (1) by striking “President shall” and inserting “Secretary shall”;

(B) in paragraph (2) by inserting before the period at the end of the following: “not later than 180 days after the date of enactment of the Stewardship of Coastal and Marine Resources Act,”; and

(C) by adding at the end the following:
Shelf Lands Act (43 U.S.C. 1341) is amended ending on June 30, 2012, any affected area. 

(2) The Secretary shall, by rule or agreement with the party to which the easement or right-of-way is granted under this subsection, reasonable payment for the easement or right-of-way, including a fee, rental, bonus, or other payment.

(3) A petition for leasing under paragraph (A) shall not be considered to be approved and (ii) any other energy source leasing, including renewable energy leasing.

(b) ACTION BY SECRETARY. — Not later than 90 days after receipt of a petition under subparagraph (A), the Secretary shall approve or deny the petition, unless the Secretary determines that leasing the area would create an unreasonable risk of harm to the marine, human, or coastal environment.

(c) The Secretary, in consultation with the Secretary of the Department in which the Coast Guard is operating and other relevant agencies of the Federal Government, may grant a lease, easement, or right-of-way on the outer Continental Shelf for activities not otherwise authorized under this Act, the Deepwater Port Act of 1974 (33 U.S.C. 1501 et seq.), the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9101 et seq.), or other applicable law, if those activities — (i) the national interest and national security; (ii) human safety; (iii) protection of correlative rights; and (iv) potential return for the lease, easement, or right-of-way.

(d) REGULATIONS. — Not later than 270 days after the date of enactment of this subsection, the Secretary, in consultation with the Secretary of the Department in which the Coast Guard is operating and other relevant agencies of the Federal Government, may establish, by rule or agreement with the party to which the easement or right-of-way is granted under this subsection, reasonable payment for the easement or right-of-way, including a fee, rental, bonus, or other payment.

(7) EFFECT OF SUBSECTION. — Nothing in this subsection displaces, supersedes, limits,
or modifies the jurisdiction, responsibility, or authority of any Federal or State agency under any other Federal law.

"(8) APPLICABILITY.—This subsection does not apply to any area on the outer Continental Shelf designated as a National Marine Sanctuary."

(2) CONFORMING AMENDMENT.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by striking the section heading and inserting the following: "LEASES, EASEMENTS, AND RIGHTS-OF-WAY ON THE OUTER CONTINENTAL SHELF.—"

(3) SAVINGS PROVISION.—Nothing in the amendment made by paragraph (1) requires any resubmittal of documents previously submitted or reauthorization of actions previously authorized, with respect to any project—

(A) for which offshore test facilities have been constructed before the date of enactment of this Act; or

(B) for which a request for proposals has been issued by a public authority.

(e) REGULATIONS.—

(1) IN GENERAL.—The Secretary of the Interior shall issue such regulations as are necessary to carry out this section and the amendments made by this section, including regulations establishing procedures for entering into gas-only leases.

(2) GAS-ONLY LEASES.—In issuing regulations establishing procedures for entering into gas-only leases, the Secretary shall—

(A) ensure that gas-only leases under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) are available in a State that is the site of a project under section 8, if such project was ordered to lie on the table; as follows:

(B) define "natural gas" as—

(i) unmixed natural gas; or

(ii) any mixture of natural or artificial gas (including compressed or liquefied petroleum gas) and condensate recovered from natural gas.

SA 861. Mr. DODD submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 785, after line 25, add the following:

SEC. 13. EFFECT OF ELECTRICAL CONTAMINANTS ON RELIABILITY OF ENERGY PRODUCTION SYSTEMS.

Not later than 180 days after the date of enactment of this Act, the Secretary shall enter into a contract with the National Academy of Sciences under which the National Academy of Sciences shall determine the effect that electrical contaminants (such as tin whiskers) may have on the reliability of energy production systems, including nuclear energy.

SA 862. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end of the title, add the following:

TITLE XI.—ANTI-COMPETITIVE PRACTICES

SEC. 1501. SHORT TITLE.

This title may be cited as the "OPEC Accountability Act".

SEC. 1502. FINDINGS.

Congress makes the following findings:

(1) Gasoline prices have nearly doubled since January, 2002, with oil recently trading at more than $58 per barrel for the first time ever.

(2) Rising gasoline prices have placed an inordinate burden on American families.

(3) High petroleum prices have hindered and will continue to hinder economic recovery.

(4) The Organization of Petroleum Exporting Countries (OPEC) has formed a cartel and engaged in anti-competitive practices to manipulate the price of oil, keeping it artificially high.

(5) Six member nations of OPEC—Indonesia, Kuwait, Nigeria, Qatar, the United Arab Emirates and Venezuela—are also members of the World Trade Organization.

(6) The U.S. government has allowed other nations to limit oil exports is an illegal prohibition or restriction on the exportation or sale for export of a product under Article XI of the GATT 1994.

(7) The export quotas and resulting high prices harm American families, undermine the American economy, impede American and foreign commerce, and are contrary to the national interests of the United States.

SEC. 1503. ACTIONS TO CURB CERTAIN CARTEL ANTI-COMPETITIVE PRACTICES.

(a) DEFINITIONS.—In this title:

(1) GATT 1994.—The term "GATT 1994" has the meaning given such term in section 213(b) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(16)).

(2) UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES.—The term "Understanding on Rules and Procedures Governing the Settlement of Disputes" means the agreement described in section 101(d)(16) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(16)).

(3) WORLD TRADE ORGANIZATION.—

(A) IN GENERAL.—The term "World Trade Organization" means the organization established pursuant to the WTO Agreement.

(B) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing The World Trade Organization entered into on April 15, 1994.

(C) ACTION BY PRESIDENT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the President shall, unless the President determines that as of the date of enactment of this Act, initiate consultations with the countries described in paragraph (2) to seek the elimination by those countries of any action described in subsection (a)(2)(B)(ii) that—

(A) limits the production or distribution of oil, natural gas, or any other petroleum product;

(B) sets or maintains the price of oil, natural gas, or any petroleum product, or

(C) otherwise is an action in restraint of trade with respect to oil, natural gas, or any petroleum product, when such action constitutes an act, policy, or practice that is unjustifiable and burdens and restricts United States commerce.

(2) CERTIFICATIONS DESCRIBED.—The certifications submitted by a report that includes an explanation regarding how and why taking the action described in subsection (a)(2) with respect to a country described subsection (b)(2) would not be in the national security interest or economic interest of the United States.

The report may be provided on a classified basis if disclosure would threaten the national security of the United States.

SA 863. Mr. LAUTENBERG (for himself, Mr. DURBin, Mr. DORGAN, and Mr. LEVIN) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE — ANTI-COMPETITIVE PRACTICES

SEC. 1501. SHORT TITLE.

This title may be cited as the "OPEC Accountability Act".

SEC. 1502. FINDINGS.

Congress makes the following findings:

(1) Gasoline prices have nearly doubled since January, 2002, with oil recently trading at more than $58 per barrel for the first time ever.

(2) Rising gasoline prices have placed an inordinate burden on American families.

(3) High gasoline prices have hindered and will continue to hinder economic recovery.

(4) The Organization of Petroleum Exporting Countries (OPEC) has formed a cartel and engaged in anti-competitive practices to manipulate the price of oil, keeping it artificially high.

(5) Six member nations of OPEC—Indonesia, Kuwait, Nigeria, Qatar, the United Arab Emirates and Venezuela—are also members of the World Trade Organization.

(6) The agreement among OPEC member nations to limit oil exports is an illegal prohibition or restriction on the exportation or sale for export of a product under Article XI of the GATT 1994.

(7) The export quotas and resulting high prices harm American families, undermine the American economy, impede American and foreign commerce, and are contrary to the national interests of the United States.

SEC. 1503. ACTIONS TO CURB CERTAIN CARTEL ANTI-COMPETITIVE PRACTICES.

(a) DEFINITIONS.—In this title:

(1) GATT 1994.—The term "GATT 1994" has the meaning given such term in section 213(b) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(16)).

(2) UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES.—The term "Understanding on Rules and Procedures Governing the Settlement of Disputes" means the agreement described in section 101(d)(16) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(16)).

(3) WORLD TRADE ORGANIZATION.—

(A) IN GENERAL.—The term "World Trade Organization" means the organization established pursuant to the WTO Agreement.
(B) WTO AGREEMENT.—The term ‘‘WTO Agreement’’ means the Agreement Establishing The World Trade Organization entered into on April 15, 1994.

(b) Direct or indirect act of monetary or economic significance.

(1) IN GENERAL.—Notwithstanding any other provision of law, the President shall, not later than 15 days after the date of enactment of this Act, initiate consultations with the countries described in paragraph (2) to seek the elimination by those countries of any action that—

(A) directly affect production or distribution of oil, natural gas, or any other petroleum product,

(B) sets or maintains the price of oil, natural gas, or any other petroleum product, or

(C) otherwise is an action in restraint of trade with respect to oil, natural gas, or any petroleum product, when such action constitutes an act, policy, or practice that is unjustifiable and burdens and restricts United States commerce.

(2) COUNTRIES DESCRIBED.—The countries described in this paragraph are the following:

(A) Indonesia.

(B) Kuwait.

(C) Myanmar.

(D) Qatar.

(E) The United Arab Emirates.

(F) Venezuela.

(g) INITIATION OF WTO DISPUTE PROCEEDINGS.—If the consultations described in subsection (b)(2) are not successful with respect to any country, in subsection (b)(2)(A), the United States Trade Representative, not later than 60 days after the date of enactment of this Act, institute proceedings pursuant to the Understanding on Rules and Procedures Governing the Settlement of Disputes with respect to that country and shall take action with respect to that country under the trade remedy laws of the United States.

SA 864. Mr. LEVIN (for himself, Ms. COLLINS, Mr. WYDEN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 208, line 12, strike ‘‘The Secretary shall’’ and insert the following:

(1) IN GENERAL.—The Secretary shall

On page 208, between lines 20 and 21, insert the following:

(2) PROCEDURES.—

(A) IN GENERAL.—The Secretary shall develop, with the opportunity for public comment, procedures to obtain oil for the Reserve with the intent of maximizing the overall domestic supply of crude oil (including quantities stored in private sector inventories) and minimizing the costs to the Department of the Interior and the Department of Energy of acquiring such oil (including forgone revenues to the Treasury when oil for the Reserve is obtained through the royalty-in-kind program), consistent with national security.

(B) CONSIDERATIONS.—The procedures shall provide that, for purposes of determining whether to acquire oil for the Reserve or defer deliveries of oil, the Secretary shall take into account—

(i) current and future prices, supplies, and inventories of oil;

(ii) national security; and

(iii) such factors that the Secretary determines to be appropriate.

(C) REVIEW OF REQUESTS FOR DEFERRALS OF SCHEDULED DELIVERIES.—The procedures shall include procedures for the review of requests for the deferrals of scheduled deliveries.

(D) DEADLINES.—The Secretary shall—

(i) propose the procedures required under this paragraph not later than 120 days after the date of enactment of this Act;

(ii) institute consultations not later than 180 days after the date of enactment of this Act; and

(iii) comply with the procedures in acquiring oil on the date that is 180 days after the date of enactment of this Act.

SA 865. Mr. FEINGOLD (for himself and Mr. BROWNBACK) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 706, between lines 20 and 21, insert the following:

SEC. 1278. CONSUMER PROTECTION, FAIR COMPETITION, AND FINANCIAL INTEGRITY.

Section 224 of the Federal Power Act (16 U.S.C. 824c) is amended by adding at the end the following:

(1) IN GENERAL.—The term ‘‘affiliate’, ‘associate company’, and ‘public-utility company’’ have the meanings given those terms in section 1272 of the Energy Policy Act of 2005.

(2)(A) Not later than 1 year after the date of enactment of this subsection, the Commission shall issue regulations to regulate transactions between public-utility companies and affiliates and associate companies of the public-utility companies.

(B) At a minimum, the regulations under subparagraph (A) shall require, with respect to a transaction between a public-utility company and an affiliate or associate company of the public-utility company—

(i) any business activity other than public-utility company business shall be conducted through 1 or more affiliates or associate companies, which shall be independent, separate, and distinct entities from the public-utility company;

(ii) the affiliate or associate company shall—

(A) maintain separate books, accounts, memoranda, and other records; and

(B) prepare separate financial statements;

(iii)(I) the public-utility company shall conduct the transaction in a manner that is consistent with the transactions among non-affiliated and nonassociate companies; and

(ii) the public-utility company shall not use its status as a monopoly franchise to confer on its affiliate or associate company, any unfair competitive advantage;

(iv) the public-utility company shall not declare or pay any dividend on any security of the public-utility company; and

(v) the public-utility company shall not acquire any assets or liabilities of any affiliate or associate company, which shall be independent, separate, and distinct entities from the public-utility company.

SEC. 16. SENSE OF THE SENATE ON CLIMATE CHANGE.

(a) FINDINGS.—Congress finds that—

(1) greenhouse gases accumulating in the atmosphere are causing average temperatures to rise at a rate outside the range of natural variability and are posing a substantial risk of rising sea-levels, altered patterns of atmospheric and oceanic circulation, and increased frequency and severity of floods and droughts;

(2) there is a growing scientific consensus that human activity is a substantial cause of greenhouse gas accumulation in the atmosphere; and

(3) mandatory steps will be required to slow or stop the growth of greenhouse gas emissions into the atmosphere.

(b) SIGNIFICANCE OF THE SENSE.—It is the sense of the Senate that, before the end of the first session of the 109th Congress, Congress should enact a comprehensive and effective national program of mandatory, market-based limits on emissions of greenhouse gases that slow, stop, and reverse the growth of such emissions at a rate and in a manner that—

(1) will not significantly harm the United States economy; and

(2) will encourage comparable action by other nations that are major trading partners and key contributors to global emissions.
SA 867. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 437, after line 22, add the following:

SEC. 7. IMPACTS OF USE OF SPECIAL FUEL FORMULATIONS.

In determining whether to approve an application, the use of a new gasoline blend or other fuel formulation under the Clean Air Act (42 U.S.C. 7001 et seq.), the Administrator of the Environmental Protection Agency, in consultation with the Secretary, shall take into consideration impacts that the use of the blend or formulation would have on the supply, demand, and pricing of gasoline and other fuels.

SA 868. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE XV—ACTIONS TO ADDRESS GLOBAL CLIMATE

SEC. 1501. SHORT TITLE.

This title may be cited as the “Climate and Economy Insurance Act of 2005”.

Subtitle A—Domestic Programs

SEC. 1511. PURPOSE.

The purpose of this subtitle is to reduce greenhouse gas emissions intensity in the United States, beginning in calendar year 2010, through an emissions trading system designed to achieve emissions reductions at the lowest practicable cost to the United States.

SEC. 1512. DEFINITIONS.

In this subtitle:

1. CARBON DIOXIDE EQUIVALENT.—The term “carbon dioxide equivalent” means—

(1) for each covered fuel, the quantity of carbon dioxide that would be emitted into the atmosphere as a result of complete combustion of a certain quantity of the covered fuel, to be determined for the type of covered fuel by the Secretary; and

(2) for each greenhouse gas (other than carbon dioxide), a certain quantity of carbon dioxide that would have an effect on global warming equal to the effect of a certain quantity of the greenhouse gas, as determined by the Secretary, taking into consideration global warming potentials.

2. COVERED FUEL.—The term “covered fuel” means—

(A) coal;

(B) petroleum products;

(C) natural gas;

(D) natural gas liquids; and

(E) fuel derived from fossil hydrocarbons (including bitumen and kerogen).

3. COVERED GREENHOUSE GAS EMISSIONS.—

(A) IN GENERAL.—The term “covered greenhouse gas emissions” means—

(i) the carbon dioxide emissions from combustion of covered fuel carried out in the United States; and

(ii) non-fuel related greenhouse gas emissions in the United States, determined in accordance with section 1515(b)(2).

(B) UNITS.—Quantities of covered greenhouse gas emissions shall be measured and expressed in units of metric tons of carbon dioxide equivalent.

4. EMISSIONS INTENSITY.—The term “emissions intensity” for any calendar year, the quotient obtained by dividing—

(A) covered greenhouse gas emissions; by

(B) the forecasted GDP for that calendar year.

5. FORECASTED GDP.—The term “forecasted GDP” means the predicted amount of liquid fuels produced in the United States, based on the most current projection used by the Energy Information Administration of the Department of Energy on the date on which the proposal is made.

6. GREENHOUSE GAS.—The term “greenhouse gas” means—

(A) carbon dioxide;

(B) methane;

(C) nitrous oxide;

(D) hydrofluorocarbons;

(E) perfluorocarbons;

(F) sulfur hexafluoride.

7. INITIAL ALLOCATION PERIOD.—The term “initial allocation period” means the period beginning January 1, 2010, and ending December 31, 2019.

8. NONFUEL REGULATED ENTITY.—The term “nonfuel regulated entity” means—

(A) the owner or operator of a facility that manufactures hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide;

(B) an importer of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide;

(C) the owner or operator of a facility that emits nitrous oxide associated with the manufacture of adipic acid or nitric acid;

(D) the owner or operator of a facility that produces cement or lime;

(E) the owner or operator of an aluminum smelter;

(F) the owner or operator of an underground coal mine that emitted more than 10,000,000 cubic feet of methane during 2004 or any subsequent calendar year; and

(G) the owner or operator of facility that emits hydrofluorocarbon-23 by a byproduct of hydrochlorofluorocarbon-22 production.

9. OFFSET PROJECT.—The term “offset project” means any project to reduce or sequester, during the initial allocation period, any greenhouse gas emission that is not a covered greenhouse gas emission.

10. PETROLEUM PRODUCT.—The term “petroleum product” means—

(A) a refined petroleum product;

(B) residual fuel oil;

(C) petroleum coke;

(D) liquefied petroleum gas.

11. REGULATED ENTITY.—The term “regulated entity” means—

(A) a regulated fuel distributor; or

(B) a nonfuel regulated entity.

12. REGULATED FUEL DISTRIBUTOR.—The term “regulated fuel distributor” means—

(A) the owner or operator of—

(i) a natural gas pipeline;

(ii) a petroleum refinery;

(iii) a coal mine that produces more than 10,000 short tons of coal during 2004 or any subsequent calendar year; or

(iv) a natural gas processing plant;

(B) an importer of—

(i) petroleum products;

(ii) coal;

(iii) coke; or

(iv) natural gas liquids; or

(C) any other entity the Secretary determines under section 1515(b)(3)(A)(i)(I) to be subject to section 1515.

13. SAFETY VALVE PRICE.—The term “safety valve price” means—

(A) for 2010, $7 per metric ton of carbon dioxide equivalent; and

(B) for each subsequent calendar year, the safety valve price determined for the preceding calendar year increased by 5 percent, unless a different rate of increase is established for the calendar year under section 1521.

14. SECRETARY.—The term “Secretary” means the Secretary of Energy, unless the President designates another officer of the Executive Branch to carry out a function under this subtitle.

15. SUBSEQUENT ALLOCATION PERIOD.—The term “subsequent allocation period” means—

(A) the 5-year period beginning January 1, 2020, and ending December 31, 2024; and

(B) each subsequent period.

SEC. 1513. QUANTITY OF ANNUAL GREENHOUSE GAS ALLOWANCES.

(a) INITIAL ALLOCATION PERIOD.—

(1) IN GENERAL.—Not later than December 31, 2008, the Secretary shall—

(A) make a projection with respect to emissions intensity for 2009, using the Energy Information Administration’s most current projections of covered greenhouse gas emissions for 2009; and

(ii) the forecasted GDP for 2009;

(B) determine the emissions intensity target established for 2010 by calculating a 2.4 percent reduction from the projected emissions intensity for 2009;

(C) in accordance with paragraph (2), determine the emissions intensity target for each calendar year of the initial allocation period after 2010; and

(D) in accordance with paragraph (3), issue the total number of allowances for each calendar year during the initial allocation period.

(b) EMISSIONS INTENSITY TARGETS AFTER 2010.—For each calendar year during the initial allocation period after 2010, the emissions intensity target shall be the emissions intensity target established for the preceding calendar year reduced by 2.4 percent.

(c) TOTAL ALLOWANCES.—For each calendar year during the initial allocation period, the quantity of allowances to be issued shall be equal to the product obtained by multiplying—

(A) the emissions intensity target established for the calendar year; and

(B) the forecasted GDP for the calendar year.

(d) SUBSEQUENT ALLOCATION PERIODS.—

(1) IN GENERAL.—Not later than the date that is 4 years before the beginning of each subsequent allocation period, the Secretary shall—

(A) except as directed under section 1521, determine the emissions intensity target for each subsequent allocation period, in accordance with paragraphs (2) and (3); and

(B) issue the total number of allowances for each calendar year of the subsequent allocation period, in accordance with paragraphs (2) and (3).

(2) EMISSIONS INTENSITY TARGETS.—For each calendar year during a subsequent allocation period, the emissions intensity target shall be the emissions intensity target established for the preceding calendar year reduced by 2.8 percent.

(3) TOTAL ALLOWANCES.—For each calendar year during a subsequent allocation period, the quantity of allowances to be issued shall be equal to the product obtained by multiplying—

(A) the emissions intensity target established for the calendar year; and

(B) the forecasted GDP for the calendar year.

(e) ADMINISTRATIVE REQUIREMENTS.—

(1) DENOMINATION.—Allowances issued by the Secretary under this section shall be denominated in units of metric tons of carbon dioxide equivalent.

(2) PERIOD OF USE.—An allowance issued by the Secretary under this section may be used during—

(A) the calendar year for which the allowance is issued; or

(B) any subsequent calendar year.
(3) SERIAL NUMBERS.—The Secretary shall—
(A) assign a unique serial number to each allowance issued under this subtitle; and
(B) retire the serial number of an allowance on the date on which the allowance is submitted under section 1515.
(4) NATURE OF ALLOWANCES.—An allowance shall not be considered to be a property right.

SEC. 1514. ALLOCATION AND AUCTION OF GREENHOUSE GAS ALLOWANCES.

(a) ALLOCATION OF ALLOWANCES.—
(1) IN GENERAL.—Not later than the date that is 3 years before the beginning of the initial allocation period, and each subsequent allocation period, the Secretary shall allocate for each calendar year during the allocation period a quantity of allowances in accordance with this subsection.
(2) QUANTITY.—The total quantity of allowances available to be allocated for each calendar year of an allocation period shall be the product obtained by multiplying—
(A) the total quantity of allowances issued for the calendar year under subsection (a)(3) or (b)(3) of section 1513; and
(B) the allocation percentage for the calendar year under subsection (c).
(3) ALLOWANCE ALLOCATION RULEMAKING.—
(A) IN GENERAL.—The Secretary shall establish, by rule, and submit to Congress procedures for allocating allowances to regulated entities and affected nonregulated entities for the initial allocation period.
(B) EFFECTIVE DATE.—A rule under subparagraph (A) shall take effect, unless disapproved under the procedures established under section 1521(d), not later than 180 days after the date on which the rule is submitted to Congress.
(C) REQUIREMENTS.—
(1) INITIAL ALLOCATION PERIOD.—The Secretary shall promulgate rules under sub-subsection (A) for the initial allocation period not later than 18 months after the date of enactment of this Act.
(ii) SUBSEQUENT ALLOCATION PERIODS.—The Secretary shall promulgate rules under sub-subsection (A) for each subsequent allocation period not later than 18 months before the beginning of the period.

(4) DISTRIBUTION TO REGULATED AND NONREGULATED ENTITIES.—The procedures established under paragraph (3) shall—
(A) provide for the allocation of allowances to regulated entities and affected nonregulated entities within each fossil-fuel sector (petroleum, natural gas, natural gas liquids, and coal) and to the sector consisting of nonfuel regulated entities based on the share of each sector of covered greenhouse gas emissions for the most recent year for which data are available;
(B) prescribe criteria for the allocation of allowances to regulated entities within each sector and nonregulated entities using products produced in each sector based on the following factors:
(i) Historical or updated greenhouse gas emissions.
(ii) Mitigation of significant and disproportionate burdens.
(iv) Administrative simplicity.
(v) Mitigating barriers to entry; and
(C) prescribe requirements for reporting by regulated entities and affected nonregulated entities of information necessary for allocation of allowances, including the forms and schedules for submission of reports.
(5) DEFINITION OF AFFECTED NONREGULATED ENTITY.—For purposes of this subsection, the term “affected nonregulated entity” means any entity, other than a regulated entity, that the Secretary determines is likely to sustain a significant and disproportionate economic burden by reason of the implementation of this title.
(6) DISTRIBUTION OF ALLOWANCES TO ORGANIZATIONS ASSISTING WORKERS.—The Secretary shall distribute 1 percent of the allowances available for allocation under section 1513; and
(7) COST OF ALLOWANCES.—The Secretary shall distribute allowances under this subsection at no cost to the recipient of the allowance.

(b) AUCTION OF ALLOWANCES.—
(1) IN GENERAL.—The Secretary shall establish, by rule, a procedure for the auction of a quantity of allowances during each calendar year in accordance with paragraph (2).
(2) BASE QUANTITY.—The base quantity of allowances to be auctioned during a calendar year shall be the product obtained by multiplying—
(A) the total number of allowances for the calendar year under subsection (a)(3) or (b)(3) of section 1513; and
(B) the auction percentage for the calendar year under subsection (c).
(3) SCHEDULE.—The auction of allowances shall be held on the following schedule:
(A) In 2007, the Secretary shall auction—
(i) 1⁄2 of the allowances available for auction for 2010; and
(ii) 1⁄2 of the allowances available for auction for 2011.
(B) In 2008, the Secretary shall auction 1⁄2 of the allowances available for auction for 2012.
(C) In 2009, the Secretary shall auction 1⁄2 of the allowances available for auction for 2013.
(D) In 2010 and each subsequent calendar year, the Secretary shall auction—
(i) 1⁄2 of the allowances available for auction for that calendar year; and
(ii) 1⁄2 of the allowances available for auction for the calendar year that is 4 years after that calendar year.
(4) UNDISTRIBUTED ALLOWANCES.—In an auction held during any calendar year, the Secretary shall auction any allowance that was—
(A) available for allocation under subsection (a) for the calendar year, but not distributed; or
(B) available during the preceding calendar year for an offset or early reduction activity under section 1519 or 1520, but not distributed during that calendar year.
(c) AVAILABLE PERCENTAGES.—Except as directed under section 1521, the percentage of the total quantity of allowances for each calendar year to be available for allocation, auction, offset projects, and early reduction projects shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation Percentage</th>
<th>Auction Percentage</th>
<th>Percentage Available for Offset Allowances</th>
<th>Percentage Available for Early Reduction Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>91.0</td>
<td>5.0</td>
<td>3</td>
<td>1</td>
</tr>
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</tr>
<tr>
<td>2018</td>
<td>88.0</td>
<td>8.0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2019</td>
<td>87.5</td>
<td>8.5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2020 and thereafter</td>
<td>87.0</td>
<td>10</td>
<td>3</td>
<td></td>
</tr>
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</table>

SEC. 1515. SUBMISSION OF ALLOWANCES.

(a) REQUIREMENTS.—
(1) REGULATED FUEL DISTRIBUTORS.—
(A) IN GENERAL.—For calendar year 2010 and each calendar year thereafter, each regulated fuel distributor shall submit to the Secretary a number of allowances equal to...
the carbon dioxide equivalent of the quantity of covered fuel, determined in accordance with subsection (b)(1), for the regulated fuel distributor.

(2) NONFUEL PIPELINES.—For calendar year 2010 and each calendar year thereafter, for any regulated fuel distributor that is a regulated entity, the Secretary shall submit to the owner or operator of the pipeline a number of allowances (or an equivalent payment of the safety value price) equal to the carbon dioxide equivalent of the quantities of natural gas received by the pipeline from the shipper (excluding any amount received by the pipeline from the shipper at an interconnection of another pipeline).

(2) NONFUEL REGULATED ENTITIES.—For 2010 and each calendar year thereafter, each nonfuel regulated entity shall submit to the Secretary a number of allowances equal to the carbon dioxide equivalent of the quantity of nonfuel-related greenhouse gas, determined in accordance with subsection (b)(2), for the nonfuel regulated entity.

(b) REGULATED QUANTITIES.—

(1) COVERED FUELS.—For purposes of subsection (a)(1), the quantity of covered fuel shall be equal to—

(A) for a coal mine located in the United States, the quantity of petroleum products refined, produced, or consumed at the refinery;

(B) for a natural gas pipeline in the United States, the quantity of natural gas received by the pipeline for transport, excluding any natural gas received at an interconnection with another natural gas pipeline;

(C) for a natural gas processing plant located in the United States, the quantity of natural gas liquids produced at the plant; and

(D) for a coal mine located in the United States, the quantity of coal produced at the mine; and

(2) NONFUEL-RELATED GREENHOUSE GASES.—For purposes of subsection (a)(2), the quantity of nonfuel-related greenhouse gas shall be equal to—

(A) for a manufacturer or importer of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide, the quantity of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide produced or imported by the manufacturer or importer;

(B) for a underground coal mine, the quantity of methane emitted by the coal mine;

(C) for a facility that manufactures adipic acid or nitric acid, the quantity of nitrous oxide emitted by the facility; and

(D) for a facility that produces cement or lime, the quantity of carbon dioxide emitted by the facility as a result of the calcination process.

(e) EXEMPTION AUTHORITY FOR NON-FUEL REGULATED ENTITIES.—

(1) IN GENERAL.—The Secretary may promulgate such regulations as the Secretary determines to be necessary or appropriate to—

(A) identify and register each regulated entity that is required to submit an allowance under this section; and

(B) require the submission of reports and otherwise obtain any information the Secretary determines necessary to calculate or verify the compliance of a regulated entity with any requirement under this section.

(2) DEADLINE FOR SUBMISSION.—Any entity required to submit an allowance to the Secretary under this section shall submit the allowance not later than March 31 of the calendar year following the calendar year during which the allowance is required to be submitted.

(d) REGULATIONS.—The Secretary shall promulgate such regulations as the Secretary determines to be necessary or appropriate to—

(1) identify and register each regulated entity that is required to submit an allowance under this section; and

(2) require the submission of reports and otherwise obtain any information the Secretary determines necessary to calculate or verify the compliance of a regulated entity with any requirement under this section.

(f) EXEMPTION AUTHORITY FOR NON-FUEL REGULATED ENTITIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may exempt a regulated entity that emits, manufactures, or imports hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide destroyed by the entity during that year, measured in carbon dioxide equivalents.

(2) EXCLUSION.—The Secretary may not exempt a regulated fuel distributor from the requirements of this subtitle unless the device that emits, manufactures, or imports hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide destroyed by the entity during that year, measured in carbon dioxide equivalents.

The Secretary shall distribute to entities that carry out offset projects that meet the requirements of section 1522(g).
(1) the total number of allowances issued for the calendar year under subsection (a)(3) or (b)(3) of section 1513; and
(2) the percentage available for offset allowances for the calendar year under section 1514(c).

(c) INELIGIBLE OFFSET PROJECTS.—An offset project shall not be eligible to receive an allowance under subsection (a) if the offset project—
(1) is not certified or is not certified after the date on which the rule is submitted to Congress, a joint resolution described in paragraph (2) is enacted, and key assumptions and information submitted with the rule are subsequently discredited; or
(2) is conducted in a country—
(A) that is not party to the Kyoto Protocol; or
(B) that does not have a registry or does not allow for the registration of credits issued under the Kyoto Protocol.

(d) INTERNATIONAL OFFSET PROJECTS.—
(1) IN GENERAL.—The Secretary may distribute allowances under subsection (a) to an offset project carried out in a foreign country.
(2) FOREIGN CREDITS.—An allowance or credit issued by a foreign country for an offset project described in paragraph (1) shall not be submitted to meet a requirement under this title.

SEC. 1520. EARLY REDUCTION ALLOWANCES.

(a) ESTABLISHMENT.—The Secretary shall establish, by rule, a program under which the Secretary distributes to any entity that carries out a project to reduce or sequester greenhouse gas emissions before the initial allocation period a quantity of allowances that reflects the actual emissions reductions or net sequestration of the project, as determined by the Secretary.
(b) AVAILABLE ALLOWANCES.—The total quantity of allowances distributed under subsection (a) may not exceed the product obtained by multiplying—
(1) the total number of allowances issued for the calendar year under subsection (a)(3) of section 1513; and
(2) the percentage available for early reduction allowances for the calendar year under section 1514(c).

(c) ELIGIBILITY.—The Secretary may distribute allowances for early reduction projects only to an entity that has reported the reduced or sequestered greenhouse gas emissions under—

(1) the Voluntary Reporting of Greenhouse Gases Program of the Energy Information Administration under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13255(b));
(2) the Climate Leaders Program of the Environmental Protection Agency; or
(3) a State-administered or privately-administered registry that includes early reduction actions not covered under the programs described in paragraphs (1) and (2).

SEC. 1521. CONGRESSIONAL REVIEW.

(a) INTERAGENCY REVIEW.—

(1) IN GENERAL.—Not later than January 15, 2015, and every 5 years thereafter, the President shall establish an interagency group to review and make recommendations relating to—
(A) each program under this subtitle; and
(B) any similar program of a foreign country described in paragraph (2).
(2) COUNTRIES TO BE REVIEWED.—An interagency group established under paragraph (1) shall review actions and programs relating to greenhouse gas emissions of—
(A) each member country of the Organisation for Economic Co-operation and Development;
(B) China;
(C) India;
(D) Brazil;
(E) Mexico;
(F) Russia; and
(G) Ukraine.

(b) INCLUSIONS.—A review under paragraph (1) shall—
(A) for the countries described in paragraph (2), analyze whether the countries that contribute at least 75 percent of aggregate greenhouse gas emissions have taken action that—
(i) in the case of member countries of the Organisation for Economic Co-operation and Development, is comparable to that of the United States; and
(ii) is carried out in the United States; and
(B) analyze whether each of the 5 largest trading partners of the United States, as of the date on which the review is conducted, has taken action with respect to greenhouse gas emissions that is comparable to action taken by the United States;
(C) analyze whether the programs established under this subtitle have contributed to an increase in electricity imports from Canada or Mexico; and
(D) make recommendations with respect to whether—
(i) the rate of reduction of emissions intensity under subsection (a)(2) or (b)(2) of section 1513 should be modified; and
(ii) the increase of the safety valve price should be modified.

(4) SUPPLEMENTARY REVIEW ELEMENTS.—A review under paragraph (1) may include an analysis of—
(A) the feasibility of regulating owners or operators of entities that—
(i) emit nonfuel-related greenhouse gases; and
(ii) that are not subject to this subtitle; and
(B) whether the percentage of allowances for any calendar year that are auctioned under section 1514(c) should be modified.

(c) CONGRESSIONAL ACTION.—
(1) CONSIDERATION.—Not later than September 30 of any calendar year during which a report is required to be submitted under subsection (b), the House of Representatives and the Senate a report describing any recommendation of the President with respect to changes in the programs under this subtitle.

(2) RECOMMENDATIONS.—A recommendation under paragraph (1) shall take into consideration the results of the most recent interagency review under subsection (a).

(d) INTERNATIONAL OFFSET PROJECTS.

(1) IN GENERAL.—The Secretary may authorize, by rule, the use of internationally-recognized credits issued for an offset project described in paragraph (1) to support the interagency review under paragraph (1).

(2) REQUIREMENTS.—A joint resolution considered under paragraph (1) shall—

(a) I N GENERAL.—The Secretary shall require, by rule, that a regulated entity shall perform such monitoring and submit such reports as the Secretary determines to be necessary to carry out this subtitle.

(b) SUBMISSION OF INFORMATION.—The Secretary shall establish, by rule, any procedure the Secretary determines to be necessary to ensure the completeness, consistency, transparency, and accuracy of reports under subsection (a), including requirements that—

(1) accounting and reporting standards for covered greenhouse gas emissions; and
(2) standardized methods of calculating covered greenhouse gas emissions in specific United States Code, shall apply to any joint resolution under this subsection.

SEC. 1522. MONITORING AND REPORTING.

(a) IN GENERAL.—The Secretary shall require, by rule, that a regulated entity shall perform such monitoring and submit such reports as the Secretary determines to be necessary to carry out this subtitle.
industries from other information the Secretary determines to be available and reliable, such as energy consumption data, materials consumption data, production data, or other relevant activity data; and

(3) If the Secretary determines that a method described in paragraph (2) is not feasible for a regulated entity, a standardized method of estimating covered greenhouse gas emissions of the regulated entity;

(4) a method of avoiding double counting of covered greenhouse gas emissions;

(5) a procedure to prevent a regulated entity from avoiding the requirements of this subtitle—

(a) reorganization into multiple entities; or

(b) outsourcing the operations or activities of the regulated entity with respect to covered greenhouse gas emissions as determined by the Secretary;

(6) a procedure for the verification of data relating to covered greenhouse gas emissions by—

(a) regulated entities; and

(b) independent verification organizations.

determining Eligibility for Credits, Offset Allowances, and Early Reduction Allowances.

I N GENERAL.—An entity shall provide the Secretary with the information described in paragraphs (2) through (4) in connection with any application to receive—

(A) a credit under section 1518(a)(2);

(B) an allowance under section 1519; or

(C) an allowance under section 1520 (unless, and to the extent, the Secretary determines that providing such information is not feasible for the entity).

(B) IN KIND.—An entity shall provide the Secretary with the information described in paragraphs (2) through (4) in connection with any application to receive—

(A) in light of a claim under section 1518(a)(2) or section 1519; or

(B) in the event of a claim under section 1520 (unless, and to the extent, the Secretary determines that providing such information is not feasible for the entity).

(C) Exception.—In the case of a greenhouse gas emission reduction that was adjusted so as not to exceed the net reduction in covered greenhouse gas emissions, the entity shall provide the Secretary with the information verifying that, as determined by the Secretary—

(i) the entity has achieved an actual reduction in greenhouse gas emissions; and

(ii) if the reduction exceeds the net reduction of direct greenhouse gas emissions of the entity, the reduction that was adjusted so as not to exceed the net reduction.

(G) Greenhouse Gas Sequestration.—In the case of greenhouse gas sequestration under section 1520, the entity shall provide the Secretary with the information verifying that, as determined by the Secretary, the entity has achieved actual increases in net sequestration, taking into account the total use of materials and energy by the entity in carrying out the sequestration.

SEC. 1524. JUDICIAL REVIEW.

(a) In General.—Except as provided in subsection (b), section 336(b) of the Energy Policy and Conservation Act (42 U.S.C. 6906(b)) shall apply to a review of any rule issued under this subtitle in the same manner, and to the same extent, that section applies to a rule issued under sections 232, 324, and 325 of that Act (42 U.S.C. 629d, 629n, 629s).

(b) Exception.—A petition for review of a rule under this subtitle shall be filed in the United States Court of Appeals for the District of Columbia.

SEC. 1525. ADMINISTRATIVE PROVISIONS.

(a) Rules and Orders.—The Secretary may issue such rules and orders as the Secretary determines to be necessary or appropriate to carry out this subtitle.

(b) Data.

(1) In General.—In carrying out this subtitle, the Secretary may use any authority provided under section 11 of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 796).

(2) Definition of Information.—For the purposes of carrying out this subtitle, the definition of the term “information” under section 11 of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 796) shall be considered to include any information the Secretary determines to be necessary or appropriate to carry out this subtitle.

SEC. 1526. CLIMATE CHANGE ADAPTATION AND EARLY TECHNOLOGY DEPLOYMENT.

(a) Trust Fund.

(1) Establishment.—There is established in the Treasury a trust fund, to be known as the “Climate Change Adaptation and Early Technology Deployment Trust Fund” (referred to in this section as the “Trust Fund”).

(2) Deposits.—The Secretary shall deposit into the Trust Fund any funds received by the Secretary from the sale of allowance units under subsection (b) (1) or 1516.

(b) Maximum Cumulative Amount.—Not more than $50,000,000,000 may be deposited into the Trust Fund.

(c) Disbursement.—Beginning in fiscal year 2008, the Secretary shall transfer any funds deposited into the Trust Fund during the previous fiscal year as follows:

(1) Climate Change Adaptation.—25 percent of the funds shall be transferred as follows:

(A) Conservation of Coastal Wetlands.—13 percent shall be transferred to the Secretary of the Interior for purposes of making payments to producers of coastal wetland plants or land (43 U.S.C. 1356a) as amended by section 3711.

(B) Limitation.—Not more than 10 percent of the amounts received by a producer of coastal wetland plants or land under this paragraph shall be transferred to the Secretary.

(2) Wildlife Conservation.—12 percent shall be transferred to the wildlife conservation and restoration account established under the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b) (also known as the “Federal Aid in Wildlife Restoration Act”).

(3) Zero- or Low-Carbon Energy Technologies.—40 percent of the funds shall be transferred to the Secretary to carry out the zero- or low-carbon energy technologies program under subsection (c).

(4) Advanced Energy Technologies Incentive Program.—25 percent of the funds shall be transferred as follows:

(A) Advanced Coal Technologies.—20 percent shall be transferred to the Secretary to carry out the advanced coal technologies program under subsection (d).

(B) Cellulosic Biomass.—5 percent shall be transferred to the Secretary to carry out—

(i) the cellulosic biomass ethanol and municipal solid waste loan guarantee program under section 212(c) of the Clean Air Act (as added by section 206);

(ii) the cellulosic biomass ethanol conversion assistance program under section 212(f) of that Act (as added by section 206); and

(iii) the fuel from cellulosic biomass program under subsection (e).

(5) Advanced Technology Vehicles.—10 percent shall be transferred to the Secretary to carry out the advanced technology vehicles manufacturing incentive program under subsection (f).

(c) Zero- or Low-Carbon Energy Technologies Deployment.

(1) Definitions.

(A) Energy Savings.—The term “energy savings” means megawatt-hours of electricity or million British thermal units of natural gas saved by a product, in comparison to a projected energy consumption under the energy efficiency standard applicable to the product.

(B) Advanced Technology Vehicles.—The term “advanced technology vehicle” means a covered product to which an energy conservation standard applies under section 232 of the Energy Policy and Conservation Act (42 U.S.C. 629n), if the energy efficiency of the product exceeds the energy efficiency required under the standard.

(2) Zero- or Low-Carbon Generation.—The term “zero- or low-carbon generation” means generation of electricity by an electric generating unit that—

(i) emits no carbon dioxide into the atmosphere, or is fossil-fuel fired and emits into the atmosphere not more than 250 pounds of carbon dioxide per megawatt-hour (after adjustment for any carbon dioxide from the unit that is geologically sequestered); and

(ii) was placed into commercial service after the date of enactment of this Act.

(3) Financial Incentives Program.—During each fiscal year beginning on or after October 1, 2006, the Secretary shall competitively award financial incentives under this subsection in the following technology categories:

(A) Production of electricity from new zero- or low-carbon generation.

(B) Manufacture of high-efficiency consumer products.

(4) Requirements.

(A) In General.—The Secretary shall make awards under this subsection to producers of new zero- or low-carbon generation and to manufacturers of high-efficiency consumer products who—

(i) in the case of producers of new zero- or low-carbon generation, based on the bid of each producer in terms of dollars per megawatt-hour of electricity generated; and

(ii) in the case of manufacturers of high-efficiency consumer products, based on the bid of each manufacturer in terms of dollars per thousand square or million British thermal units saved.

(B) Acceptance of Bids.
In general.—In making awards under this subsection, the Secretary shall—

(i) solicit bids for reverse auction from appropriate producers and manufacturers, as determined by the Secretary; and

(ii) award financial incentives to the producers and manufacturers that submit the lowest bids that meet the requirements established by the Secretary.

(iii) Factors for conversion.—

(I) In general.—For the purpose of assessing bids under clause (i), the Secretary shall specify, by the Secretary, and

(ii) the amount bid by the producer of the low-carbon generation, and

(ii) the megawatt-hours estimated to be generated by the zero- or low-carbon generation unit each year.

(B) High-efficiency consumer products.—

An award for a high-efficiency consumer product under this subsection shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying—

(i) the amount bid by the producer of the zero- or low-carbon generation; and

(ii) the useful life of the high-efficiency consumer product, not to exceed 10 years, as determined under rules issued by the Secretary.

(C) Eligible units.—A new unit for the generation of electricity that uses renewable energy resources shall not be eligible to receive an award under this subsection if the unit receives renewable energy credits under a Federal renewable portfolio standard.

(4) Forms of awards.—

(A) Zero- and low-carbon generators.—

An award for a low-carbon generation unit under this subsection shall be in the form of a contract to provide a production payment for each year during the first 10 years of commercial service of the generation unit, in an amount equal to the product obtained by multiplying—

(i) the amount bid by the producer of the zero- or low-carbon generation; and

(ii) the useful life of the low-carbon generation unit, not to exceed 10 years, as determined under rules issued by the Secretary.

(B) High-efficiency consumer products.—

A project that receives an award under this paragraph may elect one of the following Federal financial incentives:

(i) A loan guarantee under section 1403(b).

(ii) A cost-sharing grant for not more than 50 percent of the project.

(iii) Production payments of not more than 1.5 cents per kilowatt-hour of electric output during the first 10 years of commercial service of the project.

(E) Limitation.—A project may not receive an award under this subsection if the project receives an award under subsection (c).

(5) Appropriations.—

(A) In general.—The Secretary shall set aside not less than 25 percent of the cost of the project that will capture and sequester emissions of carbon dioxide, as determined by the Secretary.

(B) Distribution of funds.—A project that receives an award under this paragraph may elect one of the following Federal financial incentives:

(i) A loan guarantee under section 1403(b).

(ii) A cost-sharing grant for not more than 50 percent of the project.

(iii) Production payments of not more than 1.5 cents per kilowatt-hour of electric output during the first 10 years of commercial service of the project.

(E) Limitation.—A project may not receive an award under this subsection if the project receives an award under subsection (c).

(6) Implementation.—

(A) In general.—The Secretary shall set aside not less than 25 percent of the cost of the project that will capture and sequester emissions of carbon dioxide, as determined by the Secretary.

(B) Distribution of funds.—A project that receives an award under this paragraph may elect one of the following Federal financial incentives:

(i) A loan guarantee under section 1403(b).

(ii) A cost-sharing grant for not more than 50 percent of the project.

(iii) Production payments of not more than 1.5 cents per kilowatt-hour of electric output during the first 10 years of commercial service of the project.

(E) Limitation.—A project may not receive an award under this subsection if the project receives an award under subsection (c).

(7) Authorization of appropriations.—

(A) In general.—The Secretary shall authorize the following appropriations:

(i) Appropriations for the direct payment under subsection (d) for the construction of production facilities and supporting infrastructure; and

(ii) Appropriations for the direct payment under subsection (d) for the construction of production facilities and supporting infrastructure.

(B) Project capital and operating costs.—The Secretary shall provide assistance under this paragraph to reimburse the project owner for a percentage of the incremental project capital and operating costs of the project that are attributable to carbon capture and sequestration, as the Secretary determines to be appropriate.

(8) Authority to make payments.—

(A) In general.—The Secretary shall make payments from the Treasury under this section to encourage a variety of projects to produce transportation fuels from cellulosic biomass, relying on different feedstocks in different regions of the United States.

(B) Project eligibility.—Incentives under this paragraph shall be provided on a competitive basis to projects that produce fuels that—

(i) are produced at least in part from cellulosic biomass; and

(ii) use technologies that capture and sequester at least 80 percent of the greenhouse gases emitted by the project.

(9) Definitions.—

(A) Advanced technology vehicle.—The term “advanced technology vehicle” means a motor vehicle that—

(i) is equipped with technology that is different from technology that is used in a vehicle produced by the same manufacturer in the calendar year before the calendar year in which the award is made; and

(ii) is equipped with technology that is different from technology that is used in a vehicle produced by the same manufacturer in the calendar year before the calendar year in which the award is made.

(B) Advanced technology vehicle manufacturer.—The term “advanced technology vehicle manufacturer” means a manufacturer that—

(i) is incorporated under the laws of a State; and

(ii) produces or distributes advanced technology vehicles in the United States.

(C) Advanced technology vehicle manufacturer incentive program.—The term “advanced technology vehicle manufacturer incentive program” means the advanced technology vehicle manufacturer incentive program established by this section.

(D) Advanced technology vehicle manufacturer incentive payment.—The term “advanced technology vehicle manufacturer incentive payment” means a payment made under paragraph (2) to a manufacturer under this section.

(E) Advanced technology vehicle manufacturer incentive payment authority.—The term “advanced technology vehicle manufacturer incentive payment authority” means—

(i) the advanced technology vehicle manufacturer incentive program established by this section; and

(ii) the advanced technology vehicle manufacturer incentive payment made under this section.
(II) meets the Tier II Bin 8 emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower numbered bin.

(B) Phase II.—If the Secretary determines under paragraph (4) that the program under this subsection has resulted in a substantial improvement in the ability of automobile manufacturers to produce light duty vehicles with improved fuel economy, the Secretary shall cease to make awards under paragraph (2) that shall apply to—
(1) facilities and equipment placed in service before January 1, 2021; and
(2) engineering integration costs incurred during the period beginning on January 1, 2014, and ending on December 31, 2020.

(D) Determination of Improvement.—
(A) In general.—Not later than January 1, 2013, the Secretary shall determine, after preparing the determination under paragraph (4) that shall apply to manufacturers to produce light duty vehicles with improved fuel economy.

(7) to authorize funds for clean energy deployment in developing countries.

(6) to integrate the objectives described in paragraph (4) of subsection (b) of this section into a global framework for clean energy technology and services, reduce greenhouse gas emissions, and strengthen energy security and independence in developing countries through the deployment of clean energy technologies;

(3) to facilitate the export of clean energy technologies to developing countries;

(4) to reduce the trade deficit of the United States by increasing the export of United States energy technologies and technological expertise;

(5) to retain and create manufacturing and related service jobs in the United States; and

(6) to integrate the objectives described in paragraphs (1) through (5) in a manner consistent with interests of the United States, into the foreign policy of the United States;

(7) to authorize funds for clean energy development activities in developing countries; and

(8) to ensure that funds awarded under part C of title VII of the Global Environmental Protection Assistance Act of 1989 (as added by section 1332) are cost-effective; and

(9) to prevent and mitigate the effects of climate change.

SEC. 731. DEFINITIONS.

(A) Clean energy technology.—The term ‘clean energy technology’ means an energy supply or end-use technology that, over its lifecycle and compared to a similar technology already in commercial use in any developing country—
(1) is reliable, affordable, economically viable, socially acceptable, and compatible with the needs and norms of the host country;
(2) results in—
(A) reduced emissions of greenhouse gases;
(B) increased geological sequestration; and
(C) may—
(i) substantially lower emissions of air pollutants; and
(ii) generate substantially smaller or less hazardous quantities of solid or liquid waste.

(2) Department.—The term ‘Department’ means the Department of State.

(3) Developing country.—
(A) In general.—The term ‘developing country’ means any country not listed in Annex I of the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992.

(B) Definition of country.—The term ‘developing country’ may include a country with an economy in transition, as determined by the Secretary in consultation with the Interagency Working Group on Clean Energy Technology Exports and the Export-Import Bank.

(4) Geothermal sequestration.—The term ‘geological sequestration’ means the capture and long-term storage in a geological formation of a greenhouse gas from an energy producing facility, which prevents the release of greenhouse gases into the atmosphere.


(6) Qualifying project.—The term ‘qualifying project’ means a project meeting the criteria established under section 735(b).

(7) Secretary.—The term ‘Secretary’ means the Secretary of State.

(8) Strategy.—The term ‘Strategy’ means the strategy established under section 733.
under paragraph (1), the President shall transmit to Congress the Strategy.

"(b) UPDATES.—

"(1) IN GENERAL.—Not later than 2 years after the date of submission of the initial Strategy under subsection (a)(1), and every 2 years thereafter—

"(A) the Task Force shall—

"(i) review and update the Strategy; and

"(ii) report the results of the review and update to the President; and

"(B) the President shall submit to Congress a report on the Strategy.

"(2) INCLUSIONS.—The report shall include—

"(A) the updated Strategy;

"(B) a description of the assistance provided under this part;

"(C) the results of the pilot projects carried out under this part, including a comparative analysis of the relative merits of each pilot project;

"(D) the activities and progress reported by developing countries to the Department under section 736(b)(2); and

"(E) the activities and progress reported towards meeting the goals established under section 736(b)(2).

"(c) CONTENT.—In developing, updating, and submitting a report on the Strategy, the Task Force shall—

"(1) assess—

"(A) energy trends, energy needs, and potential energy resource bases in developing countries;

"(B) the implications of the trends and needs for domestic and global economic and security interests;

"(C) analyze technology, policy, and market opportunities for international development, demonstration, and deployment of clean energy technologies and strategies;

"(D) examine relevant trade, tax, finance, international, and other policy issues to assess what policies, in the United States and in developing countries, would enhance markets and improve clean energy technology exports of the United States in support of—

"(i) enhancing energy innovation and cooperation, including energy sector and market reform, capacity building, and financing measures;

"(ii) improving energy use-end efficiency technologies (including buildings and facilities) and vehicle, industrial, and co-generation technology initiatives; and

"(iii) the energy supply technologies, including fossil, nuclear, and renewable technology initiatives;

"(2) investigate issues associated with building capacity to deploy clean energy technology in developing countries, including—

"(A) energy-sector reform;

"(B) the need for open, transparent, and competitive markets for clean energy technologies;

"(C) the availability of trained personnel to design and maintain clean energy technology; and

"(D) demonstration and cost-benefit analysis mechanisms to promote first adoption of clean energy technology;

"(3) establish priorities for promoting the diffusion and adoption of clean energy technologies and strategies in developing countries, taking into account economic and security interests of the United States and opportunities for the export of technology of the United States;

"(4) select the means of integrating the priorities established under paragraph (5) into bilateral, multilateral, and assistance activities and commitments of the United States; and

"(5) establish methodologies for the measurement, monitoring, verification, and reporting under section 736(b)(2) of the greenhouse gas emission impacts of clean energy projects and policies in developing countries;

"(6) establish a registry that is accessible to the public, electronic means (including through the Internet) in which information reported under section 736(b)(2) shall be collected;

"(7) make recommendations to the heads of appropriate Federal agencies on ways to streamline Federal programs and policies to improve the role of the agencies in the international development, demonstration, and deployment of clean energy technology;

"(8) make assessments and recommendations regarding the distinct technological, market, regional, and standards challenges necessary to deploy clean energy technology;

"(9) recommend conditions and criteria that will help ensure that funds provided by the United States promote sound energy policies in developing countries while simultaneously opening their markets and export clean energy technology of the United States;

"(10) establish an advisory committee, composed of representatives of the private sector and other interested groups, on the export and deployment of clean energy technology;

"(11) establish a coordinated mechanism for disseminating information to the private sector and other interested groups, on the energy trends, energy needs, and policies to support the purposes of this part, in accordance with—

"(A) the 5-year strategic plan submitted to Congress in October 2002; and

"(B) other applicable law.

"(12) recommend conditions and criteria to provide assistance for qualifying projects consistent with the Strategy and performance criteria established under section 736.

"(b) QUALIFYING PROJECTS.—To be qualified to receive assistance under this section, a project shall—

"(1) be a project—

"(A) to construct an energy production facility in a developing country for the production of energy to be consumed in the developing country; or

"(B) to improve the efficiency of energy use in a developing country;

"(2) be a project that—

"(A) is submitted by a firm of the United States to the Secretary in accordance with procedures established by the Secretary by regulation;

"(B) meets the requirements of section 160(k) of the Energy Policy Act of 1992 (42 U.S.C. 13258(k));

"(C) uses technology that has been successfully developed or deployed in the United States; and

"(D) is selected by the Secretary without regard to the developing country in which the project is located, with notice of the selection published in the Federal Register; and

"(3) when deployed, result in a greenhouse gas emission reduction (when compared to the technology that would otherwise be deployed) of at least—

"(A) in the case of a unit or energy-efficiency measure placed in service during the period beginning on the date of enactment of this Act and ending on December 31, 2009, 20 percentage points;

"(B) in the case of a unit or energy-efficiency measure placed in service during the period beginning on January 1, 2010, and ending on December 31, 2019, 40 percentage points; and

"(C) in the case of a unit or energy-efficiency measure placed in service after December 31, 2019, 60 percentage points,

"(2) INTEREST RATE.—The interest rate on a loan made under this subsection shall be

"(A) identify opportunities to reduce, avoid, or sequester greenhouse gas emissions;

"(B) establish enabling policy frameworks;

"(C) develop and access financing mechanisms; and

"(D) monitor progress in implementing clean energy and greenhouse gas reduction strategies;

"(3) enactment and implementation of market-incentive measures to promote commercial-based energy service provision and to improve the governance, efficiency, and financial performance of the energy sector; and

"(4) development and use of innovative public and private mechanisms to catalyze and leverage financing for clean energy technologies, including use of the development credit authority of the United States Agency for International Development and credit enhancements through the Export-Import Bank and the Overseas Private Investment Corporation.

"SEC. 735. PILOT PROGRAM FOR DEMONSTRA- TION PROJECTS.

"(a) IN GENERAL.—Not later than 2 years after the date of enactment of this part, the Secretary of Energy and the Administrator of the United States Agency for International Development, in consultation with the Treasury, shall establish a pilot program that provides financial assistance for qualifying projects consistent with the Strategy and performance criteria established under section 736.

"(b) QUALIFYING PROJECTS.—To be qualified to receive assistance under this section, a project shall—

"(1) be a project—

"(A) to construct an energy production facility in a developing country for the production of energy to be consumed in the developing country; or

"(B) to improve the efficiency of energy use in a developing country;

"(2) be a project that—

"(A) is submitted by a firm of the United States to the Secretary in accordance with procedures established by the Secretary by regulation;

"(B) meets the requirements of section 160(k) of the Energy Policy Act of 1992 (42 U.S.C. 13258(k));

"(C) uses technology that has been successfully developed or deployed in the United States; and

"(D) is selected by the Secretary without regard to the developing country in which the project is located, with notice of the selection published in the Federal Register; and

"(3) when deployed, result in a greenhouse gas emission reduction (when compared to the technology that would otherwise be deployed) of at least—

"(A) in the case of a unit or energy-efficiency measure placed in service during the period beginning on the date of enactment of this Act and ending on December 31, 2009, 20 percentage points;

"(B) in the case of a unit or energy-efficiency measure placed in service during the period beginning on January 1, 2010, and ending on December 31, 2019, 40 percentage points; and

"(C) in the case of a unit or energy-efficiency measure placed in service after December 31, 2019, 60 percentage points,

"(1) IN GENERAL.—For each qualifying project selected by the Secretary to participate in the pilot program, the Secretary shall make a loan or loan guarantee available for not more than 50 percent of the total cost of the project.

"(2) INTEREST RATE.—The interest rate on a loan made under this subsection shall be
equal to the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan.

(3) Host country contribution. To be eligible for a loan or loan guarantee for a project in a host country under this subsection, the host country shall—

(A) make at least a 10 percent contribution toward the total cost of the project; and

(B) verify to the Secretary (using the methodology established under section 735(e)(7) of this title) of annual greenhouse gas emissions reduced, avoided, or sequestered as a result of the deployment of the project.

(4) Capacity building research. —

(A) In general. — A proposal made for a qualifying project may include a research component intended to build technological capacity within the host country.

(B) Research. — To be eligible for a loan or loan guarantee under this paragraph, the research shall—

(i) be related to the technology being deployed; and

(ii) involve—

(I) an institution in the host country; and

(II) a participant from the United States that is an industrial entity, an institution of higher education, or a National Laboratory.

(C) Capacity building research agreements resulting in a research project in a host country under this paragraph, the host country shall make at least a 10 percent contribution toward the total cost of the research.

(5) Grants. —

(A) In general. — The Secretary, in consultation with the Secretary of Energy and the Administrator of the United States Agency for International Development, may, at the request of the United States ambassador to a host country, make grants to help address and overcome specific, urgent, and unforeseen obstacles in the implementation of a qualifying project.

(B) Maximum amount. — The total amount of a grant made for a qualifying project under this paragraph may not exceed $1,000,000.

SEC. 726. PERFORMANCE CRITERIA FOR MAJOR ENERGY CONSUMERS.

(a) Identification of Major Energy Consumers. —

(1) In general. — The Secretary, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, shall identify those developing countries that, by virtue of present and projected energy consumption and energy demand, represent the predominant share of energy use among developing countries.

(2) Performance criteria. — As a condition of receiving assistance provided under sections 734 and 735, any developing country identified under subsection (a) shall—

(I) meet the eligibility criteria established under section 607 of the Millennium Challenge Act of 2003 (22 U.S.C. 7706), notwithstanding the eligibility of the developing country as a candidate country under section 606 of that Act (22 U.S.C. 7705); and

(ii) agree to establish and report on progress in meeting specific goals for reduced greenhouse gas emissions and specific goals for—

(A) increased access to clean energy services among underserved and unserved populations,

(B) increased use of renewable energy resources;

(C) increased use of lower greenhouse gas emitting technologies;

(D) more efficient production and use of energy;

(E) greater reliance on advanced energy technologies; and

(F) the sustainable use of traditional energy resources;

(g) other goals for improving energy-related environmental performance, including the reduction or avoidance of local air and water quality and solid waste contaminants.

(b) Authorization of Appropriations. —

There are authorized to be appropriated such sums as are necessary to carry out this part for each of fiscal years 2006 through 2015.

SA 869. Mr. BYRD (for himself, Mrs. LINCOLN, Mr. ROCKEFELLER, Mr. HARKIN, and Mr. FRYOR) proposed an amendment to the amendment of Mr. CUMMINGS, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

At the appropriate place, insert the following:

SEC. 3. INCOME TAX EXCLUSION FOR CERTAIN FUTURE COSTS OF RURAL CARPOOLS.

(a) In general. —Section 132(c)(1) of the Internal Revenue Code of 1986 (defining qualified transportation fringe) is amended by adding at the end the following new subparagraph:

"(D) Fuel expenses for a highway vehicle of any employer that meets the rural carpool requirements of section 132(f)(1)(C).

(b) Limitation on exclusion. —Section 132(f)(2) of such Code (relating to limitation on exclusion) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end the following:

"(C) $50 per month in the case of the benefit described in subparagraph (D)."

(c) Rural carpool requirements. —Section 132(f) of such Code is amended by adding at the end the following new paragraph:

"(B) REQUIREMENTS FOR EMPLOYERS PARTICIPATING IN RURAL CARPOOLS.—

(A) In general. —The requirements of this paragraph are met if an employer—

(i) is an employee of an employer described in subparagraph (B),

(ii) such employee resides in a rural area (as defined by the Bureau of the Census),

(iii) such employee is not eligible to claim any qualified transportation fringe described in subparagraph (A) or (B) of paragraph (1) if provided by such employer,

(iv) such employee uses the employer’s highway vehicle as defined in subparagraph (C), and

(v) for at least 75 percent of the total mileage in such year, the employee is accompanied by 1 or more employees of such employer, and

(iii) agrees to notify such employer when an employee that—

(i) such employee resides in a rural area (as defined by the Bureau of the Census),

(ii) such employee is not eligible to claim any qualified transportation fringe described in subparagraph (A) or (B) of paragraph (1) if provided by such employer,

(iii) such employee uses the employer’s highway vehicle as defined in subparagraph (C), and

(iv) for at least 75 percent of the total mileage in such year, the employee is accompanied by 1 or more employees of such employer, and

(b) Employer described. —An employer is described in this subparagraph if the business premises of such employer which serve as the place of employment of the employee who is to be accompanied by 1 or more employees is located in an area which is not accessible by a transit system designed primarily to provide daily work trips within a local commuting area.

(d) No exclusion for employment taxes. —Section 3121(a)(20) of such Code (defining wages) is amended by inserting "(except by reason of subsection (f)(1)(D) thereof)" after "or 132".

(e) Effective date. —The amendments made by this section shall apply to expenses incurred after the date of enactment of this Act and before January 1, 2007.
(B) EXCLUSION.—The term ‘electric utility’ does not include any financial institution (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)).

(b) RULES.—The Commission may issue rules protecting the privacy of electric consumers from disclosure by an electric utility to a consumer reporting agency (as defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)).

(c) SLAMMING.—The Commission may issue rules prohibiting the change of selection of an electric utility except with the informed consent of the electric consumer or if approved by the appropriate State regulatory authority.

SA 873. Mr. SUNUNU (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

As follows:

Beginning on page 756, strike line 1 and all that follows through page 762, line 20.

SA 874. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 757, strike line 1 and all that follows through page 762, line 19.

SA 875. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 757, strike line 1 and all that follows through page 762, line 19.

SA 876. Mr. INOUYE (for himself and Mr. AKAKA) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. 2. EXCEPTION FROM VOLUME CAP FOR CERTAIN COOLING FACILITIES.

(a) In General.—Section 146 of the Internal Revenue Code of 1986 (relating to volume cap) is amended by redesignating subsections (1) through (n) as subsections (j) through (o), respectively, and by inserting after subsection (j) the following:

""(1) Exception for facilities used to cool structures with ocean water, etc.—""(1) In General.—Section 146 of the Internal Revenue Code of 1986 (relating to volume cap) is amended by redesignating subsections (l) through (n) as subsections (l) through (o), respectively, and by inserting after subsection (l) the following:

""(l) Exception for facilities used to cool structures with ocean water, etc.—""

""(1) In General.—Section 146 of the Internal Revenue Code of 1986 (relating to volume cap) is amended by redesignating subsections (l) through (n) as subsections (l) through (o), respectively, and by inserting after subsection (l) the following:

""(l) Exception for facilities used to cool structures with ocean water, etc.—""

""(1) In General.—Section 146 of the Internal Revenue Code of 1986 (relating to volume cap) is amended by redesignating subsections (l) through (n) as subsections (l) through (o), respectively, and by inserting after subsection (l) the following:

""(l) Exception for facilities used to cool structures with ocean water, etc.—""
amended by adding after the item relating to section 45N the following new item:

“45O. Weatherization assistance credit.”

(ii) ELECTRICITY USE.—The amendments made by this section shall apply to electricity use for purposes of paragraphs (1) and (2) of subsection (b) of section 38 of the Internal Revenue Code of 1986.

(iii) HYDROGEN.—The term ‘hydrogen’ includes gaseous hydrogen, liquid hydrogen, and solid hydrogen.

(iv) JUDICIAL REVIEW.—Nothing in this Act shall preclude judicial review.

SA 882. Mr. DODD (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 659, between lines 3 and 4, insert the following:

SEC. 1243. SENSE OF THE SENATE REGARDING LOCA TIONAL INSTALLED CAPACITY MECHANISM.

(a) FINDINGS.—The Senate finds that—

(1) as of the date of enactment of this Act, the States of New England have been litigating a proposal to develop and implement a specific type of locational installed capacity mechanism in New England before the Federal Energy Regulatory Commission; and

(2) the Governors of those States have objected to the proposed locational installed capacity mechanism of the Commission because the Governors believe that the mechanism—

(A) does not provide any assurance that needed generation will be built in the right place at the right time;

(B) is not linked to any long-term commitment from generators to provide energy;

(C) is extremely expensive for the region; and

(D) does not recognize efforts by the States of New England to propose alternative solutions through the creation of a regional State commission.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Federal Energy Regulatory Commission should suspend the pending locational installed capacity proceeding and allow the States of New England to propose alternatives to the locational installed capacity mechanism that have less regional economic impact and more certainty of providing the necessary generation capacity and reliability.

SA 883. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 310, strike line 25 and insert the following:

“(D) LIMITATION.—Not more than 23 percent of amounts received by a producing State or coastal political subdivision for any 1 fiscal year shall be used for the purposes described in subparagraphs (C) and (E) of paragraph (1).”

SA 884. Mr. ROCKEFELLER (for himself, Mr. BINGAMAN, and Mr. BUNNING) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 45O. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED ENERGY MANAGEMENT DEVICES.

(a) IN GENERAL.—Section 168(e)(3)(A) (defining 3-year property) is amended by striking “and” at the end of clause (ii), by striking the period at the end of the clause, by inserting “, and” and by adding at the end the following new clause:

“(iv) any qualified energy management device.”

(b) DEFINITION OF QUALIFIED ENERGY MANAGEMENT DEVICE.—Section 168(i) (relating to definitions and special rules), as amended by this Act, is amended by adding at the end the following new paragraph:

“(17) QUALIFIED ENERGY MANAGEMENT DEVICE.—For purposes of subparagraph (A) and subsection (a), the term ‘qualified energy management device’ means any meter or metering device which is used by the taxpayer—

(1) to measure and record electricity usage data on a time-differentiated basis in at least 4 separate time segments per day, and

(2) to provide such data on at least a monthly basis to both consumers and the taxpayer.”

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(5)(B) is amended by inserting after the item relating to subparagraph (A)(iii) the following:

“(A)(iv) any qualified energy management device.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005, in taxable years ending after such date.

(e) FREEZE OF INTEREST SUSPENSION RULES WITH RESPECT TO LISTED TRANSACTIONS.—(1) IN GENERAL.—(A) Section 167(f) of the Internal Revenue Code of 1986 (relating to interest on qualified business income),(B) Section 167(f) of the Internal Revenue Code of 1986 (relating to qualified dividends), and (C) Section 167(f) of the Internal Revenue Code of 1986 (relating to interest on qualified dividends), and

(ii) to provide such data on at least a monthly basis to both consumers and the taxpayer.

(f) SENSE OF THE SENATE.—The Senate finds that—

(1) the assessment of all Federal income taxes for the taxable year in which the liability arises is prevented by the operation of any law or rule of law, or

(2) the assessment of all Federal income taxes for the taxable year in which the liability arises is prevented by the operation of any law or rule of law, or

(3) LIMITATION.—Section 168(f)(1)(B) of the Internal Revenue Code of 1986 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new paragraph:

“(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to general business credit), as amended by this Act, is amended by striking “plus” at the end of paragraph (2), by striking the period at the end of paragraph (2) and inserting “plus,” and by adding at the end the following new paragraph:

“(25) Intangible drilling costs credit determined under section 45O.”

(c) QUALIFYING NATURAL GAS WELL.—For purposes of this section, the term ‘qualifying natural gas well’ means a natural gas well—

(i) which is placed in service before the date that is 3 years after the date of the enactment of this section,

(ii) which produces a qualified fuel (as defined in section 25(c)), and

(iii) the basis of which is $200,000 or greater.

(d) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under section 25(c) for any intangible amount of credit allowed under this section for all taxable years shall not exceed $50,000 with respect to any qualifying natural gas well.

(e) QUALIFYING NATURAL GAS WELL.—For purposes of this section, the term ‘qualifying natural gas well’ means a natural gas well—

(i) which is placed in service before the date that is 3 years after the date of the enactment of this section,

(ii) which produces a qualified fuel (as defined in section 25(c)), and

(iii) the basis of which is $200,000 or greater.

(f) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to general business credit), as amended by this Act, is amended by striking “plus” at the end of paragraph (2), by striking the period at the end of paragraph (2) and inserting “plus,” and by adding at the end the following new paragraph:

“(25) Intangible drilling costs credit determined under section 45O.”

(g) FREEZE OF INTEREST SUSPENSION RULES WITH RESPECT TO LISTED TRANSACTIONS.—(1) IN GENERAL.—(A) Section 167(f) of the Internal Revenue Code of 1986 (relating to interest on qualified business income), and

(2) SPECIAL RULE FOR CERTAIN LISTED TRANSACTIONS.—(1) IN GENERAL.—Except as provided in clause (ii) or (iii), in the case of any listed transaction, the amendments made by subsection (c) shall apply with respect to interest accruing on or before October 3, 2004.

(2) SPECIAL RULE FOR CERTAIN LISTED TRANSACTIONS.—(1) IN GENERAL.—Except as provided in clause (ii) or (iii), in the case of any listed transaction, the amendments made by subsection (c) shall apply with respect to interest accruing on or before October 3, 2004.

(ii) PARTICIPANTS IN SETTLEMENT INITIATIVES.—Clause (i) shall not apply to a listed transaction if, as of May 9, 2004—

(I) the taxpayer is participating in a published settlement initiative which is offered by the Secretary of the Treasury or his delegate to a group of similarly situated taxpayers claiming benefits from the listed transaction, or

(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative with respect to the tax liability arising in connection with the listed transaction.

Subclause (i) shall not apply to the taxpayer if, after May 9, 2005, the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary or his delegate determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.

(iii) CLOSED TRANSACTIONS.—Clause (i) shall not apply to a listed transaction if, as of May 9, 2005—

(I) the assessment of all Federal income taxes for the taxable year in which the liability arises is prevented by the operation of any law or rule of law, or

(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative with respect to the tax liability arising in connection with the listed transaction.
“(ii) a closing agreement under section 721I has been entered into with respect to the tax liability arising in connection with the listed transaction.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

SA 886. Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

SEC. 211. WASTE-DERIVED ETHANOL AND BIODESET.

Section 312(d)(1) of the Energy Policy Act of 1992 (42 U.S.C. 13220(c)(1)) is amended—

(1) by striking “biodeisel” means and inserting the following: “biodeisel” means; and

(2) in subparagraph (A) (as designated by paragraph (1)) by striking “and” at the end and inserting the following:

“(B) includes ethanol and biodeisel derived from—

(i) animal wastes, including poultry fats and poultry wastes, and other waste materials; or

(ii) municipal solid waste and sludges and oils derived from wastewater and the treatment of wastewater; and

SA 887. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert:

SEC. 15. STATE INCENTIVES FOR USE OF CLEAN COAL TECHNOLOGY.

(a) DEFINITIONS.—In this section—

(i) the term ‘compliance facility’ means any facility that—

(A) is designed, constructed, or installed, and used, at a coal-fired electric generation unit for the primary purpose of complying with acid rain control requirements established by title IV of Public Law 101–549 (commonly known as the ‘Clean Air Act Amendments of 1990’), (42 U.S.C. 7651 et seq.); and

(ii) controls or limits emissions of sulfur or nitrogen compounds resulting from the combustion of coal through the removal or reduction of those emissions before, during, or after the combustion of the coal, but before the combustion products are emitted into the atmosphere;

(b) APPLICABILITY.—The term ‘compliance facility’ includes—

(i) any area within which such facility is located;

(ii) the applicable share of any area contiguous to the area described in clause (i) which is owned or occupied by a governmental unit that generates, transmits, or distributes electric energy which is not in-service on or after the date of issuance of the contract to acquire natural gas

(c) TREATMENT OF BIODIESEL AS NATURAL GAS.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(b) PRIVATE LOAN FINANCING TEST NOT TO APPLY TO PREPAYMENTS FOR NATURAL GAS.—In section 141(c)(2) of the Internal Revenue Code of 1986 (providing exceptions to the private loan financing test) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by adding at the end the following new subparagraph:

“(C) is a qualified natural gas supply contract (as defined in section 148(b)); and

(c) CONFORMING AMENDMENT.—Section 141(d) of the Internal Revenue Code of 1986 is amended by striking at the end the following new paragraph:

“(7) EXCEPTION FOR QUALIFIED ELECTRIC AND NATURAL GAS SUPPLY CONTRACTS.—The term ‘qualified natural gas supply contract’ shall not include any contract for the prepayment of electricity or natural gas which is not investment property under section 148(b).”

(c) TREATMENT OF BIODIESEL AS NATURAL GAS.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(d) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(e) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(f) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(g) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(h) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(i) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(j) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(k) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(l) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(m) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(n) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(o) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(p) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(q) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(r) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(s) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(t) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(u) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(v) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(w) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(x) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(y) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.

(z) TREATMENT OF BIODIESEL AS ELECTRIC ENERGY.—In section 148(b) of the Internal Revenue Code of 1986, (a) and (b) are amended by striking “natural gas” and inserting “biodeisel” in place thereof.
formula to be determined by the State, for the use of coal mined from deposits in the State that is burned in a coal-fired electric generation unit that is owned or operated by the electric utility that receives the credit.

(c) EFFECT ON INTERSTATE COMMERCE.—Action taken by a State in accordance with this section—

(1) shall be considered to be a reasonable regulation of commerce as of the effective date of the action; and

(2) shall not be considered to impose an undue burden on interstate commerce or to otherwise impair, restrain, or discriminate against interstate commerce.

SA 889. Ms. SNOWE (for herself and Mr. STEVENS) submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

(The bill will be printed in a future edition of the RECORD.)

SA 890. Mr. SMITH submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 154, strike line 24, and insert the following:

"SOLAR ENERGY PROPERTY.—Clause (1)"

On page 155 lines 2 through 3, strike "for use in a structure".

SA 891. Mr. DOMENICI (for himself, Mr. BINGAMAN, Ms. LANDRIEU, Mr. VITTER, Mr. LOTT, Mr. COCHRAN, and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 297, strike line 2 and all that follows through page 310, line 25, and insert the following:

SEC. 371. COASTAL IMPACT ASSISTANCE PROGRAM.

Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is amended to read as follows:

"SEC. 31. COASTAL IMPACT ASSISTANCE PROGRAM.

"(a) Definition of term.—In this section:

"(1) COASTAL POLITICAL SUBDIVISION.—The term "coastal political subdivision" means a political subdivision of a coastal State any part of which political subdivision is—

"(A) within the coastal zone as defined in section 504 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453) of the coastal State for the purposes of the Energy Policy Act of 2005; and

"(B) not more than 200 nautical miles from the geographic center of any leased tract.

"(2) COASTAL POPULATION.—The term "coastal population" means the population, as determined by the most recent official data of the Census Bureau, of each political subdivision any part of which lies within the designated coastal boundary of a State (as defined in a State’s coastal zone management program under the Coastal Zone Management Act of 1972 (16 U.S.C. 1453 et seq.).

"(3) COASTAL STATE.—The term "coastal State" has the meaning given the term in section 504 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

"(4) COASTLINE.—The term "coastline" has the meaning given the term "coast line" in section 2 of the Submerged Lands Act (43 U.S.C. 1301).

"(5) DISTANCE.—The term ‘distance’ means the minimum great circle distance, measured in statute miles, occurring on January 1, 2005, from a lease or portion of a lease which is located within 200 nautical miles of any part of which political subdivision is—

"(6) LEASE TRACT.—The term ‘leased tract’ means a tract that is subject to a lease under section 6 or 8 for the purpose of drilling for, developing, and producing oil or natural gas resources.

"(7) LEASING MORATORIA.—The term ‘leasing moratoria’ means the prohibitions on leasing, and related activities on, any geographic area of the outer Continental Shelf as contained in sections 107 through 110 of division E of the Consolidated Appropriations Act, 2005 (Public Law 108–447; 118 Stat. 3038).

"(8) POLITICAL SUBDIVISION.—The term ‘political subdivision’ means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs.

"(9) PRODUCING STATE.—

"(A) In general.—The term ‘producing State’ means a State that has a coastline in the producing area as determined under paragraph (B) of this section; bears to the coastal population of the State based on the ratio that—

"(i) the number of miles of coastline of the producing State; and

"(ii) the number of miles of coastline of coastal political subdivisions in the producing State; and

"(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES.—For purposes of subparagraph (A)—

"(i) the number of miles of coastline of producing States and coastal political subdivisions in the producing State; and

"(ii) the amount of qualified outer Continental Shelf revenues for each of fiscal years 2007 and 2008 shall be determined using qualified outer Continental Shelf revenues received for fiscal year 2006; and

"(B) EXCLUSION OF CERTAIN LEASED TRACTS.—For purposes of subparagraph (A)—

"(i) the number of miles of coastline of the producing State; and

"(ii) the geographic center of the leased tract.

"(C) MINIMUM ALLOCATION.—The amount allocated to a coastal political subdivision shall be the amount allocated to a producing State under subparagraph (A) minus 25 percent of the amounts available under paragraph (1).

(4) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS.—

"(A) IN GENERAL.—The Secretary shall pay 35 percent of the allocable share of each producing State, as determined under paragraph (3), to coastal political subdivisions in the producing State.

"(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES.—

"(A) IN GENERAL.—The term ‘qualified Outer Continental Shelf revenues’ includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-charge interest from natural gas and oil leases issued under this Act.

"(B) EXCLUSION.—The term ‘qualified Outer Continental Shelf revenues’ includes any revenues from a leased tract or portion of a leased tract that included a qualified Outer Continental Shelf revenues generated off the coastline of the producing State; bears to the producing area as determined under paragraph (B); and

"(ii) the coastal population of the producing State; and

"(iii) 50 percent shall be allocated to each coastal political subdivision in the proportion that—

"(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES.—

"(A) IN GENERAL.—The term ‘qualified Outer Continental Shelf revenues’ includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-charge interest from natural gas and oil leases issued under this Act.

"(B) EXCLUSION.—The term ‘qualified Outer Continental Shelf revenues’ includes any revenues from a leased tract or portion of a leased tract that includes a qualified Outer Continental Shelf revenues generated off the coastline of the producing State; bears to the producing area as determined under paragraph (B); and

"(iii) 50 percent shall be allocated to each coastal political subdivision in the proportion that—

"(ii) the coastal population of the producing State; and

"(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES.—

"(A) IN GENERAL.—The term ‘qualified Outer Continental Shelf revenues’ includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-charge interest from natural gas and oil leases issued under this Act.

"(B) EXCLUSION.—The term ‘qualified Outer Continental Shelf revenues’ includes any revenues from a leased tract or portion of a leased tract that includes a qualified Outer Continental Shelf revenues generated off the coastline of the producing State; bears to the producing area as determined under paragraph (B); and

"(ii) the coastal population of the producing State; and

"(iii) 50 percent shall be allocated to each coastal political subdivision in the proportion that—

"(ii) the coastal population of the producing State; and

"(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES.—

"(A) IN GENERAL.—The term ‘qualified Outer Continental Shelf revenues’ includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-charge interest from natural gas and oil leases issued under this Act.

"(B) EXCLUSION.—The term ‘qualified Outer Continental Shelf revenues’ includes any revenues from a leased tract or portion of a leased tract that includes a qualified Outer Continental Shelf revenues generated off the coastline of the producing State; bears to the producing area as determined under paragraph (B); and

"(ii) the coastal population of the producing State; and

"(iii) 50 percent shall be allocated to each coastal political subdivision in the proportion that—
area subject to a leasing moratorium on January 1, 2005, unless the lease is in production on that date.

(6) No Approved Plan.—(A) In General.—Subject to subparagraph (B) and except as provided in subparagraph (C), in a case in which any amount allocated to a producing State or coastal political subdivision on the date specified in paragraph (1) or (3) is not disbursed because the producing State does not have in effect a plan that has been approved by the Secretary under subsection (c), the Secretary shall allocate the undisbursed amount equally among all other producing States.

(B) Retention of Allocation.—The Secretary shall hold in escrow an undisbursed amount described in subparagraph (A) until such date as the final appeal regarding the disapproval of a plan submitted under subsection (c) is decided.

(C) Waiver.—The Secretary may waive subparagraph (A) with respect to an allocated share of a producing State and hold the allocable share in escrow if the Secretary determines that the producing State is making a good faith effort to develop and submit, or update, a plan in accordance with subsection (c).

(7) Coastal Impact Assistance Plan.—(A) In General.—Not later than July 1, 2008, the Governor of a producing State shall submit to the Secretary a coastal impact assistance plan.

(B) Components.—The Secretary shall approve a plan submitted under paragraph (1) if—

(i) the Secretary determines that the plan is consistent with the uses described in subsection (d); and

(ii) the plan contains—

(aa) the name of the State agency that will have authority to represent and act on behalf of the producing State in dealing with the Secretary for purposes of this section;

(bb) a program for the implementation of the plan, the demonstration project, and the ability of appropriations, the Secretary shall prescribe the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (i) to such ultimate vendor, but only if such ultimate vendor is a person who—

(A) is registered under section 4101, and

(B) meets the requirements of subparagraph (A), (B), or (D) of section 4106(a)(1).

(C) Effective Date.—An amendment made by this section shall apply to any biodiesel mixture sold after the date of the enactment of this Act.

SA 895. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 53, line 8, strike the quotation marks and the final period and insert the following:

(7) Refunds for Biodiesel Mixture.—With respect to diesel fuel used in any biodiesel mixture, if the ultimate purchaser of such mixture waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (i) to such ultimate vendor, but only if such ultimate vendor is a person who—

(A) is registered under section 4101, and

(B) meets the requirements of subparagraph (A), (B), or (D) of section 4106(a)(1).

(8) Refund for Biodiesel Mixtures.—Not more than 23 percent of amounts received by a producing State or coastal political subdivision for any 1 fiscal year shall be used for the purposes described subparagraphs (C) and (E) of paragraph (1).

SA 896. Mr. SÁLZAR submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 731. PAYMENT TO CERTAIN ULTIMATE VENDORS OF EXCISE TAX REFUND FOR BIODIESEL MIXTURES SOLD FOR NONTAXABLE PURPOSES.

(a) In General.—Section 6427(l) of the Internal Revenue Code of 1986 (relating to non-taxable uses of diesel fuel and kerosene), as amended by this Act, is amended by adding at the end the following new paragraph:

(7) Refunds for Biodiesel Mixtures.—With respect to diesel fuel used in any biodiesel mixture, if the ultimate purchaser of such mixture waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (i) to such ultimate vendor, but only if such ultimate vendor is a person who—

(A) is registered under section 4101, and

(B) meets the requirements of subparagraph (A), (B), or (D) of section 4106(a)(1).

(SA 896)

Mr. SÁLZAR submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 53, line 8, strike the quotation marks and the final period and insert the following:

(7) Refunds for Biodiesel Mixtures.—With respect to diesel fuel used in any biodiesel mixture, if the ultimate purchaser of such mixture waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (i) to such ultimate vendor, but only if such ultimate vendor is a person who—

(A) is registered under section 4101, and

(B) meets the requirements of subparagraph (A), (B), or (D) of section 4106(a)(1).

(SA 896)
On page 424, after line 16, insert the following:

SEC. 712. UPDATED FUEL ECONOMY LABELING PROCEDURES.—(a) In General.—The Administrator of the Environmental Protection Agency shall, as appropriate and in consultation with the Administrator of the National Highway Traffic Safety Administration, update and revise the process used to determine fuel economy values for labeling purposes as set forth in sections 600.209 and 600.209.95 (40 C.F.R. 600.209 and 600.209.95) to take into consideration current factors such as speed limits, acceleration rates, braking, variations in weather and temperature, vehicle load, use of air conditioning, driving patterns, and the use of other fuel consuming features. The Administrator shall use existing emissions test cycles and, or, updated adjustment factors to implement the requirements of this subsection.

(b) Deadline.—The Administrator of the Environmental Protection Agency shall promulgate a notice of proposed rulemaking by December 31, 2005, and a final rule within 18 months after the date on which the Administrator issues the notice.

(c) Study.—Not later than 5 years after issuing the final rule required by subsection (b) and every 3 years thereafter the Administrator of the Environmental Protection Agency shall reconvene the fuel economy labeling procedures required under subsection (a) to determine if the changes in the factors require revisiting the process. The administrator shall report to the Senate Committee on Commerce, Science and Transportation and to the House of Representatives Committee on Energy and Commerce on the outcome of the reconsideration process.

SA 897. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 684, between lines 5 and 6, insert the following:

SEC. 1233. SMART ENERGY DEPLOYMENT.
Not later than 1 year after the date of enactment of this Act and annually thereafter, the Secretary shall submit to Congress a report that—

(1) describes the status of the implementation by the States of the amendments made by sections 1231 and 1234;

(2) contains a list of preapproved systems and equipment eligible to meet the standards established under the amendments made by sections 1231 and 1234; and

(3) describes—

(A) the public benefits that have been derived from net metering and interconnection standards; and

(B) any barriers to further deployment of net metering and interconnection technologies.

SA 898. Mr. LEVIN (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 223, after lines 13 and 14, insert the following:

SEC. 985. WESTERN MICHIGAN DEMONSTRATION PROJECT.

(a) In General.—Not later than 2 years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency (referred to in this section as the "Administrator"), in consultation with the State of Michigan and affected local officials, shall conduct a demonstration project to address the effect of transported ozone and ozone precursors in southwestern Michigan.

(b) Included Areas.—The demonstration project shall address projected nonattainment areas in southwestern Michigan that include counties with design values for ozone of less than .095 based on air quality data for—

(1) the period of calendar years 2000 through 2002; or

(2) the most current 3-year period for which those data are available.

(c) Assessment Requirement.—The Administrator shall assess any difficulties an area described in subsection (b) may experience in meeting the 8-hour national ambient air quality standard for ozone under the Clean Air Act (42 U.S.C. 7401 et seq.) because of the effect of transported ozone or ozone precursors into the area.

(d) State and Local Involvement.—The Administrator shall cooperate with State and local officials to determine—

(1) the extent of ozone and ozone precursor transport described in subsection (c);

(2) to assess alternatives to achieve compliance with the 8-hour standard described in subsection (c) other than through local controls; and

(3) to determine the timeframe in which that compliance could be achieved.

(e) Nonattainment Status.—(1) In general.—Until such date as the demonstration project under this section is complete, the Administrator shall not—

(A) designate or classify any area described in subsection (b) as a nonattainment area under section 181 of the Clean Air Act (42 U.S.C. 7511); or

(B) impose on such an area any requirement or sanction that might otherwise apply as a result of the area being so designated or classified.

(2) Current Designation.—Any designation or classification of an area described in subsection (b) as a nonattainment area that is in effect as of the date of enactment of this Act shall be of no force or effect on and after that date.

SA 899. Mr. ENZI submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 296, after line 25, add the following:

SEC. 34. RESTATEMENT OF LEASES.

Notwithstanding section 31(d)(2)(A)(B) of the Mineral Leasing Act (30 U.S.C. 188(d)(2)(A)(B)), the Secretary may restate any oil and gas lease issued under that Act that was terminated by operation of a lease to pay the full amount of rental on or before the anniversary date of the lease, during the period beginning on September 1, 2001, and ending on the date that is 60 days after the date of enactment of this Act, if, not later than 120 days after the date of enactment of this Act, the lessee—

(1) files a petition for reinstatement of the lease;

(2) complies with the conditions of section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)); and

(3) certifies that the lessee did not receive a notice of termination by the date that was 13 months before the date of termination.

SA 900. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 6. RATEPAYER PROTECTION. (a) Study or Review of Utility Actions to Reduce Carbon Dioxide Emissions on Disadvantaged Individuals.—

(1) Definitions.—In this subsection:

(A) Disadvantaged Individual.—The term ‘‘disadvantaged individual’’ means—

(i) an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(ii) a member of a family whose income does not exceed the poverty line, as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902);

(iii) an individual who belongs to a minority group;

(iv) a senior citizen; and

(v) other disadvantaged individuals.

(B) Utility.—The term ‘‘utility’’ means any for-profit organization that—

(i) provides retail customers with electric services; and

(ii) is regulated, either by price or terms of service, by 1 or more State utility or public service commissions.

(2) Study.—Not later than 30 days after the date of enactment of this Act, the Congressional Budget Office, in consultation with other appropriate organizations, shall initiate a study to determine the effect on disadvantaged individuals of actions taken or considered, or likely to be taken or considered, by utilities to reduce the carbon dioxide emissions of the utilities.

(3) Report.—

(A) In general.—Not later than 1 year after the date of enactment of this Act, the Congressional Budget Office shall submit to Congress a report that specifically describes the results of the study, including the economic costs to disadvantaged individuals of actions by utilities intended to reduce carbon dioxide emissions.

(B) Review Period.—Congress shall have 180 days after the date of receipt by Congress of the report described in paragraph (B) to review the report.

(C) Effective Date.—If the Congressional Budget Office determines that there would be an additional economic burden on any of the classes of disadvantaged individuals if the costs of actions by utilities intended to reduce carbon dioxide emissions were recovered, the amendment made by section 3 shall take effect on the day after the end of the review period described in subparagraph (B).

(D) Payments to Electric Generating Units.—

(1) In general.—Beginning in calendar year 2008 and each subsequent calendar year, the Federal Energy Regulatory Commission shall—

(A) review any costs submitted under paragraph (1); and

(B) approve or disapprove the submitted costs as legitimate; and

(C) determine the total amount of approved costs submitted by all electric generating units.

(2) Average Costs.—The Commissioner shall determine—

(A) review any costs submitted under paragraph (1); and

(B) approve or disapprove the submitted costs as legitimate; and

(C) determine the total amount of approved costs submitted by all electric generating units.
(A) the total megawatts of electricity produced from all electric generating units for the calendar year; and

(B) the average cost per megawatt incurred in connection with any carbon dioxide reduction mandate of this Act by dividing—

(i) the total costs approved under paragraph (2)(C) by

(ii) the total megawatts determined under subparagraph (A).

(4) PAYMENTS TO COMMISSIONER.—Each electric generating unit that submitted to the Commission a proposal in an amount equal to the product obtained by multiplying—

(A) the average cost per megawatt determined by the Commissioner under paragraph (3); and

(B) the total megawatts of electricity produced by the electric generating unit during a calendar year, as determined by the Commissioner.

(5) REIMBURSEMENT OF COSTS.—The Commissioner shall provide to each electric generating unit that submitted costs under paragraph (1) that were approved under paragraph (2) an amount to reimburse the electric generating unit for any costs of complying with any carbon dioxide reduction mandate of this Act by subtracting from the amount submitted by the electric generating unit in excess of the amount required to be paid by the electric generating unit under paragraph (4).

(6) REGULATIONS.—The Commissioner shall issue regulations to carry out this subsection, including provisions that establish—

(A) criteria for determining the legitimacy of costs under paragraph (2);

(B) a deadline and other appropriate conditions for payments required under paragraph (4); and

(C) procedures for the provision of reimbursement payments under paragraph (5).

(c) UTILITY ACTIONS TO REDUCE CARBON DIOXIDE EMISSIONS.—

(1) IN GENERAL.—The National Climate Protection Program shall make program information available to and cooperate with the Federal Emergency Management Agency and the Department of Agriculture; and

(2) PROHIBITION ON CERTAIN COMMISSION ACTIONS.—No State utility commission, public service commission, or similar entity may compel ratepayers to pay the costs, expenses, fees, or other outlays incurred for the stated purpose by a utility to reduce carbon dioxide emissions.

(3) SHAREHOLDER OBLIGATIONS UNAFFECTED.—Nothing in this section prevents the shareholders of, or other parties associated with (other than ratepayers), a utility from paying for any action by the utility to reduce carbon dioxide emissions.

SA 901. Ms. SNOWE (for herself and Mr. BURNS) submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 52, line 24, strike “efficiency;” and all that follows through page 53, line 8 and insert the following: “efficiency;

(‘‘C’’ understanding and accessing Federal procurement opportunities with regard to Energy Star technologies and products; and

(‘‘D’’ identifying financing options for energy efficient devices, products, and services.

(2) The Secretary, the Administrator of the Environmental Protection Agency, and the Administrator of the Small Business Administration, including small business development centers, women’s business centers, and the Service Corps of Retired Executives (SCORE), and through grant programs, including the Federal Emergency Management Agency and the Department of Agriculture; and

(‘‘A’’ make program information available to small business concerns directly through the district offices and resource partners of the Small Business Administration; and

(‘‘B’’ coordinate assistance with the Secretary of Commerce for manufacturing-related efforts, including the Manufacturing Extension Partnership Program.

The Secretary, on a cost shared basis in cooperation with the Administrator of the Environmental Protection Agency, shall provide to the Small Business Administration all advertising, marketing, and other written materials necessary for the dissemination of information under paragraph (2).

(4) The Secretary, the Administrator of the Environmental Protection Agency, and the Administrator of the Small Business Administration, as a part of the outreach to small business concerns regarding the Energy Star Program required by this subsection, may enter into cooperative agreements with qualified resource partners (including the National Center for Appropriate Technology) that shall, maintain, and promote a Small Business Energy Clearinghouse (in this subsection referred to as the ‘‘Clearinghouse’’). The Secretary and the Administrator shall enter into agreements that provides a centralized resource where small business concerns may access, telephonically and electronically, technical information and advice to help increase energy efficiency and reduce energy costs.

(5) There are authorized to be appropriated such sums as may be necessary to carry out this subsection, to remain available until expended.

SEC. 9. UTILITY ACTIONS TO REDUCE CARBON DIOXIDE EMISSIONS.

(a) DEFINITION OF UTILITY.—In this section, the term ‘‘utility’’ means any organization that—

(1) provides retail customers with electricity service; and

(2) is regulated, either by price or terms of service, by 1 or more State utility or public service commissions.

(b) RATEPAYERS PROHIBITED.—

(1) IN GENERAL.—No utility may recover from ratepayers any costs, expenses, fees, or other outlays incurred for the stated purpose by a utility to reduce carbon dioxide emissions.

(2) PROHIBITION ON CERTAIN COMMISSION ACTIONS.—No State utility commission, public service commission, or similar entity may compel ratepayers to pay the costs, expenses, fees, or other outlays incurred for the stated purpose by a utility to reduce carbon dioxide emissions.

SEC. 711. SHORT TITLE.

This subtitle may be cited as the ‘‘Automobiles and Commercial Vehicular Fuel Efficiency Improvements Act of 2005.’’

SEC. 712. PHASED INCREASES IN FUEL ECONOMY STANDARDS.

(a) PASSENGER AUTOMOBILES.—

(1) MINIMUM STANDARDS.—Section 32902(b) of title 49, United States Code, is amended to read as follows:

(b) PASSENGER AUTOMOBILES.—Except as otherwise provided under this section, the average fuel economy standard for passenger automobiles manufactured by a manufacturer in a model year—

(1) after model year 1984 and before model year 2008 shall be 25 miles per gallon;

(2) after model year 2007 and before model year 2011 shall be 28 miles per gallon;

(3) after model year 2010 and before model year 2014 shall be 29 miles per gallon;

(4) after model year 2013 and before model year 2017 shall be 31 miles per gallon;

(5) after model year 2014 and before model year 2018 shall be 32 miles per gallon.

(2) HIGHER STANDARDS SET BY REGULATION.—Section 32902(c) of title 49, United States Code, is amended—

(A) by striking paragraph (2); and

(B) in paragraph (1) by striking—

(1) the subject to paragraph (2) of this subsection, the and inserting ‘‘The’’;

(ii) by striking ‘‘amending the standard and inserting 3.21 as the standard otherwise applicable’’; and

(iii) by striking ‘‘Section 553’’ and inserting the following:

(3) NON-PASSENGER AUTOMOBILES.—Section 32902(a) of title 49, United States Code, is amended—

(1) by striking ‘‘At least 18 months before each model year,’’ and inserting the following:

‘‘(1) The average fuel economy standard applicable for automobiles (except passenger automobiles) manufactured by a manufacturer in a model year—

(A) after model year 1984 and before model year 2008 shall be 17 miles per gallon;

(B) after model year 2007 and before model year 2011 shall be 19 miles per gallon;

(C) after model year 2010 and before model year 2014 shall be 21.5 miles per gallon;

(D) after model year 2013 and before model year 2017 shall be 24.5 miles per gallon;

(E) after model year 2016 shall be 27.5 miles per gallon, except as provided under paragraph (2).

(2) At least 18 months before the beginning of each model year after model year 2017, ‘‘

(3) if the Secretary does not increase the average fuel economy standard applicable under paragraph (1)(E) or (2), or applicable to a class under subparagraph (A) within 24 months after the latest increase in the standard applicable under paragraph (1)(E) or (2), the Secretary, not later than 90 days after the expiration of the 24-month period, shall submit to Congress a report containing an explanation of the reasons for not increasing the standard.’’

SEC. 713. INCREASED INCLUSIVENESS OF DEFINITIONS OF AUTOMOBILE AND PASSENGER AUTOMOBILE.

(a) AUTOMOBILE.—

(1) IN GENERAL.—Section 32901(a)(3) of title 49, United States Code, is amended—

(A) by striking ‘‘6,000 pounds’’ each place it appears and inserting ‘‘10,000 pounds’’; and

(B) in subparagraph (B) by striking—

(i) ‘‘10,000 pounds’’ and inserting

‘‘14,000 pounds’’; and

(ii) ‘‘an average fuel economy standard’’ and all that follows through ‘‘conservation’’.

(2) SPECIAL RULE.—Section 32901(a)(1) of subsection (a) is amended by striking ‘‘8,500 pounds’’ and inserting ‘‘14,000 pounds’’.

(b) PASSENGER AUTOMOBILE.—Section 32901(a)(16) of title 49 is amended to read and apply as follows:

‘‘(16) ‘‘passenger automobile’’—

‘‘(A) means, except as provided in subparagraph (B), an automobile having a gross vehicle weight of 12,000 pounds or less that is designed to be used principally for the transportation of persons; but

‘‘(B) does not include—

(i) a vehicle that is a primary load carrying device or container attached;

(ii) a vehicle that has a seating capacity of more than 12 persons;

(iii) a vehicle that has a seating capacity of more than 9 persons behind the driver’s seat; or

(iv) a vehicle that is equipped with a cargo area of at least 6 feet in interior length and that does not extend beyond the frame of the vehicle and is an open area or is designed for
use as an open area but is enclosed by a cap and is not readily accessible directly from the passenger compartment.’’.

(c) APPLICABILITY.—The amendments made by this section shall apply with respect to automobiles manufactured for model years beginning after the date of enactment of this Act.

SEC. 714. PENALTIES.

(a) INCREASED PENALTY FOR VIOLATIONS OF FUEL ECONOMY STANDARDS.—Section 32912(b) of title 49, United States Code, is amended—

(1) by striking “(1)’’ before “Except as provided in section”;

(2) by striking “$5” and inserting “the dollar amount applicable under paragraph (2)”; and

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

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

“(2) The dollar amount referred to in paragraph (1) is $10, as increased from time to time under subparagraph (B).

“(2) Effective on October 1 of each year, the dollar amount applicable under subparagraph (A) shall be increased by the percentage (rounded to the nearest ten-cent of one percent) by which the price index for July of such year exceeds the price index for July of the preceding year. The amount calculated under the preceding sentence shall be rounded to the nearest $10.

“(3) In this paragraph, the term ‘price index’ means the Consumer Price Index for all-urban consumers published monthly by the Department of Labor.’’

(b) CONFORMING AMENDMENT.—Section 32912(c)(1) of title 49, United States Code, is amended—

(1) by striking subparagraph (B); and

(2) by redesigning subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(c) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to automobiles manufactured for model years beginning after the date of enactment of this Act.

SEC. 715. STANDARDS FOR EXECUTIVE AGENCY AUTOMOBILES.

Section 32917 of title 49, United States Code, is amended—

(1) in section (b)—

(A) by amending paragraph (1) to read as follows:

“(1) The President shall prescribe regulations that—

“(A) in the case of non-passenger automobiles purchased, leased, or otherwise acquired for use by executive agencies in a fiscal year that year of at least the average fuel economy standard applicable under section 32902(a) of this title for the model year that includes January 1 of that fiscal year, and

“(B) in the case of passenger automobiles, a fleet average fuel economy for that year of at least the average fuel economy standard applicable under section 32902(a) of this title for the model year that includes January 1 of that fiscal year, and

“(C) a ratio of the number of passenger automobiles leased for at least 60 consecutive days or bought by executive agencies in a fiscal year to the amount determined under subparagraph (B) that is at least 5 miles per gallon higher than the average fuel economy standard applicable to the automobile under subparagraph (B) or (C) of section 32902 of this title for the model year that includes January 1 of that fiscal year; and

“(2) by redesigning subparagraphs (B) and (C), respectively; and

(2) by adding at the end the following:

“(d) INCREASED PENALTY.—The President shall prescribe regulations that require that—

“(1) at least 20 percent of the passenger automobiles leased for at least 60 consecutive days or bought by executive agencies in a fiscal year have a fuel vehicle economy rating that is at least 5 miles per gallon higher than the average fuel economy standard applicable to the automobile under subparagraph (B) or (C) of section 32902 of this title for the model year that includes January 1 of that fiscal year; and

“(2) beginning in fiscal year 2011, at least 10,000 vehicles in the fleet of automobiles acquired by executive agencies in a fiscal year have a vehicle fuel economy that is at least 5 miles per gallon higher than the average fuel economy standards applicable to such automobiles under section 32902 of this title for the model year that includes January 1 of that fiscal year.’’

SEC. 716.

SA 903. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 469, strike line 10 and all that follows through page 470, line 20, and insert the following:

“(d) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance, including Industry Alliance participants;

“(A) small businesses;

“(B) National Laboratories; and

“(C) institutions of higher education.

“(2) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

“(A) comments to identify solid-state lighting technology needs;

“(B) an assessment of the progress of the research activities of the Initiative; and

“(C) assistance in annually updating solid-state lighting technology roadmaps.

“(c) M INIMUM NUMBER OF EXCEPTIONALLY HIGH PERFORMANCE BUILDINGS IN RESEARCH.

“(1) The Secretary shall annually solicit from the Industry Alliance—

“(A) research projects that are broadly representative of United States research activities of the Initiative, assembly, or original installation of the property described in paragraph (2) or (3), including the cost of piping or wiring to interconnect such property to the dwelling unit.

“(ii) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall be treated as property solely because it constitutes a structural component of the structure on which it is installed.

“(iii) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term ‘qualified photovoltaic property expenditure’ means any property expenditure for property which uses solar energy to heat or cool a dwelling unit or qualify as property for the purposes of paragraph (1) or (2).

“(iv) SOLAR HEATING PROPERTY EXPENDITURE.—The term ‘qualified solar heating property expenditure’ means any property expenditure for property which uses solar energy to heat or cool a swimming pool.

“(v) SPECIAL RULES.—

“(1) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by more than one individual, the Secretary shall apply separately with respect to such dwelling unit the requirements of this section (and any other provisions of subtitle D of this subchapter) to the aggregate of such expenditures made by all of such individuals during such calendar year.

“(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends, in an amount equal to the aggregate of such expenditures made by all of such individuals during such calendar year.

“(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing

SEC. 25D. RENEWABLE ENERGY EQUIPMENT CREDIT.

(a) IN GENERAL.—Section 25D of the Internal Revenue Code of 1986 (as amended by section 1272 of this Act), is amended to read as follows:

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of so much of the qualified photovoltaic property expenditures or qualified solar heating property expenditures made by the taxpayer during such year as do not exceed $7,500.

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

“(1) PROPERTY EXPENDITURE.—

“(A) In general.—The term ‘property expenditure’ means any expenditure for property which uses solar energy to heat or cool;

“(B) INCLUSIONS.—

“(i) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used by more than one individual, the Secretary shall apply separately with respect to such dwelling unit the requirements of this section to the aggregate of such expenditures made by all of such individuals during such calendar year.

“(B) Qualifying photovoltaic property expenditures for such taxable year.

“(C) The term ‘qualified photovoltaic property expenditure’ means any property expenditure for property which uses solar energy to heat or cool a dwelling unit.

“(D) The term ‘qualified solar heating property expenditure’ means any property expenditure for property which uses solar energy to heat or cool a swimming pool.

“(E) Special rules.—

“(1) Joint occupancy.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by more than one individual, the Secretary shall apply separately with respect to such dwelling unit the requirements of this section to the aggregate of such expenditures made by all of such individuals during such calendar year.

“(2) Tenant-stockholder in a cooperative housing corporation.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing...
corporation (as defined in that section), the individual shall be treated as having made such individual’s tenant-stockholder’s proportionate share (as defined in section 256(b)) of any expenditures of such corporation.

(3) CONDOMINIUMS.—
(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made such individual’s proportionate share of any expenditures of such association.
(B) MANAGEMENT ASSOCIATION.—For purposes of this section, the term ‘condominium management association’ means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

(4) AMOUNT OF EXPENDITURE.—
(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.
(B) EXPENDITURES IN CONNECTION WITH BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

(C) AMOUNT.—
(1) IN GENERAL.—The amount of any expenditure shall be the cost of the expenditure.
(2) SUBSIDIZED ENERGY FINANCING.—For purposes of determining the amount of expenditures, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 2509).
(3) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis in the property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(4) LIMITATIONS.—No credit shall be allowed under this section for an item of property unless:
(A) in the case of the solar heating property, the property meets all applicable health and safety standards and requirements imposed by any State or local permitting authority, and
(B) there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the cost of the qualified solar voltaic property expenditures.

(5) TERMINATION.—This section shall not apply to expenditures made after December 31, 2010.

(b) PRODUCTION TAX CREDIT FOR UTILITY-SCALE SOLAR.—
(A) IN GENERAL.—In the case of an individual, there shall be allowed as a credit, against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the cost of the solar electrical property for use in a dwelling unit through the photovoltaic effect.

(1) QUALIFIED SOLAR HEATING PROPERTY EXPENDITURES.—The term ‘qualified solar heating property expenditures’ means any property expenditures for property which uses solar energy to heat or cool a swimming pool.

(c) Special Rules.—
(1) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by more than one individual, the following shall apply separately with respect to qualified solar heating property expenditures and qualified photovoltaic property expenditures:

(1) The amount of the credit allowable under subsection (a) by reason of expenditures made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

(d) T ERM IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made such individual’s tenant-stockholder’s proportionate share (as defined in section 256(b)) of any expenditures of such association.

(3) CONDOMINIUMS.—
(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which such individual owns, such individual shall be treated as having made such individual’s tenant-stockholder’s proportionate share (as defined in section 256(b)) of any expenditures of such association.

(4) SUBSIDIZED ENERGY FINANCING.—For purposes of determining the amount of expenditures, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 2509).

(5) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis in the property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(6) LIMITATIONS.—No credit shall be allowed under this section for an item of property unless—
“(1) in the case of solar heating property, the property meets all applicable health and safety standards and requirements imposed by any State or local permitting authority, and

“(2) in the case of a photovoltaic property, the property meets all appropriate fire and electric code requirements.

“(f) TERMINATION.—This section shall not apply to expenditures made after December 31, 2010.’’

(production tax credit for utility-scale solar.—paragraph (4) of section 45(d) of the internal revenue code of 1986 (relating to qualified facilities) is amended to read as follows:

“(4) Geothermal or solar energy facility.—In the case of a facility using geothermal or solar energy to produce electricity, the term ‘qualified facility’ means any facility owned by the taxpayer which is originally placed in service after December 31, 2005, and before December 31, 2010.

“1337) (as amended by section 321) is amended by this Act, is amended by

“the consent of the Governor of the State and the lessee, if the Secretary determines that leasing, exploration, or related activities, including the development of resources that would cause serious harm or damage to the marine resources of the area or of an adjacent State.

“(a) Petition.—On consideration of the information received from the Secretary, the Governor (acting on behalf of the Governor of the State) may submit to the Governor a petition requesting that the Secretary approve the petition unless the Secretary determines that leasing in the area presents a significant likelihood of incidents associated with the development of resources that would cause serious harm or damage to the marine resources of the area or of an adjacent State.

“(c) Failure to act.—If the Secretary fails to approve or deny a petition in accordance with subparagraph (b), the petition shall be considered to be approved as of the date that is 90 days after the date of receipt of the petition.

“(d) Treatment.—Notwithstanding any other provision of this section, not later than 45 days after the date on which a petition is approved, or considered to be approved, under subparagraph (b) or (c), the Governor shall:

“(1) the area covered by the memorandum entitled “Memorandum of Cancellation of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition” (34 Weekly Comp. Pres. Doc. 1111 (June 12, 1996));

“(i) any area with respect to which Congress has denied the use of appropriated funds or other means for leasing, exploration, or related activities.

“(2) Resource Estimation.—

“(A) Requests.—At any time, the Governor of an affected State, acting on behalf of the State, may request the Governor of an affected State, acting on behalf of the State, may request the Secretary to provide a current estimate of proven and potential gas, or oil and gas, resources in any moratorium area or any part of the moratorium area that the Governor determines the moratorium area that the Governor identifies) adjacent to, or lying seaward of the coastline of, that State.

“(B) Response of Secretary.—On or before the 45th day of the calendar quarter in which the Governor of the Secretary requests an estimate under subparagraph (A), the Secretary shall provide—

“(1) a delineation of the boundary of the coastal States, and in accordance with—

“(a) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

“(b) any principles of domestic and international law governing the delineation of lateral offshore boundaries; and

“(c) the maximum extent practicable, existing lease boundaries and block lines on the official fractional diagrams of the Secretary.

“(ii) a current inventory of proven and potential, or oil and gas, resources in any moratorium areas within the area off the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor;

“(ii) a delineation of the boundary of the coastal States, and in accordance with—

“(a) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

“(b) any principles of domestic and international law governing the delineation of lateral offshore boundaries; and

“(c) the maximum extent practicable, existing lease boundaries and block lines on the official fractional diagrams of the Secretary.

“(ii) a current inventory of proven and potential, or oil and gas, resources in any moratorium areas within the area off the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor;

“(ii) a delineation of the boundary of the coastal States, and in accordance with—

“(a) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

“(b) any principles of domestic and international law governing the delineation of lateral offshore boundaries; and

“(c) the maximum extent practicable, existing lease boundaries and block lines on the official fractional diagrams of the Secretary.

“(ii) a current inventory of proven and potential, or oil and gas, resources in any moratorium areas within the area off the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor;

“(ii) a delineation of the boundary of the coastal States, and in accordance with—

“(a) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

“(b) any principles of domestic and international law governing the delineation of lateral offshore boundaries; and

“(c) the maximum extent practicable, existing lease boundaries and block lines on the official fractional diagrams of the Secretary.

“(ii) a current inventory of proven and potential, or oil and gas, resources in any moratorium areas within the area off the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor;
SEC. 390. GAS-ONLY LEASES; STATE REQUESTS TO EXAMINE ENERGY AREAS.

(a) GAS-ONLY LEASES.—Section 8 of the Outer Continental Shelf Act (43 U.S.C. 1337) (as amended by section 321) is amended by adding at the end the following:

'(i) GAS-ONLY LEASE.—The Secretary may issue a lease under this section beginning in the 2007–2012 plan period that authorizes development and production only of gas and associated condensate in accordance with regulations issued under paragraph (2).

(2) REGULATIONS.—Not later than October 1, 2006, the Secretary shall issue regulations that, for purposes of section 18(i)(2)(B)(i), and with the consent of the Governor of an affected State, may request the Secretary to provide for a current estimate of proven and potential gas, oil, and gas condensate in any moratorium area (or any part of the moratorium area the Governor identifies) adjacent to, or lying seaward of the coastline of, that State.

(b) RESPONSE OF SECRETARY.—Not later than 45 days after the date on which the Governor of a State requests an estimate under subparagraph (A), the Secretary shall provide—

'(i) a delineation of the lateral boundaries of the coastal States, in accordance with—

'(I) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

'(II) any principle of domestic and international law governing the delineation of lateral offshore boundaries; and

'(III) to the maximum extent practicable, existing lease boundaries and block lines based on the official projection diagrams of the Secretary;

'(ii) a current inventory of proven and potential gas, oil and gas, resources in any moratorium areas within the area of the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor; and

'(iii) an explanation of the planning processes that could lead to the leasing, exploration, development, and production of the gas, oil and gas, resources within the area identified.

(c) MAKING CERTAIN AREAS AVAILABLE FOR LEASING.—

(A) PETITION.—On consideration of the information received from the Secretary, the Governor (acting on behalf of the State of the Governor) may submit to the Secretary a request for a lease to make available for leasing any portion of a moratorium area off the coast of the State, in accordance with the lateral boundaries delineated under paragraph (a). The term "moratorium area" means—

(i) any area withdrawn from disposition by leasing by the memorandum entitled ‘Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition’ (34 Weekly Comp. Pres. Doc. 1111 (June 12, 1996)); and

(ii) any area of the outer Continental Shelf as to which Congress has denied the use of appropriated funds or other means for preleasing, leasing, or related activities.

(B) RESPONSE OF SECRETARY.—At any time, the Governor of an affected State, acting on behalf of the State, may request the Secretary to provide a current estimate of proven and potential gas, oil, and gas reserves in any moratorium area (or any part of the moratorium area the Governor identifies) adjacent to, or lying seaward of the coastline of, that State.

(c) MAKING CERTAIN AREAS AVAILABLE FOR LEASING.—

(A) PETITION.—On consideration of the information received from the Secretary, the Governor (acting on behalf of the State of the Governor) may submit to the Secretary a request for a lease to make available for leasing any portion of a moratorium area off the coast of the State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor; and

(i) an explanation of the planning processes that could lead to the leasing, exploration, development, and production of the gas, oil and gas, resources within the area identified.

(ii) CONTENTS.—In a petition under clause (i), a Governor may request that an area described in that clause be made available for leasing under paragraph (b) or (q), or both, of section 8.

(B) ACTION BY SECRETARY.—Not later than 90 days after the date of receipt of a petition under subparagraph (A), the Secretary shall approve the petition unless the Secretary determines that leasing in the affected area presents a significant likelihood of incidents associated with the development of resources that would cause serious harm or damage to the marine resources of the area or of an adjacent State.

(C) FAILURE TO ACT.—If the Secretary fails to approve or deny a petition in accordance with subparagraph (B), the petition shall be considered to be approved as of the date that is 90 days after the date of receipt of the petition.

(D) TREATMENT.—Notwithstanding any other provision of this section, the term ‘moratorium area’ means—

(i) any area withdrawn from disposition by leasing by the memorandum entitled ‘Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition’ (34 Weekly Comp. Pres. Doc. 1111 (June 12, 1996)); and

(ii) any area of the outer Continental Shelf as to which Congress has denied the use of appropriated funds or other means for preleasing, leasing, or related activities.

(E) EFFECT OF OTHER LAWS.—Any Federal law (including this Act) applying to an oil and gas lease on the Outer Continental Shelf shall apply to a gas-only lease issued under this subsection.

(F) EFFECTIVE DATE.—This section shall take effect 1 year after the date of enactment of this Act.
“(i) treat the petition of the Governor under subparagraph (A) as a proposed revision to a leasing program under this section; and

(ii) except as provided in subparagraph (E), expedite the revision of the 5-year outer Continental Shelf oil and gas leasing program in effect as of that date to include any lease sale for any area covered by the petition.

(E) INCLUSION IN SUBSEQUENT PLANS.

(1) In general.—If there are fewer than 18 months remaining in the 5-year outer Continental Shelf oil and gas leasing program described in subparagraph (D)(ii), the Secretary, without consultation with any State, shall include the area areas covered by the petition in lease sales under the subsequent 5-year outer Continental Shelf oil and gas leasing program.

(ii) ENVIRONMENTAL ASSESSMENT.—Before modifying a 5-Year Outer Continental Shelf Oil and Gas Leasing Program under clause (i), the Secretary shall complete an environmental assessment that describes any anticipated environmental effect of leasing in the area under the petition.

(F) SPENDING LIMITATIONS.—Any Federal spending limitation with respect to leasing, a related activity in an area made available for leasing under this paragraph shall terminate as of the date on which the Secretary determining to the area is approved, or considered to be approved, under subparagraph (B) or (C).

(G) COASTAL ZONE MANAGEMENT.—For purposes of title III of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), any activity relating to leasing and subsequent production in an area made available for leasing under this paragraph shall:

(i) if the leased area is located more than 20 miles offshore of an adjacent State (or the boundaries of the State as delineated under paragraph (C) below), be considered by the Secretary of Commerce to be necessary to the interest of national security and be carried out notwithstanding the objection of a State to a consistency certification under that Act; or

(ii) if the leased area is located not greater than 20 miles offshore of an adjacent State (as defined in section 307(c) of that Act (16 U.S.C. 1456(c))).

(4) REVENUE SHARING.—

(A) BONUS BIDS.—If the Governor of a State or the Secretary, as the case may be, permits the leasing of a lease area under oil or natural gas, leasing in the moratorium area and the Secretary allows that leasing, the State shall, without further appropriation, receive 25 percent of any bonus bid paid for leasing rights in the area.

(B) POST LEASING REVENUES.—In addition to bonus bids under subparagraph (A), a State described in subparagraph (A) shall receive 25 percent of

(i) any lease rental minimum royalty;

(ii) any royalty proceeds from a sale of royalties taken in kind by the Secretary; and

(iii) any other revenues from a bidding system under section 8.

(C) CREDIT ROYALTIES.—After making distributions in accordance with subparagraphs (A) and (B), and in accordance with section 31, the Secretary, in coordination with the Governor of a State, shall, without further appropriation or action, distribute a conservation royalty of 12.5 percent of Federal royalty revenues in an area leased under this paragraph, not to exceed $1,250,000,000 for any year, to 1 or more of the following:


(ii) The Land and Water Conservation Fund to provide financial assistance to States under section 6 of that Act (16 U.S.C. 669l-b).

(iii) A private or public university or college for the purpose of training and educating students in environmental or marine science.

(iv) A national park, national monument, national historic site, or other Federal park or recreation area.

(v) A State maritime academy.

(vi) A State or local government for the purpose of reducing air pollution.

(vii) any other organization or entity as determined by the Secretary in its discretion.

(5) APPLICATION.—This subsection shall not apply to:

(A) any area designated as a national marine sanctuary or a national wildlife refuge;

(B) the Lease Sale 81 planning area;

(C) any area not included in the outer Continental Shelf oil and gas leasing program.

(D) the Great Lakes, as defined in section 118(a)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1286(a)(3));

(E) the eastern coast of the State of Florida.

(GREAT LAKES OIL AND GAS DRILLING BAN.—No Federal or State permit or lease shall be issued for new oil and gas slant, directional, or offshore drilling in or under 1 or more of the Great Lakes as defined in section 118(a)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1286(a)(3)).

SA 908. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) IN GENERAL.—

(i) annual deduction of 35 percent from the basis of an investment attributable to production of advanced technology motor vehicles and qualifying electric vehicles.

(ii) [Taxpayers may claim a] tax credit, etc., as amended by this Act, is allowed to an individual for each qualifying vehicle

(iii) in the case of any qualifying vehicle, an amount equal to 35 percent of the qualified investment attributable to production of such vehicle for the taxable year.

(iv) for any taxable year is equal to the incremental cost taken into account in determining the amount of the credit under section 26(b) for such taxable year.

(v) the tax imposed by this subsection shall not exceed the amount of the credit under section 26(b) for such taxable year.

(b) ELIGIBLE TAXPAYER.—For purposes of this section, an individual shall be treated as an eligible taxpayer if the individual—

(i) is an individual taxpayer;

(ii) is engaged in the business of manufacturing, assembling, or constructing advanced technology motor vehicles;

(iii) is engaged in the business of manufacturing, assembling, or constructing electric vehicles; or

(iv) is engaged in the business of manufacturing, assembling, or constructing alternative fuel vehicles.

(c) REDUCTION IN BASIS.

(i) any lease rental minimum royalty;

(ii) any royalty proceeds from a sale of royalties taken in kind by the Secretary; and

(iii) any other revenues from a bidding system under section 8.

(C) CREDIT ROYALTIES.—After making distributions in accordance with subparagraphs (A) and (B), and in accordance with section 31, the Secretary, in coordination with the Governor of a State, shall, without further appropriation or action, distribute a conservation royalty of 12.5 percent of Federal royalty revenues in an area leased under this paragraph, not to exceed $1,250,000,000 for any year, to 1 or more of the following:


(ii) The Land and Water Conservation Fund to provide financial assistance to States under section 6 of that Act (16 U.S.C. 669l-b).

(iii) A private or public university or college for the purpose of training and educating students in environmental or marine science.

(iv) A national park, national monument, national historic site, or other Federal park or recreation area.

(v) A State maritime academy.

(vi) A State or local government for the purpose of reducing air pollution.

(vii) any other organization or entity as determined by the Secretary in its discretion.

(6) LIMITATION.—The credit allowed under subsection (a) for any taxable year shall not exceed $25,000,000.

(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term ‘taxpayer’ means any entity as defined in section 30(b)(2)(A) and determined without regard to any gross vehicle weight rating.

(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component included in any advanced technology motor vehicle, including—

(A) with respect to any gasoline or diesel-powered alternative fuel vehicle motor vehicle—

(i) electric motor or generator,

(ii) power split device,

(iii) control unit,

(iv) power controls, or

(v) integrated starter generator, or

(B) with respect to any hybrid electric motor vehicle—

(i) hydraulic accumulator vessel,

(ii) hydraulic pump, or

(iii) hydraulic pump-motor assembly.

(C) with respect to any advanced technology motor vehicle, any component submitted for approval by the Secretary.

(e) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (c)(1)(B), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

(1) establishing a functional, structural, and performance requirement for compo-

ent and subsystems to meet overall vehicle objectives for a specific application,

(2) designing interfaces for components and subsystems with mating systems within a specific vehicle application,

(3) designing cost effective, efficient, and reliable manufacturing processes to produce components and subsystems for a specific vehicle application,

(4) validating functionality and performance of components and subsystems for a specific vehicle application,

(f) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

(1) the sum of—

(A) the regular tax liability (as defined in section 26(b)(1) for such taxable year, plus

(B) the tax imposed by section 55 for such taxable year and any prior taxable year beginning after 1986 and not taken into account under section 55 for any prior taxable year, over

(2) the sum of the credits allowable under subparagraph A and sections 27, 30, and 30B for the taxable year.

(g) REDUCTION IN BASIS.—For purposes of this subtitile, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

(h) NO DOUBLE BENEFIT.—

(1) COORDINATION WITH OTHER DEDUCTIONS AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or credit attributable to this chapter for any cost taken into account in determining the amount of the credit under subsection (a)
shall be reduced by the amount of such credit attributable to such cost.

"(2) RESEARCH AND DEVELOPMENT COSTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (c)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

(B) COSTS TAKEN INTO ACCOUNT IN DETERMINING RESEARCH AND EXPERIMENTAL EXPENSES.—Any amounts described in subsection (c)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

"(1) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowable depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

"(j) ELECTION NOT TO TAKE CREDIT.—If no credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

"(m) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2010.

(b) CONFORMING AMENDMENTS.—

(1) Section 101(b)(3)(A), as amended by this Act, is amended by striking "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting "and", and by adding at the end the following new paragraph:

"(4) to the extent provided in section 30D(g).

(2) Section 6501(m), as amended by this Act, is amended by inserting "30D(k)," after "30C(2)."

(3) The table of sections for part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting, after the item relating to section 39C the following new item:

"Sec. 30D. Advanced technology motor vehicles manufacturing credit."
the date of enactment of this Act alone could supply crude oil demand in both countries for well over 100 years; 
(6) the States of Alabama, Alaska, Ken-
tucky, Louisiana, Missouri, Oklahoma, Texas, and Utah have significant deposits of heavy oil and bitumen;
(7) emerging technologies for in situ pro-
duction, heavy oil and bitumen have been verified experimentally in both Canada and the United States and have been employed successfully in the field in Canada; 
(8) Canadian companies have received sub-
stantial government subsidies and United States production should receive similar fi-
nances from abroad;
(9) potential environmental impacts from in situ production of heavy oil and bitumen appear more manageable than impacts from other processes for unconventional oil ex-
traction;
(10) testing as of the date of enactment of this Act indicates that in some cases, heavy hydraulic production technologies can be combined with cogeneration facilities to re-
duce recovery costs and produce electricity economically; and
(11) recent liquefying indicates that emerg-
ing acoustic agglomeration technologies are capable of converting heavy oil production and refinery wastes into materials capable of use in refined production, or refining processes, or other reuse to produce elec-
tricity, thermal energy, chemicals, liquid fuels, or hydrogen.

(b) PROGRAM.—
(1) IN GENERAL.—The Secretary shall estab-
lish a program for research, development, and commercial demonstration of technol-
ogies for in situ production of heavy oil and natural bitumen.

(2) ASSESSMENT.—In carrying out the pro-
gam, the Secretary shall first update the technical and economic assessment of dom-
estic heavy oil resources prepared in 1987 by the Interstate Oil and Gas Compact Com-
misson to cover—
(A) the entire continental North America; and
(B) all unconventional oil resources, in-
cluding heavy oil, tar sands, and oil shale.
(c) ADMINISTRATION.—The program shall—
(1) focus initially on technologies and do-
mestic heavy oil resources likely to result in sig-
ificant commercial production in the near future, including technologies that combine heavy oil recovery with electric power genera-
tion; and
(2) include research necessary—
(A) to ensure that refinery processes are capa-
ble of providing conventional petroleum products from the crude oils derived from heavy oil and bitumen production; and
(B) to assist in recycling and reuse of asso-
ciated production and refinery wastes.

(d) COST SHARING.—Cost sharing shall not be required under the program.

(e) AUTHORIZATION OF APPROPRIATIONS.—
(1) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out this section $50,000,000 for each of fiscal years 2006 through 2010.

(2) DISCLOSED SET-ASIDE.—Of the amount authorized to be applied under paragraph (1) for fiscal year 2006, $1,000,000 shall be pro-
vided to the Interstate Oil and Gas Compact Commission for use in updating and expand-
ing the assessment described in subsection (b)(2).

SA 912. Mr. INHOFE submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the fol-
lowing:

SEC. 112. ENHANCED OIL RECOVERY INCEN-
TIVES FOR THE PRODUCTION OF OIL SHALE.
(a) IN GENERAL—Section 43(c) of the Interna-
tional Revenue Code of 1986, as amended by this Act, is amended by adding at the end the fol-
lowing:

"(b)(2)." APPLICATION OF SECTION TO QUALIFIED OIL SHALE WELL PROJECTS.—

"(A) IN GENERAL.—For purposes of this sec-
tion, the taxpayer's qualified oil shale well project costs for any taxable year shall be treated in the same manner as if they were qualified enhanced oil recovery costs.

(B) QUALIFIED OIL SHALE WELL PROJECT COSTS.—For purposes of this paragraph, the term 'qualified oil shale well project' shall be the costs determined under para-
graph (1) by substituting 'qualified oil shale well project' for 'qualified enhanced oil re-
covery project' each place it appears.

"(C) QUALIFIED OIL SHALE WELL PROJECT.—
For purposes of this paragraph, the term 'qualified oil shale well project' means any project—

"(i) which involves the construction and opera-
tion of a well to produce oil in naturally liquid form from shale, and
(ii) which is located within the United States.

"(D) ENGAGE-OUT NOT TO APPLY.—Subsection (b) shall not apply to any qualified oil shale well project.

"(E) TERMINATION.—This paragraph shall not apply to qualified oil well shale project costs paid or incurred after December 31, 2010.".

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to costs paid or incurred in taxable years ending after December 31, 2005.

SA 913. Mr. GRASSLEY submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the fol-
lowing:

SEC. 113. BIODIESEL B20 TREATED AS ALTR.
ERATIVE FUEL FOR VEHICLE RE-
FUELING PROPERTY CREDIT.
(a) IN GENERAL—Section 30C(c)(1) of the Interna-
tional Revenue Code of 1986, as added by this Act, is amended by inserting "or any qualified biodiesel mixture (as defined in sec-
tion 40A(b)(1)(B)) containing at least 20 per-
cent biodiesel" after "hydrogen".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

SA 914. Ms. LANDRIEU (for herself and Mr. SHELBY) submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 310, after line 25, add the fol-
lowing:

SEC. 372. REPORT ON SHARING OUTER CON-
TINENTAL SHELF REVENUES.

Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall submit to the Committee on Appropriations of the Senate and the Com-
mittee on Appropriations of the House of Representa-
"tives a report on alternative policies and recommendations of the Secretary for for-
mulas for sharing revenues produced from leasing land on the outer Continental Shelf.

SA 915. Ms. LANDRIEU submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

SA 916. Mr. JEFFORDS (for himself and Mr. LAUTENBERG) submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 122, between lines 14 and 15, insert the fol-
lowing:

SEC. 292. LEAKING UNDERGROUND STORAGE TANKS.
Section 219 of the amendments made by section 219 shall have no force or effect.

SA 917. Mr. JEFFORDS submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 122, between lines 14 and 15, insert the fol-
lowing:

SEC. 152. ANNUAL REPORT ON MILITARY COSTS OF SECURING UNITED STATES AC-
CESS TO FOREIGN OIL.

Not later than December 31, 2005, and an-
nually thereafter, the Secretary of Energy shall, in consultation with the Secretary of Defense and the Secretary of State, submit to Congress a report containing an estimate of the total annual military cost, both finan-
cially and with respect to military personal, securing United States access to foreign sources of oil.

SA 918. Mr. CORZINE submitted an amend-
ment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:
At the end of title XVI, add the following:

**Subtitle C—National Greenhouse Gas Database**

**SEC. 1621. PURPOSE.**

The purpose of this subtitle is to establish a greenhouse gas inventory, reductions registry, and information system that—

(A) is complete, consistent, transparent, and accurate; and

(B) will create reliable and accurate data that can be used by public and private entities to design efficient and effective greenhouse gas emission reduction strategies; and

(3) develop comprehensive inventories and encourage greenhouse gas emission reductions.

**SEC. 1622. DEFINITIONS.**

In this subtitle—

(1) ADMINISTRATOR.—The term ‘‘Administrator’’ means the Administrator of the Environmental Protection Agency.

(2) BASELINE.—The term ‘‘baseline’’ means the historic greenhouse gas emission levels of an entity, as adjusted upward by the designated agency to reflect actual reductions that are verified in accordance with—

(A) regulations issued under section 1624(c)(1); and

(B) relevant standards and methods developed under this subtitle.

(3) DATABASE.—The term ‘‘database’’ means the National Greenhouse Gas Database established under section 1624.

(4) DESIGNATED AGENCY.—The term ‘‘designated agency’’ means a department or agency to which responsibility for a function or program is assigned under the memorandum of agreement entered into under section 1624(a).

(5) DIRECT EMISSIONS.—The term ‘‘direct emissions’’ means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(6) ENTITY.—The term ‘‘entity’’ means—

(A) a person located in the United States; or

(B) a public or private entity, to the extent that the entity operates in the United States.

(7) FACILITY.—The term ‘‘facility’’ means—

(A) all buildings, structures, or installations located on any 1 or more contiguous or adjacent properties of an entity in the United States; and

(B) a fleet of 20 or more motor vehicles under the common control of an entity.

(8) GREENHOUSE GAS.—The term ‘‘greenhouse gas’’ means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(9) GREENHOUSE GAS EMISSION REQUIREMENT.—The term ‘‘greenhouse gas emission requirement’’ means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(10) REGISTRY.—The term ‘‘registry’’ means the registry of greenhouse gas emission reductions established as a component of the database under section 1624(b)(2).

(11) SEQUEstration.—

(A) IN GENERAL.—The term ‘‘sequestration’’ means the capture, long-term separation, isolation, or removal of greenhouse gases from the atmosphere.

(B) INCLUSIONS.—The term ‘‘sequestration’’ includes—

(i) soil carbon sequestration;

(ii) agricultural and conservation practices;

(iii) reforestation;

(iv) forest preservation;

(v) maintenance of an underground reservoir; and

(vi) any other appropriate biological or geological method of capture, isolation, or removal of greenhouse gases from the atmosphere, as determined by the Administrator.

**SEC. 1623. ESTABLISHMENT OF MEMORANDUM OF AGREEMENT.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall direct the Secretary, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Transportation, and the Administrator to enter into a memorandum of agreement under which those heads of Federal agencies will—

(1) recognize and maintain statutory and regulatory authorities, functions, and programs that—

(A) are established as of the date of enactment of this Act, and shall be primarily responsible for developing, maintaining, and verifying the registry and the emission reductions reported under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13265(b));

(B) monitor, verify, and inventory greenhouse gas emissions and removals, and maintain a database, to be known as the ‘‘National Greenhouse Gas Database’’, to collect, verify, and analyze information on greenhouse gas emissions by entities; and

(c) comprise the National Greenhouse Gas Database Components. The database shall consist of—

(1) an inventory of greenhouse gas emissions;

(2) a registry of greenhouse gas emission reductions;

(3) a National Greenhouse Gas Database system.

**SEC. 1624. NATIONAL GREENHOUSE GAS DATABASE.**

(a) ESTABLISHMENT.—As soon as practicable after the date of enactment of this Act, the designated agencies, in consultation with the private sector and nongovernmental organizations, shall jointly establish, operate, and maintain a database, to be known as the ‘‘National Greenhouse Gas Database’’, to collect, verify, and analyze information on greenhouse gas emissions by entities.

(b) NATIONAL GREENHOUSE GAS DATABASE COMPONENTS.—The database shall consist of—

(1) an inventory of greenhouse gas emissions;

(2) a registry of greenhouse gas emission reductions;

(3) a National Greenhouse Gas Database system.

**SEC. 1625. INVENTORY, VERIFICATION, AND DATA COLLECTION.**

(a) ESTABLISHMENT.—Not later than 2 years after the date of enactment of this Act, the designated agencies shall jointly promulgate regulations to implement a comprehensive system for greenhouse gas emissions reporting, inventorying, and reductions registries.

(b) REQUIREMENTS.—The designated agencies shall ensure, to the maximum extent practicable, that—

(A) the comprehensive system described in paragraph (1) is designed to—

(i) maximize completeness, transparency, and accuracy of information reported; and

(ii) minimize costs incurred by entities in measuring and reporting greenhouse gas emissions; and

(B) the regulations issued under paragraph (1) establish procedures and protocols necessary—

(i) to prevent the reporting of some or all of the same greenhouse gas emissions or removals by more than 1 reporting entity;

(ii) to provide for corrections to errors in data submitted to the database;

(iii) to provide for adjustment to data by reporting entities that have had a significant organizational change (including mergers, acquisitions, and divestiture), in order to maintain comparability among data in the database over time;

(iv) to provide for adjustments to reflect new technologies or methods for measuring or verifying greenhouse gas emissions; and

(v) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities.


(4) DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall be primarily responsible for—

(A) developing measurement techniques for—

(i) soil carbon sequestration; and

(ii) forest preservation and reforestation activities; and

(B) providing technical advice relating to biochemical carbon sequestration measurement and verification standards for measuring greenhouse gas emission reductions or offsets.

(d) NO JUDICIAL REVIEW.—The final version of the memorandum of agreement shall not be subject to judicial review.

(a) ESTABLISHMENT.—Not later than 15 months after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall publish in the Federal Register, and solicit comments on, a draft version of the memorandum of agreement described in subsection (a).

**SEC. 1626. DATABASE MANAGEMENT.**

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the designated agencies, in consultation with the private sector and nongovernmental organizations, shall jointly establish, operate, and maintain a database, to be known as the ‘‘National Greenhouse Gas Database’’, to collect, verify, and analyze information on greenhouse gas emissions by entities.

(b) NATIONAL GREENHOUSE GAS DATABASE COMPONENTS.—The database shall consist of—

(1) an inventory of greenhouse gas emissions; and

(2) a registry of greenhouse gas emission reductions.

(c) COMPREHENSIVE SYSTEM.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the designated agencies shall jointly promulgate regulations to implement a comprehensive system for greenhouse gas emissions reporting, inventorying, and reductions registries.

(2) REQUIREMENTS.—The designated agencies shall ensure, to the maximum extent practicable, that—

(A) the comprehensive system described in paragraph (1) is designed to—

(i) maximize completeness, transparency, and accuracy of information reported; and

(ii) minimize costs incurred by entities in measuring and reporting greenhouse gas emissions; and

(B) the regulations issued under paragraph (1) establish procedures and protocols necessary—

(i) to prevent the reporting of some or all of the same greenhouse gas emissions or removals by more than 1 reporting entity;

(ii) to provide for corrections to errors in data submitted to the database;

(iii) to provide for adjustment to data by reporting entities that have had a significant organizational change (including mergers, acquisitions, and divestiture), in order to maintain comparability among data in the database over time;

(iv) to provide for adjustments to reflect new technologies or methods for measuring or verifying greenhouse gas emissions; and

(v) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities.

(3) BASELINE IDENTIFICATION AND PROTECTION.—Through regulations issued under
SEC. 1625. GREENHOUSE GAS REDUCTION REPORTING.

(a) In General.—An entity that participates in the registry shall meet the requirements described in subsection (b).

(b) Requirements.—

(1) IN GENERAL.—The requirements referred to in subsection (a) are that an entity (other than an entity described in paragraph (2)) shall—

(A) establish a baseline (including all of the entity’s greenhouse gas emissions on an entity-wide basis) of the entity’s baseline greenhouse gas emissions for the calendar year prior to the date of enactment of this Act; and

(B) submit the report described in subsection (c)(1).

(2) Requirements applicable to entities entering into certain agreements.—An entity that enters into an agreement under which the entity establishes a baseline to which the requirements specified in paragraph (1) unless that entity is required to comply with the requirements by reason of an activity other than the agreement.

(c) Reports.—

(1) Required report.—Not later than April 1 of the third calendar year that begins after the date of enactment of this Act, and not later than April 1 of each calendar year thereafter, subject to paragraph (3), an entity described in subsection (a) shall submit to each appropriate designated agency a report that describes, for the preceding calendar year, the entity-wide greenhouse gas emissions (as reported at the facility level), including—

(A) the total quantity of each greenhouse gas emitted, expressed in terms of mass and in terms of the quantity of carbon dioxide equivalent emissions;

(B) an estimate of the greenhouse gas emissions from fossil fuel combustion produced and sold by the entity in the calendar year; determined over the average lifetime of those products; and

(C) such other categories of emissions as the designated agency determines in the regulations issued under section 1624(c)(1) may be practicable and useful for the purposes of this subtitle, such as—

(i) direct emissions from stationary sources; (ii) indirect emissions from imported electricity, heat, and steam; (iii) process and fugitive emissions; and (iv) production or importation of greenhouse gases.

(2) VOLUNTARY REPORTING.—An entity described in subsection (a) may (along with entities exempted by this paragraph), regardless of participation or nonparticipation in the registry, be required to submit reports under paragraph (1) if, in any calendar year after the date of enactment of this Act—

(i) the total greenhouse gas emissions of at least 1 facility owned by the entity exceeds 10,000 metric tons of carbon dioxide equivalent; or

(ii) the entity determines under section 1628(b) that it is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(3) EXEMPTIONS FROM REPORTING.—An entity shall not be required to submit reports under paragraph (1) if the entity determined not to be a substantial source of greenhouse gases.

(4) PROVISION OF VERIFICATION INFORMATION TO REPORTING ENTITIES.—An entity described in paragraph (1) shall comply with the requirements of paragraph (1) if the entity determines not to be a substantial source of greenhouse gases.

(5) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this section shall be subject to the provisions of section 1626.

(6) INDEPENDENT THIRD-PARTY VERIFICATION.—To meet the requirements of this section and section 1626, an entity that is required to submit a report under this section may—

(A) obtain third-party verification; and

(B) present the results of the third-party verification to each appropriate designated agency.

(7) AVAILABILITY OF DATA.—The designated agencies shall ensure, to the maximum extent practicable, that information in the database is—

(i) published;

(ii) accessible to the public; and

(iii) made available in electronic format on the Internet.

(8) DATA INFRASTRUCTURE.—The designated agencies shall ensure, to the maximum extent practicable, that the database is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(9) ADDITIONAL ISSUES TO BE CONSIDERED.—In promulgating the regulations under section 1624(c)(1) and implementing the database, the designated agencies shall take into consideration a broad range of issues involved in establishing an effective database, including—

(a) the appropriate units for reporting each greenhouse gas;

(b) the data and information systems and measures necessary to identify, track, and verify greenhouse gas emission reductions in a manner that will encourage the development of private sector trading and exchanges;

(c) the greenhouse gas reduction and sequestration methods and standards applied in other countries, as applicable or relevant; and

(d) the extent to which available policy tools and financial mechanisms that assist in reducing greenhouse gas production and importation data are adequate to implement the database.

(10) Review of Participation.—For the purpose of section 1628, emissions reported under clause (1) shall be considered to be reported by the entity to the registry.

(11) Provision of Verification Information by Reporting Entities.—Each entity that reports greenhouse gaseous emissions under this section shall provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with best available methods and verified by an independent third-party, that the greenhouse gas report of the entity—

(i) has been accurately reported; and

(ii) includes actual direct greenhouse gas reductions as recognized by 1 or more designated agencies.

(iii) relative to historic emission levels of the entity; and

(iv) of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(ii) or (ii) actual increases in net sequestration.

(12) REVIEW OF PARTICIPATION.—For the purpose of section 1628, emissions reported under clause (1) shall be considered to be reported by the entity to the registry.

(13) Provision of Verification Information by Reporting Entities.—Each entity that reports greenhouse gaseous emissions under this section shall provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with best available methods and verified by an independent third-party, that the greenhouse gas report of the entity—

(i) has been accurately reported; and

(ii) includes actual direct greenhouse gas reductions as recognized by 1 or more designated agencies.

(iii) relative to historic emission levels of the entity; and

(iv) of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(ii) or (ii) actual increases in net sequestration.

(14) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this section shall be subject to the provisions of section 1626.

(15) INDEPENDENT THIRD-PARTY VERIFICATION.—To meet the requirements of this section and section 1626, an entity that is required to submit a report under this section may—

(A) obtain third-party verification; and

(B) present the results of the third-party verification to each appropriate designated agency.

(16) AVAILABILITY OF DATA.—The designated agencies shall ensure, to the maximum extent practicable, that information in the database is—

(i) published;

(ii) accessible to the public; and

(iii) made available in electronic format on the Internet.

(17) DATA INFRASTRUCTURE.—The designated agencies shall ensure, to the maximum extent practicable, that the database is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(18) ADDITIONAL ISSUES TO BE CONSIDERED.—In promulgating the regulations under section 1624(c)(1) and implementing the database, the designated agencies shall take into consideration a broad range of issues involved in establishing an effective database, including—

(a) the appropriate units for reporting each greenhouse gas;

(b) the data and information systems and measures necessary to identify, track, and verify greenhouse gas emission reductions in a manner that will encourage the development of private sector trading and exchanges;

(c) the greenhouse gas reduction and sequestration methods and standards applied in other countries, as applicable or relevant; and

(d) the extent to which available policy tools and financial mechanisms that assist in reducing greenhouse gas production and importation data are adequate to implement the database.

(19) Review of Participation.—For the purpose of section 1628, emissions reported under clause (1) shall be considered to be reported by the entity to the registry.

(20) Provision of Verification Information by Reporting Entities.—Each entity that reports greenhouse gaseous emissions under this section shall provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with best available methods and verified by an independent third-party, that the greenhouse gas report of the entity—

(i) has been accurately reported; and

(ii) includes actual direct greenhouse gas reductions as recognized by 1 or more designated agencies.

(iii) relative to historic emission levels of the entity; and

(iv) of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(ii) or (ii) actual increases in net sequestration.

(21) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this section shall be subject to the provisions of section 1626.
sectors that may be expected to participate in the registry; and
(F) the need of the registry to maintain valid and reliable information on baselines of emissions and non-emissions, in the event of any future action by Congress to require entities, individually or collectively, to reduce greenhouse gas emissions, Congress will be able—
(i) to take into account that information; and
(ii) to avoid enacting legislation that penalizes entities for achieving and reporting reductions;
(d) ANNUAL REPORT.—The designated agencies shall jointly publish an annual report that—
(1) describes the total greenhouse gas emissions and emission reductions reported to the database during the year covered by the report;
(2) provides entity-by-entity and sector-by-sector analyses of the emissions and emission reductions reported;
(3) describes the atmospheric concentrations of greenhouse gases; and
(4) provides a comparison of current and past atmospheric concentrations of greenhouse gases.
SEC. 1626. MEASUREMENT AND VERIFICATION.
(a) STANDARDS.—
(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the designated agencies shall jointly develop comprehensive measurement and verification methods and standards to ensure a consistent and technically accurate record of greenhouse gas emissions, emission reductions, sequestration, and atmospheric concentrations for use in the registry.
(2) REQUIREMENTS.—The methods and standards developed under paragraph (1) shall address the need for—
(A) standardized measurement and verification practices for reports made by all entities participating in the registry, taking into account—
(i) protocols and standards in use by entities desiring to participate in the registry as of the date of development of the methods and standards under paragraph (1);
(ii) boundary issues, such as leakage and shifted use;
(iii) avoidance of double counting of greenhouse gas emissions and emission reductions; and
(iv) such other factors as the designated agencies determine to be appropriate;
(B) measurement and verification of actions intended to avoid, avoid, or sequester greenhouse gas emissions;
(C) in coordination with the Secretary of Agriculture, measurement of the results of the use of carbon sequestration and carbon capture technologies, including—
(i) organic soil carbon sequestration practices; and
(ii) forest preservation and reforestation activities that adequately address the issues of permanence, leakage, and verification;
(D) such other measurement and verification methods as the Secretary of Commerce, the Secretary of Agriculture, the Administrator, and the Secretary determine to be appropriate; and
(E) other factors determined by the designated agencies, will allow entities to adequately establish a fair and reliable measurement and reporting system.
(b) PUBLIC PARTICIPATION.—The Secretary of Commerce shall—
(1) make available to the public for comment, in draft form and for a period of at least 90 days, the methods and standards developed under subsection (a); and
(2) after the 90-day period referred to in paragraph (1), in coordination with the Secretary, the Secretary of Agriculture, and the Administrator, adopt the methods and standards developed under subsection (a) for use in implementing the database.
(c) EXPERTS AND CONSULTANTS.—
(1) IN GENERAL.—The designated agencies may consult the services of experts and consultants in the private and nonprofit sectors in accordance with section 3109 of title 5, United States Code, in the areas of greenhouse gas measurement, certification, and emission trading.
(2) AVAILABLE ARRANGEMENTS.—In obtaining any service described in paragraph (1), the designated agencies may obtain any available grant, contract, cooperative agreement, or other arrangement authorized by law.
SEC. 1627. INDEPENDENT REVIEWS.
(a) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, and every 3 years thereafter, the Comptroller General of the United States shall submit to Congress a report that—
(1) describes the efficacy of the implementation and operation of the database; and
(2) includes any recommendations for improvements to this subtitle and programs carried out under this subtitle—
(A) to achieve a consistent and technically accurate record of greenhouse gas emissions, emission reductions, and atmospheric concentrations; and
(B) to achieve the purposes of this subtitle.
(b) REVIEW OF SCIENTIFIC METHODS.—The designated agencies shall enter into an agreement with the National Academy of Sciences under which the National Academy of Sciences shall—
(1) review the scientific methods and standards used by the designated agencies in implementing this subtitle;
(2) not later than 4 years after the date of enactment of this Act, submit to Congress a report that describes any recommendations for improving—
(A) those methods and standards; and
(B) related elements of the programs, and structure of the database, established by this subtitle; and
(3) regularly review and update as appropriate the list of anthropogenic climate-forcing greenhouse gas emissions with significant global warming potential described in section 1622(b)(5).
SEC. 1628. REVIEW OF PARTICIPATION.
(a) IN GENERAL.—In General, 5 years after the date of enactment of this Act, the Director of the Office of National Climate Change Policy shall determine whether the provisions of this subtitle and reports submitted under section 1625(c)(1) represent less than 60 percent of the national aggregate anthropogenic greenhouse gas emissions.
(b) INCREASED APPLICABILITY OF REQUIREMENTS.—If the Director of the Office of National Climate Change Policy determines under subsection (a) that less than 60 percent of the national aggregate anthropogenic greenhouse gas emissions are being reported to the registry—
(1) the reporting requirements under section 1625(c)(1) shall apply to all entities (except entities exempted under section 1625(c)(3)), regardless of any participation or nonparticipation by the entities in the registry; and
(2) each entity shall submit a report described in section 1625(c)(1)—
(A) not later than the earlier of—
(i) April 30 of the calendar year immediately following the year in which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); or
(ii) the date that is 1 year after the date on which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); and
(B) annually thereafter.
(c) RESOLUTION OF DISAPPROVAL.—For the purposes of this section, the determination of the Director of the Office of National Climate Change Policy under subsection (a) shall be considered to be a major rule (as defined in section 804(2) of title 5, United States Code) subject to the congressional disapproval procedure under section 802 of title 5, United States Code.
SEC. 1629. ENFORCEMENT.
If an entity that is required to report greenhouse gas emissions under section 1625(c)(1) or 1628 fails to comply with that requirement, the Attorney General may, at the request of the designated agencies, bring a civil action in United States district court against the entity to impose on the entity a civil penalty of not more than $25,000 for each day for which the entity fails to comply with that requirement.
SEC. 1630. REPORT ON STATUTORY CHANGES AND HARMONIZATION.
Not later than 3 years after the date of enactment of this Act, the President shall submit to Congress a report that describes any modifications to this subtitle or any other provision of law that are necessary to improve the accuracy or operation of the database and related programs under this subtitle.
SEC. 1631. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated such sums as are necessary to carry out this subtitle.
SA 919. Mr. HARKIN (for himself, Mr. LUGAR, Mr. OBAMA, Mr. COLEMAN, and Mr. BAYH) submitted an amendment intended to be proposed by him to the bill H. R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Page 493, between lines 19 and 20, insert the following:

SEC. 9. BIOMASS RESEARCH AND DEVELOPMENT.
(a) DEFINITIONS.—Section 303 of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended—
(1) by striking paragraphs (9), (10); and (10) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), (7), (8), (9), and (10), respectively; and
(3) by inserting after paragraph (1) the following:

(2) BIOMASS FUEL.—The term ‘biomass fuel’ means any transportation fuel produced from biomass.

(3) BIOMASS PRODUCT.—The term ‘biomass product’ means an industrial product (including chemicals, materials, and polymers) produced from biomass, or a component product (including animal feed and electric power) derived in connection with the conversion of biomass to fuel.

(4) by inserting after paragraph (5) (as redesignated by paragraph (2)) the following:

(6) DEMONSTRATION.—The term ‘demonstration’ means demonstration of technology at a pilot plant or semi-works scale facility; and

(5) by striking paragraph (9) (as redesignated by paragraph (2)) and inserting the following:

(9) NATIONAL LABORATORY.—The term ‘National Laboratory’ means any of the following laboratories owned by the Department of Energy:

(A) Ames Laboratory.

(4) Argonne National Laboratory.
“(C) Brookhaven National Laboratory.
“(D) Fermi National Accelerator Laboratory.
“(E) Idaho National Laboratory.
“(F) Lawrence Berkeley National Laboratory.
“(G) Lawrence Livermore National Laboratory.
“(H) Los Alamos National Laboratory.
“(I) National Energy Technology Laboratory.
“(J) National Renewable Energy Laboratory.
“(K) Oak Ridge National Laboratory.
“(L) Pacific Northwest National Laboratory.
“(M) Princeton Plasma Physics Laboratory.
“(N) Sandia National Laboratories.
“(O) Stanford Linear Accelerator Center.
“(P) Thomas Jefferson National Accelerator Facility.”.

(b) COOPERATION AND COORDINATION IN BIOMASS RESEARCH AND DEVELOPMENT.—Section 301 of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (a) (and (d), by striking “industrial products” each place it appears and inserting “fuels and biobased products”;
(2) by striking subsections (b) and (c); and
(3) by redesigning subsection (d) as subsection (b).

(c) BIOMASS RESEARCH AND DEVELOPMENT BOARD.—“(A) in paragraph (1), by striking ‘304 of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended—

(1) in subsections (a) and (c), by striking “industrial products” each place it appears and inserting “fuels and biobased products”;
(2) in subsection (b)—

(A) in paragraph (1), by striking ‘394(b)(1)(B)” and inserting ‘394(b)(1)(B);’ and
(B) in paragraph (2), by striking ‘394(b)(1)(A)” and inserting ‘394(b)(1)(A);’ and
(3) in subsection (c)—

(A) in paragraph (1), by striking “and” at the end;
(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and
(C) by adding at the end the following:

“(3) ensure that—

(A) approaches are open and competitive with awards made annually; and
(B) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and

(4) ensure that the panel of scientific and technical peers assembled under section 307 of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is convened—

(1) in subsection (b)—

(A) in subparagraph (A), by striking ‘307(b)(1)(A)” and inserting ‘307(b)(1)(A);” and
(B) in subparagraph (B), by striking ‘307(b)(1)(B)” and inserting ‘307(b)(1)(B);’ and
(2) in subsection (c)—

(A) in paragraph (1), by striking “individuals” each place it appears and inserting “individuals and industry”;
(B) by redesigning subparagraphs (B) through (J) as subparagraphs (C) through (K), respectively; and
(C) by inserting after subparagraph (A) the following:

“(B) an individual affiliated with the biobased industrial and commercial products industry;”.
(D) in subparagraph (F) (as redesignated by subparagraph (B)) by striking “an individual who is not a Federal employee” and inserting “individuals”;
(E) in subparagraphs (A), (D), (G), and (I) (as redesignated by subparagraph (B)) by striking “industrial products” each place it appears and inserting “fuels and biobased products”;
(F) in subparagraph (H) (as redesignated by subparagraph (G)) by striking “and environmental” before “analysis”;
(G) in subparagraph (J) (as redesignated by subparagraph (H)) by striking “goals” and inserting “objectives, purposes, and considerations”; and
(H) in subparagraph (K) (as redesignated by subparagraph (I)) by striking “goals” and inserting “objectives, purposes, and considerations”.

(e) BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—Section 307 of the Biomass Research and Development Act of 2000 (Public Law 106–224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (a), by striking “research on the research and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, biotechnology, for their production” and inserting “research and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, biotechnology, for their production;”;
(2) in paragraph (b)—

(A) in subparagraph (1), by striking “biobased industrial products” and inserting “biobased fuels and biobased products”;
(B) by striking “research on the research and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, biotechnology, for their production” and inserting “research and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, biotechnology, for their production;” and
(3) in subparagraph (2), by inserting the following:

“(b) AGENCIES.—

(1) AGRICULTURE.—The Secretary of Agriculture, through the point of contact of the Department of Agriculture and in consultation with the Board, shall, provide, or enter into, grants, contracts, and financial assistance under this section through the Cooperative State Research, Education, and Extension Service of the Department of Agriculture.

(2) ENERGY.—The Secretary of Energy, through the point of contact of the Department of Energy and in consultation with the Board, shall, provide, or enter into, grants, contracts, and financial assistance under this section through the appropriate agency, as determined by the Secretary of Energy.

(c) OBJECTIVES AND GOALS.—The objectives of the Initiative are to develop—

(1) technologies and processes necessary for abundant commercial production of biobased fuels at prices competitive with fossil fuels;
(2) high-value biobased products—

(A) to enhance the economic viability of biobased fuels and power; and
(B) as substitutes for petroleum-based feedstocks and products; and
(3) a diverse and sustainable domestic sources of biobased fuels and biobased products;

(d) PURPOSES.—The purposes of the Initiative are—

(1) to increase the energy security of the United States;
(2) to create jobs and enhance the economic development of the rural economy;
(3) to enhance the environment and public health; and
(4) to diversify markets for raw agricultural and forestry products.

(e) TECHNICAL AREAS.—To advance the objectives and purposes of the Initiative, the Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this section as the ‘Secretaries’), shall direct research and development toward—

(1) feedstock production through the development of crops and cropping systems relevant to and conversion to biobased fuels and biobased products, including—

(A) development of advanced and dedicated crops with desired features, including enhanced productivity, broader site range, low requirements for chemical inputs, and enhanced processing;
(B) advanced crop production methods to achieve the features described in subparagraph (A); (C) feedstock harvest, handling, transport, and storage; and
(D) strategies for integrating feedstock production into existing managed land;
(e) research into new classes of cellulosic biomass through developing technologies for converting cellulosic biomass into intermediates that can subsequently be converted into biobased fuels and biobased products, including—

(A) pretreatment in combination with enzymatic or microbial hydrolysis; and
(B) thermochemical approaches, including gasification and pyrolysis;
(f) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feeds, and cogenerated power) that eventually can increase the feasibility of fuel production in a biorefinery, including—

(A) catalytic or biological production through thermochemical fuel production;
(B) metabolic engineering, enzyme engineering, and fermentation systems for biobased production of desired products or cogeneration of power;
(C) product recovery;
(D) power production technologies; and
(E) integration into existing biomass processing facilities, including starch ethanol plants, paper mills, and power plants; and
(g) analysis that provides strategic guidance for the application of biomass technologies in accordance with realization of societal benefits in improving sustainability and environmental quality, cost effectiveness, safety, security, and rural economic development, usually featuring system-wide approaches.

(h) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in subsection (e), and in addition to advancing the purposes described in subsection (e) and the objectives described in subsection (c), the Secretaries shall support research and development—

(1) to create continuously expanding opportunities for participants in existing biofuels production by seeking synergies and continuity with current technologies and practices, including the use of dried distillers grains as a bridge feedstock;
(2) to maximize the environmental, economic, and social benefits of production of biobased fuels and biobased products, on a large scale through life-cycle economic and environmental analysis and other means; and
(3) to assess the potential of Federal land and land management programs as feedstock resources for biobased fuels and biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.

(i) ELIGIBLE ENTITIES.—To be eligible for a grant, contract, or assistance under this section, an applicant shall be—

(1) an institution of higher education;
(2) a national laboratory;
(3) a Federal research and development agency;
(4) a State research agency;
(5) a private sector entity;
(6) a nonprofit organization; or

(7) a consortium of 2 or more entities described in paragraphs (1) through (6).

(h) ADMINISTRATION.

(1) IN GENERAL.—After consultation with the Board, the point of contact shall—

(A) publish annually 1 or more joint requests for proposals for grants, contracts, and assistance under this section;

(B) prioritize in grants, contracts, and assistance under this section for research that advances the objectives, purposes, and additional considerations of this title;

(C) require that grants, contracts, and assistance under this section be awarded competitively, on the basis of merit, after the establishment of procedures that provide for scientific peer review by an independent panel of scientific and technical peers; and

(D) give some preference to applications that—

(i) involve a consortia of experts from multiple institutions;

(ii) encourage the integration of disciplines and application of the best technical resources; and

(iii) increase the geographic diversity of demonstration projects.

(2) DISTRIBUTION OF FUNDING BY TECHNICAL AREA.—Of the funds authorized to be appropriated for activities described in this section, funds shall be distributed for each fiscal year so as to achieve an approximate distribution of—

(A) 20 percent of the funds to carry out activities for feedstock production under subsection (e)(1);

(B) 45 percent of the funds to carry out activities for overcoming recalcitrance of cellulosic biomass under subsection (e)(2);

(C) 30 percent of the funds to carry out activities for product diversification under subsection (e)(3); and

(D) 5 percent of the funds to carry out activities for strategic guidance under subsection (e)(4).

(3) DISTRIBUTION OF FUNDING WITHIN EACH TECHNICAL AREA.—Within each technical area described in paragraphs (1) through (3) of subsection (e), funds shall be distributed for each fiscal year so as to achieve an approximate distribution of—

(A) 15 percent of the funds for applied fundamentals;

(B) 35 percent of the funds for innovation; and

(C) 50 percent of the funds for demonstration.

(4) MATCHING FUNDS.

(A) IN GENERAL.—A minimum 20 percent funding match shall be required for demonstration projects under this title.

(B) COMMERCIAL APPLICATIONS.—A minimum of 50 percent funding match shall be required for commercial application projects under this title.

(5) TECHNOLOGY AND INFORMATION TRANSMISSION, EDUCATION, AND EXTENSION SERVICES.

(A) IN GENERAL.—The Administrator of the Cooperative State Research, Education, and Extension Service and the Chair of the Natural Resources Conservation Service shall ensure that applicable research results and technologies from the Initiative are adapted, made available, and disseminated through extension services, as appropriate.

(B) REPORT.—Not later than 2 years after the date of enactment of this paragraph, and every 2 years thereafter, the Administrator of the Cooperative State Research, Education, and Extension Service and the Chair of the Natural Resources Conservation Service shall submit to the committees of Congress with jurisdiction over the Initiative a report describing the activities conducted by the services under this subsection.

(1) REPORTS.—Section 309 of the Biomass Research and Development Act of 2000 (Public Law 106-224; 7 U.S.C. 8101 note) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ‘‘industrial product’’ and inserting ‘‘fuels and biobased products’’; and

(B) in paragraph (4), by striking ‘‘industrial products’’ each place it appears and inserting ‘‘fuels and biobased products’’;

(2) by redesigning subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

(B) ASSESSMENT REPORT AND STRATEGIC PLAN.—Not later than 1 year after the date of enactment of the Energy Policy Act of 2005, the Secretary and the Secretary of Energy shall jointly submit to Congress a report that—

(1) describes the status and progress of current research and development efforts in both the Federal Government and private sector in achieving the objectives, purposes, and considerations of this title, specifically addressing each of the technical areas identified in section 307;

(2) describes the actions taken to implement the improvements directed by this title; and

(3) outlines a strategic plan for achieving the objectives, purposes, and considerations of this title; and

(4) in subsection (c) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ‘‘purposes described in section 307(b)’’ and inserting ‘‘objective and additional considerations described in subsections (c) through (f) of section 307;’’;

(ii) in subparagraph (B), by striking ‘‘and’’ at the end; and

(iii) by redesignating subparagraph (C) as subparagraph (D) and (D) as subparagraph (E);

(B) demonstrate the use of a portion of the biomass-derived hydrogen in various agricultural vehicles over various operating and environmental conditions.

(2) ELECTRICAL GENERATION SECTOR OBJECTIVES.—The objectives of the program conducted under paragraph (1) in the rural electrical generation sector shall be to—

(A) design, develop, and test low-cost gasification equipment to convert biomass to hydrogen at regional rural cooperatives, or at businesses owned by farmers, close to agricultural operations to minimize the cost of biomass transportation to large central gasification plants;

(B) demonstrate low-cost electrical generation at such rural cooperatives or farmer-owned businesses, using renewable hydrogen derived from biomass in either fuel cell generator, or, as an interim cost reduction option, in conventional internal combustion engine sets;

(C) determine the economic return to cooperatives or other businesses owned by farmers of producing hydrogen from biomass and selling electricity compared to agricultural economic returns from producing and selling conventional crops alone;

(D) evaluate the crop yield and long-term soil sustainability of growing and harvesting of feedstocks for biomass gasification, and

(E) demonstrate the use of a portion of the biomass-derived hydrogen in various agricultural vehicles to reduce—

(i) dependence on imported fossil fuel; and

(ii) environmental impacts.

(3) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section—

(A) $5,000,000 to carry out paragraph (2); and

(B) $5,000,000 to carry out paragraph (3).

SEC. 9. PRODUCTION INCENTIVES FOR CELULOSIC BIOFUELS.

(a) PURPOSE.—The purpose of this section is to—

(1) accelerate deployment and commercialization of biofuels;

(2) deliver the first 1,000,000,000 gallons in annual cellulosic biofuels production by 2015;

(3) ensure biofuels produced after 2015 are cost competitive with gasoline and diesel; and

(4) ensure that small feedstock producers and rural small businesses are full participants in the development of the cellulosic biofuels industry.

(b) DEFINITIONS.—In this section—

(1) CELLULOSIC BIOFUELS.—The term ‘‘cellulosic biofuels’’ means any fuel that is produced from cellulosic feedstocks.

(2) ELIGIBLE ENTITY.—The term ‘‘eligible entity’’ means a producer of fuel from cellulosic biofuels the production facility of which—

(A) is located in the United States;

(B) meets all applicable Federal and State permitting requirements;
(C) to begin production of cellulosic biofuels not later than 3 years after the date of the reverse auction in which the producer participates; and
(D) meet any financial criteria established by the Secretary.
(3) Secretary.—The term "Secretary" means the Secretary of Agriculture.
(c) PROGRAM.—
(1) ESTABLISHMENT.—The Secretary, in consultation with the Secretary of Energy, the Secretary of Defense, and the Administrator of the Environmental Protection Agency, shall establish an incentive program for the production of cellulosic biofuels.
(2) LIMITATIONS.—Under the program, the Secretary shall award production incentives on a per gallon basis of cellulosic biofuels produced in an amount determined by the Secretary, until initiation of the first reverse auction; and (B) reverse auction thereafter.
(3) FIRST REVERSE AUCTION.—The first reverse auction shall be held on the earlier of—
(A) not later than 1 year after the first year of annual production in the United States of 100,000,000 gallons of cellulosic biofuels, as determined by the Secretary; or
(B) not later than 5 years after the date of enactment of this Act.
(4) REVERSE AUCTION PROCEDURE.—
(A) in general.—On initiation of the first reverse auction, not later than 1 year after the date of enactment of this Act, the Secretary shall conduct a reverse auction at which—
(i) the Secretary shall solicit bids from eligible entities;
(ii) eligible entities shall submit—
(I) a desired level of production incentive on a per gallon basis; and
(II) an estimated annual production amount in gallons; and
(iii) the Secretary shall issue awards for the production amount submitted, beginning with the eligible entity submitting the bid for the lowest level of production incentive on a per gallon basis, until the amount of funds available for the reverse auction is committed.
(B) AMOUNT OF INCENTIVE RECEIVED.—An eligible entity selected by the Secretary through the reverse auction shall receive the amount of performance incentive requested in the auction for each gallon produced and sold by the entity during the first 6 years of operation.
(d) LIMITATIONS.—Awards under this section shall be limited to—
(1) a per gallon amount determined by the Secretary during the first 4 years of the program;
(2) a declining per gallon cap over the remaining lifetime of the program, to be established by the Secretary so that cellulosic biofuels produced under the program in the United States in excess of 1,000,000,000 gallons annually are cost competitive with gasoline and diesel;
(3) not more than 25 percent of the funds committed within each reverse auction to any entity; and
(4) not more than $100,000,000 in any 1 year; and
(5) not more than $1,000,000,000 over the lifetime of the program.
(e) Priority.—In selecting a project under the program, the Secretary shall give priority to—
(1) demonstration of outstanding potential for local and regional economic development;
(2) include agricultural producers or cooperatives of agricultural producers as equity partners in the ventures; and
(3) have a strategic agreement in place to fairly reward suppliers.
(f) AUTHORIZATIONS OF APPLICATIONS.—There is authorized to be appropriated to carry out this section $250,000,000.

SEC. 9.—PROCUREMENT OF BIODEFIED PRODUCED BIOFUELS.
(a) FEDERAL PROCUREMENT.—
(1) DEFINITION OF PRODUCING AGENCY.—Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended—
(A) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and
(B) by inserting after paragraph (3) the following:
(4) PRODUCING AGENCY.—The term ‘‘pro- ducing agency’’ means—
(A) any Federal agency that is using Federal funds for procurement; or
(B) any person contracting with any Federal agency with respect to work performed under the contract.
(2) PROCUREMENT.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—
(A) by striking ‘‘Federal agency’’ each place it appears (other than in subsections (f) and (g)) and inserting ‘‘procuring agency’’;
(B) in subsection (a), by striking paragraph (2) and inserting the following:
(ii) the agency shall not exceed $100,000.
(f) ADMINISTRATION.—The Secretary shall establish such administrative requirements for grants under this section, including requirements for applications for the grants, as the Secretary considers appropriate.
(g) AUTHORIZATIONS OF APPLICATIONS.—There are authorized to be appropriated to make grants under this section—
(1) $1,000,000 for fiscal year 2006, and
(2) each subsequent fiscal year.

SEC. 9.—REGIONAL BIOECONOMY DEVELOPMENT GRANTS.
(a) IN GENERAL.—Using amounts made available under subsection (g), the Secretary of Agriculture (referred to in this section as the ‘‘Secretary’’) shall make available on a competitive basis grants to eligible entities described in subsection (b) for the biobased product marketing and certification purposes described in subsection (c); and
(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section is any manufacturer of biobased products that—
(1) has fewer than 50 employees;
(2) proposes to use the grant for the biobased product marketing and certification purposes described in subsection (c); and
(3) has not previously received a grant under this section.
(c) BIODEFIED PRODUCT MARKETING AND CERTIFICATION GRANT PURPOSES.—A grant made under this section shall be used—
(1) to plan activities and working capital for marketing of biobased products; and
(2) to provide private sector cost sharing for the certification of biobased products.
(d) MATCHING FUNDS.—In general.—Grant recipients shall pro- vide matching non-Federal funds equal to the amount of the grant received.
(2) EXPENDITURE.—Matching funds shall be expended in accordance with grant terms, so that for every dollar of grant that is advanced, an equal amount of matching funds shall have been funded prior to submitting the request for reimbursement.
(e) AMOUNT.—A grant made under this section shall not exceed $100,000.
(f) ADMINISTRATION.—The Secretary shall establish such administrative requirements for grants under this section, including requirements for applications for the grants, as the Secretary considers appropriate.
(g) AUTHORIZATIONS OF APPLICATIONS.—There are authorized to be appropriated to make grants under this section—
(1) $1,000,000 for fiscal year 2006, and
(2) each subsequent fiscal year.
for grants under this section, including requirements for applications for the grants, as the Secretary considers appropriate.

(7) AMOUNT.—A grant made under this section shall not exceed $500,000.

(8) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section—

(1) $10,000,000 for fiscal year 2008; and

(2) such sums as are necessary for fiscal year 2007 and each subsequent fiscal year.

SEC. 8. PREPROCESSING AND HARVESTING TECHNIQUES AND DEMONSTRATION GRANTS.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall make grants available on a competitive basis to entities owned by agricultural producers, for the purposes of demonstrating cost-effective, cellulosic biomass innovations in—

(1) preprocessing of feedstocks, including cleaning, separating and sorting, mixing or blending, and chemical or biochemical treatments, to add value and lower the cost of feedstock processing at a biorefinery; or

(2) 1-pass or other efficient, multiple crop harvesting techniques.

(b) LIMITATIONS ON GRANTS.—

(1) NUMBER OF GRANTS.—Not more than 5 demonstration projects per fiscal year shall be funded under this section.

(2) FEDERAL COST SHARE.—The non-Federal cost share of a project under this section shall be not less than 20 percent, as determined by the Secretary.

(c) ELIGIBLE COOPERATIVE.—To be eligible for a grant for a project under this section, a recipient of a grant or a participating entity shall agree to use the material harvested under the project—

(1) to produce ethanol; or

(2) for another energy purpose, such as the generation of heat or electricity.

(d) LIMITATION ON CREDIT.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2006 through 2010.

SEC. 9. SENSE OF THE SENATE.

It is the sense of the Senate that Congress should amend the Federal tax code to encourage investment in, and production use of, biobased fuels and biobased products through—

(1) an investment tax credit for the construction or modification of facilities for the production of biobased fuel or biobased products from cellulosic biomass, to drive private capital towards new bio-refinery projects in a manner that allows participation by smaller farms and cooperatives;

(2) an investment tax credit to small manufacturers of biobased products to lower the capital costs of starting and maintaining a biobased business.

SEC. 9. EDUCATION AND OUTREACH.

(a) IN GENERAL.—The Secretary of Agriculture shall establish, within the Department of Agriculture or through an independent contracting entity, a program of education and outreach on biobased fuels and biobased products consisting of—

(1) training and technical assistance programs for feedstock producers to promote producer ownership, investment, and participation in the operation of processing facilities; and

(2) public education and outreach to familiarize consumers with the biobased fuels and biobased products.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this title $1,000,000 for each of fiscal years 2006 and 2010.

SEC. 9. REPORTS.

(a) BIOBASED PRODUCT POTENTIAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture (referred to in this section as the “Secretary”) shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an assessment of the economic potential for the United States of the widespread production and use of commercial and industrial biobased products through calendar year 2025; and

(1) describes the economic potential for the United States of the widespread production and use of commercial and industrial biobased products through calendar year 2025; and

(2) as the maximum extent practicable, identifies the economic potential by product area.

(b) ANALYSIS OF ECONOMIC INDICATORS.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to Congress an analysis of economic indicators of the biobased economy during the 2-year period preceding the analysis.

SEC. 9A. HYDROGEN INTERMEDIATE FUELS RESEARCH AND DEVELOPMENT PROGRAM.

(a) IN GENERAL.—The Secretary, in coordination with the Secretary of Energy, shall carry out a 5-year program of research, development, and demonstration of—

(1) hydrogen; and

(2) converting at least 1 commercially available internal combustion engine hybrid electric passenger vehicle to operate on hydrogen;

(b) GOALS.—The goals of the program shall include—

(1) demonstrating the cost-effective conversion of ethanol or other low-cost transportable renewable feedstocks to produce hydrogen suitable for eventual use in fuel cells;

(2) using existing commercial reforming technology or modest modifications of existing technology to reform ethanol or other low-cost, transportable renewable feedstocks into hydrogen;

(3) converting at least 1 commercially available internal combustion engine hybrid electric passenger vehicle to operate on hydrogen;

(4) not later than 1 year after the date on which the program begins, installing and operating an ethanol reformer, or reformer for another low-cost, transportable renewable feedstock (including onsite hydrogen compression, storage, and dispensing), at the facilities of a fleet operator;

(5) operating the 1 or more vehicles described in paragraph (3) in various operating and environmental conditions.

SEC. 9B. APPLICATION OF SECTION 45 CREDIT FOR FLEXIBLE FUEL OPERATION.

(a) REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.—

(1) IN GENERAL.—It is the sense of the Senate that Congress—

(A) ELECTION TO ALLOCATE.—

(i) IN GENERAL.—In the case of an eligible cooperative organization, any portion of the credit determined under subsection (a) for the taxable year may, at the election of the organization, be apportioned among patrons of the organization, in the ratio of the amount of business done by the patrons during the taxable year.

(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

(b) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to any patrons under subparagraph (A) shall be included in the amount determined under subsection (a) with respect to the organization for the taxable year, and

(ii) shall be included in the amount determined under subsection (a) for the taxable year of the patrons with or within which the taxable year of the organization ends.

(c) SPECIAL RULES FOR DECREASE IN CREDIT.—(1) IN GENERAL.—If the amount of the credit of a cooperative organization determined under subsection (a) for a taxable year is less than the amount of such credit shown on the return of the organization for the taxable year for such year, an amount equal to the excess of—

(i) such reduction, over—

(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year, shall be treated as an increase in tax imposed by this chapter on the organization.

(2) INCREASED CREDIT.—If the credit determined under this chapter for purposes of this paragraph is increased by the organization, the increased credit shall be treated as the tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.

SEC. 9C. ELIGIBLE COOPERATIVE DEFINED.—For purposes of this section the term ‘eligible cooperative’ means a cooperative organization described in section 138(a) which is owned more than 50 percent owned by agricultural producers or by entities owned by agricultural producers. For this purpose an entity owned by an agricultural producer is one that is more than 50 percent owned by agricultural producers.

SEC. 9D. WRITTEN NOTICE TO PATRONS.—If any portion of the credit available under subsection (a) is allocated to patrons under paragraph (A), the eligible cooperative shall provide any patron receiving an allocation of the credit with written notice of the amount of the allocation. Such notice shall be provided before the date on which the return described in subparagraph (B)(ii) is due.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 9E. APPLICATION OF SECTION 45 CREDIT TO AGRICULTURAL COOPERATIVES.—

(a) REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.

On page 159, after line 23, add the following:

SEC. 212. RECOMMENDATION TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.

(a) REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.—

In general.—Chapter 329 of title 49, United States Code, is amended by inserting after section 32902 the following:
"§32902A. Requirement to equip automobiles for flexible fuel operation

"(a) DEFINITION.—In this section, the term ‘flexible fuel operation’ means the capability to operate using gasoline, ethanol, and 1 or more alternative fuels, including—

"(1) ethanol and other alternative fuels in blends of at least 85 percent alternative fuel by volume; and

"(2) electricity from an external charging source sufficient to power the vehicle for at least 20 miles of driving.

"(b) TECHNICAL AMENDMENT.—The Secretary of Transportation shall carry out activities to promote the use of a mixture containing at least 1 percent of ethanol by volume with gasoline to power motor vehicles in the United States.

SA 923. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

Section 32902(b) of title 49, United States Code, is amended by inserting after the item relating to section 32902 the following—

"(32902A. Requirement to equip automobiles for flexible fuel operation.

(b) ACTIVITIES TO PROMOTE THE USE OF CERTAIN ALTERNATIVE FUELS.—The Secretary of Transportation shall carry out activities to promote the use of gasoline to power motor vehicles.

(c) REQUIREMENT FOR NEW REGULATIONS.—The Secretary of Transportation shall issue the final regulations under subparagraph (A) not later than April 1, 2006.

(d) PHASED INCREASES.—The regulations issued pursuant to subsection (a) shall specify standards that take effect successively over several vehicle model years not exceeding 15 vehicle model years.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation $5,000,000 for each of fiscal years 2006 through 2010 for carrying out this section and for administering the regulations issued pursuant to this section.

SEC. 713. EXPEDITED PROCEDURES FOR CONGRESSIONAL INCENTIVE IN FUEL ECONOMY STANDARDS.

(a) CONDITION FOR APPLICABILITY.—If the Secretary of Transportation shall issue final regulations with respect to non-passenger automobiles under section 712, or fails to issue final regulations with respect to passenger automobiles under section 712, or fails to issue final regulations with respect to non-passenger automobiles under such section on or before the date by which such final regulations are required by such section to be issued, respectively, then this section shall apply with respect to any bill described in subsection (b).

(b) BILL.—A bill referred to in this subsection is a bill that satisfies the following requirements:

(1) TITLE.—The title of the bill is as follows: ‘‘A bill to establish new average fuel economy standards for certain motor vehicles.’’

(2) TEXT.—The bill provides after the enacting clause only the text specified in subparagraph (A) or (B) or any provision described in subparagraph (C), as follows:

(A) NON-PASSENGER AUTOMOBILES.—In the case of a bill relating to a failure timely to issue final regulations relating to non-passenger automobiles, the following text:

"(1) Section 32902 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(a) NON-PASSENGER AUTOMOBILES.—(A) REQUIREMENT FOR NEW REGULATIONS.—The Secretary of Transportation shall issue the final regulations under subparagraph (A) not later than April 1, 2006.

(b) PHASED INCREASES.—The regulations issued pursuant to subsection (a) shall specify standards that take effect successively over several vehicle model years not exceeding 15 vehicle model years.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation $5,000,000 for each of fiscal years 2006 through 2010 for carrying out this section and for administering the regulations issued pursuant to this section.

"(B) will protect Indian land or tribal fish resources for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

"(i) technological feasibility;

"(2) ECONOMIC FEASIBILITY.—(B) will be no less protective than the condition initially determined to be necessary by the Secretary;

"(3) LEGAL RESPONSIBILITY; and

"(4) TURBINE ECONOMY.—(B) will result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

"(5) The effects of increased fuel economy on air quality;

"(6) The adverse effects of average fuel economy standards on the relative competitiveness of manufacturers;

"(7) The effects of increased fuel economy standards on vehicle safety;

"(8) The costs and lead time necessary for the development of advanced technology for the propulsion of motor vehicles;

"(i) cost significantly less to implement; or

"(ii) result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

"(F) The Secretary of Transportation shall issue final regulations with respect to passenger automobiles under section 712, or fails to issue final regulations with respect to passenger automobiles under such section on or before the date by which such final regulations are required by such section to be issued, respectively, then this section shall apply with respect to any bill described in subsection (b).

(c) TURBINE ECONOMY.—(B) will result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

(d) LEGAL RESPONSIBILITY; and

(i) result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

(ii) cost significantly less to implement; or

(j) cost significantly less to implement; or

(B) will result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

"(F) The effects of increased fuel economy on air quality;

"(7) The extent to which the necessity for increased average fuel economy standards adversely affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles;

"(8) The effects of increased fuel economy standards on vehicle safety;

"(9) The effects of increased fuel economy standards on motor vehicle and passenger safety.

"(D) will result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

"(E) will result in improved operation of the project works for electricity production, as compared to the condition initially determined to be necessary by the Secretary.

"(G) the proposed alternative condition will—

"(1) the introduction of the necessary new technologies;

"(2) the effects of increased fuel economy standards on motor vehicle and passenger safety;

"(3) the effects of increased fuel economy standards adverse affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles;

"(4) the effects of increased fuel economy standards on motor vehicle and passenger safety;

"(5) the effects of increased fuel economy standards on motor vehicle and passenger safety;

"(6) the effects of increased fuel economy standards on motor vehicle and passenger safety;

"(7) the effects of increased fuel economy standards adverse affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles;

"(8) the effects of increased fuel economy standards adverse affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles;
CHAPTER 2—ADVANCED CLEAN VEHICLES

SEC. 721. HYBRID VEHICLES RESEARCH AND DEVELOPMENT.

(a) REQUIREMENTS. PROJECTS ON ENERGY STORAGE SYSTEMS AND OTHER TECHNOLOGIES.—The Secretary of Energy shall accelerate research and development directed toward the improvement of diesel combustion and after-treatment technologies for use in diesel fueled motor vehicles.

(b) INVESTIGATIONS.—The Secretary shall carry out subsection (a) with a view to achieving the following goals:

(1) COMPLIANCE WITH CERTAIN EMISSION STANDARDS BY 2015.—Developing and demonstrating technologies that, not later than 2010, meet the following standards:

(A) Tier-2 emission standards.

(B) Heavy-duty emission standards of 2007.

(2) POST-2005 HIGHLY EFFICIENT TECHNOLOGIES.—Developing the next generation of low emissions, high efficiency diesel engine technologies, including homogeneous charge compression ignition technology.

(c) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for each of fiscal years 2006, 2007, and 2008 in the amount of $50,000,000 for research and development activities under this section.

SEC. 722. DIESEL FUELED VEHICLES RESEARCH AND DEVELOPMENT.

(a) DIESEL COMBUSTION AND AFTER TREATMENT TECHNOLOGIES.—The Secretary of Energy shall accelerate research and development directed toward the improvement of diesel combustion and after treatment technologies for use in diesel fueled motor vehicles.

(b) INVESTIGATIONS.—The Secretary shall carry out subsection (a) with a view to achieving the following goals:

(1) COMPLIANCE WITH CERTAIN EMISSION STANDARDS BY 2015.—Developing and demonstrating technologies that, not later than 2010, meet the following standards:

(A) Tier-2 emission standards.

(B) Heavy-duty emission standards of 2007.

(2) POST-2005 HIGHLY EFFICIENT TECHNOLOGIES.—Developing the next generation of low emissions, high efficiency diesel engine technologies, including homogeneous charge compression ignition technology.

(c) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for each of fiscal years 2006, 2007, and 2008 in the amount of $50,000,000 for research and development activities under this section.

SEC. 723. PROCUREMENT OF ALTERNATIVE FUELED PASSENGER AUTOMOBILES.

(a) VEHICLE Fleets NOT Covered by Requirement on Energy Policy Act of 1992.—The head of each agency of the executive branch shall procure alternative fueled vehicles as defined in section 301(3) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f)); and

(b) A motor vehicle that operates on a blend of fuel that is at least 20 percent (by volume) biodiesel, as defined in section 312(f) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f)); and

(c) A motor vehicle that operates on a blend of fuel that is at least 20 percent (by volume) bioderived hydrocarbons (including aliphatic compounds) produced from agricultural and animal waste.

(2) HEAVY-DUTY EMISSION STANDARDS OF 2007.—The term "heavy-duty emission standards of 2007" means the motor vehicle emission standards promulgated by the Administrator of the Environmental Protection Agency on January 18, 2001, under section 202 of the Clean Air Act to apply to heavy-duty vehicles of model years beginning with the 2007 vehicle model year.

(3) HYBRID VEHICLE.—The term "hybrid vehicle" means—

(A) a motor vehicle that draws propulsion energy from on board sources of stored energy, such as—

(i) an internal combustion or heat engine using combustible fuel; and

(ii) a rechargeable energy storage system; and

(B) any other vehicle that is defined as a hybrid vehicle in regulations prescribed by

(4) Motor vehicle.—The term ‘motor vehicle’ means a self-propelled vehicle that is designed or used for transporting passengers or property on a road and includes a passenger car, a passenger truck, a bus, a recreational vehicle, a recreational truck, and a motorhome.

(5) Tier 2 emission standards.—The term ‘Tier 2 emission standards’ means the motor vehicle emission standards promulgated by the Administrator of the Environmental Protection Agency on February 10, 2000, under section 202 of the Clean Air Act (42 U.S.C. 7521) to apply to passenger automobiles and larger passenger vehicles of model years after the 2003 vehicle model year.

(6) Terms defined in EPA regulations.—The terms ‘passenger automobile’ and ‘light truck’ have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

SA 926. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

Of the amounts authorized within this section, no less than $10 million shall be for a project administered through the Chicago Operations Office, to demonstrate the viability of new mercury removal technology on commercial nuclear reactors and to develop techniques to separate mercury from effluents, where such generation is located in a highly populated urban area, and where the technology has undergone a successful field test sanctioned by the Department, and has been demonstrated to have no adverse effect on the performance or efficiency of existing emissions control equipment or other plant commercial operations. The expenditures under this section shall be shared in accordance with section 1002.

SA 927. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Page 755, after line 25, add the following:

SEC. 13. FUEL CELL AND HYDROGEN TECHNOLOGY STUDY.

(a) FINDINGS.—Congress finds that—

(1) according to the National Academy of Sciences, “Greenhouse gases are accumulating in Earth’s atmosphere as a result of human activities, causing surface air temperatures and subsurface ocean temperatures to rise. . . . Human-induced warming and associated sea level rises are expected to continue through the 21st century.”;

(2) in 2001, the Intergovernmental Panel on Climate Change (IPCC) concluded that the average temperature of the Earth can be expected to rise between 2.5 and 10.4 degrees Fahrenheit in this century and “there is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities”;

(3) the National Academy of Sciences has stated that “the IPCC’s conclusion that most of the observed warming of the last 50 years is likely to have been due to the increased output of greenhouse gases . . . accurately reflects the current thinking of the scientific community on this issue.” and

there is general agreement that the observed warming is real and particularly strong within the past twenty years—

(4) a significant Federal investment toward the development of fuel cell technologies and the transition from petroleum to hydrogen in vehicles could significantly contribute to the reduction of carbon dioxide emissions by reducing fuel consumption;

(5) a massive infusion of resources and leadership from the Federal Government would be needed to create the necessary fuel cell technology for producing hydrogen and the more efficient use of energy; and

(6) the Federal Government would need to commit to developing, in conjunction with private industry and academia, advanced vehicle technologies and the necessary hydrogen infrastructure to provide alternatives to petroleum.

(b) STUDY.—

(1) In general.—As soon as practicable after the enactment of this Act, the Secretary shall enter into a contract with the National Academy of Sciences and the National Research Council to carry out a study of fuel cell technologies that provides a budget roadmap for the development of fuel cell technologies and the transition from petroleum to hydrogen in a significant percentage of the vehicles sold by 2020.

(2) REQUIREMENTS.—In carrying out the study, the National Academy of Sciences and the National Research Council shall—

(A) establish as a goal the maximum percentage practicable of vehicles that the National Academy of Sciences and the National Research Council determines can be fueled by hydrogen by 2020;

(B) determine the amount of Federal and private funding required to meet the goal established under subparagraph (A);

(C) determine what actions are required to meet the goal established under subparagraph (A);

(D) examine the need for expanded and enhanced Federal research and development programs, changes in regulations, grant programs, partnerships between the Federal Government and industry, private sector investments, infrastructure investments by the Federal Government and industry, educational and public information initiatives, and Federal and State tax incentives to meet the goal established under subparagraph (A);

(E) consider whether other technologies would be less expensive or could be more quickly implemented than fuel cell technologies to achieve significant reductions in carbon dioxide emissions;

(F) in carrying out any reports relating to fuel cell technologies and hydrogen-fueled vehicles, including—

(i) the report prepared by the National Academy of Sciences and the National Research Council in 2004 entitled ‘Hydrogen Economy: Opportunities, Costs, Barriers, and R&D Needs’;

(ii) the report prepared by the U.S. Fuel Cell Council in 2003 entitled ‘Fuel Cells and Hydrogen: The Path Forward’;

(iii) consider the challenges, difficulties, and potential barriers to meeting the goal established under subparagraph (A); and

(iv) with respect to the budget roadmap—

(i) specify the amount of funding required on an annual basis from the Federal Government and industry to carry out the budget roadmap; and

(ii) specify the advantages and disadvantages of transitioning to hydrogen in vehicles in accordance with the timeline established by the budget roadmap.

SA 928. Mr. LEVIN (for himself and Mr. ALEXANDER) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE XVII—TAX INCENTIVES FOR ALTERNATIVE MOTOR VEHICLES AND FUELS

SEC. 1700. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or reenactment is expressed in terms of a subsequent enactment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Tax Incentives

SEC. 1701. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of chapter 41 of the Internal Revenue Code of 1986 (relating to alternative motor vehicles and fuels) is amended by adding at the end the following:

SEC. 30A. ALTERNATIVE MOTOR VEHICLE CREDIT.

(1) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the calendar year an amount equal to the sum of—

(I) the new qualified fuel cell motor vehicle credit determined under subsection (b),

(II) the new advanced technology motor vehicle credit determined under subsection (c),

(III) the new qualified hybrid motor vehicle credit determined under subsection (d), and

(IV) the new alternative fuel motor vehicle credit determined under subsection (e).

(2) REQUIREMENTS.—In general.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year—

(I) $8,000 if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

(II) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

(III) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(IV) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(3) INCREASE FOR FUEL EFFICIENCY.—

(A) IN GENERAL.—The amount determined under paragraph (1) is increased by—

(i) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

(ii) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

(iii) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

(iv) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2002 model year city fuel economy,

(v) $3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2002 model year city fuel economy,

(vi) $3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2002 model year city fuel economy,

(vii) $4,000, if such vehicle achieves at least 300 percent of the 2002 model year city fuel economy, and

(B) 2002 MODEL YEAR CITY FUEL ECONOMY.—

For purposes of subparagraph (A), the 2002 model year city fuel economy shall be—

(1) the city fuel economy determined by the Administrator of the Environmental Protection Agency, using methods prescribed by the Administrator, for the model year 2002 of the vehicle, calculated under—

(I) the procedure prescribed by the Administrator under subsection (b)(2) of section 1703 of the Internal Revenue Code of 1986, or

(II) the procedure prescribed by the Administrator under section 1701(c)(2) of the Internal Revenue Code of 1986, and

(III) the applicable standard prescribed by the Administrator of the Environmental Protection Agency for such model year, and

(2) the highest applicable standard applicable to such vehicle for such model year, determined using the applicable standard prescribed by the Administrator of the Environmental Protection Agency for such model year, calculated under—

(I) the procedure prescribed by the Administrator under subsection (b)(2) of section 1703 of the Internal Revenue Code of 1986, or

(II) the procedure prescribed by the Administrator under section 1701(c)(2) of the Internal Revenue Code of 1986.
model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

**If vehicle inertia The 2002 model year weight class is:** city fuel economy is:

- 1,500 or 1,750 lbs ........................................... 45.2 mpg
- 2,000 lbs ........................................... 39.6 mpg
- 2,250 lbs ........................................... 35.2 mpg
- 2,500 lbs ........................................... 31.7 mpg
- 2,750 lbs ........................................... 28.8 mpg
- 3,000 lbs ........................................... 26.4 mpg
- 3,500 lbs ........................................... 22.6 mpg
- 4,000 lbs ........................................... 19.8 mpg
- 4,500 lbs ........................................... 17.6 mpg
- 5,000 lbs ........................................... 15.9 mpg
- 5,500 lbs ........................................... 14.4 mpg
- 6,000 lbs ........................................... 13.2 mpg
- 6,500 lbs ........................................... 12.2 mpg
- 7,000 to 8,500 lbs ...................................... 11.8 mpg

**In the case of a passenger automobile:** the taxpayer and not for resale, and

- 1,500 or 1,750 lbs ........................................... 39.4 mpg
- 2,000 lbs ........................................... 34.5 mpg
- 2,250 lbs ........................................... 31.7 mpg
- 2,500 lbs ........................................... 28.8 mpg
- 3,000 lbs ........................................... 26.4 mpg
- 3,500 lbs ........................................... 22.6 mpg
- 4,000 lbs ........................................... 19.8 mpg
- 4,500 lbs ........................................... 17.6 mpg
- 5,000 lbs ........................................... 15.9 mpg
- 5,500 lbs ........................................... 14.4 mpg
- 6,000 lbs ........................................... 13.2 mpg
- 6,500 lbs ........................................... 12.2 mpg
- 7,000 to 8,500 lbs ...................................... 11.8 mpg

**In the case of a truck:** the taxpayer and not for resale, and

- 1,500 or 1,750 lbs ........................................... 37.5 mpg
- 2,000 lbs ........................................... 33.3 mpg
- 2,250 lbs ........................................... 30.8 mpg
- 2,500 lbs ........................................... 28.8 mpg
- 3,000 lbs ........................................... 26.4 mpg
- 3,500 lbs ........................................... 22.6 mpg
- 4,000 lbs ........................................... 19.8 mpg
- 4,500 lbs ........................................... 17.6 mpg
- 5,000 lbs ........................................... 15.9 mpg
- 5,500 lbs ........................................... 14.4 mpg
- 6,000 lbs ........................................... 13.2 mpg
- 6,500 lbs ........................................... 12.2 mpg
- 7,000 to 8,500 lbs ...................................... 11.8 mpg

In the case of a lighter vehicle, the credit amount determined under paragraph (2).

**For purporses of this subsection, the term ‘like vehicle’ means:—**

- (A) a vehicle that—
  - with an internal combustion engine which
  - is designed to operate primarily using more air than is necessary for complete combustion of the fuel,
  - incorporates direct injection,
  - achieves at least 125 percent of the 2002 model year city fuel economy,
  - for purposes of paragraph (2), the amount equal to the applicable percentage of the incremental cost of such vehicle.

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For purposes of this subsection, the term ‘like vehicle’ means:—

- (A) a vehicle that—
  - with an internal combustion engine which
  - is designed to operate primarily using more air than is necessary for complete combustion of the fuel,
  - incorporates direct injection,
  - achieves at least 125 percent of the 2002 model year city fuel economy,
  - for purposes of paragraph (2),

---

For purposes of this subsection, the term ‘like vehicle’ means:—

- (A) a vehicle that—
  - with an internal combustion engine which
  - is designed to operate primarily using more air than is necessary for complete combustion of the fuel,
  - incorporates direct injection,
  - achieves at least 125 percent of the 2002 model year city fuel economy,

---

For purposes of this subsection, the term ‘like vehicle’ means:—

- (A) a vehicle that—
  - with an internal combustion engine which
  - is designed to operate primarily using more air than is necessary for complete combustion of the fuel,
placed in service by the taxpayer during the taxable year.

"(B) INCREMENTAL COST.—For purposes of this paragraph, the incremental cost of any heavy-duty hybrid motor vehicle, as defined in subparagraph (A)(i), is equal to the amount of the excess of the manufacturer’s suggested retail price for such vehicle over such price for a comparable gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

(i) $7,500, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, and

(ii) $15,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(iii) the original use of which commences with the taxpayer.

(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>percent increase</th>
<th>applicable percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>in fuel economy of hybrid over comparable vehicle is:</td>
<td>percentage is:</td>
</tr>
<tr>
<td>At least 30 but less than 40 percent</td>
<td>20 percent</td>
</tr>
<tr>
<td>At least 40 but less than 50 percent</td>
<td>30 percent</td>
</tr>
<tr>
<td>At least 50 percent</td>
<td>40 percent</td>
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</tbody>
</table>

"(D) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, and

"(ii) the maximum available power of such vehicle is equal to the amount of the excess of the manufacturer’s suggested retail price for such vehicle over such price for a comparable gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

(i) $7,500, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, and

(ii) $15,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(iii) the original use of which commences with the taxpayer.

(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

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<td>30 percent</td>
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<tr>
<td>At least 50 percent</td>
<td>40 percent</td>
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</table>

"(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(D) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘‘new qualified alternative fuel motor vehicle’’ means any motor vehicle—

(i) which is only capable of operating on an alternative fuel,

(ii) the original use of which commences with the taxpayer,

(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

(iv) which is made by a manufacturer.

(?B) ALTERNATIVE FUEL.—The term ‘‘alternative fuel’’ means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 86 percent of the volume of which consists of methanol.

(5) CREDIT FOR MIXED-FUEL VEHICLE.—

(A) IN GENERAL.—In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

(i) in the case of a 75/25 mixed-fuel vehicle, 50 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle,

(ii) in the case of a 90/10 mixed-fuel vehicle, 60 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle,

(6) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term ‘‘mixed-fuel vehicle’’ means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

(i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,

(ii) is either—

(I) has a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle,

(II) has a certificate of conformity under the Clean Air Act and meets or exceeds the Bin 5 Tier II emission standard which is so established,

(iii) has a certificate of conformity under the Clean Air Act and meets or exceeds the Bin 8 Tier II emission standard which is so established,

(iv) has a certificate of conformity under the Calitiflow emission standard which is so established,

(v) has a certificate of conformity under the California low emission vehicle standard which is so established,

(vi) has a certificate of conformity under the State laws of California (enacted in accordance with a waiver granted under section 129(b) of the Clean Air Act) for that make and model year vehicle,

(vii) the original use of which commences with the taxpayer,

(viii) which is acquired by the taxpayer for use or lease, but not for resale, and

(ix) which is made by a manufacturer.

(C) 75/25 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term ‘‘75/25 mixed-fuel vehicle’’ means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

(D) 90/10 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term ‘‘90/10 mixed-fuel vehicle’’ means a mixed-fuel vehicle which operates using at least 90 percent alternative fuel and not more than 10 percent petroleum-based fuel.

(7) LIMITATION ON NUMBER OF NEW QUALIFIED HYBRID AND ADVANCED LEAN-BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.—

(A) IN GENERAL.—In the case of a qualified vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (c) or (d) shall be allowed.

(?B) PHASEOUT PERIOD.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar year following the calendar year which includes the first date on which the number of qualified vehicles manufactured by the
manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after the date of the enactment of this section is at least 80,000.

(3) APPLICATION OF PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

(A) 50 percent for the first 2 calendar quarters of the phaseout period,

(B) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and

(C) 0 percent for each calendar quarter thereafter.

(4) CONTROLLED GROUPS.—

(A) IN GENERAL.—For purposes of this subsection, the term ‘controlled group’ means any new qualified hybrid motor vehicle (as described in subsection (a)(2) of section 1702) purchased after 2005 with respect to such vehicle (determined without regard to subsection (g)).

(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to any taxable year, the term ‘qualified hybrid motor vehicle’ means any new qualified hybrid motor vehicle (as described in subsection (a)(2) of section 1702) purchased after 2005 with respect to such vehicle (determined without regard to subsection (g)).

(5) QUALIFIED VEHICLE.—For purposes of this subsection, the term ‘qualified vehicle’ means a qualified hybrid motor vehicle and any new advanced lean burn technology motor vehicle.

(6) OTHER DEFINITIONS AND SPECIAL RULES.—

(A) MOTOR VEHICLE.—The term ‘motor vehicle’ has the meaning given such term by section 59(c)(2).

(B) FUEL ECONOMY.—The city fuel economy with respect to any vehicle shall be measured in accordance with procedures under part 600 of subchapter Q of chapter I of title 49, Code of Federal Regulations, as in effect on the date of the enactment of this section.

(3) OTHER TERMS.—The terms ‘automobile’, ‘passenger automobile’, ‘medium duty passenger vehicle’, ‘light truck’, and ‘motor vehicle’ have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(4) REDUCTION IN BASIS.—For purposes of this subsection, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (e)).

(5) SPECIALLY BENEFIT.—The amount of any deduction or other credit allowable under this chapter—

(A) for any incremental cost taken into account in computing the amount of the credit determined under subsection (e) shall be reduced by the amount of such credit attributable to such cost, and

(B) with respect to a vehicle described under subsection (b), (c), or (d) shall be reduced by the amount of credit allowable under subsection (a) for such vehicle for the taxable year.

(6) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle whose use is described in paragraph (3) or (4) of section 59(b) and subject to a lease or rental to a lessee or rental to a lessee or lessor who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under this section with respect to such vehicle (determined without regard to subsection (g)).

(7) PROPERTY USED OUTSIDE UNITED STATES.—Any credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit under this subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

(9) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any taxable year for which the taxpayer elects not to have this section apply to such vehicle.

(10) CARRYBACK AND CARRYFORWARD ALLOWED.—

(A) IN GENERAL.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (g) for such taxable year (in this paragraph referred to as the ‘excess credit year’), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year, except that no excess may be carried to a taxable year beginning before the date of the enactment of this Act. For purposes of the preceding sentence, the term ‘unused credit year’ shall not apply to any credit carryback if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the carryback and credit carryforward under subparagraph (A).

(11) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle that is in compliance with any applicable standard prescribed by the Environmental Protection Agency or the National Transportation Safety Board shall be treated as a qualified vehicle.

(12) WITH HOLDING REQUIREMENTS.—

(A) THE TREASURY SHALL ISSUE REGULATIONS UNDER WHICH THE EXCESS CREDIT ALLOWABLE UNDER SUBSECTION (A) FOR ANY TAXABLE YEAR EXCEEDING THE LIMITATION UNDER SUBSECTION (G) MAY BE TREATED AS A CREDIT AGAINST THE TAX ImPOSED BY THIS SUBTITLE.

(B) RULES.—RULES SIMILAR TO THE RULES OF SECTION 39 SHALL APPLY WITH RESPECT TO THE CREDIT ALLOWABLE UNDER SUBSECTION (A).

(13) INTERACTION WITH OTHER CREDITS.—The credit allowed under subsection (a) (other than credits determined under subsection (m) or (o) of section 414) shall not reduce the credits otherwise provided in this section.

(14) A PPLICATION WITH OTHER CREDITS.—The application of this section with respect to a vehicle shall be determined without regard to subsection (g).

(15) N O DOUBLE BENEFIT.—

(A) IN GENERAL.—Any credit shall be allowed under this section only once with respect to any property.

(B) RULES.—The Treasury shall issue regulations under which the excess credit allowable under subsection (a) with respect to any vehicle may be treated as a credit against the tax imposed by this subtitle.

(16) TREATMENT OF CREDIT.—The excess credit described in paragraph (15)(A) shall be treated as a single manufacturer.

(17) ELECTION TO NOT TAKE CREDIT WITH RESPECT TO A LEASED VEHICLE.—The term ‘qualified vehicle’ means a vehicle with respect to which a credit is allowed under section 30B(h)(9) that is leased after such date.

(18) NONAPPLICATION OF SECTION.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, section 1531 of this Act shall be null and void.

SEC. 30C. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

(1) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the cost of any qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year.

(2) LIMITATION.—The credit allowed under subsection (1) with respect to any alternative fuel vehicle refueling property shall not exceed—

(A) $50,000 in the case of a property subject to an allowance for depreciation, and

(B) $2,000 in any other case.

(3) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—For purposes of this section—

(A) IN GENERAL.—Except as provided in paragraph (2), the term ‘qualified alternative fuel vehicle refueling property’ means any fueling property that has the meaning given to such term by section 179A(d), but with only respect to any fuel at least 85 percent of which volume of which contains a mixture of at least the following alternative fuel at a ratio of at least 85 percent:

1. liquefied natural gas
2. liquefied petroleum gas
3. hydrogen

SEC. 30D. ALTERNATIVE FUEL VEHICLE INSTALLATION CREDIT.

(1) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the cost of any property placed in service by the taxpayer during the taxable year.

(2) LIMITATION.—The credit allowed under subsection (1) with respect to any alternative fuel vehicle shall not exceed—

(A) $50,000 in the case of a property subject to an allowance for depreciation, and

(B) $2,000 in any other case.

(3) QUALIFIED ALTERNATIVE FUEL VEHICLE INSTALLATION.—For purposes of this section—

(A) IN GENERAL.—Except as provided in paragraph (2), the term ‘qualified alternative fuel vehicle installation’ means property that has the meaning given to such term by section 179A(d), but with only respect to any fuel at least 85 percent of which volume of which contains a mixture of at least the following alternative fuel at a ratio of at least 85 percent:

1. liquefied natural gas
2. liquefied petroleum gas
3. hydrogen

SEC. 30E. ALTERNATIVE FUEL VEHICLE INSTALLATION CREDIT.

(1) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the cost of any property placed in service by the taxpayer during the taxable year.
‘(2) RESIDENTIAL PROPERTY.—In the case of any property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, paragraph (1) of section 179A(d) shall not apply.

‘(d) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

‘(1) the regular tax for the taxable year reduced by the amount of the credits allowable under sections 27, 29, 30, and 30B, over

‘(2) the tentative minimum tax for the taxable year.

‘(e) CARRYFORWARD ALLOWED.—

‘(1) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (d) for such taxable year, such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

‘(2) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).

‘(f) SPECIAL RULES.—For purposes of this section—

‘(1) BASIS REDUCTION.—The basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

‘(2) DOUBLE BENEFIT.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowed under subsection (a).

‘(3) PROPERTY USED BY TAX-EXEMPT ENTITIES.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 179A(c), if such property is not subject to a lease, the person who sold such property to the person or entity using such property shall be treated as the taxpayer that placed such property in service, but only if such person clearly discloses to such person or entity in a document the amount any credit allowable under subsection (a) with respect to such property (determined without regard to subsection (d)).

‘(4) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowable under section 179A with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

‘(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property not subject to an election not to have this section apply to such property.

‘(6) RECAPTURE RULES.—Rules similar to the rules of section 39 shall apply.

‘(7) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

‘(h) TAXES.—This section shall not apply to any property placed in service—

‘(1) in the case of property relating to hydrogen, after December 31, 2014, and

‘(2) in the case of any other property, after December 31, 2009.

‘(i) ADJUSTMENTS.—In the case of any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

‘(ii) any new qualified hybrid motor vehicle (as defined in section 30B(c)(2)(A) and determined without regard to any gross vehicle weight rating).

‘(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component inherent to any advanced technology motor vehicle, including—

‘(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

‘(i) electric motor or generator,

‘(ii) power split device,

‘(iii) power control unit,

‘(iv) power converter,

‘(v) integrated starter generator, or

‘(vi) battery,

‘(B) with respect to any hydraulic new qualified hybrid motor vehicle—

‘(i) hydraulic accumulator vessel,

‘(ii) hydraulic pump, or

‘(iii) hydraulic pump-motor assembly,

‘(C) with respect to any new advanced lean burn technology motor vehicle—

‘(i) diesel engine,

‘(ii) turbocharger,

‘(iii) injection system,

‘(iv) after-treatment system, such as a particle filter or NOX absorber, and

‘(D) with respect to any advanced technology motor vehicle for which a component was submitted for approval by the Secretary.

‘(3) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (b)(3)(B), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

‘(i) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application, and

‘(ii) designing interfaces for components and subsystems with mating systems within a specific vehicle application.

‘(4) Validating functionality and performance of components and subsystems for a specific vehicle application.

‘(e) ELIGIBLE TAXPAYER.—For purposes of this section, the term ‘eligible taxpayer’ means any taxpayer if more than 50 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or component or subsystems for such vehicles.

‘(f) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

‘(1) the sum of—

‘(A) the regular tax liability (as defined in section 55) for such taxable year, plus

‘(B) the tax imposed by section 55 for such taxable year and any prior taxable year beginning after 1986 and not taken into account under section 39 for any prior taxable year, over

‘(2) the sum of the credits allowable under subsection (a), and

‘(g) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

‘(h) NO DOUBLE BENEFIT.—

‘(1) COORDINATION WITH OTHER DEDUCTION AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or other credit allowable under this chapter for...

Paragraphs (1), (2), (3), (5), (6), (7), (9), and (10) of section 45(d) of the Internal Revenue Code of 1986, as amended by title XV, are amended by striking “2007” wherever it appears.
such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

(e) Clerical Amendment.—The table of sections or subparts of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

“Sec. 6722. Frivolous tax submissions.”

(f) Effective Date.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6706(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 1713. INCREASE IN CERTAIN CRIMINAL PENALTIES. (a) In General.—Section 7203 (relating to fraud and false statements) is amended—

(1) by striking “Any person who—” and inserting “(a) In General.—Any person who—”;

and

(2) by adding at the end the following new subsection:

“(b) In General.—Section 7203 (relating to fraud and false statements) is amended—

(1) by striking “$10,000” and inserting “$50,000”;

(B) by striking “$50,000” and inserting “$1,000,000”, and

(C) by striking “5 years” and inserting “10 years”.

(2) Wilful Failure to File Return, Supply Information, or Pay Tax.—Section 7203 is amended—

(A) by striking “$100,000” and inserting “$5,000,000”;

(B) by striking “$500,000” and inserting “$1,000,000”, and

(C) by striking “5 years” and inserting “10 years”.

(3) Fraud and False Statements.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking “$10,000” and inserting “$50,000”,

(B) by striking “$500,000” and inserting “$1,000,000”, and

(C) by striking “3 years” and inserting “5 years”.

(4) Effective Date.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 1714. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) Determination of Penalty.—(1) In general.—In determining any applicable penalty—

(A) the determination as to whether any interest or penalty is to be imposed with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to any interest or penalty is to be imposed with respect to any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6664 of the Internal Revenue Code of 1986, and

(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) Applicable Penalty.—For purposes of this subsection—

(A) In General.—The term “applicable penalty” means a taxpayer which—

(i) has underreported its United States income tax liability with respect to any item which directly or indirectly involves—

(I) any offshore arrangement (as defined in subsection (a)); or

(II) any offshore financial arrangement (as defined in subsection (a)) which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in foreign countries;

(B) Issuance of the Notice.—For purposes of paragraph (1) (A)(ii), an item shall be treated as an issue raised during an examination if the individual examining the return—

(i) communicates to the taxpayer knowledge of the item;

(ii) makes a request to the taxpayer for information and the taxpayer could not respond to that request without giving the examiner knowledge of the item;

(iii) directs that the return be rejected without the knowledge of the item.

(C) Determination of Penalty.—The term “applicable penalty” means any penalty, addition to tax, or interest described in section 6662 of the Internal Revenue Code of 1986.

(D) Effective Date.—The amendments made by this section apply to any tax, penalty, or interest with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 1715. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) Limitation on Exception from PFIC Rules for United States Shareholders of Controlled Foreign Corporations.—

(1) Effective Date.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

(b) Effective Date.—The provisions of this section shall apply to taxable years of controlled foreign corporations beginning after March 2, 2005, and to taxable years of United States shareholders with or without which such taxable years of controlled foreign corporations end.

SEC. 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL ANNUAL CORPORATE INCOME TAX RETURN.

(a) In General.—The Federal annual tax return of a corporation with respect to income shall also include a declaration signed by the chief executive officer of such corporation that the corporation is not a passive foreign investment company (within the meaning of section 61(a)(21)(B) and inserting subsection (m) as subsection (n) and inserting subsection (n) as subsection (m).

(b) Effective Date.—This section shall apply to Federal annual tax returns for taxable years ending after the date of the enactment of this Act.

SEC. 1717. TAXPAYERS REGULATIONS ON FOREIGN TAX CREDIT.

(a) In General.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) Foreign Taxes.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or any portion of any foreign tax, or allocating a foreign tax or more personally the foreign tax is imposed on any person in respect of income of another person or in other cases involving the inappropriate allocation of the foreign tax from the related foreign income.”

(b) Effective Date.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 1718. WHISTLEBLOWER REFORMS.

(a) In General.—Section 6723 (relating to expenses of detection of underpayments and fraud, etc.) is amended—
(1) by striking “The Secretary” and inserting “(a) IN GENERAL.—The Secretary”, (2) by striking “and” at the end of paragraph (1) and inserting “or”, (3) by changing “(other than interest)”, and (4) by adding at the end the following new subsections—

“(b) AWARD TO WHISTLEBLOWERS.—

(1) IN GENERAL.—If the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information brought to the Secretary’s attention by an individual, such individual shall, subject to paragraph (2), receive as an award at least 15 percent but not more than 30 percent of the costs, penalties, interest, additions to tax, and additional amounts resulting from the action (including any related actions) or from any settlement resulting from such action. The determination of the amount of such award by the Whistleblower Office shall depend upon the extent to which the individual substantially contributed to such action.

(2) AWARD IN CASE OF LESS SUBSTANTIAL CONTRIBUTION.—

(A) IN GENERAL.—In the event the action described in paragraph (1) is one which the Whistleblower Office determines to be based principally on disclosures of specific allegations of tax evasion or other violations of the Internal Revenue Service laws, the Whistleblower Office may award such individual sums as it considers appropriate, but in no case more than 10 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such disclosure, into account the significance of the individual’s disclosure and the role of the individual and any legal representative of such individual in contributing to such action.

(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—If the individual described in paragraph (1) or (2) is the original source of information provided by the individual described in paragraph (1) resulting from a judicial or administrative hearing, from a governmental report, hearing, or investigation (including any media, the Whistleblower Office may award such individual sums as it considers appropriate, but in no case more than 10 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such disclosure, into account the significance of the individual’s disclosure and the role of the individual and any legal representative of such individual in contributing to such action.

(C) REDUCTION IN OR DENIAL OF AWARD.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is based on information who at some point initiated the actions that led to the underpayment of tax or actions described in subsection (a)(2), then the Whistleblower Office may reduce such award. If such individual is convicted of criminal conduct arising from the role described in the preceding sentence, the Whistleblower Office shall deny any award.

(D) APPEAL OF AWARD DETERMINATION.—Any determination regarding an award under paragraph (1), (2), or (3) shall be subject to the individual described in such paragraph of a petition for review with the Tax Court under rules similar to the rules under section 7463 (without regard to the amount in dispute) and such review shall be subject to the rules under section 7463(b)(1).

(E) APPLICATION OF THIS SUBSECTION.—This subsection shall apply with respect to any action begun after the date of enactment of this Act.

(a) AGAINST ANY TAXPAYER, BUT IN THE CASE OF ANY INDIVIDUAL, ONLY IF SUCH INDIVIDUAL’S GROSS INCOME EXCEEDS $200,000 FOR ANY TAXABLE YEAR AND (B) IF THE TAX, PENALTIES, INTEREST, ADDITIONS TO TAX, AND ADDITIONAL AMOUNTS IN DISPUTE EXCEED $30,000.

(b) AWARD TO WHISTLEBLOWERS.—

(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection.

(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by any attorney or other legal representative.

(C) AWARD NOT SUBJECT TO INDIVIDUAL ALTERNATIVE MINIMUM TAX.—No award received under this subsection shall be included in gross income or determined as alternative minimum taxable income.

(D) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the Whistleblower Office.

(a) At all times operate at the direction of the Commissioner and coordinate with other divisions in the Internal Revenue Service as directed by the Commissioner.

(b) Analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office.

(2) FUNDING OF OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year to be used to carry out the purposes of this section.

These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

(E) REQUEST FOR ASSISTANCE.—

(A) IN GENERAL.—Any assistance requested under paragraph (1) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). To the extent the Secretary assigns an alternative office, the Secretary shall inform such individual that it is being assigned to the alternative office.

(B) FUNDING OF ASSISTANCE.—From the amounts paid or incurred on or after the date of the enactment of this Act, the Secretary may appropriate such funds as the Secretary determines to be necessary to carry out the purposes of this section.

(C) AWARD NOT SUBJECT TO INDIVIDUAL ALTERNATIVE MINIMUM TAX.—No award received under this subsection shall be included in gross income or determined as alternative minimum taxable income.

(D) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the Whistleblower Office.

(a) Shall at all times operate at the direction of the Commissioner and consult with other divisions in the Internal Revenue Service as directed by the Commissioner.

(b) Shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office.

(c) Shall monitor any action taken with respect to such matter.

(d) Shall inform such individual that it has accepted the individual’s information for further review.

(E) MAY NOT REQUIRE SUCH INDIVIDUAL AND ANY LEGAL REPRESENTATIVE OF SUCH INDIVIDUAL TO DISCLOSE ANY INFORMATION SO PROVIDED.

(F) IN ITS SOLE DISCRETION, MAY ADD TO THE AWARD FOR THE INDIVIDUAL OR ANY LEGAL REPRESENTATIVE OF SUCH INDIVIDUAL, AND

(G) SHALL DETERMINE THE AMOUNT TO BE AWARDED TO SUCH INDIVIDUAL UNDER SUBSECTION (b).

(2) AWARD IN CASE OF LESS SUBSTANTIAL CONTRIBUTION.—

(A) IN GENERAL.—If the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information provided by the individual described in paragraph (1) resulting from a judicial or administrative hearing, from a governmental report, hearing, or investigation, the Whistleblower Office may award such individual sums as it considers appropriate, but in no case more than 10 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such disclosure, into account the significance of the individual’s disclosure and the role of the individual and any legal representative of such individual in contributing to such action.

(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—If the individual described in paragraph (1) or (2) is the original source of information provided by the individual described in paragraph (1) resulting from a judicial or administrative hearing, from a governmental report, hearing, or investigation, the Whistleblower Office may award such individual sums as it considers appropriate, but in no case more than 10 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such disclosure, into account the significance of the individual’s disclosure and the role of the individual and any legal representative of such individual in contributing to such action.

(C) REDUCTION IN OR DENIAL OF AWARD.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is based on information who at some point initiated the actions that led to the underpayment of tax or actions described in such paragraph (a)(2), then the Whistleblower Office may reduce such award. If such individual is convicted of criminal conduct arising from the role described in the preceding sentence, the Whistleblower Office shall deny any award.

(D) APPEAL OF AWARD DETERMINATION.—Any determination regarding an award under paragraph (1), (2), or (3) shall be subject to the individual described in such paragraph of a petition for review with the Tax Court under rules similar to the rules under section 7463 (without regard to the amount in dispute) and such review shall be subject to the rules under section 7463(b)(1).

(E) APPLICATION OF THIS SUBSECTION.—This subsection shall apply with respect to any action begun after the date of enactment of this Act.

(a) AGAINST ANY TAXPAYER, BUT IN THE CASE OF ANY INDIVIDUAL, ONLY IF SUCH INDIVIDUAL’S GROSS INCOME EXCEEDS $200,000 FOR ANY TAXABLE YEAR AND (B) IF THE TAX, PENALTIES, INTEREST, ADDITIONS TO TAX, AND ADDITIONAL AMOUNTS IN DISPUTE EXCEED $30,000.

(b) AWARD TO WHISTLEBLOWERS.—

(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection.

(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by any attorney or other legal representative.

(C) AWARD NOT SUBJECT TO INDIVIDUAL ALTERNATIVE MINIMUM TAX.—No award received under this subsection shall be included in gross income or determined as alternative minimum taxable income.

(D) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the Whistleblower Office.

(a) Shall at all times operate at the direction of the Commissioner and coordinate with other divisions in the Internal Revenue Service as directed by the Commissioner.

(b) Shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office.

(c) Shall monitor any action taken with respect to such matter.

(d) Shall inform such individual that it has accepted the individual’s information for further review.

(E) MAY NOT REQUIRE SUCH INDIVIDUAL AND ANY LEGAL REPRESENTATIVE OF SUCH INDIVIDUAL TO DISCLOSE ANY INFORMATION SO PROVIDED.

(F) IN ITS SOLE DISCRETION, MAY ADD TO THE AWARD FOR THE INDIVIDUAL OR ANY LEGAL REPRESENTATIVE OF SUCH INDIVIDUAL, AND

(G) SHALL DETERMINE THE AMOUNT TO BE AWARDED TO SUCH INDIVIDUAL UNDER SUBSECTION (b).
“(I) the taxpayer is participating in a published settlement initiative which is offered by the Secretary of the Treasury or his delegate to a group of similarly situated taxpayers who claim benefits from the listed transaction, or

“(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative that the tax liability arising in connection with the listed transaction.

Subclause (I) shall not apply to the taxpayer if, after the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary or his delegate determines that a settlement agreement will not be entered into with the taxpayer within a reasonable period of time.

“(ii) CLOSED TRANSACTIONS.—Clause (I) shall not apply to a listed transaction if, as of May 9, 2005—

“(I) the assessment of all Federal income taxes for the taxable year in which the tax liability to which the interest relates arose is prevented by the operation of any law or rule of law, or

“(II) a closing agreement under section 7221 has been entered into with respect to the tax liability arising in connection with the listed transaction.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.


(a) REPEAL OF EXCEPTION FOR QUALIFIED TRANSPORTATION PROPERTY.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2) and by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 1722. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

“(a) GENERAL RULES.—For purposes of this subtitle—

“(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expiration date for its fair market value.

“(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

“(A) notwithstanding any other provision of this section, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

“(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding section.

“(3) EXCLUSION FOR CERTAIN GAIN.—

“(A) The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by the amount of such gain or loss attributable to property.

“(B) ALLOCABLE EXPATRIATION GAIN TAKEN INTO ACCOUNT UNDER SUBSECTION (F)(2) SHALL BE TREATED IN THE SAME MANNER AS AN AMOUNT REQUIRED TO BE INCLUDIBLE IN GROSS INCOME.

“(C) COST-OF-LIVING ADJUSTMENT.—

“(I) IN GENERAL.—In the case of an expatriation (as defined in section 877(c)(1)) after May 9, 2005, the $600,000 amount under subsection (A) shall be increased by an amount equal to—

“(I) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2004’ for ‘calendar year 2002’ in subparagraph (B) thereof.

“(II) ROUNDING RULES.—If any amount after adjustment under this paragraph represents a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

“(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES RESIDENT.

“(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

“(I) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

“(ii) in the case of property to which this section would apply but for such election, the expatriate shall not be treated as having a U.S. interest in—

“(I) the property to which this section would apply but for the election made by this section shall take effect as if the individual were a United States citizen.

“(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

“(I) provides security for payment of tax in such form and manner, and in such amount, as the Secretary shall prescribe.

“(II) consents to the waiver of any right of the individual under any treaty of the United States which would preclude preservation or collection of any tax which may be imposed by reason of this paragraph, and

“(III) complies with such other requirements as the Secretary shall prescribe.

“(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election made by this section, except that—

“(i) such dollar amount, multiplied by—

“(I) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2004’ for ‘calendar year 2002’ in subparagraph (B) thereof.

“(ii) rounding rules.

“(III) complies with such other requirements as the Secretary shall prescribe.

“(D) ELECTION TO DEFER TAX.—

“(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of, or in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such time as the Secretary may prescribe.

“(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

“(3) TERMINATION OF POSTPONEMENT.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the secured party provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

“(4) SECURED PARTY.—Subparagraph (B) shall not apply to any property which the taxpayer elects to treat as security with respect to any property shall be treated as adequate security if—

“(I) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

“(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

“(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer waives any right under any treaty of the United States which would preclude preservation or collection of any tax imposed by reason of this section.

“(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

“INTEREST.—For purposes of section 6601—

“(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

“(B) section 6621(a)(2) shall be applied by substituting ‘3 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

“(C) COVERED EXPATRIATE.—For purposes of this section—

“(I) IN GENERAL.—Except as provided in paragraph (2), the term ‘covered expatriate’ means an expatriate.

“(II) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

“(A) the individual—

“(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

“(ii) has not been a resident of the United States (as defined in section 7701(a)(11)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

“(B) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18, and

“(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

“(D) EXEMPT PROPERTY.—SPECIAL RULES FOR PERIODS OF ATTACHMENT.—

“(1) EXEMPT PROPERTY.—This section shall not apply to the following:

“(A) UNITED STATES REAL PROPERTY INTEREST.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the date of the expatriation date, meet the requirements of section 897(c)(2).

“(B) SPECIFIED PROPERTY.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

“(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

“(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

“(I) such interest shall not be treated as sold for purposes of subsection (a)(1), but

“(ii) an amount equal to the present value of the expatriate’s nonforfeitable accrued benefit (as determined by the plan) shall be treated as having been received by such individual on such date as a distribution under the plan.}
(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expiration date to or on behalf of the covered expatriate from a plan from which the expatriate was treated during a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be determined by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

(3) REPLACEMENT DISTRIBUTIONS.—In the case of any replacement distribution under paragraph (2), the amount otherwise includible in gross income by reason of such replacement distribution shall be determined by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

(4) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any pension, profit-sharing, or stock bonus plan that is related to such a plan, shall be treated as having a distribution under subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

(D) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 7701(c)), and

(2) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

(3) any plan provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

(E) DEFINITIONS.—For purposes of this section—

(1) EXPATRIATE.—The term ‘expatriate’ means—

(A) any United States citizen who relinquishes citizenship, and

(B) any long-term resident of the United States who—

(1) ceases to be a lawful permanent resident of the United States (within the meaning of section 7001(b)(3)) at any time after January 1, 1986,

(2) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country who and who does not waive the benefits of such treaty applicable to residents of the foreign country.

(2) EXPATRIATION DATE.—The term ‘expatriation date’ means—

(A) the date an individual relinquishes United States citizenship, or

(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

(A) the date the individual renounces such individual’s United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 309(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(6)),

(B) the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 309(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)-(4)),

(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

(D) the date a court of the United States cancels a naturalized citizen’s certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the individual of a certificate of loss of nationality by the United States Department of State.
and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

"(B) OTHER DETERMINATIONS.—For purposes of this section—

(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

(1) the methodology used to determine that taxpayer's trust interest under this section, and

(2) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

(g) TERMINATION OF DIFFERREDS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

(2) the time paid on account of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

(h) IMPOSITION OF TENTATIVE TAX.—

(i) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount, determined by the Secretary under regulations prescribed by the Secretary, on the covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

(ii) EFFECTIVE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

(iii) DUE DATE.—The provisions of subsection (b) shall apply to the tax imposed by this chapter for the taxable year to which subsection (a) applies.

(2) DEFERRAL OF TAX.—The provisions of section 877A shall apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(i) GENERAL.—Subsection (a) shall not apply from the date of the enactment of this Act.

(j) DEFINITIONS.—For purposes of this section—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO SECTION 877A.—Paragraph (1) shall not apply to any property if either—

(A) the gift, bequest, devise, or inheritance is

(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

(ii) included in the gross estate of the covered expatriate for purposes of chapter 11, and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.

(3) DETERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

(4) TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

(A) IN GENERAL.—An individual shall not cease to be a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(b).

(B) CIVIL RIGHTS AND PRIVILEGES.—An individual shall not be denied any civil right or privilege by reason of the expatriation of such individual.

(C) CONFORMING AMENDMENTS.—Section 7701(a) is amended by adding at the end the following new paragraph:

(5) IMPOSITION OF TENTATIVE TAX.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date. This section shall not apply to punitive damages decried by the American Bar Association for the purpose of, and to the extent necessary in, administering such section.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall apply to all individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(d) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.

(2) CONFORMING AMENDMENTS.—Section 2907 is amended by adding at the end the following new subsection:

(k) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

(1) the methodology used to determine that taxpayer's trust interest under this section, and

(2) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

(l) IMPOSITION OF TENTATIVE TAX.—

(i) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount, determined by the Secretary under regulations prescribed by the Secretary, on the covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

(ii) EXEMPTIONS.—The provisions of subsection (b) shall apply to the tax imposed by this chapter for the taxable year to which subsection (a) applies.

(2) DUE DATE.—The provisions of subsection (b) shall apply to the tax imposed by this chapter for the taxable year to which subsection (a) applies.

(m) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

(n) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.

(o) CLEANSING AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriates."

(p) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) GIFTS AND REQUESTS.—Section 2107 is amended by adding at the end the following new paragraph:

(q) DISABILITY.—This section shall not apply to any expatriate subject to section 877A.

(r) CLEANSING AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriates."

(s) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) GIFTS AND REQUESTS.—Section 2107 is amended by adding at the end the following new paragraph:

(2) IN GENERAL.—This section shall not apply to punitive damages decried by the American Bar Association for the purpose of, and to the extent necessary in, administering such section.

(3) DUE DATE FOR TENTATIVE TAX.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date. This section shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 1723. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(i) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

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

(B) by striking "(1)" and inserting "(1) TREATABLE DAMAGES.—", and

(C) by adding at the end the following new paragraph:

"(2) TREATABLE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action at law. This paragraph shall not apply to punitive damages described in section 162(h) (1))."
(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting "OR PUNITIVE DAMAGES" after "‘LAW’.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES.—In the case of a taxpayer as insurance or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

‘‘SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

‘‘Gross income shall include any amount paid or credited by a taxpayer as insurance or otherwise by reason of the other person’s liability (or agreement) to pay punitive damages.’’.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

‘‘Sec. 91. Punitive damages compensated by insurance or otherwise.’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments paid or incurred on or after the date of the enactment of this Act.

SEC. 1724. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERS WHICH ARE C CORPORATIONS.

(a) IN GENERAL.—Section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

‘‘(9) ALLOCATIONS TO CERTAIN CORPORATE PARTNERS.—If a C corporation is a partner in a partnership—

(A) the corporation’s allocable share of indebtedness with respect to which the interest income of the partnership shall be taken into account in applying this subsection to the corporation, and

(B) if a deduction is not allowed under this subsection for any interest expense of the partnership, this subsection shall be applied separately in determining whether a deduction is allowable to the corporation with respect to the corporation’s allocable share of such interest expense.’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 1725. PROHIBITION ON DEFERRAL OF GAIN FROM THE EXCISE OF STOCK OPTIONS AND RESTRICTED STOCK.

(a) IN GENERAL.—Section 83 (relating to property transferred in connection with performance of services) is amended by adding at the end the following new subsection:

‘‘(1) PROHIBITION ON ADDITIONAL DEFERRAL THROUGH DEFERRED COMPENSATION ARRANGEMENTS.—If a taxpayer exchanges—

(A) an option to purchase employer securities—

(a) to which subsection (a) applies, or

(B) which is described in subsection (e)(3), or

(2) employer securities or any other property based on employer securities transferred to the taxpayer, for a right to receive future payments, then, notwithstanding any other provision of law, for the taxable year in which such securities are sold (if any) for entering into the installment agreement.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

SEC. 1726. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—Section 6159(b)(4) (relating to failure to pay installment or any other tax liability when due or to provide requested financial information) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (E) and by inserting after subparagraph (B) the following:

‘‘(C) to make a Federal tax deposit under section 6302 at the time such deposit is required to be made.

‘‘(D) to file a return of tax imposed under this title by its due date (including extensions), or’’.

(b) CONFORMING AMENDMENT.—The heading for section 6159(b)(4) is amended by striking "FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION" and inserting "FAILURE TO MAKE PAYMENTS OR DEPOSITS OR FILE RETURNS OR PROVIDE REQUESTED FINANCIAL INFORMATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 1727. LIMITATION ON PENALTY FOR BAD DEBT LOAN AGGREGATION AND OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION.

(a) IN GENERAL.—Section 6657 (relating to penalties for bad debt loan aggregations and other tax liability when due or to provide requested financial information) is amended by striking the second and third sentences.

(b) CONFORMING AMENDMENTS.—Section 7122(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.

SEC. 1728. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMpromise.

(a) IN GENERAL.—Section 7122 (relating to compromises), as amended by this Act, is amended by redesignating subsections (d), and (e) as subsections (d), and (f), respectively, and by inserting after subsection (d) the following new subsection:

‘‘(f) RULES FOR SUBMISSION OF OFFERS-IN-COMpromise.—

‘‘(1) PARTIAL PAYMENT REQUIRED WITH SUBMISSION.—

‘‘(A) LUMP-SUM OFFERS.—

‘‘(1) IN GENERAL.—The submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of the amount of such offer.

‘‘(ii) LUMP-SUM OFFER-IN-COMPROMISE.—For purposes of this section, the term ‘lump-sum offer-in-compromise’ means any offer of payments made in 5 or fewer installments.

‘‘(B) PERIODIC PAYMENT OFFERS.—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected by the Secretary. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

‘‘(C) USE OF PAYMENT.—The application of any payment made under this subsection to
the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

(2) No user fee imposed.—Any user fee which the Secretary of the Treasury determines shall be imposed under this title with respect to such tax may be specified by the taxpayer.

(c) The report required under this subsection shall not be included in any report of offers-in-compromise accompanied by a payment required under this subsection.

(3) Reforming provisions relating to treatment of offers.—

(1) Unprocessable offer if payment requirements are not met.—Paragraph (3) of section 7803(d) (relating to standards for evaluation of offers of compromise, as redesignated by subsection (a), is amended by striking ‘‘; and’’ and the end of subparagraph (A) and inserting a comma and the end of subparagraph (B) and inserting ‘‘; and’’, and by adding at the end the following new subparagraph:

‘‘(C) Any offer in-compromise which does not meet the requirements of subsection (c) shall be returned to the taxpayer as unprocessable.’’

(2) Deemed acceptance of offer not rejected within certain period.—Section 7122, as amended by subsection (a), is amended by adding at the end the following new subsection:

‘‘(g) Deemed acceptance of offer not rejected within certain period.—Section 7122, as amended by subsection (a), is amended by adding at the end the following new subsection:

‘‘(g) Deemed acceptance of offer not rejected within certain period.—Any offer of compromise submitted under this section shall be deemed to be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the date of the submission of such offer (12 months for offers-in-compromise submitted after the date which is 5 years after the date of the enactment of this subsection).’’

(3) Effective date.—The amendments made by this section shall be effective on the date which is 60 days after the date of the enactment of this Act.

SEC. 1735. JOINT TASK FORCE ON OFFERS-IN-COMPROMISE.

(a) In general.—The Secretary of the Treasury shall establish a joint task force—

(1) to review the Internal Revenue Service’s determinations with respect to offers-in-compromise, including offers that raise equitable, public policy, or economic hardship grounds for compromise of a tax liability, under section 7122 of the Internal Revenue Code;

(2) to review the extent to which the Internal Revenue Service has used its authority to resolve longstanding cases by forgoing the filing of a tax return and the collection of tax, whenever in this title an amendment or reclassification of tax liability is made, and the division of the Internal Revenue Service, the Office of the Chief Counsel for the Internal Revenue Service, the Office of the Taxpayer Advocate, the Office of Appeals, and the division of the Internal Revenue Service charged with operating the offer-in-compromise program;

(b) Members of joint task force.—The membership of the joint task force under subsection (a) shall consist of 1 representative from each of the following—

(1) the Committee on Ways and Means of the House of Representatives;

(2) the Committee on Finance of the Senate;

(3) the Joint Committee on Taxation;

(4) the Committee of the Federal Reserve System;

(5) the National Taxpayer Advocate;

(6) the Subcommittee on Oversight of the Committee on Ways and Means of the House of Representatives;

(7) the Subcommittee on Oversight of the Committee on Finance of the Senate;

(8) the Taxpayer Advocate Service.

(3) The Joint Committee on Taxation shall be ex-officio members of the joint task force.

(4) The joint task force may be supported by such staff and services of the administrative branch of the Government as the Joint Committee on Taxation may provide.

(b) Report.—The joint task force shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (beginning in 2006) regarding such review and report.

(c) Members of joint task force.—The membership of the joint task force under subsection (a) shall consist of 1 representative from each of the following:

(1) the Committee on Ways and Means of the House of Representatives;

(2) the Committee on Finance of the Senate;

(3) the Joint Committee on Taxation;

(4) the Committee of the Federal Reserve System;

(5) the National Taxpayer Advocate;

(6) the Subcommittee on Oversight of the Committee on Ways and Means of the House of Representatives;

(7) the Subcommittee on Oversight of the Committee on Finance of the Senate;

(8) the Taxpayer Advocate Service.

(3) The Joint Committee on Taxation shall be ex-officio members of the joint task force.

(4) The joint task force may be supported by such staff and services of the administrative branch of the Government as the Joint Committee on Taxation may provide.

(5) The joint task force may be supported by such staff and services of the administrative branch of the Government as the Joint Committee on Taxation may provide.
stowed on board the vehicle in any form or may or may not require reformation prior to use.

(2) In the case of a passenger automobile, light truck, or motorcycle, has received or on or after the date of the enactment of this section a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established pursuant to regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(1) of the Clean Air Act for that make and model year vehicle.

(3) In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—

At least 1,200 but less than 1,800 ........... $700
At least 1,800 but less than 2,400 ........... $1,200
At least 2,400 but less than 3,000 ........... $1,700
At least 3,000 ................................ $2,200.

(4) Option to use like vehicle.—At the option of the vehicle manufacturer, the increase in fuel economy and conservation credit may be calculated by comparing the new qualified advanced lean burn technology motor vehicle to a like vehicle.

(5) New advanced lean burn technology motor vehicle.—For purposes of this subsection, the term ‘new advanced lean burn technology motor vehicle’ means a passenger automobile or light truck which—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel,

(ii) incorporates direct injection, and

(iii) achieves at least 125 percent of the 2002 model year city fuel economy,

(6) In the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard established pursuant to regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(1) of the Clean Air Act for that make and model year vehicle, and

(i) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard which is so established.

(7) The original use of which commences with the taxpayer,

(8) Which is acquired for use or lease by the taxpayer and not for resale, and

(9) Which is made by a manufacturer.

(10) New advanced lean burn technology motor vehicle credit determined under this subsection with respect to a new advanced lean burn technology motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2).

(11) In general.—For purposes of subsection (a), the new advanced lean burn technology motor vehicle credit determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Percent Increase</th>
<th>Credit Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>150 percent</td>
<td>$600</td>
</tr>
<tr>
<td>175 percent</td>
<td>$700</td>
</tr>
<tr>
<td>200 percent</td>
<td>$800</td>
</tr>
<tr>
<td>225 percent</td>
<td>$900</td>
</tr>
<tr>
<td>250 percent</td>
<td>$1,000</td>
</tr>
<tr>
<td>275 percent</td>
<td>$1,100</td>
</tr>
<tr>
<td>300 percent</td>
<td>$1,200</td>
</tr>
<tr>
<td>350 percent</td>
<td>$1,500</td>
</tr>
<tr>
<td>400 percent</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

(12) Credit amount determined under this paragraph shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Fuel Economy (expressed in lifetime fuel savings)</th>
<th>Credit Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 1,200 but less than 1,800 ............</td>
<td>$700</td>
</tr>
<tr>
<td>At least 1,800 but less than 2,400 ............</td>
<td>$1,200</td>
</tr>
<tr>
<td>At least 2,400 but less than 3,000 ............</td>
<td>$1,700</td>
</tr>
<tr>
<td>At least 3,000 ................................</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

(13) Option to use like vehicle.—At the option of the vehicle manufacturer, the increase in fuel economy and conservation credit may be calculated by comparing the new qualified advanced lean burn technology motor vehicle to a like vehicle (as defined in subsection (c)(4)).

(14) Credit amount for heavier vehicles.—

(A) In general.—In the case of a new qualified hybrid motor vehicle which is a heavy duty hybrid motor vehicle, the credit amount determined under this paragraph is an amount equal to the applicable percentage of the incremental cost of such vehicle placed in service by the taxpayer during the taxable year.

(15) Incremental cost.—For purposes of this paragraph, the incremental cost of any heavy duty hybrid motor vehicle is equal to the sum of the government manufacturer’s suggested retail price for such vehicle at the date of the enactment of this section and the extent such amount does not exceed—

(i) $7,500, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

(ii) $15,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(iii) $30,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(16) Applicable percentage.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Percent increase</th>
<th>Applicable percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 percent</td>
<td>15 percent</td>
</tr>
<tr>
<td>20 percent</td>
<td>20 percent</td>
</tr>
<tr>
<td>30 percent</td>
<td>20 percent</td>
</tr>
<tr>
<td>40 percent</td>
<td>20 percent</td>
</tr>
</tbody>
</table>

(17) In general.—The term ‘new qualified hybrid motor vehicle’ means a motor vehicle

(i) which draws propulsion energy from onboard sources of stored energy which are both—

(A) an internal combustion or heat engine using consumable fuel, and

(B) a rechargeable energy storage system,

(ii) which, in the case of a passenger automobile, medium duty passenger vehicle, or light truck—

(A) has a gross vehicle weight rating of 6,000 pounds or less, has received a certificate that such vehicle meets the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(1) of the Clean Air Act for that make and model year vehicle,

(B) has a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, has received a certificate that such vehicle meets or exceeds the Bin 8 Tier II emission standard which is so established,

(C) has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 248(e)(2) of the Clean Air Act for that make and model year vehicle,

(D) has a maximum available power of at least 5 percent,

(E) which, in the case of a heavy duty hybrid motor vehicle—

(i) has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, has a maximum available power of at least 10 percent, and

(ii) has a gross vehicle weight rating of more than 14,000 pounds, has a maximum available power of at least 15 percent,

(F) which is the original use of which commences with the taxpayer,

(G) which is acquired for use or lease by the taxpayer and not for resale, and

(H) which is made by a manufacturer.

(18) Consumable fuel.—For purposes of subparagraph (A)(1)(I), the term ‘consumable fuel’ means—
The document is a page from the Congressional Record. It seems to be related to tax credits for the purchase of hybrid and alternative fuel vehicles. The text is largely numeric and technical, discussing the calculation of tax credits based on various parameters such as vehicle weight, fuel type, and the year of purchase. The text is extracted from a section of the Internal Revenue Code, and it includes terms like "hybrid motor vehicle," "qualified alternative fuel vehicle," and "tangible personal property tax." The page contains several sub-sections and paragraphs, each detailing different criteria for eligibility and calculation of tax credits. The text is dense and requires a detailed understanding of the context in which it is used to be fully comprehensible.
(6) Property used by tax-exempt entity.—In the case of a vehicle whose use is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who owns or leases the vehicle or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly disclosed to the Secretary of the Treasury that the vehicle or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service. The Secretary shall promulgate such regulations as are necessary to carry out the provisions of this section.

(7) Property used outside United States, etc., not qualified.—No credit shall be allowed under subsection (a) for any property purchased after December 31, 2009.

(8) Recap'rate.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property placed in service after the date of the enactment of this Act, if the excess of the amount of any credit allowable under this section (with respect to such property) over the amount of any credit allowable under section 179 (with respect to such property) for the taxable year in which such property is placed in service or for any taxable year ending after such date.

(9) Election to not take credit.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such vehicle.

(10) Carryback and carryforward allowed.—

(A) In general.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (g) for such taxable year (in this paragraph referred to as the ‘unused credit year’), such excess shall be a credit carried forward to each of the 20 taxable years following the unused credit year, except that no excess shall be carried forward to a taxable year beginning before the date of the enactment of this section. The preceding sentence shall not apply to any credit carried back if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

(B) Rules.—Rules similar to the rules of section 179 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

(11) Motor vehicle air quality and motor vehicle safety standards.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality standards),

(B) the applicable provisions of the National Highway Traffic Safety Act for the applicable make and model year of the vehicle (or applicable air quality standards), and

(C) the applicable motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

(g) Regulations.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

(h) Termination.—This section shall not apply to any property purchased after—

(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2015,

(2) in the case of a new advanced lean burn technology motor vehicle (as described in subsection (c)), December 31, 2009, and

(3) in the case of a new qualified alternative fuel motor vehicle (as described in subsection (e)), December 31, 2010.

(b) Conforming Amendments.—

(1) Section 106(a), as amended by this Act, is amended by striking “and” at the end of subsection (a) and inserting “, and”, and by adding after such amendment the following paragraph:

“(37) to the extent provided in section 30B(b)(4).”.

(2) Section 56(b)(2), as amended by this Act, is amended by inserting “30B(g)” after “30B(f)(2).”.

(3) Section 30106, as inserted by this Act, is amended by inserting “30B(h)(4)” after “30B(h)(3).”.

(c) Effective Date.—The amendments made by this section shall apply to the taxable year ending after the date of the enactment of this Act as follows:

(1) SEC. 30B. Alternative motor vehicle credit.—

(A) In general.—The Secretary of the Treasury shall issue regulations under which the credit allowed under subsection (a) shall be reduced for motor vehicles that are—

(i) qualified alternative fuel vehicle refueling property (as described in subsection (a)),

(ii) qualified alternative fuel vehicle (as described in subsection (a)), and

(iii) qualified alternative fuel vehicle (as described in subsection (a)) placed in service after the date of the enactment of this Act,

(B) Rules.—Rules similar to the rules of section 25A shall apply with respect to the credit carryover under paragraph (1).

(c) Effective Date.—The amendments made by this section shall apply to the taxable year ending after the date of the enactment of this Act as follows:

(1) SEC. 30B. Alternative motor vehicle credit.—

(A) In general.—The Secretary of the Treasury shall prescribe such regulations as necessary to carry out the provisions of this section.

(B) Termination.—This section shall not apply to any property purchased or placed in service after the date of the enactment of this Act, if such property is not used as the principal residence (within the meaning of section 121).
(2) EXTENSION OF DEDUCTION.—Subsection (f) of section 179A is amended to read as follows:

"(f) TERMINATION.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydorgen, after December 31, 2014, and

"(2) in the case of any other property, after December 31, 2005.

(c) INCENTIVE FOR PRODUCTION OF HYDROGEN AT QUALIFIED CLEAN-FUEL VEHICLE REFUELING PROPERTY.—Section 179A(d) (defining qualified clean-fuel vehicle refueling property) is amended by adding at the end the following new paragraph:

"(3) to the extent provided in section 30C(f)."

(3) Section 55(c)(2), as amended by this Act, is amended by inserting "30C(e)," after "30B(e),"

(f) NONAPPLICATION OF SECTION.—(1) IN GENERAL.

There shall be allowed a credit for expenses (within the meaning of section 41(b)(1)) to be taken into account for purposes of applying section 41 for such taxable year.

(b) COSTS TAKEN INTO ACCOUNT IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any amounts described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

(i) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the limitation for depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

(ii) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 179A(e) and paragraphs (1) and (2) of section 41(f) shall apply.

(k) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

(l) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2010.”.

(3) The table of sections for subpart B of chapter 1, as amended by this Act, is amended by striking "30B(A)" after "30B(A)."

(4) Section 179A(f)(5), as amended by this Act, is amended by striking "30C(e)," after "30B(e),"

(a) CREDIT ALLOWED.—There shall be allowed a credit against the tax imposed by this chapter for the taxable year an amount equal to 35 percent of so much of the qualified investment of an eligible taxpayer for such taxable year as does not exceed $25,000,000.

(b) QUALIFIED INVESTMENT.—For purposes of this section—

"(1) in GENERAL.—(A) The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year—

"(i) to re-equip or expand any manufacturing facility of the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components,

"(ii) to construct or to purchase or lease eligible components,

"(iii) to construct or to purchase or lease (A) any new advanced lean burn technology motor vehicle, (B) a new hybrid motor vehicle, (C) the term ‘qualified investment’ means any component inherent to any advanced technology motor vehicle, (D) the term ‘any component inherent to any advanced technology motor vehicle,’ including—

"(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

"(i) electric motor or generator,

"(ii) power split device,

"(iii) power control unit,

"(iv) power controls,

"(v) integrated starter generator, or

"(B) with respect to any hydraulic new qualified hybrid motor vehicle—

"(i) hydraulic accumulator vessel,

"(ii) hydraulic power motor assembly,

"(iii) hydraulic pump-motor assembly,

"(C) with respect to any new advanced lean burn technology motor vehicle—

"(i) diesel fuel system,

"(ii) turbocharger,

"(iii) injection system, or

"(D) with respect to any advanced technology motor vehicle, any other component submitted for approval by the Secretary—

"(i) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application,

"(ii) designing interfaces for components and subsystems with mating systems within a specific vehicle application,

"(iii) designing cost effective, efficient, and reliable manufacturing processes to produce components and subsystems for a specific vehicle application,

"(iv) validating functionality and performance of components and subsystems for a specific vehicle application.

(e) ELIGIBLE TAXPAYER.—For purposes of this section, the term ‘eligible taxpayer’ means any taxpayer if more than 50 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

(f) LIMITATION ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(1) the sum of—

"(A) the regular tax liability (as defined in section 26(b)) for such taxable year, plus

"(B) the tax imposed by section 55 for such taxable year which is attributable to such transaction occurring during such taxable year, begun after 1986 and not taken into account under section 53 for any prior taxable year, over

"(2) the sum of the credits allowable under subpart A and sections 27, 30, and 30B for the taxable year.

(g) REDUCTION IN BASIS.—For purposes of this section, the basis of the property attributable to subsection (a) for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

(h) NO DOUBLE BENEFIT.—

"(1) COORDINATION WITH OTHER DEDUCTIONS AND CREDITS.—Except as provided in paragraph (2), the amount of any deduction or credit allowable under any provision of law for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

"(2) RESEARCH AND DEVELOPMENT COSTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

"(B) COSTS TAKEN INTO ACCOUNT IN DETERMINING BASE PERIOD RESEARCH EXPENSES.—Any amounts described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 41(b)(1)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

(i) BUSINESS CARRYOVERS ALLOWED.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the limitation for depreciation) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

(j) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the purposes of this section.

(k) TERMINATION.—This section shall not apply to any qualified investment after December 31, 2010.”.

(2) Section 6501(m), as amended by this Act, is amended by striking "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting "; and", and by adding the following new paragraph:

"(4) to the extent provided in section 30D(c)."

(2) Section 6501(m), as amended by this Act, is amended by inserting "30D(k)." after "30C(i)."

(f) The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 30B the following new item:

"(Sec. 30C. Clean-fuel vehicle manufacturing credit.)

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.
(a) In General.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ‘‘Any person who—’’ and inserting ‘‘(a) In General.—Any person who—’’;

(b) by adding at the end the following new subsection:

‘‘(b) INCREASE IN PENALTIES.—

(1) ATTEMPT TO EVADE OR DEFRAUD TAX.—
Section 7201 is amended—

(A) by striking ‘‘$100,000’’ and inserting ‘‘$500,000’’;

(B) by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’;

(C) by striking ‘‘5 years’’ and inserting ‘‘10 years’’;

(2) WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—
Section 7203 is amended—

(A) in the first sentence—

(i) by striking ‘‘Any person’’ and inserting the following:

‘‘(a) In General.—Any person’’;

(ii) by striking ‘‘$25,000’’ and inserting ‘‘$50,000’’;

(B) in the third sentence, by striking ‘‘section’’ and inserting ‘‘subsection’’; and

(C) by adding at the end the following new subsection:

‘‘(b) AGGRAVATED FAILURE TO FILE.—

‘‘(1) In General.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

(A) ‘‘Tolomy for ‘misdemeanor’;’’

(B) ‘‘$500,000 ($1,000,000) for $25,000 ($100,000), and

(C) ‘‘10 years’ for ‘1 year’’;

(ii) FAILURE DESCRIBED.—A failure described in this paragraph is a failure to make a return described in subsection (a) for a period of 3 or more consecutive taxable years and the aggregated tax liability for such period is at least $100,000.’’;

(3) FRAUD AND FALSE STATEMENTS.—Section 7206(c) (as redesignated by subsection (a)) is amended—

(A) by striking ‘‘$100,000’’ and inserting ‘‘$500,000’’;

(B) by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’; and

(C) by striking ‘‘3 years’’ and inserting ‘‘5 years’’;

(4) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.'
Congress on the implementation of this section during the preceding year, including statistics on the number of taxpayers affected by such implementation and the amount of such penalties, additions, waivers, and assents, and assessed, waived, and assessed during such preceding year.

(b) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the Secretary, without regard to any any taxpayer if the Secretary or the Secretary's delegate determines that the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in such arrangement by notifying the Internal Revenue Service during an examination.

SEC. 1717. WHISTLEBLOWER REFORMS.

(a) LEADERSHIP.—(1) In General.—The Secretary may waive the application of paragraph (1) if the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information, in any case in which a person or entity is not a taxpayer if the Secretary or the Secretary's delegate determines that the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in such arrangement by notifying the Internal Revenue Service during an examination.

(b) DETERMINATION OF PENALTY.—(1) No Withholding of any other provision of law, in the case of an applicable taxpayer.

(A) The determination as to whether any interest or penalty is imposed is made without regard to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to items arising in connection with any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6662 of the Internal Revenue Code of 1986, and

(B) If any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) APPLICABLE TAXPAYER.—For purposes of this subsection—

(A) IN GENERAL.—The term "applicable taxpayer" means a taxpayer which—

(i) has underreported its United States income tax liability with respect to any item which directly or indirectly involves—

(A) any financial arrangement which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in such arrangement by notifying the Internal Revenue Service during an examination. (B) AUTHORITY TO WAIVE.—The Secretary of the Treasury or the Secretary's delegate may waive the application of paragraph (1) if the Secretary or the Secretary's delegate determines that the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in such arrangement by notifying the Internal Revenue Service during an examination.

(2) AWARD TO WHISTLEBLOWER.—(A) The Secretary may award to an individual who planned and conducted arising from the role described in the information resulting in the initiation of such action, and the Secretary or any entity or person requiring a foreign tax, or allocating a foreign tax, subject to the rules under section 7461(b)(1).

(b) DETERMINATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY.—(a) LIMITATION ON EXCEPTION FROM PFIC RULES FOR UNITED STATES SHAREHOLDERS OF CONTROLLED FOREIGN CORPORATIONS.—Paragraph (2) of section 1296(b)(6) (relating to passive foreign investment company) is amended by adding at the end the following flush statement:

"Such term shall not include any period if the earning of subpart F income by such corporation during such period would result in a remote inclusion of gross income under section 951(a)(1)(A)(i)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after March 2, 2005, and to taxable years of United States shareholders with or within which controlled foreign corporations end.
necessary for any individual to receive an award under this subsection.

"(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by counsel.

"(C) AWARD NOT SUBJECT TO INDIVIDUAL ALTERNATIVE MINIMUM TAX.—No award received under this subsection shall be included in gross income of determining alternative minimum taxable income.

"(c) WHISTLEBLOWER OFFICE.—

"(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the ‘Whistleblower Office’ which—

"(A) shall at all times operate at the direction of the Commissioner and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner.

"(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

"(c) shall monitor any action taken with respect to such matter,

"(D) shall inform such individual that it has accepted the individual’s information for further review.

"(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

"(F) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

"(G) shall determine the amount to be awarded to such individual under subsection (b).

"(2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year to be used for the initial establishment of the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

"(3) REQUEST FOR ASSISTANCE.—

"(A) In general.—Any assistance requested under paragraph (1) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). To the extent disclosure of any taxpayer returns or return information to the individual or legal representative is required for the performance of such assistance, such disclosure shall be limited to the contract entered into between the Secretary and the recipients of such disclosure subject to section 6103(n). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

"(B) FUNDING OF ASSISTANCE.—From the amounts authorized for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by the legal representative of such individual in providing assistance described in subparagraph (A).

"(d) REPORT BY SECRETARY.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

"(1) an analysis of the use of this section during the preceding year and the results of such use, and

"(2) any legislative or administrative recommendations regarding the provisions of this section and its application.

"(b) EFFECTIVE DATE.—The amendments made by this section shall apply to information provided on or after the date of the enactment of this Act.

SEC. 1719. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) In General.—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

"’(f) DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.—

"’(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

"’(2) EXEMPTION OF CRIMINAL RESTITUTION.—Paragraph (1) shall not apply to any amount which—

"’(A) the taxpayer establishes constitutes restitution (including reimbursement of property) for damage or harm caused by or which may be caused by the violation of any law or the potential violation of any law, and

"’(B) is identified as restitution in the court order or settlement agreement.

"’(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by order of a court in a suit in which no government or entity described in paragraph (4) is a party.

"’(4) CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—An entity is described in this paragraph if it is—

"’(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(c)(7)), or

"’(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

"’(5) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes.

"’(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.


(a) REPEAL OF EXCEPTION FOR QUALIFIED TRANSPORTATION PROPERTY.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2) and by redesignating paragraphs (3) and (4) paragraphs (1) and (2), respectively.

"(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.


(a) REPEAL OF EXCEPTION FOR QUALIFIED TRANSPORTATION PROPERTY.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2) and by redesignating paragraphs (3) and (4) paragraphs (1) and (2), respectively.

"(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 1722. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

"(a) IN GENERAL.—Subpart A of part II of chapter 1 is amended by inserting after section 877 the following new section:

"’SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATE INDIVIDUALS WHO EXPATRIATE.—

"’(a) GENERAL RULES.—For purposes of this subtitle—

"’(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

"’(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

"’(A) notwithstanding any other provision of this subtitle, any gain from such sale shall be taken into account for the taxable year of the sale, and

"’(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

"’(c) EXPENSIBLE EXPATRIATION GAIN.—In general, expatriation gain shall be equal to the amount in the account holder’s account on the expatriation date.

"’(d) LIMITATION.—In the case of an expatriation event described in subsection (a) the expatriation gain described in subsection (c) shall be reduced to the amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section.

"’(e) LIMITATION ON AMOUNT.—In general, the amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced by (I) the amount of any gain realized before the expatriation date, (II) the amount of any gain realized before the expiration date of the prior registration period, and (III) the amount of any gain realized before the expiration date of the prior registration period.

"’(f) EXCLUSION FOR CERTAIN TAXPAYER.—In the case of a taxpayer who, on or before the expatriation date, makes a request for exclusion described in section 877B(a)(1), the amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced by (I) the amount of any gain realized before the expatriation date, (II) the amount of any gain realized before the expiration date of the prior registration period, and (III) the amount of any gain realized before the expiration date of the prior registration period.
treated in the same manner as an amount required to be includible in gross income.

“(B) COST-OF-LIVING ADJUSTMENT.

“(i) IN GENERAL.—In the case of an expatriation in any calendar year after 2005, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

(1) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2002’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(ii) ROUNDDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

“(ii) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.

“(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

(i) this section (other than this paragraph and subsection (ii)) shall not apply to the expatriate, but

(ii) in the case of property to which this section would apply but for such election, the election is subject to tax as if the title in the same manner as if the individual were a United States citizen.

(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require;

(ii) consents to the waiver of any right of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

(iii) complies with such other requirements as the Secretary may prescribe.

“(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (b)(1).

“(D) INTEREST.—For purposes of section 6601—

(A) the last date for the payment of tax shall be determined without regard to the election under this subsection; and

(B) section 6621(a)(2) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

“(E) COVERED EXPATRIATE.—For purposes of this section—

(I) IN GENERAL.—Except as provided in subparagraph (2), the term ‘covered expatriate’ means an expatriate.

(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

(A) the date an individual relinquishes United States citizenship occurs before the 5 taxable years ending with the taxable year in which the individual attains age 18;

(B) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18, and

(C) the individual has been a resident of the United States (as defined in section 7701(b)(1));

(D) the date an individual relinquishes United States citizenship occurs after the expatriation date, or

(E) the date the covered expatriate from a plan from which the expatriate was a recipient of any amount which is includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

“(F) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the individual waives any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

“(G) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

“(H) APPLICABLE PLANS.—This paragraph shall apply to—

(i) any qualified retirement plan (as defined in section 4975(c)),

(ii) any plan (as defined in section 4975(b)) of an eligible employer described in section 4975(e)(1)(A), and

(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

“(I) DEFINITIONS.—For purposes of this section—

(A) EXPATRIATE.—The term ‘expatriate’ means—

(A) any United States citizen who relinquishes citizenship, and

(B) any long-term resident of the United States who—

(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(8)),

(ii) begins to be a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

(B) EXPATRIATION DATE.—The term ‘expatriation date’ means—

(I) if the date an individual relinquishes United States citizenship, or

(ii) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)

(C) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the first of—

(A) the date the individual renounces such individual’s United States nationality before a diplomatic or consular officer of the United States Department of State a certificate of loss of nationality, or

(B) the date the individual receives a certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently followed by the issuance of a certificate of loss of nationality by the United States Department of State.
(4) LONG-TERM RESIDENT.—The term ‘long-term resident’ has the meaning given to such term by section 877(e)(2).

(f) SPECIAL RULES APPLICABLE TO BENEFICIARY INTERESTS IN TRUST.—

(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expiration date—

(A) the individual shall not be treated as having sold such interest, 

(B) the interest shall be treated as a separate share in the trust, and

(C) if such separate share shall be treated as a separate trust consisting of the assets allocable to such interest—

(i) the separate trust shall be treated as having sold its assets on the day before the expiration date for their fair market value and as having distributed all of its assets to the individual as of such time, and

(ii) the separate trust shall be treated as having distributed all of its assets to

(a) the individual as of such time, and

(b) the individual as having distributed all of its assets to

(C) DEFERRED TAX ACCOUNT.

The term ‘deferred tax account’ means an account with respect to assets allocable to such interests.

The term ‘deferred tax account’ shall be determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

(2) IN GENERAL.—If the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

(ii) the balance in the tax deferred account shall be reduced

(A) by subparagraph (B) on distributions from

(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

(4) DEPERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to the gain includable in gross income by reason of this section.

(n) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.

(1) IMPOSITION OF LIEN.—

(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

(B) DEFERRAL AMOUNT.—For purposes of this section, the deferral amount is the amount of the increase in the covered expatriate’s income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expiration date and continue until

(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.
"(3) Certain rules apply.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6321A.

(4) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection.

(b) Inclusion in income of gifts and bequests received by United States citizens and residents from expatriates.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

"(1) Exemptions for transfers otherwise subject to estate or gift tax.—Paragraph (1) shall not apply to any property if either—

(A) the gift, bequest, devise, or inheritance is—

(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

(ii) used to determine the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate;

(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.

(c) Definition of termination of United States citizenship.—Section 7701(a) is amended by adding at the end the following new paragraph:

"(49) Termination of United States citizenship.—(A) An individual shall not cease to be a United States citizen before the date on which the individual’s citizenship is treated as relinquished under section 6321A.

(B) Dual citizens.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.

(d) Ineligibility for visa or admission to United States.—(1) In general.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

"(E) former citizens not in compliance with expatriation revenue provisions.—Any alien who is a former citizen of the United States who relinquishes United States citizenship within the period specified in section 877A(e) of the Internal Revenue Code of 1986 and who is not in compliance with section 877A of such Code (relating to expatriation)

(2) Availability of information.—(A) In general.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

"(21) Disclosure to deny visa or admission to United States citizens or residents from expatriates.—Upon written request of the Attorney General or the Attorney General’s delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section.

(B) Safeguards.—Section 6103(p)(4) (relating to safeguards) is amended by striking "or (20)" each place it appears and inserting "(20)"

(3) Effective date.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(e) Conforming amendments.—(1) Section 877A(b) is amended by adding at the end the following new subsection:

"(h) Application.—This section shall not apply to any expatriate subject to section 877A.

(2) Section 5601(a)(3) is amended by adding at the end the following new subparagraph:

"(C) Application.—This paragraph shall not apply to any expatriate subject to section 877A.

(f) Clerical amendment.—The table of sections for part II of subtitle B of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 87A. Tax responsibilities of expatriates.

(g) Effective date.—(1) In general.—Except as provided in this subsection, this section shall apply to expatriates (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) Gifts and bequests.—Section 102(d) of the Internal Revenue Code of 1986 (as added by section (b) shall apply to gifts and bequests received on or after the date of the enactment of this Act.

(3) Due date for tentative tax.—The due date under section 6712(b)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

(h) Application.—The amendments made by this section shall apply to damages paid on or incurred or on or after the date of the enactment of this Act.

SEC. 1724. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERS WHICH ARE C CORPORATIONS.—(a) In general.—Section 162(g) (relating to deductibility of punitive damages by a certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after such paragraph (7) the following new paragraph:

"(8) Allocations to certain corporate partners.—If a C corporation is a partner in a partnership, the corporation’s allocable share of indebtedness and interest income of the partnership shall be taken into account in applying this subsection to the corporation, and no deduction is allowable to the corporation with respect to the corporation’s allocable share of any interest expense.

(2) Effective date.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 1725. PROHIBITION ON DEFERRAL OF GAIN FROM THE EXERCISE OF STOCK OPTIONS OR RIGHTS.—(a) In general.—Section 83 (relating to property transferred in connection with performance of services) is amended by adding at the end the following new subsection:

"(1) an option to purchase employer securities—

(A) to which subsection (a) applies, or

(B) which is described in subsection (e)(3), or

(2) employer securities or any other property based on employer securities transferred for a right to receive future payments, then, notwithstanding any other provision of this title, there shall be included in gross income for the taxable year an amount equal to the present value of such right (or such other amount as the Secretary may by regulations specify). For purposes of this paragraph, the term "employer securities" includes any security issued by the employer."
(b) Controlled Group Rules.—Section 414(v)(2) is amended by inserting “$3,100,” after “$7,900,”.

SEC. 1732. TERMINATION OF INSTALLMENT AGREEMENTS. 

(a) In General.—Section 6159(b)(4) (relating to failure to pay installment or other tax liability when due or to provide requested financial information) is amended by striking “or” at the end of subparagraph (B), by redesignating subparagraph (C) as subsection (D), and by inserting after subparagraph (D) the following: 

“(E) to make a Federal tax deposit under section 6152 at the time such deposit is required to be made.”

(b) Effective Date.—The amendments made by this section shall be applied to any exchange after the date of the enactment of this Act.

PART II—IMPROVEMENTS IN EFFICIENCY AND SAFEGUARDS IN INTERNAL REVENUE SERVICE COLLECTION

SEC. 1731. WAIVER OF USER FEE FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWAL.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(e) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automated installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.

SEC. 1732. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159(b)(4) (relating to failure to pay installment or other tax liability when due or to provide requested financial information) is amended by striking “or” at the end of subparagraph (B), by redesignating subparagraph (C) as subsection (D), and by inserting after subparagraph (D) the following:

“(E) to make a Federal tax deposit under section 6152 at the time such deposit is required to be made.”

(b) Effective Date.—The amendments made by this section shall be applied to any exchange after the date of the enactment of this Act.

SEC. 1737. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) In General.—Section 6597 (relating to bad checks) is amended by striking “$150” and inserting “$1,250” and “$300”.

(b) Effective Date.—The amendments made by this section shall take effect immediately before the date of the enactment of this Act.

SEC. 1727. ELIMINATION OF DOUBLE DEDUCTION ON MINING EXPLORATION AND DEVELOPMENT COSTS UNDER THE MINIMUM TAX.

(a) In General.—Section 53(a) (relating to deduction for the taxable year) and inserting “for the taxable year and determined without regard to so much of the basis as is attributable to mining exploration and development costs described in section 616 or 617 for which a deduction is allowable for any taxable year under this part.”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 1734. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

SEC. 1735. JOINT TASK FORCE ON OFFERS-IN-COMPROMISE.

(a) In General.—The Secretary of the Treasury shall establish a joint task force—

(1) to review the Internal Revenue Service’s determinations with respect to offers-in-compromise, including offers which raise equitable, public policy, or economic hardship issues (beginning in 2006) regarding such reconsiderations and the application of the Internal Revenue Code; (2) to annually report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the activities of the joint task force in reviewing such reconsiderations and the application of the Internal Revenue Code; (3) to provide recommendations as to whether the Internal Revenue Service’s evaluation of offers-in-compromise should include—

(A) the taxpayer’s compliance history,

(B) errors by the Internal Revenue Service in its treatment of the underlying tax, and

(C) wrongful acts by a third party which gave rise to the liability, and

(4) to annually report to the Committee on Ways and Means of the House of Representatives (beginning in 2006) regarding such review and recommendations.

(b) Membership of Joint Task Force.—The membership of the joint task force shall consist of—

(1) a representative from each party in dispute in any judicial proceeding, (2) representatives of the Oversight Board, the Office of the Chief Counsel for the Internal Revenue Service, the Office of the Taxpayer Advocate, the Office of Appeals, the Office of the Deputy Commissioner for Services, and the Office of the Deputy Commissioner for Enforcement.

SEC. 1733. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

(b) Effective Date.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 1736. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

(b) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 1738. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(f) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automatic installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.

SEC. 1739. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(f) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automatic installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.

SEC. 1740. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

(b) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 1741. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

(b) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 1742. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159(b)(4) (relating to failure to pay installment or other tax liability when due or to provide requested financial information) is amended by striking “or” at the end of subparagraph (B), by redesignating subparagraph (C) as subsection (D), and by inserting after subparagraph (D) the following:

“(E) to make a Federal tax deposit under section 6152 at the time such deposit is required to be made.”

(b) Effective Date.—The amendments made by this section shall be applied to any exchange after the date of the enactment of this Act.

SEC. 1743. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159(b)(4) (relating to failure to pay installment or other tax liability when due or to provide requested financial information) is amended by striking “or” at the end of subparagraph (B), by redesignating subparagraph (C) as subsection (D), and by inserting after subparagraph (D) the following:

“(E) to make a Federal tax deposit under section 6152 at the time such deposit is required to be made.”

(b) Effective Date.—The amendments made by this section shall be applied to any exchange after the date of the enactment of this Act.

SEC. 1744. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to requirements as to offers-in-compromise) is amended by striking “$25” and inserting “$50”.

(b) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 1745. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(f) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automatic installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.

SEC. 1746. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(f) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automatic installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.

SEC. 1747. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

“(f) Waiver of User Fees for Installment Agreements Using Automated Withdrawal.—A taxpayer agrees to enter into an installment agreement in which automatic installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date which is 180 days after the date of the enactment of this Act.
SEC. 1701. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 relating to foreign tax credit, etc. (26 U.S.C. 901 et seq.) is amended by striking "and" and at the end of sub-
section (X), the following new subclause:
"(X) any amount equal to the sum of
the credits determined under subsection (d), and
the credits determined under this subsection with respect to a
new qualified fuel cell motor vehicle which is a
passenger automobile or light truck shall be
increased by
(i) $1,000, if such vehicle achieves at
least 20 percent but less than 25 percent of
the 2002 model year city fuel economy,
(ii) $1,500, if such vehicle achieves at
least 25 percent but less than 30 percent of
the 2002 model year city fuel economy,
(iii) $2,000, if such vehicle achieves at
least 30 percent but less than 35 percent of
the 2002 model year city fuel economy,
(iv) $2,500, if such vehicle achieves at
least 35 percent but less than 40 percent of
the 2002 model year city fuel economy,
(v) $3,000, if such vehicle achieves at
least 40 percent but less than 45 percent of
the 2002 model year city fuel economy,
(vi) $3,500, if such vehicle achieves at
least 45 percent but less than 50 percent of
the 2002 model year city fuel economy,
(vii) $4,000, if such vehicle achieves at
least 50 percent but less than 55 percent of
the 2002 model year city fuel economy,
(viii) $4,500, if such vehicle achieves at
least 55 percent but less than 60 percent of
the 2002 model year city fuel economy,
(ix) $5,000, if such vehicle achieves at
least 60 percent or more of the
2002 model year city fuel economy.

(b) 2002 Model Year City Fuel Economy.—
For purposes of subparagraph (a), the 2002
model year city fuel economy with respect to
a vehicle shall be determined in accordance
with the following tables:

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>Fuel Economy</th>
<th>Subsection (X) Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 to 1,750 lbs</td>
<td>35.2 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>39.6 mpg</td>
<td>$1,500</td>
</tr>
<tr>
<td>2,250 lbs</td>
<td>35.2 mpg</td>
<td>$2,000</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>41.7 mpg</td>
<td>$2,500</td>
</tr>
<tr>
<td>2,750 lbs</td>
<td>28.8 mpg</td>
<td>$3,000</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>26.4 mpg</td>
<td>$3,500</td>
</tr>
<tr>
<td>3,500 lbs</td>
<td>22.6 mpg</td>
<td>$4,000</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>19.8 mpg</td>
<td>$4,500</td>
</tr>
<tr>
<td>4,500 lbs</td>
<td>17.6 mpg</td>
<td>$5,000</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>15.9 mpg</td>
<td>$5,500</td>
</tr>
<tr>
<td>5,500 lbs</td>
<td>14.4 mpg</td>
<td>$6,000</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>13.2 mpg</td>
<td>$6,500</td>
</tr>
<tr>
<td>6,500 lbs</td>
<td>12.2 mpg</td>
<td>$7,000</td>
</tr>
<tr>
<td>7,000 to 8,500 lbs</td>
<td>11.3 mpg</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

(c) New Advanced Lean Burn Technology Motor Vehicle Credit.—
(1) In General.—For purposes of subsection (a), the new advanced lean burn technology motor vehicle credit determined under this subsection with respect to a new advanced lean burn technology motor vehicle placed in service after the date of the enactment of this section shall be the amount determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>Fuel Economy</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 or 1,750 lbs</td>
<td>34.7 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>39.1 mpg</td>
<td>$1,500</td>
</tr>
<tr>
<td>2,250 lbs</td>
<td>35.2 mpg</td>
<td>$2,000</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>41.7 mpg</td>
<td>$2,500</td>
</tr>
<tr>
<td>2,750 lbs</td>
<td>28.8 mpg</td>
<td>$3,000</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>26.4 mpg</td>
<td>$3,500</td>
</tr>
<tr>
<td>3,500 lbs</td>
<td>22.6 mpg</td>
<td>$4,000</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>19.8 mpg</td>
<td>$4,500</td>
</tr>
<tr>
<td>4,500 lbs</td>
<td>17.6 mpg</td>
<td>$5,000</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>15.9 mpg</td>
<td>$5,500</td>
</tr>
<tr>
<td>5,500 lbs</td>
<td>14.4 mpg</td>
<td>$6,000</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>13.2 mpg</td>
<td>$6,500</td>
</tr>
<tr>
<td>6,500 lbs</td>
<td>12.2 mpg</td>
<td>$7,000</td>
</tr>
<tr>
<td>7,000 to 8,500 lbs</td>
<td>11.3 mpg</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

(d) Credit Amount.—
(1) In General.—The credit amount determined under this subsection shall be equal to the following:

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>Fuel Economy</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 or 1,750 lbs</td>
<td>34.7 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>39.1 mpg</td>
<td>$1,500</td>
</tr>
<tr>
<td>2,250 lbs</td>
<td>35.2 mpg</td>
<td>$2,000</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>41.7 mpg</td>
<td>$2,500</td>
</tr>
<tr>
<td>2,750 lbs</td>
<td>28.8 mpg</td>
<td>$3,000</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>26.4 mpg</td>
<td>$3,500</td>
</tr>
<tr>
<td>3,500 lbs</td>
<td>22.6 mpg</td>
<td>$4,000</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>19.8 mpg</td>
<td>$4,500</td>
</tr>
<tr>
<td>4,500 lbs</td>
<td>17.6 mpg</td>
<td>$5,000</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>15.9 mpg</td>
<td>$5,500</td>
</tr>
<tr>
<td>5,500 lbs</td>
<td>14.4 mpg</td>
<td>$6,000</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>13.2 mpg</td>
<td>$6,500</td>
</tr>
<tr>
<td>6,500 lbs</td>
<td>12.2 mpg</td>
<td>$7,000</td>
</tr>
<tr>
<td>7,000 to 8,500 lbs</td>
<td>11.3 mpg</td>
<td>$7,500</td>
</tr>
</tbody>
</table>

(2) Exceptions.—
(II) A qualified fuel cell motor vehicle shall be determined on a gasoline gallon equivalent basis as determined by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle.
the conservation credit amount determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Taxable Year</th>
<th>Conservation Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$700</td>
</tr>
<tr>
<td>2003</td>
<td>$1,200</td>
</tr>
<tr>
<td>2004</td>
<td>$1,200</td>
</tr>
<tr>
<td>2005</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

(3)OPTION TO USE LIKE VEHICLE.—At the option of the vehicle manufacturer, the incremental fuel efficiency and conservation credit may be calculated by comparing the new qualified advanced lean burn technology motor vehicle to a like vehicle.

(3) MOBILE SOURCES OF EMISSIONS.—For purposes of this subsection, the term 'new qualified advanced lean burn technology motor vehicle' means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel,

(ii) incorporates direct injection,

(iii) achieves at least 125 percent of the 2002 model year city fuel economy,

(iv) for 2004 and later model vehicles, has received a certificate that such vehicle meets the equivalent in the following areas:

(A) Fuel economy. The term 'fuel economy' new qualified advanced lean burn technology motor vehicle derived from a conventional production vehicle produced in the same model year means a model that is equivalent in the following areas:

(1) Body style (2-door or 4-door).

(2) Transmission (automatic or manual).

(3) Acceleration performance (0.05 second).  

(B) Drivetrain (2-wheel drive or 4-wheel drive).

(C) Certification by the Administrator of the Environmental Protection Agency.

(D) Lifetime Fuel Savings. For purposes of this subsection, the term 'lifetime fuel savings' means, in the case of any new advanced lean burn technology motor vehicle, an amount equal to the excess (if any) of—

(A) the fuel economy for the 2002 model year city fuel economy for the vehicle inertia weight class, over

(B) 120,000 divided by the city fuel economy for such vehicle.

(D) New Qualified Hybrid Motor Vehicle Credit.

(E) General.—For purposes of this subsection, the term 'new qualified hybrid motor vehicle credit' means the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year that is equivalent in the following areas:

(1) Fuel Efficiency. The term 'fuel efficiency' for purposes of subparagraph (A)(ii)(II), the term 'incremental cost of any new qualified alternative fuel motor vehicle' means the applicable percentage.

(2) Mobile Sources of Emissions. For purposes of this subsection, the term 'new qualified hybrid motor vehicle' means a motor vehicle which—

(A) is a passenger automobile, medium duty passenger vehicle, or light truck.

(B) is a medium duty passenger vehicle or light truck.

(C) is a heavy duty hybrid motor vehicle.

(D) uses consumable fuel.

(E) is a fuel cell electric vehicle.

(F) meets the equivalent in the following areas:

(i) Fuel efficiency. The term 'fuel efficiency' for purposes of clause (i), at the option of the vehicle manufacturer, the increase for fuel efficiency and conservation credit may be calculated by comparing the new qualified hybrid motor vehicle to a like vehicle (as defined in subsection (c)(4)).

(G) Average fuel economy. The term 'average fuel economy' is equal to the maximum available power of the motor vehicle, divided by the vehicle inertia weight, multiplied by the number of passengers transported by such motor vehicle.

(H) Electronically controlled auxiliary power. The term 'electronically controlled auxiliary power' means the power which releases energy when consumed by an auxiliary power unit.

(I) Maximum available power. The term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. The term 'maximum power' means the total power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(J) Heavy duty hybrid motor vehicle. For purposes of subparagraph (A)(iii), the term 'heavy duty hybrid motor vehicle' includes a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(K) New Qualified Alternative Fuel Motor Vehicle Credit.

(L) Allowance of Credit.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

(M) Applicable Percentage.—For purposes of this paragraph, the term 'applicable percentage' means the applicable percentage.

(N) New Qualified Motor Vehicle. For purposes of this subsection—

(A) in general. The applicable percentage is:

(1) 50 percent, plus

(2) 30 percent, if such vehicle—

(i) has a gross vehicle weight rating of more than 8,500 pounds, has a maximum available power of at least 5 percent, and

(ii) has received a certificate of conformity under the Clean Air Act for that make and model year vehicle, and

(III) has a maximum available power of at least 5 percent.

(B) In the case of a heavy duty hybrid motor vehicle—

(i) having a gross vehicle weight rating of more than 8,500 but not more than 14,000 pounds, has a maximum available power of at least 10 percent, and

(ii) having a gross vehicle weight rating of more than 14,000 pounds, has a maximum available power of at least 15 percent.

(C) In the case of a passenger automobile, medium duty passenger vehicle, or light truck—

(iii) which, in the case of a heavy duty hybrid motor vehicle—

(vi) which is made by a manufacturer.

(B) Consumable fuel. For purposes of subparagraph (A)(i), the term 'consumable fuel' means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

(C) Maximum available power. For purposes of subparagraph (A)(ii)(I), the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. The term 'maximum power' means the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(D) Heavy duty hybrid motor vehicle. For purposes of subparagraph (A)(iii), the term 'heavy duty hybrid motor vehicle' includes a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(E) New Qualified Alternative Fuel Motor Vehicle Credit.

(F) Allowance of Credit.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

(G) Applicable Percentage.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

(A) 50 percent, plus

(B) 30 percent, if such vehicle—

(i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

(ii) has received an order certifying the vehicle as meeting the State laws or regulations for vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under section 209(b) of the Clean Air Act (as enacted in accordance with a waiver granted under section 230(e)(2) of the Clean Air Act for that make and model year vehicle, and

(III) has a maximum available power of at least 5 percent.
make and model year vehicle (other than a zero emission standard).

For purposes of the preceding sentence, in the case of any new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds but not more than 26,000 pounds, the most stringent standard available shall be such standard available for certification on the date of the enactment of the Energy Tax Incentives Act.

“(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer’s suggested retail price for such vehicle over such price for a gasoline or diesel vehicle of the same model and size, to the extent such amount does not exceed—

(A) $5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds;

(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds;

(C) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

“(4) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection—

(A) IN GENERAL.—The term ‘new qualified alternative fuel motor vehicle’ means any motor vehicle—

(i) which is capable of operating on an alternative fuel,

(ii) the original use of which commences with the taxpayer,

(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

(iv) which is made by a manufacturer.

(B) RULE.—The term ‘alternative fuel’ means—

(i) liquefied natural gas,

(ii) liquefied petroleum gas,

(iii) hydrogen,

(iv) any liquid at least 85 percent of which consists of methanol,

(v) electricity,

(vi) any gas, hydrogen, and any liquid at least 85 percent of which consists of methanol,

(vii) any gas which is acquired by the taxpayer for use in the United States, or

(viii) any gas which is acquired by the taxpayer for use in a country other than the United States.

“(C) $25,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds;

“(D) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds;

“(E) $5,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

“(F) $2,500, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

“(5) QUALIFIED VEHICLE.—For purposes of this section, the term ‘qualified vehicle’ means any new qualified hybrid motor vehicle, and

“(A) $23,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds;

“(B) $15,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, and

“(C) $10,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

“(D) $5,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

“(6) OTHER TERMS.—For purposes of this section—

“(1) MOTOR VEHICLE.—The term ‘motor vehicle’ includes any vehicle described in subsection (b), (c), or (d) if such vehicle is allowed under subsection (a) for such vehicle for the taxable year.

“(2) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle whose use is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to the person or entity using such vehicle who such person is and provides to such person a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (g)).

“(7) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

“(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) in respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

“(9) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowable under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

“(10) CARRYBACK AND CARRYFORWARD ALLOWED.—

“(A) IN GENERAL.—If the credit allowable under subsection (a) for any taxable year exceeds the amount of the limitation under subsection (g) for such taxable year (in this paragraph referred to as the ‘unused credit’), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year, except that no excess may be carried to a taxable year beginning before the date of the enactment of this section.

“(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subsection (a).

“(C) ELECTRONIC REPORTING.—The Secretary shall require the use of electronic reporting for purposes of subsection (a).
waiver under section 290(b) of the Clean Air Act), and
(b) the motor vehicle safety provisions of sections 30101 through 30109 of title 49, United States Code.

(g) Regulations.—

(1) In general.—Except as provided in paragraph (2), the Secretary shall promulgate regulations as necessary to carry out the provisions of this section.

(2) Coordination in prescription of certain regulations.—The Secretary of the Treasury shall coordinate with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

(h) Termination.—This section shall not apply to any property purchased after—

(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2015,

(2) in the case of a new advanced lean burn technology motor vehicle (as described in subsection (c)) or a new qualified hybrid motor vehicle (as described in subsection (d)), December 31, 2009, and

(3) in the case of a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010.

(b) Conforming Amendments.—

(1) Section 101(b), as amended by this Act, is amended by adding at the end of the Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(2) In the case of a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010.

(3) in the case of a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010.

(b) Conforming Amendments.—

(1) Section 30B(f)(9), as amended by this Act, is amended by adding at the end of the Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(2) In the case of a new qualified clean-fuel motor vehicle (as described in subsection (d)), December 31, 2009.

(c) Incentive for Production of Qualified Clean-Fuel Vehicle Refueling Property.—Section 179A(d) (defining qualified clean-fuel vehicle property) is amended by adding at the end of the following new sentence:

"The Secretary shall issue regulations under which property placed in service by the taxpayer during the taxable years ending after such date.

(d) Application With Other Credits.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

(1) the regular tax for the taxable year reduced by the sum of the credits allowable under part A and sections 27, 29, 30, and 30B, over

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

(e) Carryforward Allowed.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (d) for such taxable year, such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

(f) Rules.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).

(g) Special Rules.—For purposes of this section—

(1) Basis Reduction.—The basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

(2) No Double Benefit.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowed under subsection (a).

(h) Property Used by Tax-Exempt Entities.—In the case of any qualified alternative fuel vehicle property used in the words of which is described in paragraph (3) or (4) of section 179A(e)(6) with respect to which a credit is allowed under subsection (a), the term "qualified alternative fuel vehicle property" means a vehicle with respect to which a credit is allowed under section 179A of the Internal Revenue Code of 1986.

(e) Nonapplication of Section.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, sections 1702 and 1703 shall not apply to property placed in service after December 31, 2009.
“(i) is convertible into stock of the issuing corporation, into stock of or debt of a related party (within the meaning of section 267(b) or 707(b)(1)), or into cash or other property in an amount equal to the approximate value of such stock or debt, and

(ii) provides for contingent payments,

any regulations which require original issue discount to be determined by reference to the offering price of a noncontingent, fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a noncontingent, fixed-rate debt instrument which is convertible into stock.

(B) SPECIAL RULE.—For purposes of subparagraph (A), the comparable yield shall be determined by reference to the comparable yield resulting from the conversion of a debt instrument into stock.”.

(b) Cross Reference.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

“For the treatment of contingent payment convertible debt, see section 1276(d)(2).”.

(c) Effective Date.—The amendments made by this section shall apply to debt instruments issued on or after the date of the enactment of this Act.

SEC. 1712. FRIVOLOUS TAX SUBMISSIONS.

(a) Civil Penalties.—Section 6702 is amended to read as follows:

“SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

(a) Civil Penalty for Frivolous Tax Returns.—A person shall pay a penalty of $5,000 if—

(1) such person files what purports to be a return of a tax imposed by this title but which—

(A) does not contain information on which the substantial correctness of the self-assessment may be based; or

(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

the conduct referred to in paragraph (1)—

(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

(B) reflects a desire to delay or impede the administration of Federal tax laws.

(b) Civil Penalty for Specified Frivolous Submissions.—

(1) Imposition of Penalty.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

(2) Specified Frivolous Submission.—

For purposes of this section—

(A) Specified Frivolous Submission.—The term ‘‘specified frivolous submission’’ means a specified submission if any portion of such submission—

(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

(ii) reflects a desire to delay or impede the administration of Federal tax laws.

(B) Specified Submission.—The term ‘‘specified submission’’ means—

(i) a request for a hearing under—

(I) section 6330 (relating to notice and opportunity for hearing upon filing of notice of lien), or

(II) section 6330 (relating to notice and opportunity for hearing before levy), and

(ii) an application under—

(I) section 6159 (relating to agreements for payment of tax liability in installments), or

(II) section 7122 (relating to compromises), or

(III) section 7811 (relating to taxpayer assistance orders).

(iii) In General.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

(f) Effective Date.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 1713. INCREASE IN CERTAIN CRIMINAL PENALTIES.

(a) In General.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ‘‘Any person who—’’ and inserting ‘‘(a) In General.—Any person who—’’, and

(2) by adding at the end the following new subsection:

“(b) Increase in Penalties.—(1) Attempt to Evade or Defeat Tax.—Section 7201 is amended—

(A) by striking ‘‘$100,000’’ and inserting ‘‘$500,000’’;

(B) by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’; and

(C) by striking ‘‘5 years’’ and inserting ‘‘10 years.’’

(2) Willful Failure to File Return, Supply Information, or Pay Tax.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking ‘‘Any person’’ and inserting the following:

‘‘(a) In General.—Any person,’’ and

(ii) by striking ‘‘$25,000 and inserting ‘‘$50,000’’;

(B) in the third sentence, by striking ‘‘section’’ and inserting ‘‘subsection’’; and

(C) by adding at the end the following new subsection:

‘‘(b) Aggravated Failure To File.—

(1) In General.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

‘‘(A) ‘‘Telson’’ for ‘‘misdemeanor’’;

‘‘(B) ‘‘$500,000 ($1,000,000) for $25,000 ($100,000),’’;

and

‘‘(C) ‘‘10 years’’ for ‘‘1 year.’’

(2) Failure Described.—A failure described in this paragraph is a failure to make a return described in subsection (a) for a period of 3 or more consecutive taxable years and the aggregated tax liability for such period is at least $100,000.

(3) Fraud and False Statements.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking ‘‘$100,000’’ and inserting ‘‘$500,000’’;

(B) by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’; and

(C) by striking ‘‘3 years’’ and inserting ‘‘5 years.’’

(c) Effective Date.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 1714. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) Determination of Penalty.—

(1) In General.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

""
(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax at issue to items arising in connection with any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6664 of the Internal Revenue Code of 1986, and
(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be determined without regard to this section.

(2) APPLICABLE TAXPAYER.—For purposes of this section—
(A) IN GENERAL.—The term ‘applicable taxpayer’ means a taxpayer who—
(i) has not had underreported its United States income tax liability with respect to any item which directly or indirectly involves—
(I) any financial arrangement which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in foreign jurisdictions, or
(II) any offshore financial arrangement (including a contract with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and
(ii) has not signed a closing agreement pursuant to the Voluntary Offshore Initiative established by the Department of the Treasury under Revenue Procedure 2003–11 or voluntarily disclosed its participation in such arrangement by notifying the Internal Revenue Service of such arrangement prior to the issue being raised by the Internal Revenue Service during an examination.

(B) AUTHORITY TO WAIVE.—The Secretary of the Treasury or the Secretary’s delegate may waive the application of paragraph (1) to any taxpayer if the Secretary or the Secretary’s delegate determines that the use of such offshore payment mechanisms is incidental to the transaction and, in addition, in the case of a trade or business, such use is conducted in the ordinary course of the trade or business of the taxpayer.

(C) ISSUES RAISED.—For purposes of subparagraph (A)(ii), an item shall be treated as an issue raised during an examination if the individual examining the return—
(I) communicates to the taxpayer knowledge of the specific item, or
(ii) requests information from the taxpayer for information and the taxpayer could not make a complete response to that request without giving the examiner knowledge of the specific item.

(D) DEFINITIONS AND RULES.—For purposes of this section—
(1) APPLICABLE PENALTY.—The term ‘applicable penalty’ means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986, including any arrangement with foreign banks, ties in foreign jurisdictions, or in such arrangement by notifying the Internal Revenue Service of such arrangement before March 2, 2005, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

(2) APPLICABLE PENALTY.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after March 2, 2005, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

SECTION 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER TO FEDERAL ANNUAL CORPORATE INCOME TAX RETURN.

In general.—The Secretary of the Treasury or the Secretary’s delegate may designate if the corporation does not designate the Secretary of the Treasury, for purposes of subpart F income of a controlled foreign corporation, a chief executive officer of the corporation (or other such officer of the corporation as the Secretary may designate if the corporation does not have a chief executive officer) as the individual responsible for taking any regulatory action that ensures that such return complies with the Internal Revenue Code of 1986 and that the chief executive officer was provided reasonable assurance of the accuracy of all material aspects of such return. The preceding sentence shall not apply to any return of a regulated investment company (within the meaning of section 851 of such Code).

Effective date.—This section shall apply to Federal annual corporate income tax returns for taxable years ending after the date of the enactment of this Act.

SECTION 1717. TREASURY REGULATIONS ON FOREIGN TAX CREDIT.

(a) In General.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

‘(m) Regulations.—The Secretary may prescribe regulations disallowing a credit for taxes paid or withheld with respect to any foreign tax, or allocating a foreign tax among 2 or more persons, in cases where the foreign tax is imposed on any person in respect of the income in connection with other cases involving the inappropriate separation of the foreign tax from the related foreign income.

(b) Effective Date.—The amendments made by this section shall apply to tax years ending after the date of the enactment of this Act.

SECTION 1718. WHISTLEBLOWER REFORMS.

(a) In General.—Section 7623 (relating to expenses of detection of underpayments and fraud, etc.) is amended—
(1) by striking ‘‘The Secretary’’ and inserting ‘‘‘‘(a) In General.—The Secretary’’’.
(2) by striking ‘‘and’’ at the end of paragraph (1) and inserting ‘‘or’’.
(3) by striking ‘‘interest in expense’’ and
(4) by adding at the end the following new subsections:

‘‘(d) Awards to Whistleblowers.—
‘‘(1) IN GENERAL.—If the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information provided by an individual, such individual shall, subject to paragraph (2), receive as an award at least 15 percent but not more than 30 percent of the collected proceeds that result from the interest, additions to tax, and additional amounts resulting from the action (including any related actions) or from any settlement in response to such action. Where the determination of the amount of such award by the Whistleblower Office shall depend upon the extent to which the individual substantially contributed to such action.

‘‘(2) Award in Case of Less Substantial Contribution.—
‘‘(A) IN GENERAL.—In the event the action described in paragraph (1) is one which the Whistleblower Office determines to be based principally on disclosures of specific allegations (other than information provided by the individual described in paragraph (1)) resulting from a judicial or administrative hearing, from a governmental report, hearing, or investigation, or from the news media, the Whistleblower Office may award such sums as it considers appropriate, but in no case more than 10 percent of the collected proceeds that result from the action (including any related actions) or from any settlement in response to such action, having due regard to the significance of the individual’s information and the role of such individual and any legal representative of such individual in contributing to such action.

‘‘(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—Subparagraph (A) shall not apply if the information resulting in the initiation of the action described in paragraph (1) was originally provided by the individual described in paragraph (1).

‘‘(3) Reduction in or Denial of Award.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is brought by an individual who planned and initiated the actions that led to the underpayment of tax or actions described in subsection (a)(2), then the Whistleblower Office may appropriately reduce such award. If such individual is convicted of criminal conduct arising from the role described in the description provided for the preceding sentence, the Whistleblower Office shall deny any award.

‘‘(4) Appeal of Award Determination.—
Any determination regarding an award under paragraph (1) or (2) shall be subject to the filing by the individual described in such paragraph of a petition for review with the Tax Court under rules similar to the rules under section 7463 (without regard to the amount in dispute) and such review shall be subject to the rules under section 7461(b)(1).

‘‘(5) Application of this Subsection.—This subsection shall apply with respect to any action—
(A) against any taxpayer, but in the case of any individual, only if such individual’s gross income exceeds $200,000 for any taxable year subject to such action, and
(B) if the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed $10,000.

‘‘(6) Additional Rules.—
(A) No Contract Necessary.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection

(B) Representation.—Any individual described in paragraph (1) or (2) may be represented by counsel.

(C) Award Not Subject to Individual Alternative Minimum Tax.—No award received

SEC. 1719. ANNUAL CORPORATE INCOME TAX RETURN.
under this subsection shall be included in gross income for purposes of determining alternative minimum taxable income.

"(c) WHISTLEBLOWER OFFICE.—

"(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the ‘Whistleblower Office’ which—

(A) shall at all times operate at the direction of, and be answerable to, the Secretary and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner.

(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office, (2) FUNDING FOR OFFICE.—There is authorized to be appropriated $10,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

"(d) REQUEST FOR ASSISTANCE.—

"(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office and shall be provided only upon the agreement of the individual described in such paragraph. No individual or legal representative whose assistance is so requested may by reason of performance of such assistance, such disclosure is so requested may by reason of performance of such assistance, disclose any information so provided.

"(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the approval of the Secretary, reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

"(2) REPORT BY SECRETARY.—The Secretary shall each year conduct a study and report to Congress on the use of this section, including—

(A) an analysis of the use of this section during the preceding year and the results of such use, and

(B) any legislative or administrative recommendations regarding the provisions of this section and its application.

"(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures entered into before the date of the enactment of this Act.

SEC. 1719. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section 162 (relating to trade or business expenses) is amended—

(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, settlement, or otherwise) to or on behalf of, or on the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by the Secretary or his delegate of any potential violation of any law.

"(2) EXCEPTION FOR AMOUNTS CONTRIBUTING RESTITUTION.—Paragraph (1) shall not apply to any amount paid or incurred (whether by suit, settlement, or otherwise) to or on behalf of, or on the direction of, any legal representative of such individual to not disclose any information so provided.

"(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures entered into before the date of the enactment of this Act.

SEC. 1720. FREEZE OF INTEREST SUSPENSION TRANSACTIONS.

(a) IN GENERAL.—Section 1091 shall not apply to the sale of property described in subsection (c) of section 1091 of the Jobs Creation Act of 2004.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the sale of property described in subsection (c) of section 1091 of the Jobs Creation Act of 2004.
“(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or
(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

“(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer has consented to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

“(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in subparagraph (B) thereof.

“(7) INTEREST.—For purposes of section 6601—

“(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

“(B) section 6621(a)(2) shall be applied by substituting 5 percentage points for 3 percentage points in subparagraph (B) thereof.

“(C) COVERED EXPATRIATE.—For purposes of this section—

“(i) IN GENERAL.—Except as provided in paragraph (2), the term ‘covered expatriate’ means an expatriate.

“(ii) EXCEPTION.—An individual shall not be treated as an expatriate if—

“(A) the individual—

“(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

“(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(i)) during the 5 taxable years ending during the taxable year during which the expatriation date occurs, or

“(B) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18, or

“(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

“(D) EXPATRIATION; SPECIAL RULES FOR PENSION PLANS.—

“(1) EXEMPT PROPERTY.—This section shall not apply to the following:

“(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 892(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 892(c)(2).

“(B) SPECIFIED PROPERTY.—Any property or interest in property described in subparagraph (A) which the Secretary specifies in regulations.

“(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

“(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

“(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

“(ii) an amount equal to the present value of the expatriate’s nonforfeitable accrued retirement benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

“(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the individual was treated, which treated as a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount with which this subparagraph previously applied.

“(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan shall apply this section to any distribution on or after the expatriation date which treated as a distribution under subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

“(D) APPLICABLE PLANS.—This paragraph shall apply to—

“(i) any qualified retirement plan (as defined in section 7701(a)), and

“(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer (as described in section 457(e)(1)(A)), and

“(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

“(e) DEFINITIONS.—For purposes of this section—

“(1) EXPATRIATE.—The term ‘expatriate’ means an individual—

“(A) any United States citizen who relinquishes citizenship, and

“(B) any long-term resident of the United States who—

“(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 711(b)(6)), or

“(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such tax treaty applicable to residents of the foreign country.

“(2) EXPATRIATION DATE.—The term ‘expatriation date’ means—

“(A) the date an individual relinquishes United States citizenship, or

“(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

“(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship—

“(A) the date the individual renounces such individual’s United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

“(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of relinquishment specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)-(4)),

“(C) the date the United States Department of State issues issued to the individual a certificate of loss of nationality, or

“(D) the date a court of the United States cancels a naturalized citizen’s certificate of naturalization.

“Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

“(4) LONG-TERM RESIDENT.—The term ‘long-term resident’ has the meaning given to such term by section 877(a)(2).

“(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES’ INTERESTS IN TRUST.—

“(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a
trust on the day before the expatriation date—

(A) the individual shall not be treated as having sold such interest,

(B) such interest shall be treated as a separate share in the trust, and

(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such interest,

(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and an amount equal to all of its assets to the individual as of such time, and

(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii), in determining the amount of such distribution.

(proper adjustments shall be made for liabilities of the trust allocable to an individual’s share in the trust.

(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

(A) IN GENERAL.—If the trust interest described in paragraph (1) is a qualified trust,

(i) the amount of such interest determined under subsection (B) shall not apply, and

(ii) in addition to any other tax imposed by this title, there is hereby imposed a tax equal to the lesser of—

(I) the highest rate of tax imposed by section 1(b) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution,

(II) the balance in the deferral account immediately before such date, and

(iii) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable.

(B) DETERMINATION OF DEFERRAL ACCOUNT.—For purposes of subparagraph (A)(ii), the term ‘qualified trust’ means any trust which is part of a reorganization in which gain was allocable to such beneficiary’s vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

(C) TAX DEDUCTED AND WITHHELD.—

(1) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustee from the distribution to which it relates.

(ii) EXCEPTION WHERE FAULTY WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) because of the distributee failing to waive any treaty right with respect to such distribution—

(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax,

(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

(D) DEEMED DISTRIBUTION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

(I) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable,

(II) the balance in the deferral account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

(E) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

(i) QUALIFIED TRUST.—The term ‘qualified trust’ means a trust which is described in section 7701(a)(30)(E).

(ii) VESTED INTEREST.—The term ‘vested interest’ means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

(iii) NONVESTED INTEREST.—The term ‘nonvested interest’ means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum amount of deferral in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

(iv) ADJUSTMENTS.—The Secretary may provide special rules for the cases where (A) the deferral amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferral amount) shall be lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

(2) DEFERRED AMOUNT.—For purposes of this subsection, the deferral amount is the amount of the increase in the covered expatriate’s income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

(3) PERIOD OF LIEN.—The lien imposed under this section shall cease to apply on the day before the expiration date stated under any other provision of this title—

(A) in the case of any covered expatriate, notwithstanding any other provision of this title—

(i) any period during which recognition of income or gain is deferred shall terminate on the day before the expiration date, and

(2) any extension of time for payment of tax shall cease to apply on the day before the expiration date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

(4) REFERRAL OF DEFERRED TAX AMOUNTS.—

(A) IMPOSITION OF LIEN.—

(i) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by this chapter for the taxable year, there is hereby imposed, immediately before the expiration date, a tax in an amount equal to the amount of tax which would have been imposed if the taxable year were a short taxable year ending on the expatriation date.

(ii) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expiration date.

(B) DEFINITION OF FURTHER EXPATRIATION.—

(i) IN GENERAL.—If an individual is required to include any amount in gross income under section 4791A for any taxable year, there is hereby imposed, immediately before the expiration date, a tax in an amount equal to the amount of tax which would have been imposed if the taxable year were a short taxable year ending on the expatriation date.

(C) TREATMENT OF FURTHER EXPATRIATION.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

(2) THE AMOUNT OF TAX.—For purposes of this section—

(A) CONSTRUCTIVE OWNERSHIP.—If a beneficiary has constructive ownership, partnership interest, or control of a trust, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

(B) OTHER DETERMINATIONS.—For purposes of this section—

(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary has constructive ownership, partnership interest, or control of a trust, the shareholders, partners, or beneficiaries shall be deemed to be such beneficiaries for purposes of this section.
SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

"Gross income shall include any amount paid to or on behalf of a taxpayer as insur-
ance (whether or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive dam-
gages.
"

(2) REPEALING REQUIREMENTS.—Section 6011 (relating to information to be furnished) is amended by adding at the end the following new subsection:

(1) Section 6011 is amended by adding at the end the following new subsection:

(1) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

(A) the gift, bequest, devise, or inheritance is—

(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

(B) the item was timely filed but no such receipt would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

(49) TERMINATION OF UNITED STATES CITIZENSHIP.—

(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual’s citizenship is treated as relinquished under section 877A(e)(3).

(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

(E) FORMER CITIZENS NOT IN COMPLIANCE WITH TAX REQUIREMENTS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation).

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(b) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

(22) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Assistant Attorney General’s delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance with section 877A of such Code) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)).

(3) SAFEGUARDS.—Section 6103(b)(4) (relating to safeguards) is amended by striking “or (20)” each place it appears and inserting “(20), or (21)”.

(4) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship or on or after the date of the enactment of this Act.

(5) CONFORMING AMENDMENTS.—

(a) Provision relating to other sections of chapter 12 as a taxable gift by the covered expatriate after the expatriation date. For purposes of this section, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

(1) Section 877 is amended by adding at the end the following new subsection:

(1) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(b) Provision relating to the Internal Revenue Code of 1986, as added by this subsection shall apply to the Internal Revenue Code of 2005.

(c) Section 2107 is amended by adding at the end the following new subsection:

(1) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.

(3) Sections 5201(a)(3) is amended by adding at the end the following new subparagraph:

(1) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.

(c) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SEC. 1724. APPLICATION OF EARNINGS STRIP-PING RULES TO PARTNERS WHICH ARE C CORPORATIONS.

(1) IN GENERAL.—Section 153(1) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesigning paragraph (8) and by inserting after paragraph (7) the following new paragraph:

(8) ALLOCATIONS TO CERTAIN CORPORATE PARTNERS.—If a C corporation is a partner in a partnership—

(A) the corporation’s allocable share of indebtedness and interest income of the partnership shall be taken into account in applying this section to the corporation, and

(B) if a deduction is not disallowed under this subsection with respect to any interest expense of the partnership, this subsection shall be applied separately in determining whether a deduction is allowable to the corporation with respect to the corporation’s allocable share of such interest expense.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 1725. PROHIBITION OF DEFERRAL OF GAIN FROM THE EXERCISE OF STOCK OPTIONS AND RESTRICTION OF STOCK GAINS THROUGH DEFERRED COMPENSATION ARRANGEMENTS.

(1) IN GENERAL.—Section 83 (relating to property transferred in connection with performance of services) is amended by adding at the end the following new subsection:

(1) PROHIBITION ON ADDITIONAL DEFERRAL THROUGH DEFERRED COMPENSATION ARRANGEMENTS.—If a taxpayer transfers—

(A) to which subsection (a) applies, or

(B) which is described in subsection (a), or

(2) Employer securities or any other property transferred to or on behalf of an employee in connection with performance of services (whether or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages).

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.
S7156

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(c) Effective Date.—The amendments made by this section shall apply to any exchange after the date of the enactment of this Act.

SEC. 1726. LIMITATION OF EMPLOYER DEDUCTION FOR CERTAIN ENTERTAINMENT EXPENSES.

(a) In General.—Paragraph (2) of section 274(e) (relating to expenses treated as compensation) is amended to read as follows:—

"(2) Expenses treated as compensation.—Expenses for goods, services, and facilities, to the extent that the expenses do not exceed the amount of the expenses which are treated by the taxpayer, with respect to the recipient of the entertainment, amusement, or recreation, as compensation to an employee on the taxpayer's return of tax under this chapter and as wages to such employee for purposes of subchapter A of chapter 25 (relating to withholding of income tax at source on wages)."

(b) Persons Not Employees.—Paragraph (9) of section 274(e) is amended by striking "to the extent that the expenses are includible in the gross income" and inserting "to the extent that the expenses do not exceed the amount of the expenses which are includible in the gross income".

(c) Effective Date.—The amendment made by this section shall apply to expenses incurred after the date of the enactment of this Act.

SEC. 1727. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) In General.—Section 6056 (relating to bad checks and money orders) is amended—

(1) by striking "$750" and inserting "$1,250"; and

(2) by striking "$15" and inserting "$25".

(b) Effective Date.—The amendments made by this section shall apply to checks or money orders received after the date of the enactment of this Act.

SEC. 1728. ELIMINATION OF DOUBLE DEDUCTION ON MINING EXPLORATION AND DEVELOPMENT COSTS UNDER THE MINIMUM TAX.

(a) In General.—Section 57(a)(1) (relating to depletion) is amended by striking "for the taxable year" and inserting "for taxable year and determined without regard to so much of the basis as is attributable to mining exploration and development costs described in section 616 or 617 for which a deduction is allowable for any taxable year under this part.");

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

PART II—IMPROVEMENTS IN EFFICIENCY AND SAFEGUARDS IN INTERNAL REVENUE SERVICE COLLECTION

SEC. 1731. WAIVER OF USER FEE FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.

(a) In General.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (d) the following:

"(e) Waiver of User Fees for Installment Agreements Using Automated Withdrawals.—In the case of a taxpayer who enters into an installment agreement in which automated installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 1732. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159(b)(4) (relating to failure to pay an installment or any other tax liability when due or to provide requested financial information) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subsection (A), and inserting after subparagraph (A) the following:

"(A) To make a Federal tax deposit under section 6302 at the time such deposit is required to be made with respect to any installment; and

(b) CONFORMING AMENDMENT.—The heading of section 6159(b)(4) is amended by striking "FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY" and inserting "FAILURE TO MAKE PAYMENTS OR DEPOSITS OR FILE RETURNS WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION"

(c) Effective Date.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 1733. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to record) is amended by striking "Whenever a compromise" and all that follows through "any period during which the compromise is in dispute in any judicial proceeding," and inserting "If the Secretary or the Counsel for the Treasury, as redesignated by subsection (f), determines that an opinion of the General Counsel for the Department of the Treasury, or the Counsel's delegate, is required with respect to a compromise, there shall be placed on file in the office of the Secretary such opinion."

(b) Conforming Amendments.—Section 7122(c) is amended by striking the second and third sentences.

(c) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on or after the date of the enactment of this Act.

SEC. 1734. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122 (relating to offers), is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (d) the following new subsection:

"(c) Rules for Submission of Offers-In-Compromise.—

(1) Partial Payment Required with Submission. —

(A) Lump-Sum Offers.—

(i) In General.—The submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of the amount of such offer.

(ii) Lump-Sum Offer-In-Compromise.—For purposes of this section, the term "lump-sum offer-in-compromise" means any offer of payments made in 5 or fewer installments.

(B) Periodic Payment Offers.—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the term of the offer, as being evaluated for acceptance and has not been rejected by the Secretary. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

(2) Rules of Application.—

(A) Use of Payment.—The application of any payment made under this subsection to the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

(B) No Waiver of Limitation.—Any user fee which would otherwise be imposed under this section shall not be imposed on any offer-in-compromise accompanied by a payment required under this subsection.

(b) Additional Rules Relating to Treatment of Offers.—

(1) Unprocesseeable Offer If Payment Requirements Are Not Met.—Paraph (3) of section 7122(d) (relating to standards for evaluation of offers), as redesignated by subsection (a), is amended by inserting at the end of subparagraph (A) and inserting a comma, by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting at the end the following new subparagraph:

"(C) any offer-in-compromise which does not meet the requirements of subsection (c) shall be returned to the taxpayer as unprocessable."

(2) Deemed Acceptance of Offer Not Rejected Within Certain Period.—Any offer-in-compromise submitted under this section shall be deemed to be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the date of the submission of such offer and (i) the offer-in-compromise submitted on or after the date which is 5 years after the date of the enactment of this subsection. For purposes of the preceding sentence, any period during which the ability to receive a compromise is in dispute in any judicial proceeding shall not be taken in to account in determining the expiration of the 24-month period (or 12-month period, if applicable)."

(c) Effective Date.—The amendments made by this section shall apply to offers-in-compromise submitted on or after the date which is 60 days after the date of the enactment of this Act.

SEC. 1735. JOINT TASK FORCE ON OFFERS-IN-COMPROMISE.

(a) In General.—The Secretary of the Treasury shall establish a joint task force—

(1) to review the Internal Revenue Service's determinations with respect to offers-in-compromise, including offers which raise equitable, public policy, or economic hardship grounds for compromise of a tax liability under section 7122 of the Internal Revenue Code of 1986.

(2) to review the extent to which the Internal Revenue Service has used its authority to resolve longstanding cases by forgiving penalties and interest which have accumulated as a result of delay in determining the taxpayer's liability.

(3) to provide recommendations as to whether the Internal Revenue Service's evaluation of offers-in-compromise should include—

(A) the taxpayer's compliance history.

(B) errors by the Internal Revenue Service with respect to the underlying tax.

(C) wrongful acts by a third party which gave rise to the liability, and

(D) to annually report to the Committee on Ways and Means of the House of Representatives (beginning in 2006) regarding such review and recommendations.

(b) Members of Joint Task Force.—The membership of the joint task force shall consist of 1 representative from the Office of the Treasury, the Internal Revenue Service Oversight Board, the Office of the Chief Counsel for the Internal Revenue Service, the Office of the Taxpayer Advocate, the Office of Appeals, and the division of the Internal Revenue Service charged with operating the offer-in-compromise program.

(c) Report of National Taxpayer Advocate.—

(1) In General.—Clause (ii) of section 7621(b) (relating to report of National Taxpayer Advocate) is amended by striking "and" at the end of subclause (X), by redesignating subclause (XI) as
subclause (XII), and by inserting after subclause (X) the following new subclause:

"(XI) include a list of the factors taxpayers have raised to support their claims for offers-in-compliance, the number of such offers submitted, accepted, and rejected, the number of such offers appealed, the period during which review of such offers have been pending, and the efforts the Internal Revenue Service has made to correctly identify such offers, including the training of employees in identifying and evaluating such offers."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to reports in calendar year 2006 and thereafter.

SA 931. Mr. LEVIN (for himself and Mr. BATH) submitted an amendment intended to be proposed by him to the bill H.R. 6. To ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end add the following:

TITLE XVII—TAX INCENTIVES FOR ALTERNATIVE MOTOR VEHICLES AND FUELS

SEC. 1700. AMENDMENT OF 1986 CODE. Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Internal Revenue Code of 1986, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Tax Incentives

SEC. 1701. ALTERNATIVE MOTOR VEHICLE CREDIT. (a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following:

"SEC. 30B. ALTERNATIVE MOTOR VEHICLE CREDIT. (a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

(2) the new advanced lean burn technology motor vehicle credit determined under subsection (c),

(3) the new qualified hybrid motor vehicle credit determined under subsection (d), and

(4) the new qualified alternative fuel motor vehicle credit determined under subsection (e).

(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CREDIT.—

(1) IN GENERAL.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year is—

(A) $8,000 if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

(C) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(2) INCREASE FOR FUEL EFFICIENCY.—

(A) IN GENERAL.—The amount determined under subparagraph (A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(i) $1,500, if such vehicle achieves at least 15 percent but less than 25 percent of the 2002 model year city fuel economy,

(ii) $2,000, if such vehicle achieves at least 25 percent but less than 35 percent of the 2002 model year city fuel economy,

(iii) $2,500, if such vehicle achieves at least 35 percent but less than 45 percent of the 2002 model year city fuel economy,

(iv) $3,000, if such vehicle achieves at least 45 percent but less than 55 percent of the 2002 model year city fuel economy,

(v) $3,500, if such vehicle achieves at least 55 percent but less than 65 percent of the 2002 model year city fuel economy,

(vi) $4,000, if such vehicle achieves at least 65 percent but less than 75 percent of the 2002 model year city fuel economy,

(vii) $4,500, if such vehicle achieves at least 75 percent but less than 85 percent of the 2002 model year city fuel economy, and

(viii) $5,000, if such vehicle achieves at least 85 percent but less than 95 percent of the 2002 model year city fuel economy.

(3) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CRDIT.—

For purposes of subparagraph (A), the term "new qualified fuel cell motor vehicle" means a motor vehicle—

(A) which is propelled by power derived from 1 or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reforming prior to use,

(B) which, in the case of a passenger automobile or light truck, has received on or after the date of the enactment of this section a certificate from the Administrator of the Environmental Protection Agency under section 232(a)(2) of the Clean Air Act for that make and model year vehicle,

(4) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE CREDIT.—For purposes of this subsection, the term "new advanced lean burn technology motor vehicle" means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel, and

(ii) achieves at least 125 percent of the 2002 model year城市 fuel economy,

(5) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE CREDIT.—For purposes of this subsection, the term "new advanced lean burn technology motor vehicle" means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel, and

(ii) achieves at least 125 percent of the 2002 model year city fuel economy,

(6) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE CREDIT.—For purposes of this subsection, the term "new advanced lean burn technology motor vehicle" means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel, and

(ii) achieves at least 125 percent of the 2002 model year city fuel economy,

(7) NEW ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE CREDIT.—For purposes of this subsection, the term "new advanced lean burn technology motor vehicle" means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel, and

(ii) achieves at least 125 percent of the 2002 model year city fuel economy,
the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

(II) in the case of a vehicle having a gross vehicle weight rating of more than 8,500 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle.

(3) INCREMENTAL COST.—For purposes of paragraph (1), the term ‘incremental cost’ means the amount determined under this paragraph.

(4) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Incremental Cost</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $20,000</td>
<td>20%</td>
</tr>
<tr>
<td>$20,000 or less</td>
<td>10%</td>
</tr>
</tbody>
</table>

(5) LIFETIME FUEL SAVINGS.—For purposes of paragraph (1), lifetime fuel savings means the sum of the fuel savings derived from the use of a new qualified hybrid motor vehicle which is designed to be driven with electricity, during a standard ten second pulse power or equivalent test, divided by the vehicle’s total traction power. The term ‘total traction power’ means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole power source, the total traction power is the peak power of such storage system.

(II) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this subsection, the term ‘new qualified hybrid motor vehicle’ means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(6) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—

(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection shall be equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle which is placed in service by the taxpayer during the taxable year.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

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</table>

(3) INCREMENTAL COST.—For purposes of paragraph (2), the term ‘incremental cost’ means the amount determined under paragraph (5).

(4) MAXIMUM AVAILABLE POWER.—

(1) PASSENGER AUTOMOBILE, MEDIUM DUTY PASSENGER VEHICLE, OR LIGHT TRUCK.—For purposes of this paragraph, the term ‘maximum available power’ means the maximum power available from the engine and/or the auxiliary power unit as determined in a standard ten second pulse power or equivalent test, divided by the vehicle’s total traction power.

(5) MEDIUM DUTY TRUCK.—For purposes of this paragraph, the term ‘maximum available power’ means the maximum power available from the engine and/or the auxiliary power unit as determined in a standard ten second pulse power or equivalent test, divided by the vehicle’s total traction power.

(2) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this paragraph, the term ‘new qualified hybrid motor vehicle’ means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(3) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this paragraph, the term ‘new qualified alternative fuel motor vehicle’ means a new qualified alternative fuel motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(II) HEAVY DUTY MOTOR VEHICLE.—For purposes of subparagraph (A)(ii), the term ‘maximum available power’ means the maximum power available from the engine and/or the auxiliary power unit as determined in a standard ten second pulse power or equivalent test, divided by the vehicle’s total traction power. The term ‘total traction power’ means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole power source, the total traction power is the peak power of such storage system.

(II) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this subsection, the term ‘new qualified hybrid motor vehicle’ means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 8,500 pounds. Such term does not include a medium duty passenger vehicle.

(IV) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—

(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection shall be equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle which is placed in service by the taxpayer during the taxable year.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

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<td>10%</td>
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(3) INCREMENTAL COST.—For purposes of paragraph (2), the term ‘incremental cost’ means the amount determined under paragraph (5).

(4) MAXIMUM AVAILABLE POWER.—
"(i) which is only capable of operating on an alternative fuel,

"(ii) the original use of which commences with the taxpayer,

"(iii) is acquired by the taxpayer for use or lease, but not for resale, and

"(iv) which is made by a manufacturer.

"(B) ALTERNATIVE FUEL.—The term ‘alternative fuel’ means—

"(i) which a credit is allowable under subsection (a) with respect to a vehicle whose use is determined under this section.

"(C) BATTERY-POWERED VEHICLE.—For purposes of this subsection, the term ‘battery-powered vehicle’ means an electric passenger automobile, or an electric motor vehicle, which is a passenger automobile that is propelled exclusively by an electric motor or a combination of electric motors, in any combination, in conjunction with the electric motor or motors, using stored electric energy, including electric motor vehicles and electric motor vehicle chargers.

"(D) NEW INDIAN TRIBAL VEHICLE.—For purposes of this subsection, the term ‘new Indian tribal vehicle’ means—

"(E) NEW VEHICLE.—For purposes of this subsection, the term ‘new vehicle’ means—

"(F) PHASEOUT PERIOD.—For purposes of this subsection, the phaseout period is the period beginning on the date of the enactment of this section and ending on the later of—

"(1) the calendar quarter following the calendar quarter which includes the first date on which the number of qualified vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States with respect to any manufacturer, the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (e)) shall be reduced by the amount of such credit attributable to such cost, and

"(2) 10 percent per calendar quarter thereafter (determined without regard to subsection (e)) shall be reduced by the amount of such credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (e)).

"(3) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 56(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

"(4) CARBON CREDIT.—The Secretary shall, by regulation, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).
Section 30B. Alternative motor vehicle credit.

Sec. 30C. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the cost of any qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year.

(b) LIMITATION.—The credit allowed under subsection (a) with respect to any property with respect to which a credit is allowed under subsection (a) shall not exceed the excess of the amount of the limitation under subsection (d) for such taxable year, such excess shall be allowable as a credit carryforward for such of the 20 taxable years following the unused credit year.

(c) BASIS REDUCTION.—The basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

(d) NO DOUBLE BENEFIT.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowed under subsection (a).

(e) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

(f) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under section 179A with respect to any property if the taxpayer elects not to have this section apply to such property determined without regard to subsection (d).

(g) RECAPTURE RULES.—Rules similar to the rules of section 179(c) shall apply.

(h) TERMINATION.—This section shall apply to property placed in service during the taxable year ending after December 31, 2014.

(i) MODIFICATIONS TO EXTENSION OF DEDUCTION FOR CERTAIN REFUELING PROPERTY.—(1) INCREASE IN DEDUCTION FOR HYDROGEN INFRASTRUCTURE.—Section 179A(c)(2)(A) is amended by inserting "(2) $200,000, in the case of property relating to hydrogen refueling facilities", and by adding at the end of such new subsection—

(2) EXTENSION OF DEDUCTION.—Subsection (f) of section 179A is amended to read as follows:

(3) TERMINATION.—This section shall not apply to any property placed in service—

(1) in the case of property relating to hydrogen refueling facilities, after December 31, 2014, and

(2) in the case of any other property, after December 31, 2009.

(4) LIMITATION.—The credit allowed under section 30C shall not exceed the excess of the amount of any credit allowable under section 39 with respect to the property taken into account under section 179A, after applying the rules of section 179A.
advanced technology motor vehicles and conventional motor vehicles, or eligible and non-eligible components, only the qualified investment attributable to production of advanced technology motor vehicles and eligible components shall be taken into account.

"(c) Advanced Technology Motor Vehicles and Eligible Components.—For purposes of this section:

"(1) Advanced Technology Motor Vehicle.—The term 'advanced technology motor vehicle' means—

"(A) any new advanced clean burn technology motor vehicle (as defined in section 30B(c)(3)), or

"(B) any new qualified hybrid motor vehicle (as defined in section 30A(c)(2)(A) and determined without regard to any gross vehicle weight rating).

"(2) Eligible Components.—The term 'eligible component' means any component inherent to any advanced technology motor vehicle, including—

"(A) with respect to any gasoline or diesel-electric new qualified hybrid motor vehicle—

"(i) electric motor or generator,

"(ii) power split device,

"(iii) power control unit,

"(iv) power splitters for split device,

"(v) integrated starter generator, or

"(vi) battery,

"(B) with respect to any hydraulic new qualified hybrid motor vehicle—

"(i) hydraulic accumulator vessel,

"(ii) hydraulic pump, or

"(iii) hydraulic pump-motor assembly,

"(C) with respect to any new advanced lean burn technology motor vehicle—

"(i) diesel engine,

"(ii) turbocharger,

"(iii) turbocharged emissions control system,

"(iv) after-treatment system, such as a particle filter or NOx absorber, and

"(D) with respect to any advanced technology motor vehicle, any other component submitted for approval by the Secretary.

"(d) Engineering Integration Costs.—For purposes of subsection (b)(1)(B), costs for engineering integration are costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks related to—

"(1) establishing functional, structural, and performance requirements for component and subsystems to meet overall vehicle objectives for a specific application,

"(2) developing components and subsystems with mating systems within a specific vehicle application,

"(3) designing cost effective, efficient, and reliable component and subsystem processes to produce components and subsystems for a specific vehicle application, and

"(4) validating functionality and performance of components and subsystems for a specific vehicle application.

"(e) Eligible Taxpayer.—For purposes of this section, the term 'eligible taxpayer' means any taxpayer if more than 50 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

"(f) Limitation Based on Amount of Tax.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(1) the sum of—

"(A) the regular tax liability (as defined in section 26(b)) for such taxable year, plus

"(B) the tax imposed by section 55 for such taxable year, and

"(2) the sum of the credits allowable under part A and sections 27, 30, and 30B for the taxable year.

"(g) Reduction in Basis.—For purposes of this subsection, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) No Double Benefit.—

"(1) Coordination with Other Deductions and Credits.—Except as provided in paragraph (2), the amount of any deduction or other credit allowable under this chapter for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

"(2) Research and Development Costs.—

"(A) in general.—Except as provided in subparagraph (B), any amount described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year shall not be taken into account for purposes of determining the credit under section 41 for such taxable year.

"(B) Costs Taken into Account in Determining Base Period Research Expenditures.—Any amounts described in subsection (b)(1)(C) taken into account in determining the amount of the credit under subsection (a) for any taxable year which are qualified research expenses (within the meaning of section 174) shall be taken into account in determining the amount of the credit under subsection (a) for any taxable year in which such expenses are incurred. (For purposes of determining the base period research expenses rules under section 41 to subsequent taxable years.)

"(i) Business Carrying-Over Allowed.—If the credit allowed under subsection (a) for a taxable year exceeds the limitation under subsection (f) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for such taxable year) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

"(j) Special Rules.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 179(a) and paragraphs (1) and (2) of section 41(f) shall apply.

"(k) Election Not to Take Credit.—No credit shall be allowed under subsection (a) for any property if the taxpayer elects not to have this section apply to such property.

"(l) Regulations.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

"(m) Termination.—This section shall not apply to any qualified investment after December 31, 2010.

(b) Conforming Amendments.—

"(1) Section 32D. Advanced technology motor vehicles manufacturing credit.—

"(2) Section 650(m), as amended by this Act, is amended by inserting "30D(c)(3)", after "30C(c)", ".

"(3) The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 30C the following new item:

"Sec. 30D. Advanced technology motor vehicles manufacturing credit.

"(o) Effective Date.—The amendments made by this section shall apply to amounts incurred in taxable years beginning after December 31, 2005.
“(1) a request for a hearing under—
(a) Section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or
(b) Section 6330 (relating to notice and opportunity for hearing before levy), and
“(ii) an application under—
(a) Section 6159 (relating to agreements for postponement of assessment in installments), or
(b) Section 7122 (relating to compromises), or
“(III) Section 7811 (relating to taxpayer assistants’ orders).”

“(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with a promise or installment agreement submitted in a frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

“(c) LISTING OF FRIVOLOUS POSITIONS.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(I).

“(d) REDUCTION OF PENALTY.—The Secretary determined that such reduction would promote compliance with and administration of the Federal tax laws.

“(e) PENALTIES IN ADDITION TO OTHER PENALTIES.—The penalties imposed by this section shall be in addition to any other penalty provided by law.”

(b) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—

(1) Frivolous Requests Disregarded.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

“(g) FRIVOLOUS REQUESTS FOR HEARING, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.”

(2) Increasing Penalties for Frivolous Issues at Hearing.—Section 6330(c)(4) is amended—

(A) by striking “(A)” and inserting “(A)”;

(B) by striking “(B)” and inserting “(ii)”; and

(C) by striking the period at the end of the first sentence and inserting “; or”;

and

(D) by inserting after subparagraph (A)(i) (as so redesignated) the following:

“(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A);”

(3) GROUNDS.—Section 6330(b)(1) is amended by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B)” and states the grounds for the requested hearing;

(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS UPON FILING OF NOTICE OF LIEN.—Section 6330 is amended—

(1) in subsection (b)(1), by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B)” and states the grounds for the requested hearing;

(2) in subsection (c), by striking “and (e)” and inserting “(e), and (g)”;

(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFERS-IN-COMPROMISE AND INSTALLMENT AGREEMENTS.—Section 7122 is amended by adding at the end the following new subsection:

“(e) Frivolous Submissions, Etc.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

(e) CLEVER AMENDMENT.—The table of sections for part I of chapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

“Sec. 6702. Frivolous tax submissions.”

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to applications for offers-in-compromise or installment agreements made after the date of the enactment of this Act.


(a) Determination of Penalty.—

(1) In General.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement described in paragraph (2) is made as of the date of the underpayment of Federal income tax attributable to items arising in connection with any such arrangement, which shall be made without regard to the rules of subsections (b), (c), and (d) of section 6664 of the Internal Revenue Code of 1986, and

(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) Applicable Taxpayer.—For purposes of this subsection—

(A) In General.—The term ‘applicable taxpayer’ means a taxpayer who—

(I) has underreported its United States income tax liability with respect to a financial institution, corporation, partnership, trust, or any other entity, or

(ii) has underreported its United States income tax liability with respect to a financial institution, corporation, partnership, trust, or any other entity.

and

(B) No Applicable Taxpayer.—If a financial arrangement which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in foreign jurisdictions, or

any offshore financial arrangement (including any arrangement with foreign banks, financial institutions, corporations, partners, trusts, or other entities), and

(iii) has signed a closing agreement pursuant to the Voluntary Offshore Compliance Initiative established by the Department of the Treasury under Revenue Procedure 2003-11 or voluntarily disclosed its participation in such arrangement by notifying the Internal Revenue Service of such arrangement prior to the issue being raised by the Internal Revenue Service during an examination.

The Authority to Waive Penalties of the Secretary or the Secretary’s delegate may waive the application of paragraph (1) to any taxpayer if the Secretary or the Secretary’s delegate determines that the use of such offshore payment mechanisms is incidental to the transaction and, in addition, in the case of a trade or business, such use is conducted in the ordinary course of the trade or business of the taxpayer.

(C) Issues Raised.—For purposes of subparagraph (A)(ii), an item shall be treated as an issue raised during an examination if the individual examining the return—

(i) communicates to the taxpayer knowledge about the specific item, or

(ii) has made a request to the taxpayer for information and the taxpayer could not make a complete response to that request without giving the examiner knowledge of the specific item.

and

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) Applicable Penalty.—The term ‘applicable penalty’ means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) Federal Financial Institution.—The Secretary of the Treasury may retain and use an amount not in excess of 25 percent of all additional interest, penalties, additions to tax, and fines collected under this section for enforcement and collection activities of the Internal Revenue Service. The Secretary
shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this paragraph.

(c) Requirements.—The Secretary shall each year conduct a study and report to Congress on the implementation of this section during the preceding year, including statistical data of the number of taxpayers affected by such implementation and the amount of interest and applicable penalties asserted, waived, and assessed during such preceding year.

(d) Effective Date.—The provisions of this section shall apply to interest, penalties, additional amounts assessed, and expenses incurred with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 1715. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) Limitation on Exception From PFIC Rules for United States Shareholders of Controlled Foreign Corporations.—Paragraph (2) of section 1297(e) (relating to passive foreign investment company) is amended by adding at the end the following flush sentence:

"Such term shall not include any period of the earnings of subpart F income by such corporation during such period would result in only one of the periods of an investment in gross income under section 651(a)(1)(A)(i)."

(b) Effective Date.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after March 2, 2005, and to taxable years of United States shareholders with or without such taxable years of controlled foreign corporations.

SEC. 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL ANNUAL TAX RETURN.

(a) In General.—The Federal annual tax return of a corporation with respect to income from a controlled foreign corporation does not have a chief executive officer, under penalties of perjury, that the corporation has in place processes and procedures that ensure that such return complies with the Internal Revenue Code of 1986 and that the chief executive officer was provided reasonable assurance of the accuracy of all material aspects of such return. The preceding sentence shall not apply to any return of a regulated investment company within the meaning of section 657(a) of such Code.

(b) Effective Date.—This section shall apply to Federal annual tax returns for taxable years ending after the date of the enactment of this Act.

SEC. 1717. TREASURY REGULATIONS ON FOREIGN TAX CREDIT.

(a) In General.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Regulations.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of any tax attaching to any interest (or a fraction thereof) in a foreign country or possession for any taxable year if the foreign tax is imposed on any person in respect of income of another person or in other cases (appropriate or otherwise) of the disallowance of the foreign tax from the related foreign income.".

(b) Effective Date.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 1718. WHISTLEBLOWER REFORMS.

(a) In General.—Section 7623 (relating to expenses of detection of underpayments and fraud, etc.) is amended by inserting "in the Secretary" and inserting the following:

"(1) In General.—The Secretary, or the Secretary's delegate, shall keep adequate records regarding the effect of any action by the Secretary under subsection (b) of this section on the number of taxpayers identified by such action.

(2) Review.—The Commissioner of Internal Revenue shall each year conduct a study and report to Congress on the extent to which such records are kept and the results of the study, in accordance with any law or rule of law.

(3) Authorization for Study.—There is authorized to be appropriated to the Secretary $25,000 for each fiscal year for the Whistleblower Office.

(b) Effective Date.—This section shall apply to expenses incurred in or after the first taxable year beginning after the date of the enactment of this Act.

(c) Whistleblower Office.—

"(1) Establishment.—There is established in the Internal Revenue Service an office to be known as the ‘Whistleblower Office’ which—

"(A) shall at all times operate at the direction of the Commissioner and coordinate with other divisions in the Internal Revenue Service as directed by the Commissioner,

"(B) shall analyze information received from any individual described in subsection (b) and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office,

"(C) shall monitor any action taken with respect to such matter,

"(D) shall inform any individual that it has accepted the individual’s information for further review,

"(E) may require such individual and any legal representative of such individual to not disclose any information so provided,

"(F) shall in its sole discretion seek for additional assistance from any individual or any legal representative of any such individual, and

"(G) shall determine the amount to be awarded to such individual under subsection (b).

"(2) Funding for Office.—There is authorized to be appropriated $5,000,000 for each fiscal year for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse the Whistleblower Office and any related costs, such as costs of investigation and collection.

"(3) Request for Assistance.—Any individual assistance request under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A), as determined by the Secretary.

"(4) REDUCTION IN OR DENIAL OF AWARD.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is based on information provided by the individual, the Secretary shall deny any award.

(5) Application of this Subsection.—This subsection applies with respect to any award—

"(A) against any taxpayer, but in the case of any individual, only if such individual’s gross income exceeds $200,000 for any taxable year subject to such action, and

"(B) if the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed $20,000.

"(6) ADDITIONAL RULES.—

"(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection.

"(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by counsel.

"(C) AWARD NOT SUBJECT TO INDIVIDUAL ALTERNATIVE MINIMUM TAX.—No award received under this subsection shall be included in gross income for purposes of determining alternative minimum taxable income.

"(d) Effective Date.—This section shall apply to any action under this subsection initiated after the date of the enactment of this Act.
“(2) any legislative or administrative recommendations regarding the provisions of this section and its application.”.

(b) **Effective Date.**—The amendments made by subsection (c) shall apply to information provided on or after the date of the enactment of this Act.

SEC. 1719. **DEAL IN DEED TO DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.**

(a) **In General.**—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

“(1) **FINES, PENALTIES, AND OTHER AMOUNTS,**

“(A) **IN GENERAL.**—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

“(B) **EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION.**—Paragraph (1) shall not apply to any amount which—

“(i) the taxpayer establishes constitutes restitution for the purpose of eliminating property damage or harm caused by which may be caused by the violation of any law or the potential violation of any law, and

“(ii) is restitution in the court order or settlement agreement.

Identification pursuant to subparagraph (B) alone shall not satisfy the requirement under subparagraph (A). This paragraph shall not apply to any amount paid or inured as reimbursement to the government or entity for the costs of any investigation or litigation.

“(3) **EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.**—Paragraph (1) shall not apply to any amount paid or inured as reimbursement to the government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

“(4) **CERTAIN NON-GOVERNMENTAL REGULATORY ENTITIES.**—An entity is described in this paragraph if it is—

“(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)), or

“(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

“(5) **EXCEPTION FOR TAXES DUE.**—Paragraph (1) shall not apply to any amount paid or inured as taxes due.

(b) **Effective Date.**—The amendment made by this section applies to amounts paid or inured on or after the date of the enactment of this Act, except that such amendment shall not apply to amounts paid or inured under any order or agreement entered into before such date. Such exceptions shall apply to any order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 1720. **FREEZE OF INTEREST SUSPENSION RULES WITH RESPECT TO LISTED TRANSACTIONS.**

(a) **In General.**—Subsection (d) of section 910(d) of the Jobs Creation Act of 2005 is amended to read as follows:

“(2) **EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.**

“(A) **IN GENERAL.**—The amendments made by subsection (c) shall apply with respect to interest accruing on or before October 3, 2004.

“(B) **SPECIAL RULE FOR CERTAIN LISTED TRANSACTIONS.**

“(i) **IN GENERAL.**—Except as provided in clause (i) or (iii), in the case of any listed transaction, the amendments made by subsection (c) shall also apply with respect to interest accruing on or before October 3, 2004.

“(ii) **PARTICIPANTS IN SETTLEMENT INITIATIVES.**—Clause (i) shall not apply to a listed transaction if, as of May 9, 2005—

“(I) the taxpayer is participating in a published settlement initiative offered by the Secretary of the Treasury or his delegate to a group of similarly situated taxpayers claiming benefits from the listed transaction, or

“(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative with respect to the tax liability arising in connection with the listed transaction.

Subclause (I) shall not apply to the taxpayer if, after May 9, 2005, the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary or his delegate determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.

“(iii) **CLOSED TRANSACTIONS.**—Clause (i) shall not apply to a listed transaction if, as of May 9, 2005—

“(I) the assessment of all Federal income taxes for the taxable year in which the tax liability to which the interest relates arose is prevented by the operation of any law or rule of law, or

“(II) a closing agreement entered into after May 9, 2005 pursuant to which the Secretary or his delegate determines that a settlement agreement will not be reached within a reasonable period of time.

“(B) COST-OF-LIVING ADJUSTMENT.**—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (a) shall be treated in the same manner as an amount required to be includible in gross income.

“(C) COST-OF-LIVING ADJUSTMENT.**—The amount which, but for this paragraph, would be includible in gross income, for an expatriation date occurring in any calendar year after 2005, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined for the calendar year, determined by substituting ‘calendar year 2004’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(D) **Rounding Rules.**—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

“(E) **ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.**

“(A) **IN GENERAL.**—If a covered expatriate elects the application of this paragraph—

“(i) the provisions of the American Jobs Creation Act of 2004 relating to the individual treated as having a taxable year which would be a taxable year of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

“(ii) complies with such other requirements as the Secretary may prescribe.

“(B) **ELECTION TO BE TAXED AS UNITED STATES CITIZEN.**

“(A) **IN GENERAL.**—If a covered expatriate elects the application of this paragraph with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

“(B) **DETERMINATION OF TAX WITH RESPECT TO PROPERTY.**—For purposes of clause (b), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

“(C) **TERMINATION OF POSTPONEMENT.**—No tax may be postponed under subsection (b) later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate, or, if earlier, the date of the transfer of such property provided with respect to the property fails to meet the requirements of paragraph
(4), unless the taxpayer corrects such failure within the time specified by the Secretary).

(4) Security.—

(A) In general.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided to the Secretary with respect to such property.

(B) Adequate security.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

(5) Waiver of certain rights.—No election may be made under paragraph (1) with respect to any property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust, once made, is irrevocable. An election may be made under paragraph (1) with respect to a trust, once made, is irrevocable. An election may be made under paragraph (1) with respect to a trust, once made, is irrevocable.

(6) Elections.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

(7) Interest.—For purposes of section 6601—

(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

(B) section 6621(a)(2) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

(c) Covered Expatriate.—For purposes of this section—

(1) in general.—Except as provided in paragraph (2), the term ‘covered expatriate’ means an expatriate.

(2) Exceptions.—An individual shall not be treated as a covered expatriate if—

(A) the individual—

(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

(ii) has been a resident of the United States as defined in section 7701(b)(1)(A)(i) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

(B) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18, and

(C) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

(d) Expatriate Property: Special Rules for Pension Plans.—

(1) Exempt Property.—This section shall not apply to the following:

(A) in general.—Any United States real property interest as defined in section 897(c)(1), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

(B) Specified Property.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

(2) Special Rules for Certain Retirement Plans.—

(A) in general.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies, the proper adjustments shall be made with respect to such interest as an interest to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution described in subparagraph (A), the amount otherwise includable in gross income by reason of which the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

(3) Treatment of Subsequent Distribution.—

(A) in general.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan’s behalf, shall treat any subsequent distribution described in subparagraph (A) in the same manner as such distribution would be treated without regard to this paragraph.

(B) Applicable Plans.—This paragraph shall apply to—

(i) any qualified retirement plan (as defined in section 4974(c)),

(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

(iii) any plan provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

(e) Definitions.—For purposes of this section—

(1) Expatriate.—The term ‘expatriate’ means—

(A) any United States citizen who relinquishes citizenship, and

(B) any long-term resident of the United States who—

(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 701(b)(6)), or

(ii) commences to be treated as a resident of a foreign country for purposes of a tax treaty between the United States and the foreign country who does not waive the benefits of such treaty applicable to residents of the United States (within the meaning of section 701(b)(6)).

(2) Expatriation Date.—The term ‘expatriation date’ means—

(A) the date the individual relinquishes United States citizenship on the earliest of—

(i) the date the individual renounces United States citizenship before a diplomatic or consular officer of the United States (as defined in section 7701(b)(1)(A)(ii)),

(ii) has not been a resident of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

(B) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

(C) the date a court of the United States has entered a final order of naturalization.

(3) Relinquishment of Citizenship.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

(A) the date the individual renounces such individual’s United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

(C) the date the United States Department of State issues to the individual a certificate of naturalization.

(4) Special Rules Applicable to Beneficiaries’ Interests in a Retirement Plan.—

(A) in general.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a retirement plan on the day before the expatriation date—

(A) the individual shall not be treated as having sold such interest,

(B) any interest in a retirement plan to which this paragraph applies, and any person acting on the plan’s behalf, shall treat any subsequent distribution described in subparagraph (A) in the same manner as such distribution would be treated without regard to this paragraph.

(B) Long-term Resident.—The term ‘long-term resident’ has the meaning given to such term by section 877(e)(2).
regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

(ii) ADEQUATE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in the trust is the amount of gain allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to each such interest.

(2) TAX DEDUCTED AND WITHHELD.—

(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the distributee from the distribution to which it relates.

(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted or withheld under paragraph (1)(B) for any reason of the distributee failing to waive any treaty right with respect to such distribution—

(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

(3) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then in trust of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

(I) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death; or

(II) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

(4) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

(A) QUILLED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

(B) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expiration date, is vested in the beneficiary.

(C) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

(D) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

(E) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

(A) AMENDMENTS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

(B) OTHER DETERMINATIONS.—For purposes of this section—

(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be beneficiaries of the trust beneficiaries for purposes of this section.

(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

(I) the methodology used to determine that taxpayer's trust interest under this section, and

(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

(F) DISPOSITION.—In the case of any covered expatriate, notwithstanding any other provision of this title—

(i) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

(ii) any extension of time for payment of tax which is applicable before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

(G) IMPOSITION OF TAX.—

(i) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in the amount equal to the amount of tax which would have been imposed if the taxable year were a short taxable year ending on the expatriation date.

(ii) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expiration date.

(H) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

(I) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection attributable to gain includible in gross income by reason of this section.

(J) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

(i) IMPOSITION OF LIEN.—

(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax year, the deferred amount shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

(ii) EXPATRIATION DATE.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

(A) the amount of the tax imposed by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

(2) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1)(A)(iv) and (21) of section 6241A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6241A.

(J) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

(2) INCLUSION IN INCOME OF GIFTS AND REQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 6324A of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

(i) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

(I) IN GENERAL.—Subsection (a) shall not apply to any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expiration date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

(ii) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—If—

(A) the gift, bequest, devise, or inheritance is—

(1) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

(2) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

(3) such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States,

(iii) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

(4) TERMINATION OF UNITED STATES CITIZENSHIP.—

(A) IN GENERAL.—An individual shall not cease to be a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(a)(3).

(iii) TERMINATION OF UNITED STATES CITIZENSHIP.—

(A) IN GENERAL.—An individual shall not cease to be a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(a)(3).

(B) DUAL CITIZEN.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.

(D) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(i) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

(E) FORMER CITIZENS NOT IN COMPLIANCE WHO EXPATRIATE.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 7701(a)(3)) and is otherwise in compliance with United States tax law and with respect to whom the Secretary of the Treasury makes a finding to that effect, and who is not in compliance with section 877A of such Code (relating to expatriation).'

(ii) SUBMISSION OF INCOME INFORMATION.—

(A) IN GENERAL.—Section 6103(l) relating to disclosure of returns and return information for purposes other than tax administration is amended by adding at the end the following new paragraph:

(21) DISCLOSURE TO DENY VISA OR ADMITTANCE TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General's delegate, the Secretary shall disclose whether an individual is in
(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ‘‘PUNITIVE DAMAGES’’ after ‘‘LAW’’.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 1728. PROHIBITION ON DEFERRAL OF GAIN FROM THE EXERCISE OF STOCK OPTIONS AND CONSTRUCTED STOCK GAINS THROUGH DEFERRED COMPENSATION ARRANGEMENTS.

(a) In General.—Section 83(h)(1) (relating to property transferred in connection with performance of services) is amended by adding at the end the following new subsection:

‘‘(l) Prohibition on deferral of gain from the exercise of stock options and constructed stock gains through deferred compensation arrangements.—(1) In General.—With respect to any taxable year, an election to defer any gain recognized under subsection (b) shall not be made if, at the time of the deferral, the recipient is not a covered employee, as determined under section 459A(d)(2)(B).’’

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

PART II—IMPROVEMENTS IN EFFICIENCY AND SAFEGUARDS IN INTERNAL REVENUE SERVICE COLLECTION

SEC. 1731. WAIVER OF USER FEE FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.

(a) In General.—Section 6602 (relating to payments for tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following:

‘‘(g) Waiver of User Fees for Installment Agreements Using Automated Withdrawals.—If the Secretary determines that it is necessary to enter into an installment agreement in which automatic installment payments are agreed to be made (for any reason other than the administrative convenience of the Secretary), the Secretary shall be deemed to have entered into such installment agreement as of the date of such determination.’’
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

SEC. 1732. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) In General.—Section 6159(b)(4) (relating to failure to pay an installment or any other tax liability when due or to provide requested financial information) is amended by striking “or” at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (B), and by inserting after subparagraph (B) the following:

“(C) to make a Federal tax deposit under section 6072 (relating to the payment of interest), at the time such deposit is required to be made.”

“(D) to file a return of tax imposed under this title by its due date (including extensions), or”

(b) CONFORMING AMENDMENT.—The heading for section 6159(b)(4) is amended by striking “FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION” and inserting “FAILURE TO MAKE PAYMENTS OR DEPOSITS WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 1733. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7212(b) (relating to record) is amended by striking “Whenever a compromise” and all that follows through “this delegate” and inserting “If the Secretary determines that an offer of compromise submitted by the General Counsel for the Department of the Treasury, or the Counsel’s delegate, is required with respect to a compromise, there shall be placed in the office of the Secretary such opinion”.

(b) CONFORMING AMENDMENTS.—Section 7212(b) is amended by striking the second and third sentences.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted on or after the date of the enactment of this Act.

SEC. 1734. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7212 (relating to compromises), as amended by this Act, is amended—

(1) by redesignating subsections (b), (d), and (e) as subsections (d), (e), and (f), respectively; and by inserting after subsection (b) the following new subsection:

“(e) RULES FOR SUBMISSION OF OFFERS-IN-COMPROMISE.—

“(1) Partial payment required with submission.—

“(A) LUMP-SUM OFFERS.—

“(i) In general.—The submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of the amount of such offer-in-compromise.

“(ii) Lump-sum offer-in-compromise.—For purposes of this section, the term ‘lump-sum offer-in-compromise’ means any offer of payments made in 5 or fewer installments.

“(B) Periodic payment offers.—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected administratively. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

“(C) Use of payment.—The application of any payment made under this subsection to the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

“(D) No user fee imposed.—Any user fee which would otherwise be imposed under this section shall not be imposed on any offer-in-compromise accompanied by a payment required under this subsection.”,

“(2) Deemed acceptance of offer not rejected within certain period.—Section 7212, as amended by subsection (a), is amended by adding at the end the following new subsection:

“(g) Deemed acceptance of offer not rejected within certain period.—Any offer-in-compromise submitted under this section shall be deemed to be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the submission of such offer (12 months for offers-in-compromise submitted after the date which is 5 years after the date of the enactment of this subsection). For purposes of the preceding sentence, any period during which any tax liability which is the subject of such offer-in-compromise is in dispute in any judicial proceeding shall be excluded from account in determining the expiration of the 24-month period (or 12-month period, if applicable).”.

“(3) Effective date.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 1735. JOINT TASK FORCE ON OFFERS-IN-COMPROMISE.

(a) In General.—The Secretary of the Treasury shall establish a joint task force—

(1) to review the Internal Revenue Service’s determinations with respect to offers-in-compromise, including offers which raise equitable, public policy, or economic hardship grounds for compromise of a tax liability under section 7212 of the Internal Revenue Code,

(2) to provide recommendations to the Committees on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (beginning in 2006) regarding such review and recommendations.

(b) MEMBERS OF JOINT TASK FORCE.—The membership of the joint task force under subsection (a) shall consist of 1 representative each from the Department of the Treasury, the Internal Revenue Service Oversight Board, the Office of the Chief Counsel for the Internal Revenue Service, the Office of the Taxpayer Advocate, the Office of Appeals, and the division of the Internal Revenue Service charged with operating the offer-in-compromise program.

(c) REPORT OF NATIONAL TAXPAYER ADVOCATE.—

(1) In General.—Clause (ii) of section 7306(b)(1) (relating to the National Taxpayer Advocate) is amended by striking “and” at the end of subclause (X), by redesignating subclause (XI) as subclause (XII), and by inserting after subclause (X) the following new subclause:

“(XI) include a list of the factors taxpayers have raised to support their claims for offers-in-compromise relief, the number of offers submitted, accepted, and rejected, the number of such offers appealed, the period during which review of such offers have remained pending, and the efforts the taxpayer advocate has made to correctly identity such offers, including the training of employees in identifying and evaluating such offers.”.

(2) Effective Date.—The amendment made by paragraph (1) shall apply to reports in calendar year 2006 and thereafter.

SA 933. Mr. GRASSLEY (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 1, strike lines 4 and 5 and insert the following:

SEC. 1500. SHORT TITLE; AMENDMENT OF 1986 CODE.

Beginning on page 2, strike line 5 and all that follows through page 3, line 2, and insert the following:

Subtitle A—Electricity Infrastructure

On page 7, lines 6 and 7, strike “low-head hydroelectric facility or” and insert “low-head hydroelectric facility and other hydropower facilities”.

On page 8, lines 10 and 11, strike “LOW-HDRAID HYDROELECTRIC FACILITY OR NONHYDROELECTRIC DAM” and insert “NONHYDROELECTRIC DAM”.

On page 8, strike lines 18 through 20 and insert the following:

“(ii) the facility was placed in service before the date of the enactment of this paragraph and did not produce hydroelectric power on the date of the enactment of this paragraph, and

BEGINS ON PAGE 8, LINE 24, STRIKE ‘‘THE INSTALLATION’’ AND ALL THAT FOLLOWS THROUGH PAGE 9, LINE 1 AND INSERT ‘‘THERE IS NOT ANY ENLARGEMENT OF THE DIVERSION STRUCTURE, OR CONSTRUCTION OR ENLARGEMENT OF A BYPASS CHANNEL’’.

On page 9, strike lines 5 through 9.

On page 26, strike lines 14 and 15 and insert the following:

“(2) Section 1397E(c)(2) is amended by inserting “, and subpart H thereof” after “refundable credits”.

On page 68, lines 8 and 9, strike “the date of the enactment of this Act” and insert “December 31, 2004”.

On page 73, line 1, strike “PATRONS” and insert “OWNERS”.

On page 90, line 21, strike “and, in the case” and all that follows through line 23.

On page 107, line 17, insert “a home inspector certified by the Secretary of Energy as trained to perform an energy inspection for homes certified by the Secretary of Energy as homes that meet the requirements of subsection (b) (beginning in 2006) regarding such requirements”.

On page 110, line 22, strike “(3)” and insert “(3)”.

On page 143, strike lines 1 through 6, and insert the following:

MAXIMUM CREDIT.—The credit allowed under subsection (a) for any taxable year shall not exceed—
"(A) $2,000 with respect to any qualified solar water heating expenditures,

"(B) $2,000 with respect to any qualified photovoltaic property expenditures, and

"(C) to each subsequent amount of capacity of qualified fuel cell property (as defined in section 48(d)(1)) for which qualified fuel cell property expenditures are made.

On page 149, between lines 6 and 7, insert the following:

(1) Section 23(c) is amended by striking ‘‘this section and section 1400C’’ and inserting ‘‘this section, section 25D, and section 1400C’’.

(2) Section 25D(1)(C) is amended by striking ‘‘this section and sections 23 and 1400C’’ and inserting ‘‘other than this section, section 23, section 25D, and section 1400C’’.

(3) Section 1400C(b) is amended by striking ‘‘this section’’ and inserting ‘‘this section and section 25D’’.

On page 149, line 7, strike ‘‘(1)’’ and insert ‘‘(4)’’.

On page 149, line 15, strike ‘‘(g)’’ and insert ‘‘(i)’’.

On page 149, lined 19 and 20, strike ‘‘Except as provided by paragraph (2), the’’ and insert ‘‘The’’.

On page 155, lines 2 and 3, strike ‘‘for use in a structure’’.

On page 155, line 12, insert ‘‘periods’’ before ‘‘before’’.

On page 210, between lines 19 and 20, insert the following:

(b) Written Notice of Election to Allocate Credit to Patrons.—Section 48(g)(6)(A)(ii) relating to form and effect of election is amended by adding at the end the following new sentence: ‘‘Such election shall not take effect unless the organization designates the apportionment as such in a written notice mailed to its patrons during the payment period described in section 1320(d).’’

On page 210, line 20, strike ‘‘(h)’’ and insert ‘‘(c)’’.

Beginning on page 228, line 19, strike all through page 229, line 2, and insert the following:

‘‘(B) within 2 years after the date of such first retail sale, such article is resold by the Federal agency, the Secretary shall transfer to the Secretary $200,000,000, to remain available until expended.

(2) USE OF FUNDS.—

‘‘(f) In General.—The Secretary shall make available amounts described in subsection (a) to Federal agencies entering into contracts under this title to pay for the costs of the contracts.

(3) OBLIGATIONS.—The full cost of a contract described in paragraph (1) shall be recorded as an obligation of the Federal Government on the date on which the contract is entered into.

(B) Limitation.—A Federal agency may not enter into a contract under this title in a case in which all amounts made available under subsection (a) have already been fully obligated.

‘‘(d) No Third-Party Financing.—A contract under this title shall—

‘‘(1) include no option for third-party financing; and

‘‘(2) use only amounts made available under subsection (a) to cover all costs of the contract.

(B) Federal Agencies.—Any amount paid by a Federal agency under any contract entered into under this title may be paid only from funds made available under subsection (a).’’.


SA 935. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

SEC. 105. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) Extension.—Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is amended by striking ‘‘2006’’ and inserting ‘‘2009’’.

(b) Payment of Costs.—The National Energy Conservation Policy Act is amended by striking section 802 (42 U.S.C. 8287a) and inserting the following:

‘‘SEC. 802. PAYMENT OF COSTS.

‘‘(a) In General.—Notwithstanding any other provision of law, on October 1, 2006, and on each October 1 thereafter through October 1, 2029, 30 percent of all funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary $200,000,000, to remain available until expended.

‘‘(b) Use of Funds.—

‘‘(1) In General.—The Secretary shall make available amounts described in subsection (a) to Federal agencies entering into contracts under this title to pay for the costs of the contracts.

‘‘(2) Obligations.—The full cost of a contract described in paragraph (1) shall be recorded as an obligation of the Federal Government on the date on which the contract is entered into.

‘‘(B) Limitation.—A Federal agency may not enter into a contract under this title in a case in which all amounts made available under subsection (a) have already been fully obligated.

‘‘(b) No Third-Party Financing.—A contract under this title shall—

‘‘(A) include no option for third-party financing; and

‘‘(B) use only amounts made available under subsection (a) to cover all costs of the contract.

‘‘(B) Federal Agencies.—Any amount paid by a Federal agency under any contract entered into under this title may be paid only from funds made available under subsection (a).’’.


SA 936. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

SEC. 105. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) Extension.—Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is amended by striking ‘‘2006’’ and inserting ‘‘2009’’.

(b) Payment of Costs.—The National Energy Conservation Policy Act is amended by striking section 802 (42 U.S.C. 8287a) and inserting the following:

‘‘SEC. 802. PAYMENT OF COSTS.

‘‘(a) In General.—Notwithstanding any other provision of law, on October 1, 2006, and on each October 1 thereafter through October 1, 2029, 30 percent of all funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary $200,000,000, to remain available until expended.

‘‘(b) Use of Funds.—

‘‘(1) In General.—The Secretary shall make available amounts described in subsection (a) to Federal agencies entering into contracts under this title to pay for the costs of the contracts.

‘‘(2) Obligations.—The full cost of a contract described in paragraph (1) shall be recorded as an obligation of the Federal Government on the date on which the contract is entered into.

‘‘(B) Limitation.—A Federal agency may not enter into a contract under this title in a case in which all amounts made available under subsection (a) have already been fully obligated.

‘‘(b) No Third-Party Financing.—A contract under this title shall—

‘‘(A) include no option for third-party financing; and

‘‘(B) use only amounts made available under subsection (a) to cover all costs of the contract.

‘‘(B) Federal Agencies.—Any amount paid by a Federal agency under any contract entered into under this title may be paid only from funds made available under subsection (a).’’.


SA 937. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 5. 5-YEAR RECOVERY PERIOD FOR QUALIFIED SOLAR INDUSTRIAL FACILITIES.

(a) In General.—Section 1861(e)(3)(B) of the Internal Revenue Code of 1986 (relating to 5-year property, as amended by this Act, is amended by striking ‘‘and’’ at the end of clause (vi), by striking the period at the end of clause (vi) and inserting ‘‘and’’, and by adding at the end the following new clause:

‘‘(viii) any qualified solar industrial facility.’’

(b) Qualified Solar Industrial Facility.—

Section 1861(3) of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new paragraph:

‘‘(B) Qualified Solar Industrial Facility.—

‘‘(A) In General.—The term ‘qualified solar industrial facility’ means a facility which is placed in service on or after January 1, 2006, and which is a part of an industrial process, solar process energy, but does not include any facility described in section 45(d)(4).

‘‘(B) Qualified Evaporation and Equipment.—The term ‘solar process energy’ includes solar energy utilized for qualified evaporation.

‘‘(C) Qualified Evaporation.—The term ‘qualified evaporation’ means the evaporation or transpiration of liquids from a solution as part of a process to concentrate such solution in order to extract products from such solution. Such term includes utilizing evaporation ponds to concentrate solutions as part of a mining process, but does not include the evaporation of waste water or other liquids.

‘‘(D) Facility.—The term ‘facility’ includes an evaporation pond and all equipment used to harvest minerals from the pond and transport such minerals to the point of processing.’’.

(c) Effective Date.—The amendments made by this section shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.

SA 938. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

SEC. 328. KNOWN POTASH LEASING AREA, NEW MEXICO.

(a) Approval of Application.—

(1) In General.—Notwithstanding any other provision of law, subject to paragraph (2), the Secretary shall approve an application for a drilling permit in the Known Potash Leasing Area near Carlsbad, New Mexico, as soon as practicable after the date on which the application is filed if the applicant satisfies the general requirements for the application under the Mineral Leasing Act (30 U.S.C. 181 et seq.).
(2) EXCEPTION.—The Secretary shall not approve an application described in paragraph (1) if the Secretary affirmatively determines, based on credible scientific and technical information relating to the particular geology of the drilling site involved in the permit application—

(A) that approval of the application would create specific, unreasonable, and immutable safety risks to potash mining in the immediate vicinity of the oil and gas drilling that is the subject of the application; or

(B)(i) that approval of the application would permanently waste commercially significant volumes of economically-recoverable potash located in the immediate vicinity of the oil and gas drilling site—

(ii) that the dollar value of the permanent waste exceeds the estimated net present value of the recoverable oil and gas from the requested drilling site.

(b) SITE SPECIFIC INFORMATION.—In any determination to deny an application described in subsection (a)(1) based on reasons described in subsection (a)(2), the Secretary shall specify in writing the site-specific scientific and technical geological information on which the denial is based.

(c) NOT APPLICATION OF SITE SPECIFIC INFORMATION.—Notwithstanding any other provision of law, if the Secretary determines that approval of the application would not create potential adverse impact on potash mining safety or waste of economically-recoverable potash reserves.

SA 939. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___ . CAPITAL IMPROVEMENTS TO EXISTING CLEAN COKE/COGENERATION MANUFACTURING FACILITIES.

(a) IN GENERAL.—Paragraph (2) of section 480(b)(2) of the Internal Revenue Code of 1986 (as added by this Act) is amended by adding at the end the following sentence:—

“Such term shall include any capital improvement to any property which is described in section 48(c)(2).”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 1511.

SA 940. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Section 211(k)(1)(B) of the Clean Air Act as added by this Act is amended by striking clause (vi) and inserting the following in lieu thereof:

“(vi) ‘If the Administrator promulgates, by June 1, 2007, final regulations to control hazardous air pollutants from motor vehicles and motor vehicle fuels that achieve greater overall reductions in air toxics from reformulated gasoline than the reductions that would be achieved under subsection (K)(1)(B), then subsections 211(k)(1)(B)(i) through 211(k)(1)(V) shall be null and void and regulations promulgated thereunder shall be rescinded and have no further effect.’”

SA 941. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 407, between lines 11 and 12, insert the following:

SEC. 625. SPENT NUCLEAR FUEL MORATORIUM.

(a) DEFINITIONS.—In this section:

(1) NON-FEDERALLY-OWNED, OFFSITE FACILITIES.—The term “non-federally-owned, offsite facility” means a facility for the storage of nuclear waste that is not on the premises of a private nuclear power plant.

(2) FEDERALLY-OWNED FACILITIES.—The term “spent nuclear fuel” means a uranium-bearing fuel element that—

(A) has been used at a nuclear reactor; and

(B) is not currently being mined, the Secretary has in effect a moratorium on offshore drilling in Federal waters—

(i) that would permanently produce significant volumes of economically-recoverable potash reserves.

SA 942. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___ . LIABILITY FOR DAMAGE TO COASTAL NATURAL RESOURCES AND ECO- SYSTEMS.

Notwithstanding any other provision of this Act or any other law, a State that permits offshore drilling in Federal waters—

(A) that approval of the application would permanently waste commercially significant volumes of economically-recoverable potash located in the immediate vicinity of the oil and gas drilling that is the subject of the application; or

(B)(i) that approval of the application would permanently waste commercially significant volumes of economically-recoverable potash located in the immediate vicinity of the oil and gas drilling site—

(ii) that the dollar value of the permanent waste exceeds the estimated net present value of the recoverable oil and gas from the requested drilling site.

SA 943. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 264, line 6, before the period, insert the following:

“other than Federal waters that are adjacent to the waters of a State that has a moratorium on oil or gas leasing.”

SA 944. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 264, line 6, before the period, insert the following:

“other than Federal waters that are within 20 miles of any area located on the outer Continental Shelf that is designated as a marine sanctuary under the Marine Protection, Research, and Sanitary Act of 1972 (33 U.S.C. 1461 et seq.).”

SA 945. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___ . PROHIBITION ON OFFSHORE DRILLING NEAR NATIONAL MARINE SANCTUARIES.

Notwithstanding any other provision of this Act or any other law, no offshore drilling shall be permitted in Federal water located within 20 miles of a national marine sanctuary.

SA 946. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 407, between lines 11 and 12, insert the following:

SEC. 625. SPENT NUCLEAR FUEL MORATORIUM.
SA 947. Mr. HATCH submitted an amendment that will be proposed by him in the bill H.R. 6, to ensure leases for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 290, strike line 6 and all that follows through page 296, line 25, and insert the following:

SEC. 346. OIL SHALE AND TAR SANDS.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States that—

(1) United States oil shale and tar sands are strategically important domestic resources on public land.

(2) the development of oil shale and tar sands, for research and commercial development, should be conducted in an economically feasible and environmentally sound manner, using practices that maximize impacts; and

(3) development should occur, with an emphasis on sustainability, to benefit the United States while taking into account affected States and communities.

(b) LEASING PROGRAM FOR RESEARCH AND DEVELOPMENT.—

(1) IN GENERAL.—In accordance with section 21 of the Mineral Leasing Act (30 U.S.C. 241) and any other applicable law, except as provided in this section, not later than 18 months after the date of enactment of this Act, the Secretary of the Interior (referred to in this section as the "Secretary") shall—

(A) research and development of oil shale and tar sands;

(B) the development of a 5-year plan to promote the development of oil shale and tar sands.

(c) PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall complete a programmatic environmental impact statement that analyzes potential leasing for commercial development of oil shale resources on public land.

(d) LEASING PROGRAM.—Not later than 1 year after completion of the 5-year plan required under subsection (c), the Secretary shall establish procedures for conducting a leasing program for the commercial development of oil shale resources on public land.

(e) OIL SHALE AND TAR SANDS TASK FORCE.—

(1) ESTABLISHMENT.—The Secretary of Energy, in cooperation with the Secretary of the Interior, shall establish an Oil Shale and Tar Sands Task Force to develop a program to accelerate the commercial development of oil shale and tar sands in an integrated manner.

(2) COMPOSITION.—The Task Force shall be composed of—

(A) the Secretary of Energy (or the designee of the Secretary of Energy);

(B) the Secretary of the Interior (or the designee of the Secretary of the Interior);

(C) the Secretary of Defense (or the designee of the Secretary of Defense);

(D) the Governors of the affected States; and

(E) representatives of local governments in affected areas.

(3) DEVELOPMENT OF A 5-YEAR PLAN.—

(A) IN GENERAL.—The Task Force shall formulate a 5-year plan to promote the development of oil shale and tar sands.

(B) COMPONENTS.—In formulating the plan, the Task Force shall—

(i) identify public actions that are required to stimulate prudent development of oil shale and tar sands;

(ii) analyze the costs and benefits of those actions;

(iii) make recommendations concerning specific actions that should be taken to stimulate prudent development of oil shale and tar sands, including economic, investment, tax, technology, research and development, infrastructure, environmental, education, and socio-economic actions;

(iv) make recommendations concerning infrastructure (such as roads, utilities, and pipelines) required to support oil shale development.

(C) ADMINISTRATION.—The Secretary of Defense shall—

(i) consult with representatives of industry and other stakeholders;

(ii) provide notice and opportunity for public comment on the plan;

(iii) identify oil shale and tar sands technologies that—

(A) are ready for pilot plant and semiscale development; and

(B) have a high probability of leading to advanced technology for first- or second-generation commercial production; and

(iv) assess the availability of water from the Green River Formation to meet the potential needs of oil shale tar sands development.

(D) NATIONAL OIL SHALE ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall develop a strategy to use fuel produced from domestic sources for the purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B).

(B) GEOGRAPHIC AREAS.—The geographic areas referred to in subparagraph (A), listed in the order in which the Secretary shall assign priority, are—

(i) the Green River Region of the States of Colorado, Utah, and Wyoming;

(ii) the Devonian oil shales of the eastern United States; and

(iii) any remaining area in the central and western United States (including the State of Alaska) that contains oil shale, as determined by the Secretary.

(E) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall carry out a national assessment of oil shale resources for the purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B).

(2) USE OF STATE SURVEYS AND UNIVERSEAL ORBITER DATA.—In carrying out the assessment under paragraph (1), the Secretary may request assistance from any State-administered geological survey or university.

(3) PROCUREMENT OF UNCONVENTIONAL FUEL BY THE DEPARTMENT OF DEFENSE.—

(A) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2398 the following:

(B) PROCUREMENT OF FUEL DERIVED FROM COAL, OIL SHALE, AND TAR SANDS

(1) USE OF FUEL TO MEET DEFENSE NEEDS.—The Secretary of Defense shall develop a strategy to use fuel derived from coal, oil shale, and tar sands (referred to in this section as a ‘‘covered fuel’’) that are extracted by either mining or in-situ methods, and refined in the United States in order to assist in meeting the fuel requirements of the Department of Defense.

(2) AUTHORITY TO PROCUREMENT.—The Secretary of Defense may enter into 1 or more contracts or other agreements (that meet the requirements of this section) to procure covered fuel from a covered fuel producer.

(C) CLEAN FUEL REQUIREMENTS.—A covered fuel may be produced in—

(i) clean fuel production (A) by striking ‘‘rate of 50 cents per acre’’ and inserting ‘‘rate of $2.00 per acre’’; and (B) in the last proviso—

(ii) by striking ‘‘that not more than one lease shall be granted under this section to any’’ and inserting ‘‘that no’’; and

(iii) by striking ‘‘except that with respect to leases for’’ and inserting ‘‘shall acquire or lease not more than 0.06 acres of oil shale leases in any 1 State. For’’.

(g) COST-SHARED DEMONSTRATION TECHNOLOGIES.—

(1) IDENTIFICATION.—The Secretary of Energy shall identify technologies for the development of oil shale and tar sands that—

(i) are ready for development at a commercially representative scale; and

(ii) have a high probability of leading to commercial production.

(2) TECHNICAL ASSISTANCE.—For such technology identified under paragraph (1), the Secretary of Energy may provide—

(A) technical assistance; and

(B) assistance in meeting environmental and regulatory requirements; and

(C) cost-sharing assistance in accordance with section 1002.

(h) NATIONAL OIL SHALE ASSESSMENT.—

(1) ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall carry out a national assessment of oil shale resources for the purpose of overcoming technical challenges to the development of oil shale and tar sands technologies for application in the United States.

(B) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.

(1) NATIONAL OIL SHALE ASSESSMENT.

(A) IN GENERAL.—In accordance with section 21(a) of the Mineral Leasing Act (30 U.S.C. 2398a), the Secretary shall—

(i) carry out the assessment referred to in subparagraph (B) in an integrated manner.

(ii) by striking 'rate of 50 cents per acre' and inserting ‘‘rate of $2.00 per acre’’; and

(iii) by striking ‘‘That no’’ and inserting ‘‘that no’’; and

(iv) by striking ‘‘except that with respect to leases for’’ and inserting ‘‘shall acquire or lease not more than 0.06 acres of oil shale leases in any 1 State. For’’.

(2) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.

(3) DEVELOPMENT OF A 5-YEAR PLAN.

(A) IN GENERAL.—The Task Force shall—

(i) identify public actions that are required to stimulate prudent development of oil shale and tar sands;

(ii) analyze the costs and benefits of those actions;

(iii) make recommendations concerning specific actions that should be taken to stimulate prudent development of oil shale and tar sands, including economic, investment, tax, technology, research and development, infrastructure, environmental, education, and socio-economic actions;

(iv) make recommendations concerning infrastructure (such as roads, utilities, and pipelines) required to support oil shale development.

(B) ADMINISTRATION.—The Secretary of Defense shall—

(i) consult with representatives of industry and other stakeholders;

(ii) provide notice and opportunity for public comment on the plan;

(iii) identify oil shale and tar sands technologies that—

(A) are ready for pilot plant and semiscale development; and

(B) have a high probability of leading to advanced technology for first- or second-generation commercial production; and

(iv) assess the availability of water from the Green River Formation to meet the potential needs of oil shale tar sands development.

(D) NATIONAL OIL SHALE ASSESSMENT.

(A) IN GENERAL.—The Secretary shall—

(i) consult with representatives of industry and other stakeholders;

(ii) provide notice and opportunity for public comment on the plan; and

(iii) identify oil shale and tar sands technologies that—

(A) are ready for pilot plant and semiscale development; and

(B) have a high probability of leading to advanced technology for first- or second-generation commercial production; and

(iv) assess the availability of water from the Green River Formation to meet the potential needs of oil shale tar sands development.

(B) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.

(1) NATIONAL OIL SHALE ASSESSMENT.

(A) IN GENERAL.—In accordance with section 21(a) of the Mineral Leasing Act (30 U.S.C. 2398a), the Secretary shall—

(i) carry out the assessment referred to in subparagraph (B) in an integrated manner.

(ii) by striking 'rate of 50 cents per acre' and inserting ‘‘rate of $2.00 per acre’’; and

(iii) by striking ‘‘That no’’ and inserting ‘‘that no’’; and

(iv) by striking ‘‘except that with respect to leases for’’ and inserting ‘‘shall acquire or lease not more than 0.06 acres of oil shale leases in any 1 State. For’’.

(2) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.

(3) DEVELOPMENT OF A 5-YEAR PLAN.

(A) IN GENERAL.—The Task Force shall—

(i) identify public actions that are required to stimulate prudent development of oil shale and tar sands;

(ii) analyze the costs and benefits of those actions;

(iii) make recommendations concerning specific actions that should be taken to stimulate prudent development of oil shale and tar sands, including economic, investment, tax, technology, research and development, infrastructure, environmental, education, and socio-economic actions;

(iv) make recommendations concerning infrastructure (such as roads, utilities, and pipelines) required to support oil shale development.

(B) ADMINISTRATION.—The Secretary of Defense shall—

(i) consult with representatives of industry and other stakeholders;

(ii) provide notice and opportunity for public comment on the plan; and

(iii) identify oil shale and tar sands technologies that—

(A) are ready for pilot plant and semiscale development; and

(B) have a high probability of leading to advanced technology for first- or second-generation commercial production; and

(iv) assess the availability of water from the Green River Formation to meet the potential needs of oil shale tar sands development.
There are authorized to be appropriated such funds as the Secretary of Defense shall establish for purposes of this section in consultation with the Office of Strategic Fuel Analysis of the Department of Energy.

Subject to applicable provisions of appropriations Acts, any contract or other agreement for the procurement of covered fuel under subsection (b) may be for one or more years at the election of the Secretary of Defense.

Each contract or other agreement for the procurement of covered fuel under subsection (b) shall set forth the maximum price and minimum price to be paid for a unit of covered fuel under the contract or agreement and such prices shall be established by the Secretary of Defense at the time of entry into the contract or agreement.

In establishing under paragraph (1) the maximum price and minimum price to be paid for covered fuel under a contract or agreement under subsection (b), the Secretary shall take into account applicable information on world oil markets from the Department of Energy, including—

(A) global prices for crude oil;

(B) costs of production of the covered fuel from both conventional and unconventional sources; and

(C) national or regional investment in the production of the covered fuel.

Fuel Source Analysis.—In order to facilitate the procurement by the Department of Defense of covered fuel under subsection (b), the Secretary of Defense may carry out a comprehensive assessment of current and potential locations in the United States for the supply of covered fuel to the Department.

Clerical Amendment.—The table of sections for chapter 114 of title 10, United States Code, is amended by inserting after the item relating to section 2398 the following:

"2398a. Procurement of fuel derived from coal, oil shale, and tar sands."

Statutory Rights.—Nothing in this section preempts or affects any State water law or interstate compact relating to water.

Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

Oil Security

SA 948. Mr. Lieberman (for himself, Mr. Bayh, and Mr. Salazar) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

Beginning on page 120, strike line 21 and all that follows through page 122, line 14, and insert the following:

Subtitle D—Oil Security

SEC. 151. SHORT TITLE; FINDINGS AND PURPOSES.

(a) Short Title.—This subtitle may be cited as the "Oil Security Act".

(b) Findings.—Congress finds that—

(1) the United States is dangerously dependent on oil;

(2) dependence threatens the national security, weakens the economy, and hampers the environment of the United States;

(3) the United States currently imports nearly 60 percent of oil needed in the United States, and that ratio is expected to grow to almost 70 percent by 2025 if no actions are taken;

(4) approximately 2,500,000 barrels of oil per day are imported from countries in the Persian Gulf region;

(5) that dependence on foreign oil undermines the war on terror by financing both sides of the war;

(6) in 2004 alone, the United States spent $105 billion to underwrite strategic countries, some of which use revenues to support terrorism and spread ideology hostile to the United States, as documented by the Council on Foreign Relations;

(7) terrorists have identified oil as a strategic vulnerability and have ramped up attacks against oil infrastructure worldwide;

(8) oil imports comprise more than 25 percent of the dangerously high United States trade deficit;

(9) it is feasible to achieve oil savings of more than 10 million barrels by 2015 and 10,000,000 barrels per day by 2025;

(10) those goals can be achieved by establishing a set of flexible policies, including—

(A) increasing the gasoline-efficiency of cars, trucks, tires, and oil;

(B) providing economic incentives for companies and consumers to purchase fuel-efficient cars;

(C) encouraging the use of transit and the reduction of truck idling; and

(D) increasing production and commercialization of alternative liquid fuels;

(E) technology available as of the date of enactment of this Act (including popular hybrid-electric vehicle models, the sales of which in the United States increased 136 percent in the first 4 months of 2005 as compared with the same period in 2004) make an oil savings plan eminently achievable; and

(ii) it is urgent, essential, and feasible to implement an action plan to achieve oil savings as soon as practicable because any delay in initiating action will—

(A) make achieving necessary oil savings more difficult and expensive; and

(B) increase the risks to the national security, economy, and environment of the United States;

(c) Purposes.—The purposes of this subtitle are—

(1) to help instill consumer confidence and acceptable of alternative motor vehicles by lowering the 3 major barriers to confidence and acceptance;

(2) to enable the accelerated introduction into the marketplace of new motor vehicle technologies without adverse emission impact, while retaining a policy of fuel neutrality in order to foster private innovation and commercialization and allow market forces to decide the technologies and fuels that are consumer-friendly, safe, environmentally-sound, and economic;

(3) to provide, for a limited time period, financial incentives to encourage consumers nationwide to purchase or lease new fuel cell, hybrid, battery electric, and alternative fuel motor vehicles;

(4) to increase demand of vehicles described in paragraph (3) so as to make the annual production by manufacturers and retailers of vehicles economically and commercially viable for the consumer;

(5) to promote and expand the use of vehicles described in paragraph (3) throughout the United States; and

(6) to promote a nationwide diversity of motor vehicle fuels for advanced and hybrid technology and alternatively fueled motor vehicles.

SEC. 152. MANUFACTURING INCENTIVES FOR ALTERNATIVE FUEL VEHICLES.

(a) Advanced Technology Motor Vehicle Program.

(1) Definitions.—In this subsection—

(A) advanced lead burn technology motor vehicle.—The term "advanced lead burn technology motor vehicle" means a motor vehicle with an internal combustion engine that—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel;

(ii) incorporates direct injection;

(iii) achieves at least 35 miles per gallon of the 2002 model year fuel economy; and

(iv) that, for 2004 and later model vehicles, has received a certificate that the vehicle meets or exceeds

(I) in the case of any vehicle having a gross vehicle weight rating of not more than 6,000 pounds, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 2021(i) of the Clean Air Act (42 U.S.C. 7521(i)) for that make and model year vehicle;

(II) in the case of any vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard as established in accordance with the regulations described in subclause (I).

(B) Advanced Technology Motor Vehicle.—The term "advanced technology motor vehicle" means any advanced lead burn technology motor vehicle or any new qualified hybrid motor vehicle as defined in section 30B(c)(3) of the Internal Revenue Code of 1986 (other than a heavy duty hybrid motor vehicle) that is in compliance with any Environmental Protection Agency emission standard for fine particulate matter for the applicable make and model year of the vehicle, eligible for a credit amount under section 30B(b)(3) of the Internal Revenue Code of 1986.

(C) Base Year.—The term "base year" means model year 2002.

(2) Eligible Component.—The term "eligible component" means any component specially designed for any advanced technology motor vehicle and installed for the purpose of meeting the performance requirements for an advanced technology motor vehicle, including—

(I) with respect to any gasoline-electric new qualified hybrid motor vehicle—

(A) an electric motor or generator;

(B) a power split device;

(C) a power control unit;

(D) power controls;

(E) an integrated starter generator; or

(F) a battery;

(ii) with respect to any advanced lead burn technology motor vehicle—

(A) a diesel engine;

(B) a turbocharger;

(C) a fuel injection system; or

(iv) an after-treatment system, such as a particle filter or NOX absorber; and

(D) other component submitted for approval by the Secretary.

(E) Eligible Entity.—The term "eligible entity" means a manufacturer, 25 percent or more of the gross receipts of which are derived from the manufacture of motor vehicles or any component parts of motor vehicles.

(F) Engineering Integration Costs.—The term "engineering integration costs" means costs incurred prior to the market introduction of advanced technology vehicles for engineering tasks relating to—

(i) incorporating eligible components into the design of advanced technology vehicles; and

(ii) designing new tooling and equipment for production facilities which produce eligible components or advanced technology vehicles.

(G) Program.—The term "program" means the program established under paragraph (2).

(H) Qualified Investment.—The term "qualified investment" means any investment—

(I) the incremental costs incurred to reequip or expand a manufacturing facility of
the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components; and

(II) any engineering integration costs associated with advanced technology motor vehicles or eligible components.

(2) ESTABLISHMENT.—The Secretary shall establish a program to provide grants, loans, and loan guarantees to eligible entities for qualified projects.

(3) REQUIREMENTS.—For an automobile manufacturer to be eligible for a grant, loan, or loan guarantee under the program, the adjusted fuel economy of the manufacturer for light duty vehicles for the most recent year for which data is available may not be less than the base year average fuel economy of the manufacturer for all of the light duty motor vehicles of the manufacturer.

(4) LIMITATION.—The total amounts of grants, loans, and loan guarantees that may be provided to any 1 qualified investment under the program shall be not more than $200,000,000.

(5) REGULATIONS.—The Secretary shall issue regulations establishing procedures for providing grants, loans, and loan guarantees under the program.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(b) FUEL ECONOMY CALCULATIONS.—

(1) IN GENERAL.—Section 32905 of title 49, United States Code, is amended—

(A) in subsections (b) and (d),

(i) by amending paragraph (1) of each subsection to read as follows:—

‘‘(1) the number determined by—

‘‘(A) subtracting from 1.0 the alternative fuel use factor for the model by the fuel economy measured under section 32906(c) when operating the model on gasoline or diesel fuel; and

‘‘(B) dividing the difference calculated under subparagraph (A) by the fuel economy measured under section 32906(c) when operating the model on gasoline or diesel fuel; and

(ii) by amending paragraph (2) of each subsection to read as follows—

‘‘(2) the number determined by dividing the alternative fuel use factor for the model by the fuel economy measured under subsection (a) when operating the model on alternative fuel;’’;

and

(B) by adding at the end the following:

‘‘(h) DETERMINATION OF ALTERNATIVE FUEL USE FACTOR.—

‘‘(1) For purposes of subsections (b) and (d), the term ‘alternative fuel use factor’ means, for a model of an automobile, the factor determined by the Administrator under paragraph (3).

‘‘(2) At the beginning of each calendar year, the Secretary of Transportation shall establish and publish procedures for determining the fuel and the aggregate amount of alternative fuel used to operate all dual fuel automobiles during the most recent 12-month period.

‘‘(3) The Administrator shall determine, by regulation, the alternative fuel use factor for each model of dual fuel automobile, on an energy equivalent basis, by calculating the ratio that the amount of alternative fuel used by such model bears to the amount of fuel used by such model.’’;

(2) APPLICABILITY OF EXISTING STANDARDS.—Any determinations made by this subsection shall not affect the application of section 32901 of title 49, United States Code, to automobiles manufactured before model year 2007.

(3) CONFORMING EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2007.

(a) GENERAL REQUIREMENTS.—

(1) DEFINITIONS.—In this section:

(A) ‘‘CELLULOSIC BIOMASS-TO-FUEL.’’—The term ‘‘cellulosic biomass-to-fuel’’ means any fuel that is produced from at least 80 percent cellulosic biomass.

(B) ‘‘COMMERCIAL-SCALE PLANT.’’—The term ‘‘commercial-scale plant’’ means a plant that—

(i) has a production capacity of greater than 7,000,000 gallons per year of cellulosic biomass-to-fuel and related products, as measured by energy content; and

(ii) uses technology that has been successfully tested or demonstrated by a project that produced at least 1,000,000 gallons per year of cellulosic biomass-to-fuel and related products, as measured by energy content.

(C) ‘‘COMMITTEE.’’—The term ‘‘Committee’’ means the Cellulosic Biomass-to-Fuel Review Committee established under paragraph (4).

(D) ‘‘PER-COMMERCIAL SCALE PLANT.’’—The term ‘‘pre-commercial scale plant’’ means—

(i) a plant that has a production capacity of less than 7,000,000 gallons per year of cellulosic biomass-to-fuel and related products, as measured by energy content; or

(ii) an existing industrial facility—

(I) that adds equipment to conduct research, development, or demonstration to overcome the recalcitrance of biomass, feedstock development, or co-products development; and

(II) at which the addition of the equipment increases the production capacity of the facility by less than 7,000,000 gallons per year of cellulosic biomass-to-fuel and related products, as measured by energy content.

(E) ‘‘PRODUCTION CAPACITY.’’—For purposes of this section, the production capacity of a plant shall be measured—

(i) assuming maximum potential output, 24 hours a day, 365 days per year; and

(ii) in terms of gallons of ethanol equivalent, with other fuels converted to this unit of measurement, based on the energy content of the fuels.

(2) PURPOSE.—The purpose of this section is to—

(A) accelerate deployment and commercialization of cellulosic biomass to fuel;

(B) reduce the oil dependence of the United States; and

(C) enhance the ability of the United States to produce alternative fuels.

(3) ESTABLISHMENT.—The Secretary, in consultation with the Secretary of the Treasury, shall establish a biannual program to support projects that include a 10-year plan containing—

(A) a detailed description of how proposals will be solicited and evaluated, including a list of all activities expected to be carried out; and

(B) a detailed list of milestones for each project and related technology that will be pursued.

(4) REPORTING.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Committee, shall submit to Congress a report that includes a 10-year plan containing—

(A) a detailed assessment of whether the aggregate funding levels provided under subsection (b) are appropriate; and

(B) a detailed description of how proposals will be solicited and evaluated, including a list of all activities expected to be carried out; and

(C) a detailed list of milestones for each project and related technology that will be pursued.

(5) PERIODIC UPDATES.—Until all incentives committed under subsection (b) have been used, the Secretary, in conjunction with the Secretary of the Treasury, shall annually submit to Congress a report on the activities of the Secretary and the Secretary of the Treasury under this section.

(b) CELLULOSIC BIOMASS FUELS INCENTIVE PROGRAM.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury, shall establish a program for providing incentives to commercial scale cellulosic biomass-to-fuels producers.

(2) ESTABLISHMENT.—The Secretary may provide loan guarantees and performance incentives to merchant producers of cellulosic biomass-to-fuel in the United States to assist these producers to—

(A) to build eligible commercial-ready production facilities; and

(B) to produce cellulosic biomass-to-fuel in accordance with paragraphs (2) and (3).

(3) TOTAL VALUE OF INCENTIVES.—

(A) IN GENERAL.—Except as provided in clause (i), the Secretary may provide incentives to merchant producers of cellulosic biomass-to-fuel in the United States to assist these producers to—

(i) to build eligible commercial-ready production facilities; and

(ii) to produce cellulosic biomass-to-fuel in accordance with paragraphs (2) and (3).

(4) DISCLOSURE.—The Secretary shall establish a program to provide financial disclosure relating to the receipt of any financial incentive to any person in accordance with paragraph (3).

(5) ELIGIBILITY DETERMINATIONS.—Eligibility determinations shall be established based on expert peer review of the proposals by the Committee.

(6) CONSISTENCY.—The solicitation shall be consistent from year to year.
Facility on line: Total Value of Incentives Over the Life of a Facility: The lesser of:

<table>
<thead>
<tr>
<th>Year</th>
<th>Per million gallons capacity</th>
<th>Percent of total capital cost</th>
<th>Total dollar amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 4</td>
<td>$4,600,000</td>
<td>46%</td>
<td>$80,000,000</td>
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<tr>
<td>Year 6</td>
<td>$3,500,000</td>
<td>35%</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Year 10</td>
<td>$1,500,000</td>
<td>15%</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subchapter.

(E) TERMINATION OF AUTHORITY.—The authority of the Secretary and the Secretary of the Treasury to commit to new incentives under paragraphs (2)(A), (3), and (4) shall terminate on the date that is 10 years after the date of enactment of this Act.

(2) CELLULOSIC BIOMASS FUEL LOAN GUARANTEES.—

(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide guarantees of loans by private institutions for the construction of facilities to process and convert cellulosic biomass into fuel and other commercial byproducts.

(B) LIMITATION.—The total amount of all loans guaranteed under this paragraph shall not exceed $2,000,000,000 at any time during the program.

(C) REQUIREMENTS.—The Secretary may provide a loan guarantee under this paragraph to an applicant if—

(i) the prospective earning power of the applicant and the character and value of the security pledged provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with the terms of the loan; and

(ii) the loan bears interest at a rate determined by the Secretary to be reasonable, taking into account—

(I) the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the loan; and

(II) the risk profile of the loan.

(D) TERMS AND CONDITIONS.—The loan agreement for a loan guarantee under this paragraph shall provide that—

(i) no provision of the loan agreement may be amended or waived without the consent of the Secretary; and

(ii) the loan guarantee shall have a maturity of not more than 20 years; and

(iii) the recipient of a loan guarantee under this paragraph shall pay the Secretary an amount determined by the Secretary to be sufficient to cover the administrative costs of the Secretary relating to the loan guarantee.

(E) ELIGIBILITY AND LIMITATIONS.—

(i) IN GENERAL.—In addition to the overall limitation established under paragraph (1)(C)(ii), the maximum loan guarantee that any project that is begun not later than 4 years after the date of establishment of the program under this paragraph may receive shall be the lesser of—

(I) $5,600,000 per million gallons of capacity; or

(II) 80 percent of the total project debt, or

(III) $100,000,000 per facility.

(ii) SCHEDULE.—The Secretary shall establish a schedule of limitations that decrease throughout the period that begins on the date that is 4 years after the date of establishment of the program under this paragraph and ends on the date that is 10 years after the date of establishment of the program.

(F) FULL FAITH AND CREDIT.—

(i) IN GENERAL.—The full faith and credit of the United States is pledged to the payment of all guarantees issued under this paragraph with respect to principal and interest.

(ii) CONCLUSIONS.—Any guarantee made by the Secretary under this paragraph shall be conclusive evidence of the eligibility of the loan for the guarantee with respect to principal and interest.

(iii) INCONTESTABLE VALIDITY.—The validity of the guarantee shall be incontestable in the hands of the guaranteed loan.

(G) ALLOWED USES OF FUNDS.—In the event of a performance shortfall, the loan guarantee funds may be used to either pay senior debt or make fixes to increase output or efficiency.

(3) CELLULOSIC BIOMASS FUELS PERFORMANCE INCENTIVES.—

(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to make available to commercial scale cellulosic biomass-to-fuel producers performance incentives on a per gallon basis of cellulosic biomass-to-fuel from eligible facilities.

(B) INCENTIVES.—

(i) IN GENERAL.—The program established under subparagraph (A) shall consist of 2 phases.

(ii) FIRST PHASE.—

(I) IN GENERAL.—During the period that begins on the date of establishment of the program under this paragraph and ends on the date that is 6 years after the date of establishment of the program, performance payments shall be available to all projects participating in the program, subject to the limitations established in paragraph (1)(C)(ii).

(II) PAYMENTS.—During the period described in clause (I), payments shall be made per gallon produced and sold by the facility during the first 6 years of operation.

(iii) SECOND PHASE.—

(I) IN GENERAL.—During the period that begins on the date that is 7 years after the date of establishment of the program under this paragraph and ends on the date that is 10 years after the date of establishment of the program, performance incentives shall be made available through not less than 2 reverse auctions as described in subclauses (II) through (V).

(II) AMOUNT OF FUNDS.—The Secretary, in coordination with the Secretary of the Treasury, shall establish the amount of funds available for use as performance payments after taking into account other existing and expected liabilities under this subsection.

(iii) DESIRED AMOUNT.—For each reverse auction conducted under this clause, each eligible facility shall request a desired amount of performance incentive on a per gallon basis.

(IV) SELECTION OF FACILITIES.—The Secretary shall select facilities beginning with the facility that requests the lowest amount of performance incentive on a per gallon basis.

(V) INCENTIVES RECEIVED.—A facility selected by the Secretary shall receive the amount of performance incentive requested by the facility in the auction for each gallon produced and sold by the facility during the first 6 years of operation.

(C) LIMITATIONS.—

(i) IN GENERAL.—In addition to the overall limitation established in paragraph (1)(C)(ii), the value of incentives paid under this subsection for projects that are begun not later than 6 years after the date of establishment of the program under this paragraph shall be limited to the lesser of—

(I) $0.75 per gallon; or

(II) $1,000,000 per million gallons of capacity; or

(III) 5 percent of the total capital cost of the project.

(ii) SCHEDULE.—The Secretary shall establish a schedule of limitations that decrease throughout the period that begins on the date that is 4 years after the date of establishment of the program under this paragraph and ends on the date that is 10 years after the date of establishment of the program.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 154. NEAR-TERM VEHICLE TECHNOLOGY PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to enable and promote comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles; and

(A) in partnership with industry; and

(B) for a wide range of electric drive components, systems, and vehicles in a wide range of applications using diverse electric drive transportation technologies;

(2) to make critical public investments in building strong links to private industry, institutions of higher education, National Laboratories, and research institutions to expand innovation, industrial growth, and jobs in the United States;

(3) to take greater advantage of the existing electric infrastructure for transportation and other on-road and non-road mobile sources of emissions—

(A) that are reported to be over 3,000,000 units today, including electric forklifts, golf carts, and similar non-road vehicular applications; and

(B) because existing and emerging technologies that connect to the grid greatly enhance the energy security of the United States, reduce dependence on imported oil, and reduce emissions;

(4) to more quickly advance the widespread commercialization of all types of hybrid electric vehicle technology into all sizes and applications of vehicles leading to commercialization of plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and eventually to fuel cell vehicles and use of batteries and electric vehicles to provide services back to the grid; and

(5) to improve the energy efficiency of and reduce the petroleum use of transportation;

(b) DEFINITIONS.—In this section:

(1) BATTERY.—The term ‘‘battery’’ means an energy storage device used in an on-road or off-road vehicle powered in whole or in part using an off-board or on-board source of electricity.
(2) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term ‘electric drive transportation technology’ means—
(A) on-road or non-road vehicles that use an electric motor as a part of their motive power and that may or may not use off-road electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or
(B) equipment related to transportation or mobile sources of pollution that use an electric motor to replace an internal combustion engine for all or part of the work of the engine or to optimize for different goals, in different applications with different battery and control systems, including—
(1) high capacity, high efficiency lithium and nickel metal hybrid batteries for plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles;
(2) high efficiency on-board and off-board charging components;
(3) on-board and off-board data collection for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—
(A) development of efficient cooling systems; and
(B) analysis and development of control systems that minimize the emissions profile when diesel engines are part of a plug-in hybrid drive system; and
(C) development of different control systems that optimize for different goals, including—
(i) battery life; and
(ii) reduction of petroleum consumption;
(iii) green house gas reduction; and
(iv) understanding consumer preference for many different control systems will assist or deter widespread applications of the vehicles;
(5) nanomaterial technology applied to both battery and fuel cell systems;
(6) large-scale demonstrations, testing, and evaluations for vehicles that use an electric motor for all or part of their motive power and that may or may not use off-road electricity, including battery electric vehicles, fuel cell vehicles, engine dominant hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric rail; or
(7) equipment linked to transportation or mobile sources of air pollution that use an electric motor to replace an internal combustion engine or heat engine using—
(A) any combustible fuel;
(B) an on-board, rechargeable storage device; and
(C) no means of using an off-road source of electricity.
(3) ENGINE DOMINANT HYBRID ELECTRIC VEHICLE.—The term ‘engine dominant hybrid electric vehicle’ means an on-road or non-road vehicle propelled by an internal combustion engine or heat engine using—
(A) any combustible fuel;
(B) an on-board, rechargeable storage device; and
(C) no means of using an off-road source of electricity.
(4) FUEL CELL VEHICLE.—The term ‘fuel cell vehicle’ means an on-road or non-road vehicle that uses a fuel cell (as defined in section 2545 of title 42, United States Code, relating to M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990).
(5) ON-ROAD OR NON-ROAD VEHICLE.—The term ‘on-road or non-road vehicle’ means—
(A) a light-duty, medium-duty, or heavy-duty motor vehicle; or
(B) a vehicle or propelled piece of equipment that is primarily intended for use on private or public property other than publicly-owned highways, freeways, streets, and roads.
(6) PLUG-IN HYBRID ELECTRIC VEHICLE.—The term ‘plug-in hybrid electric vehicle’ means an on-road or non-road vehicle that is propelled by an internal combustion engine or heat engine using—
(A) any combustible fuel;
(B) an on-board, rechargeable storage device; and
(C) a means of using an off-road source of electricity.
(7) PLUG-IN HYBRID FUEL CELL VEHICLE.—The term ‘plug-in hybrid fuel cell vehicle’ means a fuel cell vehicle that also can use a battery supplied by an off-road source of electricity.
(c) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electricity-driven transportation technology, including—
(1) high capacity, high efficiency lithium and nickel metal hybrid batteries for plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles;
(2) high efficiency on-board and off-board charging components;
(3) on-board and off-board data collection for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—
(A) development of efficient cooling systems; and
(B) analysis and development of control systems that minimize the emissions profile when diesel engines are part of a plug-in hybrid drive system; and
(C) development of different control systems that optimize for different goals, including—
(i) battery life; and
(ii) reduction of petroleum consumption;
SEC. 156. HEAVY TRUCK IDLING REDUCTION.

(a) Definitions.—In this section:

(1) Heavy-duty motor vehicle.—The term ‘‘heavy-duty motor vehicle’’ means a vehicle of greater than 10,000 pounds gross vehicle weight that is driven by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line.

(2) Idling reduction system.—The term ‘‘idling reduction system’’ means a system for devices used to reduce long duration idling of a main drive engine in a vehicle.

(3) Long duration idling.—The term ‘‘long duration idling’’ means the operation of a main drive engine of a heavy-duty motor vehicle for a period of more than 5 consecutive minutes when the main drive engine is not engaged in gear, except that such term does not include idling as a result of traffic congestion or other impediments to the movement of the vehicle.

(b) Regulations.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation, in consultation with the Secretary of the Treasury, shall prescribe regulations that ensure the maximum feasible and cost effective reductions in fuel consumption during long duration idling of heavy-duty motor vehicles. The Secretary shall review the regulations not less frequently than every 3 years and revise the regulations to the extent that the regulations reflect the maximum feasible and cost effective reductions in fuel consumption during long duration idling.

(c) Effective dates.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall prescribe regulations that prevent degradation in air quality resulting from the use of idling reduction systems.

SEC. 157. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.

(a) Purpose and policy.—The purpose of this chapter is to reduce petroleum consumption by heavy duty motor vehicles.

(b) Definitions.—In this chapter, ‘‘heavy duty motor vehicle’’—

(1) means a vehicle of greater than 10,000 pounds gross vehicle weight that is driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways, but does not include a vehicle operated only on a rail line;

(2) means a device or system for devices used to reduce long duration idling of a main drive engine in a vehicle; and

(3) long duration idling.—The term ‘‘long duration idling’’ means the operation of a main drive engine of a heavy-duty motor vehicle for a period of more than 5 consecutive minutes when the main drive engine is not engaged in gear, except that such term does not include idling as a result of traffic congestion or other impediments to the movement of the vehicle.

(4) Time for implementation.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the national fuel efficiency program established under section 30123(d) of title 49, United States Code, in accordance with the policies, procedures, and standards developed under section 30123(d) of such title.

(5) Exemption for short duration idling.—For fuel consumption during short duration idling of the primary drive engine, the Secretary may grant an exception to the provisions of 30103(b)(2) of title 49, United States Code, if the Secretary determines that such an exception is necessary to ensure the regulation is capable of being enforced.

(c) Time for implementation.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the national fuel efficiency program established under section 30123(d) of title 49, United States Code, in accordance with the policies, procedures, and standards developed under section 30123(d) of such title.

SEC. 158. FLEXIBLE FUEL VEHICLE STANDARDS.

(a) General requirements.—The Secretary shall prescribe, after the date of enactment of this Act, the national fuel economy standards prescribed under the foregoing:

‘‘CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS

Sec. 33001. Purpose and policy.

Sec. 33002. Definitions.

Sec. 33003. Standards.

§ 33001. Purpose and policy

‘‘The purpose of this chapter is to reduce petroleum consumption by heavy duty motor vehicles.’’

§ 33002. Definitions

‘‘In this chapter, ‘‘heavy duty motor vehicle’’—

(1) means a vehicle of greater than 10,000 pounds gross vehicle weight that is driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, and highways; and

(2) does not include a vehicle operated only on a rail line.

§ 33003. Standards

(a) General requirements.—The Secretary shall prescribe heavy duty motor vehicle fuel economy standards. Each standard shall be practicable, meet the need for heavy duty motor vehicle fuel consumption reduction, and be stated in objective terms.

(b) Considerations and consultation.—When prescribing a heavy duty motor vehicle fuel economy standard under this chapter, the Secretary shall—

(1) consider relevant available heavy duty motor vehicle fuel consumption information;

(2) determine whether a proposed standard is reasonable, practicable, and appropriate for the particular type of heavy duty motor vehicle for which it is prescribed; and

(3) consult, to the extent practicable, with the appropriate committees of Congress.

(c) Cooperation.—The Secretary may advise, assist, and cooperate with departments, agencies, and instrumentalities of the United States Government, States, and other public and private agencies in developing fuel economy standards for heavy duty motor vehicles.

(d) Effective dates of standards.—The Secretary shall specify the effective date and model years of a heavy duty motor vehicle fuel economy standard prescribed under this chapter.

(e) 5-year plan for testing standards.—The Secretary shall establish, periodically update, and continually update a 5-year plan for testing heavy duty motor vehicle fuel economy standards prescribed under this chapter. In developing the plan and establishing testing priorities, the Secretary shall consider factors the Secretary considers appropriate, consistent with section 33001 and the Secretary’s other duties and responsibilities.

SEC. 159. FLEXIBLE FUEL VEHICLES That Are Alternative or Flexi-

ble Fuel Vehicles.

(a) Definitions.—In this section:

(1) Alternative fuel; alternative fuel automobile.—The terms ‘‘alternative fuel’’ and ‘‘alternative fuel automobile’’ have the meanings given such terms in section 33001 of title 49, United States Code.

(2) Alternative fuel refueling retail outlet.—The term ‘‘alternative fuel refueling retail outlet’’ means an establishment—

(A) at which alternative fuel is sold or offered for sale to the general public for use in alternative fuel vehicles; and

(B) at which alternative fuel is sold or offered for sale to the general public for use in alternative fuel vehicles without the need to establish an account.

(c) Refueling retail outlet.—The term ‘‘refueling retail outlet’’ means a retail fuel outlet that—

(1) is located primarily on rights-of-way of the Interstate highway system, or located on rights-of-way of the Federal-aid highway system; and

(2) refuels vehicles at no cost to the consumer above a small margin over the cost of the refueling fuel.

(d) Alternative fuel refueling retail outlet.—The term ‘‘alternative fuel refueling retail outlet’’ means a retail fuel outlet that—

(1) is located primarily on rights-of-way of the Interstate highway system, or located on rights-of-way of the Federal-aid highway system; and

(2) refuels vehicles at no cost to the consumer above a small margin over the cost of the refueling fuel.
(a) IN GENERAL.—The Secretary of Energy, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the “Secretary”), shall develop and conduct a national media campaign for the purpose of decreasing fuel consumption in the United States over the next decade.

(b) CONTRACT WITH ENTITY.—The Secretary shall carry out subsection (a) directly or through—

(1) contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(2) collective agreements with 1 or more nationally recognized institutes, businesses, or nonprofits for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(4) ADVERTISING COSTS.—(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) Creative—evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(v) The negotiated fees for the winning bidder on the basis of proposals issued either by the Secretary for purposes otherwise authorized in this section.

(vi) Entertainment industry outreach, interactive outreach, media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

(B) ADMINISTRATIVE COSTS.—Operational and management expenses.

(2) LIMITATIONS.—In carrying out this section, the Secretary shall allocate not less than 20 percent of the funds made available under subsection (e) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(4) RULEMAKING.—The Secretary of Energy shall issue regulations to carry out the provisions of this subsection.

SEC. 159B. OIL SAVINGS TARGET AND ACTION PLAN.

Not later than 270 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall publish in the Federal Register an action plan consisting of—

(a) a list of requirements proposed pursuant to section 159C that are authorized to be issued under law in effect on the date of enactment of this Act, and this subtitle, that will be taken together, will achieve, to save from the baseline determined under section 159F, at least—

(1) 1,000,000 barrels of oil per day during calendar year 2015; and

(2) 2,500,000 barrels per day during calendar year 2020; and

(b) a Federal Government-wide analysis that analyzes—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

SEC. 159C. STANDARDS AND REQUIREMENTS.

(a) SECRETARY OF ENERGY.—On or before the date of publication of the action plan under section 159B, the Secretary shall propose regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the Secretary.

(b) SECRETARY OF TRANSPORTATION.—On or before the date of publication of the action plan under section 159B, the Secretary of Transportation shall propose regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the Secretary of Transportation.

(c) ADMINISTRATOR.—On or before the date of publication of the action plan under section 159B, the Administrator shall propose regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the Administrator.

(d) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (a)(v) or subsection (b)(v), and the Administrator shall promulgate final versions of those regulations.

(1) The Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section 159C.

(3) AGENCY REPORTS.—Not later than 3 years after the date of enactment of this Act, and every 3 years thereafter, the Director shall publish a report that—

(A) evaluates the progress achieved in implementing the oil savings targets established under section 159B;

(B) analyzes the expected oil savings under the standards and requirements established under this subtitle; and

(C) analyzes the potential to achieve oil savings that are in addition to the savings required by section 159B; and

(4) BASELINE AND ANALYSIS REQUIREMENTS.

(a) SECRETARY OF ENERGY.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Director shall publish a report that—

(A) analyzes the expected oil savings under the standards and requirements established under this subtitle and the amendments made by this subtitle; and

(B) establishes a baseline for oil savings for calendar year 2015 and any subsequent calendar year.

(b) SECRETARY OF TRANSPORTATION.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall publish a report that—

(A) analyzes the expected oil savings under the standards and requirements established under this subtitle; and

(B) establishes a baseline for oil savings for calendar year 2015 and any subsequent calendar year.

(c) ADMINISTRATOR.—Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Administrator shall publish a report that—

(A) analyzes the expected oil savings under the standards and requirements established under this subtitle; and

(B) establishes a baseline for oil savings for calendar year 2015 and any subsequent calendar year.

(2) In preparing the report required under subsection (a)(v)—

(A) the Director shall take into account any update to the standards and requirements established under this Act, the Secretary of Transportation, and the Administrator shall promulgate final versions of those regulations.

SEC. 159D. INITIAL EVALUATION.

(a) IN GENERAL.—Not more than 2 years after the date of enactment of this Act, the Director of the Office of Management and Budget shall publish a report that—

(A) determines the oil savings achieved, including the oil savings required by this subtitle, by this report and the Energy Information Administration report entitled “Annual Energy Outlook 2005”;
(2) determine the oil savings projections required on an annual basis for each of calendar years 2008 through 2025; and

(3) account for any overlap among the standards and requirements to ensure that the projected oil savings from all the promulgated standards and requirements, taken together, are as accurate as practicable.

SA 949. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 327, after line 21, insert the following:

SEC. 3. COST-SHARING PLAN.

Section 3 of the Natural Gas Act (15 U.S.C. 717b) (as amended by section 381) is amended by adding at the end the following:

"(2) A cost-sharing plan developed under paragraph (1) shall include a description of any direct cost reimbursements that the applicant agrees to provide to any State and local agencies with responsibility for security and safety—

(A) at the liquefied natural gas import facility; and

(B) in proximity to vessels that serve the facility."

SA 950. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 311, strike lines 19 through 24.

SA 951. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 311, strike line 19 and all that follows through page 312, line 25, and insert the following:

"(2) A cost-sharing plan developed under paragraph (B), the Commission may approve an application for the party seeking the approval, in consultation with the pipeline operator, to construct or expand, or operation of facilities located onshore or in State waters for the import of natural gas from a foreign country, or the export of natural gas to a foreign country, in whole or in part, with such modifications and upon such terms and conditions as the Commission finds appropriate.

(c) The Commission shall not—

(i) deny an application solely on the basis that the applicant proposes to use the liquefied natural gas import facility exclusively or partially for gas that the applicant or an affiliate of the applicant will supply to the facility; or

(ii) condition an order on—

(I) that the liquefied natural gas import facility offer service to customers other than the applicant, or any affiliate of the applicant, securing the order;

(II) the rates, charges, terms, or conditions of service of the liquefied natural gas import facility; or

(III) a requirement to file with the Commission schedules or contracts related to the rates, charges, terms, or conditions of service of the liquefied natural gas import facility.

(3) An order issued for a liquefied natural gas import facility that also offers service to customers on an "as-a-service" basis shall include a description of the terms and conditions of service of the liquefied natural gas import facility that also offers service to customers on an "as-a-service" basis.

SA 952. Mr. SHELBY submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 311, after line 24, add the following:

"(3) A cost-sharing plan developed under paragraph (1) shall include a description of any direct cost reimbursements that the applicant agrees to provide to any State and local agencies with responsibility for security and safety—

(A) at the liquefied natural gas import facility; and

(B) in proximity to vessels that serve the facility."

SA 953. Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill H.R. 6. To ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 11, between lines 10 and 11, insert the following:

"(O) Savannah River National Laboratory.

(1) line 11, strike "(O)" and insert "(P)."

On page 11, line 12, strike "(P)" and insert "(Q)."

Beginning on page 47, strike line 11 and all that follows through page 49, line 4, and insert the following:

SEC. 127. STATE BUILDING ENERGY EFFICIENCY CODES INCENTIVES.

Section 304(e) of the Energy Conservation and Production Act (42 U.S.C. 6833(e)) is amended—

(1) in paragraph (1), by inserting before the period at the end of the first sentence the following:—including increasing and verifying compliance with any code; and

(2) by striking paragraph (2) and inserting the following:

(2) Additional funding shall be provided under this subsection for implementation of a plan to achieve and document at least a 90 percent rate of compliance with residential and commercial building energy efficiency codes, based on energy performance—

(A) to a State that has adopted and is implementing, on a statewide basis—

(i) a residential building energy efficiency code that meets or exceeds the requirements of the 2004 International Energy Conservation Code, or any succeeding version of that code that has received an affirmative determination from the Secretary under subsection (a)(5)(A); and

(ii) a commercial building energy efficiency code that meets or exceeds the requirements of the 2004 International Energy Conservation Code, or any succeeding version of that code that has received an affirmative determination from the Secretary under subsection (b)(2)(A); or

(B) in a State in which there is no statewide energy code either for residential buildings or for commercial buildings, to a local government that has implemented residential and commercial building energy efficiency codes, as described in subparagraph (C)(v)."

(3) Of the amounts made available under this subsection, the Secretary may use $500,000 for each fiscal year to train State and local officials to implement codes described in paragraph (2).

(4)(A) There are authorized to be appropriated for such purposes—

(1) $25,000,000 for each of fiscal years 2006 through 2010; and

(2) such sums as are necessary for fiscal year 2011 and each fiscal year thereafter.

(4)(B) Funding provided under paragraph (2) for each fiscal year shall not exceed ½ of the excess of funding under this
subsection over $5,000,000 for the fiscal year.”

On page 76, lines 9 and 10, strike “January 1, 2006” and insert “January 1, 2007.”

On page 254, line 21 through 25, insert the following:
(20) by striking “section 104(b) of the Naval Petroleum Reserves Production Act of 1976 (40 Stat. 1594) and inserting “section 104(a)” and

On page 296, after line 25, add the following:

SECTION 5. FINGER LAKES WITHDRAWAL

All Federal land within the boundary of Finger Lakes National Forest in the State of New York is withdrawn from—
(1) all forms of entry, appropriation, or disposal under the public land laws; and
(2) disposition under all laws relating to oil and gas leasing.

On page 331, line 18, insert “by the Commission” after “request.”

On page 333, strike lines 19 through 24 and insert the following:

on Indian land.

“(C) provide low-interest loans to Indian tribes and tribal energy resource development organizations for use in the promotion of energy resource development on Indian land in support of energy-related programs and activities under this title, including—
(i) training programs for tribal environmental officials, program managers, and other environmental representatives;
(ii) the development of model environmental policies and tribal laws, including tribal environmental review codes, and the creation and maintenance of a clearinghouse of best environmental management practices; and
(iii) recommended standards for reviewing the implementation of tribal environmental laws and policies within tribal judicial or other tribal appeals systems.

On page 556, between lines 15 and 16, insert the following:
“(C) In providing a grant under this subsection for an activity to provide, or expand the provision of, electricity on Indian land, the Director shall encourage cooperative arrangements between Indian tribes and utilities that provide service to Indian tribes, as the Director determines to be appropriate.

On page 537, line 6, insert “(A)” after “(2).”

On page 537, between lines 16 and 17, insert the following:
“(B) in providing a loan guarantee under this subsection for an activity to provide, or expand the provision of, electricity on Indian land, the Secretary of Energy shall encourage cooperative arrangements between Indian tribes and utilities that provide service to Indian tribes, as the Secretary determines to be appropriate.

On page 537, strike lines 5 through 9 and insert the following:

SEC. 595. CARBON CAPTURE, SEQUESTRATION, AND TECHNOLOGY.

(a) In general.—In addition to the programs authorized under title IV, the Secretary shall conduct a program to develop carbon dioxide capture technologies on combustion-based systems for use—
(1) in new coal utilization facilities; and
(2) on the fleet of coal-based units in existence at the date of enactment of this Act.

(b) Objectives.—The objectives of the program under subsection (a) shall be—
(1) to develop carbon dioxide capture technologies, including adsorption and absorption techniques and chemical processes, to remove the carbon dioxide from gas streams containing carbon dioxide potentially amenable to sequestration;
(2) to develop technologies that would directly produce concentrated streams of carbon dioxide potentially amenable to sequestration;
(3) to increase the efficiency of the overall system to reduce the quantity of carbon dioxide emissions released from the system per megawatt generated; and
(4) in accordance with the carbon dioxide capture program, to promote a robust carbon sequestration program and continue the work of the Department, in conjunction with the private sector, through regional carbon sequestration partnerships.

On page 522, between lines 8 and 9, insert the following:

(d) Fuel Cells.—(1) In general.—The Secretary shall conduct a program of research, development, demonstration, and commercial application on fuel cells for low-cost, high-efficiency, fuel- flexible, modular power systems.

(2) Demonstrations.—The demonstrations referred to in paragraph (1) shall include solid oxide fuel cell technology for commercial, residential, and transportation applications, and distributed generation systems, using improved manufacturing production and processes.

On page 558, beginning on line 22, strike “of the Senate” and all that follows through “Commerce” on line 23 and insert “and the Committee on Foreign Relations of the Senate and the Committee on Energy and Commerce and the Committee on International Relations”.

On page 596, between lines 4 and 5, insert the following:

(2) Report on Trends.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the current trends under paragraph (1), with recommendations (as appropriate) to meet the future labor requirements for the energy technology industries.

On page 596, line 10, insert “(2) Report…” and insert the following:

(3) Report on Shortage.—As
On page 596, strike line 22 and all that follows through page 597, line 20, and insert the following:

SEC. 1103. EDUCATIONAL PROGRAMS IN SCIENCE AND MATHEMATICS.

(a) SCIENCE EDUCATION ENHANCEMENT FUND.—Section 3164 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381a) is amended by adding at the end:

"(c) SCIENCE EDUCATION ENHANCEMENT FUND.—The Secretary shall use not less than 0.2 percent of the amount made available to the Department for fiscal year 2006 and each fiscal year thereafter to carry out activities authorized by this section.";

(b) AUTHORIZED EDUCATION ACTIVITIES.—Section 3165 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381c) is amended by adding at the end the following:

"(14) Support competitive events for students under the supervision of teachers, designed to encourage student interest and knowledge in science and mathematics.

(15) Support competitively-awarded, peer-reviewed programs to promote professional development for mathematics teachers and science teachers who teach in grades from kindergarten through grade 12 at Department research and development facilities.

(16) Enter into arrangements with Department research and development facilities, for mathematics teachers and science teachers who teach in grades from kindergarten through grade 12, for the purpose of improving Department-wide coordination of education, workforce development, and critical skills development activities.

(17) Sponsor and assist in educational and training activities identified as critical skills needs for future workforce development at Department research and development facilities.

(c) EDUCATIONAL PARTNERSHIPS.—Section 3166(b) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381c(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) loaning or transferring equipment to the institution;"

(2) in paragraph (5), by striking "and" at the end;

(3) in paragraph (6), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(7) to enter into arrangements with educational institutions to hire personnel to facilitate interactions between local school systems, Department research and development facilities, and corporate and governmental entities.";

(d) DEFINITION OF DEPARTMENT RESEARCH AND DEVELOPMENT FACILITIES.—Section 3167(b) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381d(b)) is amended by striking ". . . Department of Energy. . ." and inserting "by the Department of Energy."

(e) STUDY.—

(1) IN GENERAL.—The Secretary shall enter into arrangements with the National Academy of Sciences to conduct a study of the priorities, quality, local and regional flexibility, and all plans for educational programs at Department research and development facilities.

(2) INCLUSION.—The study shall recommend measures that the Department may take to improve Department-wide coordination of educational, workforce development, and critical skills development activities.

On page 599, line 15, insert "(as amended by section 1103(a))" after "7381a)."

On page 599, line 17, strike "(c)" and insert "(d)"

On page 668, line 3, insert "by the Commission" after "request".

On page 755, after line 25, add the following:

SEC. 12. STUDY OF LINK BETWEEN ENERGY SECURITY AND INCREASES IN VEHICLE MILES TRAVELED.

(a) IN GENERAL.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the Academy shall conduct a study to assess the implications on energy use and efficiency of land development patterns in the United States.

(b) SCOPE.—The study shall consider—

(1) the correlation, if any, between land development patterns and increases in vehicle miles traveled;

(2) whether petroleum use in the transportation sector can be reduced through changes in the design of development patterns;

(3) the potential benefits of—

(A) information and education programs for State and local officials (including planning officials) on the potential for energy savings through planning, design, development, and infrastructure decisions;

(B) incorporation of location efficiency models in infrastructure planning and investments; and

(C) transportation policies and strategies to help transportation planners manage the impacts of the increased number of vehicle miles trips, including trips that increase the viability of other means of travel; and

(4) such other considerations relating to the study topic as the National Academy of Sciences finds appropriate.

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, the National Academy of Sciences shall submit to the Secretary and Congress a report on the study conducted under this section.

SEC. 13. STUDY OF AVAILABILITY OF SKILLED WORKERS.

(a) IN GENERAL.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the National Academy of Sciences shall conduct a study of the short-term and long-term availability of skilled workers to meet the energy and mineral security requirements of the United States.

(b) INCLUSIONS.—The study shall include an analysis of—

(1) the need for and availability of workers for the oil, gas, and mineral industries;

(2) the availability of skilled labor at both entry level and more senior levels; and

(3) recommendations for future actions needed to meet future labor requirements.

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Congress a report that describes the results of the study.

SA 955. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, To ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 1, line 1, strike "On page" and all that follows through page 15, line 24, and insert the following:

On page 56, between lines 17 and 18, insert the following:

SEC. 325. OUTER CONTINENTAL SHELF.

Sections 107, 108, and 109 of division E of the Consolidated Appropriations Act, 2005 (Public Law 108-447; 118 Stat. 3063) are amended by striking "provided in this title" each place appears and inserting "made available under this Act or any other Act for any fiscal year".

SA 956. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, To ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 1, line 1, strike "On page" and all that follows through page 15, line 18, and insert the following:

On page 56, between lines 17 and 18, insert the following:

SEC. 325. OUTER CONTINENTAL SHELF.

Sections 107, 108, and 109 of division E of the Consolidated Appropriations Act, 2005 (Public Law 108-447; 118 Stat. 3063) are amended by striking "provided in this title" each place appears and inserting "made available under this Act or any other Act for any fiscal year".

SA 958. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 120, strike line 21 and all that follows through page 122, line 14, and insert the following:

Subtitle D—Oil Security

SEC. 151. SHORT TITLE; FINDINGS AND PURPOSE.

(a) SHORT TITLE.—This subtitle may be cited as the "Oil Security Act."

(b) FINDINGS.—Congress finds that—

(1) the United States is dangerously dependent on oil;

(2) that dependence threatens the national security, weakens the economy, and harms the environment of the United States; and

(3) the United States currently imports nearly 60 percent of oil needed in the United

(2) AMOUNT OF TAX.—The amount of any tax imposed under paragraph (1) shall not be more than 0.25 percent of the value such gas.
States, and that ratio is expected to grow to almost 70 percent by 2025 if no actions are taken;
(4) approximately 2,500,000 barrels of oil per day are imported from countries in the Persian Gulf region;
(5) that dependence on foreign oil undermines the war on terror by financing both sides of the conflict.
In 2004 alone, the United States spent $103,000,000,000 to undemocratic countries, some of which use revenues to support terrorism and ideology hostile to the United States, as documented by the Council on Foreign Relations;
(7) terrorists have identified oil as a strategic resource which have ramped up attacks against oil infrastructure worldwide;
(8) oil imports comprise more than 25 percent of the dangerously high United States trade deficit;
(9) it is feasible to achieve oil savings of more than 2,500,000 barrels per day by 2015 and 10,000,000 barrels per day by 2025;
(10) those goals can be achieved by establishing a set of flexible policies, including—
(A) increasing the gasoline-efficiency of cars, trucks, tires, and oil;
(B) vehicle economic incentives for companies and consumers to purchase fuel-efficient cars;
(C) encouraging the use of transit and the reduction of truck idling; and
(D) increasing production and commercialization of alternative liquid fuels;
(11) technology available as of the date of enactment of this Act including popular hybrid-electric vehicle models, the sales of which in the United States increased 136 percent in the first 4 months of 2005 as compared with the same period in 2004, make an oil savings plan eminently achievable; and
(12) it is urgent, essential, and feasible to implement an action plan to achieve oil savings and to proactively respond to any delay in initiating action will—
(A) make achieving necessary oil savings more difficult and expensive; and
(B) increase the risks to the national security, economy, and environment of the United States.
(13) PURPOSES.—The purposes of this subtitle are—
(1) to help instill consumer confidence and acceptable of alternative motor vehicles by lowering the 3 major barriers to confidence and acceptance;
(2) to enable the accelerated introduction into the marketplace of new motor vehicle technologies without adverse emission impact, consistent with a policy of fuel neutrality in order to foster private innovation and commercialization and allow market forces to decide the technologies and fuels that are consumer-friendly, safe, environmentally sound, and economic;
(3) to provide, for a limited time period, financial incentives to encourage consumers nationwide to purchase or lease new fuel cell, hybrid, battery electric, and alternative fuel motor vehicles;
(4) to increase demand of vehicles described in paragraph (3) so as to make the annual production by manufacturers and retail sale of the vehicles economically and commercially viable for the consumer;
(5) to promote and expand the use of vehicles described in paragraph (3) throughout the United States; and
(6) to promote nationwide diversity of motor vehicle fuels for advanced and hybrid technology and alternatively fueled motor vehicles.

SEC. 152. MANUFACTURING INCENTIVES FOR ALTERNATIVE FUEL VEHICLES.
(a) Advanced Technology Motor Vehicles Manufacturing Credit.—
(1) In general.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) Credit allowed.—
(1) In general.—The credit allowed under section 30C(b)(1) shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 33 percent of the qualified investment of an eligible taxpayer for such taxable year.

(2) Limitation.—The credit allowed under subsection (a) for any taxable year shall not exceed the lesser of—
(A) the eligible basis of the new qualified hybrid motor vehicle or
(B) the sum of—
(i) $1,500,000,000,000;
(ii) the sum of—
(A) $2,000,000,000,000, and
(B) $3,000,000,000,000;
(iii) the sum of—
(A) $5,000,000,000,000, and
(B) $7,500,000,000,000;
(iv) the sum of—
(A) $30,000,000,000,000, and
(B) $45,000,000,000,000;
(v) the sum of—
(A) $70,000,000,000,000, and
(B) $100,000,000,000,000;
(vi) the sum of—
(A) $106,000,000,000,000, and
(B) $150,000,000,000,000;
(vii) the sum of—
(A) $178,000,000,000,000, and
(B) $250,000,000,000,000;
(viii) the sum of—
(A) $208,000,000,000,000, and
(B) $300,000,000,000,000;
(ix) the sum of—
(A) $238,000,000,000,000, and
(B) $330,000,000,000,000;
(x) the sum of—
(A) $268,000,000,000,000, and
(B) $360,000,000,000,000;
(xi) the sum of—
(A) $298,000,000,000,000, and
(B) $390,000,000,000,000;
(xii) the sum of—
(A) $328,000,000,000,000, and
(B) $420,000,000,000,000;
(xiii) the sum of—
(A) $358,000,000,000,000, and
(B) $450,000,000,000,000;
(xiv) the sum of—
(A) $388,000,000,000,000, and
(B) $480,000,000,000,000;
(xv) the sum of—
(A) $418,000,000,000,000, and
(B) $520,000,000,000,000;
(xvi) the sum of—
(A) $448,000,000,000,000, and
(B) $550,000,000,000,000;
(xvii) the sum of—
(A) $478,000,000,000,000, and
(B) $580,000,000,000,000;
(xviii) the sum of—
(A) $508,000,000,000,000, and
(B) $600,000,000,000,000;
(xix) the sum of—
(A) $538,000,000,000,000, and
(B) $620,000,000,000,000;
(xx) the sum of—
(A) $568,000,000,000,000, and
(B) $640,000,000,000,000;
(2) the sum of the credits allowable under subsection (a) for any taxable year shall not exceed the excess of—
(A) the sum of
(i) the regular tax liability (as defined in section 26(b)) for such taxable year, plus
(B) the tax imposed by section 55 for such taxable year, over
(C) the sum of the credits allowable under subpart A and sections 27, 30, 30B, and 30C for the taxable year.

(g) REDUCTION IN BASIS.—For purposes of this subsection, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this provision) result from such expenditure shall be reduced by the amount of the credit so allowed.

(h) No double benefit.—The amount of any deduction or other credit allowable under this chapter for any cost taken into account in determining the amount of the credit under subsection (a) shall be reduced by the amount of such credit attributable to such cost.
SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLE FUELS INCENTIVE PROGRAM.

(a) In general.—The Secretary, in consultation with the Committee, shall establish a program to provide incentives to encourage the production of commercial-scale plants that produce at least 1,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(b) Incentives.—(1) The Secretary shall determine the production capacity of a plant and the aggregate amount of alternative fuel used to operate all dual fuel automobiles manufactured before the model year 2007.

(2) Applicability of existing standards.—The amendments made by this subsection shall not affect the application of section 32931 of title 49, United States Code, governing alternative fuel use factors for automobiles manufactured before model year 2007.

(c) Effective date.—The amendments made by this subsection shall take effect on January 1, 2007.

SEC. 303. CELLULOSIC BIOMASS-FUEL EARLY DEPLOYMENT AND COMMERCIALIZATION INITIATIVES.

(a) General requirements.

(1) Definition.—In this section:

(A) Cellulosic biomass-to-fuel.—The term “cellulosic biomass-to-fuel” means any fuel that is produced from at least 80 percent cellulose biomass and related products.

(B) Commercial-scale plant.—The term “commercial-scale plant” means a plant that—

(i) has a production capacity of greater than 7,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content; and

(ii) uses technology that has been successfully tested in a pilot or demonstration project that produced at least 1,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(C) Committee.—The term “Committee” means the Cellulosic Biomass-to-Fuel Review Committee established under paragraph (4).

(D) Pre-commercial scale plant.—The term “pre-commercial scale plant” means—

(i) a plant that has a production capacity of less than 7,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content; and

(ii) an existing industrial facility—

(I) that adds equipment to conduct research, development, or demonstration to overcome the recalcitrance of biomass, feedstock development, or co-products development; and

(II) at which the addition of the equipment increases the production capacity of the facility by less than 7,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(E) Production for purposes of this section, the production capacity of a plant shall be—

(i) assuming maximum potential output, 24 hours a day, 365 days a year, and

(ii) in terms of gallons of ethanol equivalent, with other fuels converted to this unit of measurement, based on the energy content of the fuel.

(F) Purpose.—The purpose of this section is to—

(I) accelerate deployment and commercialization of cellulosic biomass to fuel;

(II) reduce the oil dependence of the United States; and

(III) enhance the ability of the United States to provide incentives to commercial scale cellulose biomass-to-fuel producers.

(G) In general.—The Secretary may provide loan guarantees and performance incentives to merchant producers of cellulose biomass-to-fuel in the United States to assist the producers—

(i) to build eligible commercial-ready production facilities; and

(ii) to produce cellulose biomass-to-fuel in accordance with paragraphs (2), (3), and (4).

(H) Total value of incentives.—(i) In general.—As provided in clause (ii), cellulose biomass-to-fuel facilities selected by the Secretary may receive all of the incentives offered under this subsection.

(ii) Total value.—The total value to the facility of all incentives offered under this

SEC. 30E. ADVANCED TECHNOLOGY MOTOR VEHICLE INCENTIVE PROGRAMS.

(a) In general.—The Secretary, in consultation with the Committee, shall establish a program to provide incentives to encourage the production of commercial-scale plants that produce at least 1,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(b) Incentives.—(1) The Secretary shall determine the production capacity of a plant and the aggregate amount of alternative fuel used to operate all dual fuel automobiles manufactured before the model year 2007.

(2) Applicability of existing standards.—The amendments made by this subsection shall not affect the application of section 32931 of title 49, United States Code, governing alternative fuel use factors for automobiles manufactured before model year 2007.

(3) Effective date.—The amendments made by this subsection shall take effect on January 1, 2007.

SEC. 30D. ADVANCED TECHNOLOGY MOTOR VEHICLE FUELS INCENTIVE PROGRAM.

(a) In general.—The Secretary, in consultation with the Committee, shall establish a program to provide incentives to encourage the production of commercial-scale plants that produce at least 1,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(b) Incentives.—(1) The Secretary shall determine the production capacity of a plant and the aggregate amount of alternative fuel used to operate all dual fuel automobiles manufactured before the model year 2007.

(2) Applicability of existing standards.—The amendments made by this subsection shall not affect the application of section 32931 of title 49, United States Code, governing alternative fuel use factors for automobiles manufactured before model year 2007.

(3) Effective date.—The amendments made by this subsection shall take effect on January 1, 2007.
subsection shall not exceed the values presented in the following table, in which the

<table>
<thead>
<tr>
<th>Facility on line</th>
<th>Total Value of Incentives Over the Life of a Facility: The lesser of:</th>
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<tbody>
<tr>
<td></td>
<td>Per million gallons capacity</td>
</tr>
<tr>
<td>Year 4</td>
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</tr>
<tr>
<td>Year 6</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Year 10</td>
<td>$1,500,000</td>
</tr>
</tbody>
</table>

‘Facility on line’ dates are expressed in years from the date of enactment of this Act.

(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection.

(E) TERMINATION OF AUTHORITY.—The authority of the Secretary and the Secretary of the Treasury to commit to new incentives under paragraphs (2), (3), and (4) shall terminate on the date that is 10 years after the date of enactment of this Act.

(2) CELLULOSIC BIOMASS FUEL LOAN GUARANTEES.—

(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide guarantees of loans by private institutions for the construction of facilities to process and convert cellulosic biomass into fuel and other commercial byproducts.

(B) LIMITATION.—The total amount of all loans guaranteed under this paragraph shall not exceed $2,000,000,000 at any time during the program.

(C) REQUIREMENTS.—The Secretary may provide a loan guarantee under this paragraph if the applicant and the character and value of the security pledged provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with the terms of the loan; and

(i) the loan bears interest at a rate determined by the Secretary to be reasonable, taking into account—

(1) the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the loan; and

(2) the risk profile of the loan.

(D) TERMS AND CONDITIONS.—The loan agreement for a loan guarantee under this paragraph shall provide that—

(i) no provision of the loan guarantee may be amended or waived without the consent of the Secretary; and

(ii) the loan guarantee shall have a maturity of not more than 20 years; and

(iii) the recipient of a loan guarantee under this paragraph shall pay the Secretary an amount determined by the Secretary to be sufficient to cover the administrative costs of the Secretary relating to the loan guarantee.

(E) ELIGIBILITY AND LIMITATIONS.—

(I) IN GENERAL.—In addition to the overall limitation established under paragraph (1)(C)(ii), the maximum loan guarantee that any project that is begun not later than 4 years after the date of establishment of the program under this paragraph may receive shall be the lesser of—

(1) $5,600,000 per million gallons of capacity;

(2) 80 percent of the total project debt; or

(3) $100,000,000 per facility.

(ii) SCHEDULE.—The Secretary shall establish a schedule of limitations that decrease throughout the period that begins on the date of enactment of this Act and ends on the date that is 10 years after the date of establishment of the program under this paragraph and ends on the date that is 10 years after the date of establishment of the program.

(F) FULL FAITH AND CREDIT.—

(I) IN GENERAL.—No guarantee made by the Secretary under this paragraph shall be the lesser of

(i) the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the loan; and

(ii) the risk profile of the loan.

(ii) QUALIFIED CELLULOSE BIOMASS-FUEL FACILITIES.—

(A) IN GENERAL.—The term ‘qualified cellulosic biomass-to-fuel facilities’ for purposes of this section (as amended by adding at the end the following):

(1) ‘(I) qualified cellulosic biomass-to-fuel facilities.’

(ii) ‘(II) qualified cellulosic biomass-to-fuel facilities.’

(iii) ‘(III) qualified cellulosic biomass-to-fuel facilities.’

(2) NATIONAL LIMITATION.—There is a national limitation on the amount of tax-exempt financing for such facilities.

(III) DESIRED AMOUNT.—For each reverse auction conducted under this clause, each eligible facility shall request a desired amount of performance incentive on a per gallon basis.

(IV) SELECTION OF FACILITIES.—The Secretary shall select facilities beginning with the facility that requests the lowest amount of performance incentive on a per gallon basis that is continuing until the funds available under subclause (II) for the reverse auction are committed.
(V) INCENTIVES RECEIVED.—A facility selected by the Secretary shall receive the amount of performance incentive requested by the facility in the auction for each gallon produced and sold by the facility during the first 6 years of operation.

(C) LIMITATIONS.—

(1) GENERAL.—In addition to the overall limitation established in paragraph (1)(A)(i), the value of incentives paid under this subsection for projects that are begun not later than 4 years after the date of establishment of the facility under this paragraph shall be limited to the lesser of—

(I) $0.75 per gallon; or

(II) $1,000,000 per million gallons of capacity; or

(III) 40 percent of the total capacity cost of the project.

(2) GRANT.—The Secretary shall establish a schedule of limitations that decrease throughout the period that begins on the date that is 4 years after the date of establishment of the program under this paragraph and ends on the date that is 10 years after the date of establishment of the program.

SEC. 154. NEAR-TERM VEHICLE TECHNOLOGY PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to enable and promote comprehensive development, demonstration, and commercialization of a wide range of electric drive components, systems, and vehicles;

(A) in partnership with industry; and

(B) for a wide range of electric drive components, systems, and vehicles in a wide range of applications using diverse electric drive transportation technologies;

(2) to make critical public investments in building strong links to private industry, institutions of higher education, and jobs in the United States;

(3) to take greater advantage of the existing electric infrastructure for transportation and other on-road and non-road mobile sources of emissions;

(A) that are reported to be over 3,000,000 units today, including electric forklifts, golf carts, and similar non-road vehicles; and

(B) because existing and emerging technologies that connect to the grid greatly enhance the energy security of the United States, reduce dependence on imported oil, and reduce emissions.

(4) to more quickly advance the widespread commercialization of all types of hybrid electric vehicle technology into all sizes and applications of vehicles leading to commercialization of plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and eventually to fuel cell vehicles and use of batteries and electric vehicles to provide services back to the grid; and

(5) to improve the energy efficiency of and reduce the petroleum use of transportation.

(b) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(1) high capacity, high efficiency lithium and nickel metal hybrid batteries for plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles;

(2) high efficiency on-board and off-board charging components;

(3) high power drive train systems for passenger and commercial vehicles and for non-road equipment;

(4) control system development and power train development and integration for plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and engine dominant hybrid electric vehicles, including—

(A) fuel-efficient cooling systems;

(B) analysis and development of control systems that minimize the emissions profile when clean diesel engines are part of a plug-in hybrid drive system;

(C) development of different control systems that optimize for different goals, including—

(i) battery life;

(ii) reduction of petroleum consumption; and

(iii) green house gas reduction; and

(iv) understanding consumer preference for many different vehicle systems;

(5) nanomaterial technology applied to both battery and fuel cell systems;

(6) large-scale demonstrations, testing, and evaluation of plug-in hybrid electric vehicles in different applications with different battery and fuel cell technologies, including—

(A) military applications;

(B) paratransit applications;

(C) mass market passenger and light-duty truck applications;

(D) private fleet applications; and

(E) medium- and heavy-duty applications;

(7) a nationalwide infrastructure strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for university educational programs and training;

(8) introduction strategies for plug-in hybrid electric vehicles and plug-in hybrid fuel cell vehicles, including—

(A) examining how best to link the technology to low carbon or renewable energy;

(B) an improved understanding of potential market penetration, driving patterns, charging behavior, and consumer acceptance and benefits; and

(C) working with the Administrator of the Environmental Protection Agency to develop procedures for testing and certification of criteria pollutants, fuel economy, and petroleum use for light-, medium- and heavy-duty vehicle applications, including considering—

(i) the vehicle and fuel as a system, not just an engine; and

(ii) nightly off-board charging; and

(9) advancement of battery and corded electric transportation technologies in mobile source applications including—

(A) improvement in battery, drive train, and control system technologies; and

(B) working with industry and the Administrator of the Environmental Protection Agency to—

(i) understand and inventory markets; and

(ii) identify and implement methods of removing barriers for existing and emerging applications.

(d) GOALS.—The goals of the electric drive transportation technology program established under subsection (c) shall be to develop partnerships with private industry, institutions of higher education, projects that focus on—

(1) innovative electric drive technology developed in the United States;

(2) growth of job opportunities for electric drive design and manufacturing;

(3) validation of the plug-in hybrid potential through fleet demonstrations; and

(4) enabling the fuel cell revolution by establishing a mature electric drive technology system that is an integral part of the fuel cell vehicle system.

(3) EFFECT OF STANDARDS AND REGULATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 155. TIRE EFFICIENCY PROGRAM.

(a) STANDARDS FOR Tires MANUFACTURED FOR INTERSTATE Commerce.—Section 38123 of title 49, United States Code, is amended—

(1) in subsection (b)—

(A) in the first sentence, by striking “The Secretary” and inserting the following: “A uniform quality grading system;”;

(B) in the second sentence, by striking “The Secretary” and inserting the following: “A tire standard;”;

(C) in the third sentence, by striking “A tire standard” and inserting the following: “(3) EFFECT OF STANDARDS AND REGULATIONS.—A tire standard;”;

(D) in paragraph (1), as designated by subparagraph (A), by adding at the end the following: “(b) INCLUSION.—The grading system shall include standards for rating the fuel efficiency of tires designed for use on passenger cars and light trucks;”;

and

(2) by adding at the end the following:

“(d) NATIONAL TIRE EFFICIENCY PROGRAM.—
“1. DEFINITION.—In this subsection, the term ‘fuel economy’, with respect to a tire, means the extent to which the tire contributes to the fuel economy of the motor vehicle for which it is mounted.

“2. PROGRAM.—The Secretary shall develop and carry out a national tire fuel efficiency program for tires designed for use on passenger cars and light trucks.

“3. REQUIREMENTS.—Not later than March 31, 2008, the Secretary shall implement:

(A) policies and procedures for testing and labeling fuel economy to enable tire buyers to make informed purchasing decisions about the fuel economy of tires;

(B) policies and procedures to promote the purchase and use of fuel-efficient replacement tires, including purchase incentives, website listings on the Internet, printed fuel economy guide booklets, and mandatory requirements for tire retailers to provide tire buyers with fuel-efficiency information on tires; and

(C) minimum fuel economy standards for tires, promulgated by the Secretary.

“4. MINIMUM FUEL ECONOMY STANDARDS.—In promulgating minimum fuel economy standards for tires, the Secretary shall design and promulgate standards that—

(A) ensure that the average fuel economy of replacement tires is equal to or better than the average fuel economy of tires sold as original equipment on vehicles;

(B) secure the maximum technically feasible and cost-effective fuel savings;

(C) do not otherwise affect safety;

(D) incorporate the results from—

(i) laboratory testing; and

(ii) to the extent available and applicable, on-road testing programs conducted with respect to new vehicles; and

(E) do not adversely affect efforts to manage scrap tires.

“5. APPLICABILITY.—The policies, procedures, and standards developed under paragraph (3) shall apply to all tire types and models regulated under the uniform tire quality grading standards in section 576.194 of title 49, Code of Federal Regulations (or a successor regulation).

“6. REVIEW.—(A) IN GENERAL.—Not less than once every 3 years, the Secretary shall—

(i) review the minimum fuel economy standards in effect for tires under this subsection;

(ii) subject to subparagraph (B), revise the standards as necessary to ensure compliance with standards under paragraph (4).

(B) LIMITATION.—The Secretary may not reduce the fuel economy standards applicable to replacement tires.

“7. NO PREEMPTION OF STATE LAW.—Nothing in this section preempts any provision of State law relating to higher fuel economy standards applicable to replacement tires designed for use on passenger cars and light trucks.

“8. EXCEPTIONS.—Nothing in this section shall apply to—

(A) a tire or group of tires with the same SKU, for which the volume of tires produced or imported is less than 15,000 annually;

(B) a deep tread, winter-type snow tire, space-saver, or temporary use spare tire;

(C) a tire with a normal rim diameter of 12 inches or less;

(D) a motorcycle tire; or

(E) a tire manufactured specifically for use in an off-road motorized recreational vehicle.

“9. TIME FOR IMPLEMENTATION.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the national tire fuel efficiency program established under this subsection in accordance with the policies, procedures, and standards developed under section 30123(d)(2) of such title.

“10. PROGRAM.—(A) IN GENERAL.—The term ‘program’ means the operation of a main drive engine in a vehicle.

(B) LONG DURATION IDLING.—The term ‘long duration idling’ means the operation of a heavy-duty motor vehicle for a period of more than 5 consecutive minutes when the main drive engine is not engaged in gear, except that such term does not include idling as a result of traffic congestion or other impediments to the movement of a heavy-duty vehicle.

“11. IDLING REDUCTION SYSTEM.—(A) IN GENERAL.—The Administrator of the Environmental Protection Agency shall prescribe regulations that ensure the maximum feasible and cost effective reductions in fuel consumption resulting from long duration idling of heavy-duty motor vehicles. The Administrator shall prescribe the regulations not less frequently than every 3 years and revise the regulations as necessary to ensure that the regulations reflect the maximum feasible and cost effective reductions in fuel consumption during long duration idling.

(B) AIR QUALITY.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall prescribe regulations to—

(i) consider whether a proposed standard will prevent degradation in air quality resulting from the use of idling reduction systems.

(ii) ensure that the standards are the maximum feasible and consistent with section 30124(a) of such title.

(C) COOPERATION.—The Secretary may advise, assist, and cooperate with departments, agencies, and instrumentalities of the United States Government, States, and other public agencies in developing fuel economy standards for heavy duty motor vehicles.

“12. EFFECTIVE DATES OF STANDARDS.—(A) IN GENERAL.—Notwithstanding section 30124(a), a State may—

(i) even in the absence of a Federal fuel economy standard, if such State has adopted the Federal fuel economy standard, ensure that long duration idling occurs at levels that are—

(I) not generally expected to cause degradation in air quality; and

(II) consistent with section 30124(a) of such title.

(B) COOPERATION—When prescribing a heavy duty motor vehicle fuel economy standard under this chapter, the Secretary shall—

(i) consider relevant available heavy duty motor vehicle fuel consumption information;

(ii) consider whether a proposed standard is reasonable, practicable, and appropriate for the particular type of heavy duty motor vehicle for which it is prescribed; and

(iii) consider the extent to which the standard will carry out section 33001.

“13. 5-YEAR PLAN FOR TESTING STANDARDS.—The Secretary shall establish, periodically review, and continually update a 5-year plan for testing heavy duty motor vehicle fuel economy standards prescribed under this chapter.

“14. FLEXIBLE FUEL VEHICLE STANDARDS

(a) DEFINITIONS.—In this section—

(1) ALTERNATIVE FUEL; ALTERNATIVE FUEL AUTOMOBILE.—The terms ‘alternative fuel’ and ‘alternative fuel automobile’ have the meanings given such terms in section 33001 of title 49, United States Code.

(2) ALTERNATIVE FUEL REFINING RETAIL OUTLET.—The term ‘alternative fuel refining retail outlet’ means a facility that—

(A) equipped to dispense alternative fuel into motor vehicles; and

(B) at which alternative fuel is sold or offered for sale to the general public for use in motor vehicles without the need to establish an account.

(b) CONFORMING AMENDMENT.—Section 30103(b)(1) of title 49, United States Code, is amended by striking ‘‘When’’ and inserting ‘‘Except as provided in section 30123(d), when’’.
(3) FLEXIBLE FUEL VEHICLES.—The term "flexible fuel vehicle" means an alternative fuel vehicle capable of operating using gasoline and one or more alternative fuels, including—

(A) ethanol and methanol in blends up to 85 percent alternative fuel by volume; and

(B) electricity from an external charging source sufficient to power the vehicle for at least 20 miles of driving.

(4) OWNER OR LESSOR.—The term "owner or lessor" means—

(A) a franchisor who owns, leases, or controls a retail gasoline outlet at which the franchisee is authorized or permitted, under the franchise agreement, to sell alternative fuel; or

(B) a refiner or distributor who owns, leases, or controls a retail gasoline outlet.

(b) INCREASING PERCENTAGE OF LIGHT DUTY VEHICLES THAT ARE ALTERNATIVE OR FLEXI-

BLE FUEL VEHICLES.—

(1) IN GENERAL.—Of the new light duty vehicles sold in the United States—

(A) not less than 10 percent manufactured for model year 2009 shall be alternative fuel automobiles or flexible fuel vehicles;

(B) not less than 20 percent manufactured for model year 2010 shall be alternative fuel automobiles or flexible fuel vehicles;

(C) not less than 35 percent manufactured for model year 2011 shall be alternative fuel automobiles or flexible fuel vehicles; and

(D) not less than 50 percent manufactured for model year 2012, and each year thereafter, shall be alternative fuel automobiles or flexible fuel vehicles.

(2) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation shall issue regulations to carry out the provisions of this subsection.

(c) ALTERNATIVE FUEL RETAIL OUTLETS.—

(1) REQUIREMENT.—Beginning in the year in which 10 percent or more of the registered vehicles in the United States are electrically or other alternative fuel vehicles, the Secretary shall develop and implement pilot projects the purpose of which is to reduce oil consumption, in both absolute and per capita terms; and

(2) PROJECTIONS.—Not later than July 1st of each year, the Secretary of Energy shall—

(A) identify the counties in which at least 10 percent of the registered vehicles are expected to be capable of using a designated alternative fuel, each owner or lessor of a retail gasoline outlet with 10 or more vehicle fuel pumps in that county shall offer such fuels or flexible fuel at not less than 10 percent of such pumps; and

(B) notify owners and lessors of alternative fuel pumped owned or controlled by the owner or lessor on request.

(d) PROJECTS.—Not later than 2 years after the date of enactment of this Act, the Secretary of Energy shall—

(A) develop a national evaluation pilot project to assess how offering alternative fuel vehicles at retail gasoline outlets will achieve; and

(B) notify owners and lessors of alternative fuel pumped owned or controlled by the owner or lessor on request.

(e) RULEMAKING.—The Secretary of Energy shall issue regulations to carry out the provisions of this subsection.

SEC. 159B. OIL SAVINGS TARGET AND ACTION PLAN.

(a) ON OR BEFORE.—Not later than 270 days after the date of enactment of this Act, the Director of the Office of Management and Budget (hereinafter referred to in this Act as the "Director") shall publish in the Federal Register an action plan consisting of—

(1) a list of requirements proposed pursuant to section 159C that are authorized to be issued under law in effect on the date of enactment of this Act, and the substance, that will be accomplished, to save the baseline determined under section 159F, at least—

(A) 1,000,000 barrels of oil per day during calendar year 2015; and

(B) 2,500,000 barrels per day during calendar year 2020; and

(2) a Federal Government-wide analysis that analyzes—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

(b) ADMINISTRATOR.—On or before the date of publication of the action plan under section 159B, the Secretary shall—

(1) publish in the Federal Register, at least—

(A) determinations concerning the rate of change of oil consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration—

(i) whether the methodology of the proposed action plan is consistent with the overall strategy and focus of the campaign; and

(ii) plans to purchase advertising time and space;

(c) AGENT AND PRACTICES IMPLEMENTED TO ENSURE THAT FEDERAL FUNDS ARE USED RESPONSIBLY TO PURCHASE ADVERTISING TIME AND SPACE AND ELIMINATE THE POTENTIAL FOR WASTE, FRAUD, AND ABUSE;

(d) CONTRACT WITH ENTITY.—The Administrator shall enter into one or more contracts, either individually or collectively with one or more nonprofit organizations for the funding, implementation, and management of the media campaign.

(e) USE OF FUNDS.—The Administrator shall—

(1) authorize the Secretary to allocate not less than—

(A) 5 percent for the purposes of advertising functions specified under this section; and

(B) 95 percent to the Department of Transportation for the purposes of advertising functions specified under this section.

(f) ADMINISTRATIVE COSTS.—Not later than 1 year after the date of enactment of this Act, the Administrator shall—

(1) issue regulations to carry out the provisions of this section.

(g) REPORTS.—Not later than 1 year after the date of enactment of this Act, the Secretary or the Administrator shall—

(1) be accompanied by a accountability and management expenses.

(h) LIMITATIONS.—In carrying out this section, the Administrator shall allocate not less than 85 percent of funds made available under subsection (c) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(i) REPORTS.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were achieved, including—

(i) determinations concerning the rate of change of oil consumption, in both absolute and per capita terms; and

(ii) an evaluation that enables consideration—

(A) whether the methodology of the proposed action plan is consistent with the overall strategy and focus of the campaign; and

(B) plans to purchase advertising time and space;

(2) practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(3) contracts or cooperative agreements entered into with a corporate relationship, or individual working on behalf of the national media campaign.

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2006 through 2016.

SEC. 159C. STANDARDS AND REQUIREMENTS.

(a) ON OR BEFORE.—On or before the date of publication of the action plan under section 159B, the Secretary shall—

(1) propose regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the Secretary; and

(2) propose regulations establishing each standard or other requirement listed in the action plan that is under the jurisdiction of the Administrator.

(b) SECRETARY OF TRANSPORTATION.—On or before the date of publication of the action plan under section 159B, the Secretary of Transportation shall—

(1) develop and implement a Federal Government-wide analysis that analyzes—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

(c) ADMINISTRATOR.—On or before the date of publication of the action plan under section 159B, the Administrator shall—

(1) develop and implement a Federal Government-wide analysis that analyzes—

(A) the expected oil savings from the baseline to be accomplished by each requirement; and

(B) whether all such requirements, taken together, will achieve the oil savings specified in this section.

(d) EFFECTIVE DATE.—Not later than 18 months after the date of enactment of this Act, the Administrator shall promulgate the final regulations described in subsections (a)(1), (b)(1), and (c), respectively.

(e) AGENCY ANALYSES.—Each proposed and final regulation promulgated under this section shall—

(1) be accompanied by an agency analysis of the oil savings from the baseline determined under section 159F that the regulation will achieve; and

(2) derive the oil savings required as a result of the regulation under the action plan published under section 159B.

SEC. 159D. INITIAL EVALUATION.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Director of the Office of Management and Budget (hereinafter referred to in this section as the "Director") shall publish in the Federal Register a Federal Government-wide analysis of
the oil savings achieved from the baseline established under section 159F.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section 159F, the Secretary, in promulgating standards and requirements, shall propose new or revised regulations under sections 159B and 159C, respectively, of section 159F, simultaneously with the analysis required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under sections 159B and 159C, respectively, of section 159F.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate the final versions of those regulations.

SEC. 159E. REVIEW AND UPDATE OF ACTION PLAN.

(a) REVIEW.—Not later than January 1, 2010, and every 3 years thereafter, the Director of the Office of Management and Budget (referred to in this section as the ‘‘Director’’) shall publish a report that—

(1) evaluates the progress achieved in implementing the oil savings targets established under section 159B;

(2) analyzes the expected oil savings under the standards and requirements established under this subtitle and the amendments made by this subtitle; and

(3) (A) analyzes the potential to achieve oil savings effort in addition to those required by section 159B; and

(B) if the President determines that it is in the national interest, establishes a higher oil savings target for calendar year 2011 or any subsequent calendar year.

(b) INADEQUATE OIL SAVINGS.—If the oil savings are less than the targets established under section 159B, simultaneously with the report required under subsection (a)—

(1) the Director shall publish a revised action plan that is adequate to achieve the targets; and

(2) the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsections (a), (b), and (c), respectively, of section 159C.

(c) FINAL REGULATIONS.—Not later than 180 days after the date on which regulations are proposed under subsection (b)(2), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall promulgate the final versions of those regulations.

SEC. 159F. BASELINE AND ANALYSIS REQUIREMENTS.

In performing the analyses and promulgating proposed or final regulations to establish standards and other requirements necessary to achieve the oil savings required by this section, the Director of the Office of Management and Budget, the Secretary of Energy, the Secretary of Transportation, and the Administrator shall—

(1) determine the oil savings projections as the projected reduction in oil consumption from the baseline established by the reference case contained in the report of the Energy Information Administration entitled ‘‘Annual Energy Outlook 2005’’;

(2) determine the oil savings projections required on an annual basis for each of calendar years 2007 through 2025; and

(3) account for any overlap among the standards and other requirements to ensure that the projected oil savings from all the promulgated standards and requirements, taken together, are as accurate as practicable.

SEC. 160. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) In GENERAL.—Section 7701 is amended by redesignating subsection (a) as subsection (p) and by inserting after subsection (n) the following new subsection:

‘‘(p) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE, ETC.—

‘‘(1) GENERAL RULES.—

‘‘(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

‘‘(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

‘‘(i) IN GENERAL.—A transaction has economic substance only if—

‘‘(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer’s economic position, and

‘‘(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

‘‘In applying subparagraph (B), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

‘‘(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a profit purpose if—

‘‘(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

‘‘(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

‘‘(B) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

‘‘(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

‘‘(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to which the relevant facts affecting the tax position of the borrowing, or an acquisition of financial capital. A public offering shall be treated as a capital. A public offering shall be treated as a

‘‘(B) ARTIFICIAL INCOME SHIFTING AND BASIS Transactions.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to which the relevant facts affecting the tax position of the borrowing, or an acquisition of financial capital, from a tax-indifferent party is in substance only if—

‘‘(i) it results in an allocation of income or gain to a tax indifferent party in excess of the amount of such benefit to which the origin of such financial accounting benefit is a reduction of income tax.

‘‘(ii) the transaction fails to meet the requirements of subparagraph (B)(ii).

‘‘(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

‘‘(A) ECONOMIC SUBSTANCE DOCTRINE.—The term ‘economic substance doctrine’ means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not respected if the transaction does not have economic substance or lacks a business purpose.

‘‘(B) TAX-INDIFFERENT PARTY.—The term ‘tax-indifferent party’ means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person’s liability under subtitle A.

‘‘(C) TREATMENT FOR FOREIGN TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

‘‘(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to a lessor of tangible property subject to a lease—

‘‘(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

‘‘(I) depreciation,

‘‘(II) any tax credit, or any other deduction as provided in guidance by the Secretary, and

‘‘(ii) clause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

‘‘(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirement of this subsection shall not be construed as creating additional or new exceptions to any other rule of law.

‘‘(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.

‘‘(6) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 552. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

‘‘(1) IMPOSITION OF PENALTY.—If a taxpayer has an economic substance transaction understatement for any taxable year, there shall be added to the tax an amount which equals 40 percent of the amount of such understatement.

‘‘(2) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by subtracting 30 percent for ‘‘40 percent with respect to the portion of any economic substance transaction understatement with respect to which the taxpayer is reflecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

‘‘(3) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

‘‘(I) IN GENERAL.—The term ‘‘noneconomic substance transaction understatement’’ means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

‘‘(2) NONECONOMIC SUBSTANCE TRANSACTION.—

‘‘(A) TREATMENT FOR ECONOMIC SUBSTANCE TRANSACTION means any transaction if—

‘‘(I) there is a lack of economic substance (within the meaning of section 7701(0)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(0)(2), or

‘‘(II) the transaction fails to meet the requirements of any similar rule of law.

‘‘(B) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

‘‘(I) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal
Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such a penalty imposed by this title.

"(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6677A(d) shall apply for purposes of paragraph (1).

(e) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(1) For coordination of penalty with understatements section 6662 and other special rules, section 6662B.

"(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6677A(e).

(f) Cross References.—(1) For a description of the section of the Internal Revenue Code with respect to which the requirement of section 6662B(c) have been met.

"(2) By striking subparagraph (C) and inserting " AND NONECONOMIC SUBSTANCES IN the heading thereof following "TRANSACTIONS".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act in taxable years ending after such date.

SA 959. Mr. ROCKEFELLER (for himself, Mr. BUNNING, and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy, which was ordered to lie on the table; as follows:

On page 35 (of title XV as agreed to), strike lines 1 through 16, and insert the following:

"(A) APPLICABILITY.—Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant may submit an application during the 5-year period beginning on the date the Secretary establishes the program under paragraph (1).

"(B) REQUIREMENTS FOR APPLICATIONS FOR CERTIFICATION.—An application under subparagraph (A) shall contain such information as the Secretary may require in order to make a determination to accept or reject an application for certification as meeting the requirements of subsection (e)(1). Any information contained in the application shall be protected as provided in section 552(b)(4) of title 5, United States Code.

"(C) TIME TO ACT UPON APPLICATIONS FOR CERTIFICATION.—The Secretary shall issue a determination as to whether an applicant has met the requirements of subsection (e)(1) within 60 days following the date of submittal of the application for certification.

"(D) TIME TO MEET CRITERIA FOR CERTIFICATION.—Each applicant for certification shall have 2 years from the date of acceptance by the Secretary of the application during which to provide to the Secretary evidence that the criteria set forth in subsection (e)(2) have been met.

"(E) PERIOD OF ISSUANCE.—An applicant which receives a certification shall have 5 years from the date of issuance of the certification to commence construction of the project, and if such project is not placed in service by that time period then the certification shall no longer be valid.

On page 36 (of title XV as agreed to), line 24, insert the following:

"(C) the project, consisting of one or more economic substances, and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from—
(A) hydroelectric facilities installed at existing dams subject to all applicable environmental laws and licensing and regulatory requirements that are placed in service on or before the date of enactment of this Act; or

(B) increased efficiency or addition of new capacity at a hydroelectric project in existence on the date of enactment of this Act.

SA 961. Mr. ALEXANDER (for himself, Mr. WARNER, Ms. LANDRIEU, Mr. MCCAIN, Mr. ALLEN, Mr. VOINOVICH, Mr. BROWNBACK, Mr. BURR, and Mr. BURWELL) submitted an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 697, between lines 6 and 7, insert the following:

SEC. 1270A. LOCAL CONTROL FOR SITING OF WINDMILLS.

(a) LOCAL NOTIFICATION.—Prior to the Federal Energy Regulatory Commission issuing to any wind turbine project its Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, the wind project shall complete its Local Notification Process.

(b) LOCAL NOTIFICATION PROCESS.—

(1) In this section, the term ‘LocaL Au‌thorities’ means the governing body, and the successor body, of the body, at the lowest level of government that possess authority under State law to carry out this Act.

(2) Applicant shall notify in writing the Local Authorities on the day of the filing of such Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission. Evidence of such notification shall be submitted to the Federal Energy Regulatory Commission.

(3) The Federal Energy Regulatory Commission shall notify in writing the Local Authorities within 10 days of the filing of such Market-Based Rate application or Federal Energy Regulatory Commission Form number 556 (or a successor form) at the Federal Energy Regulatory Commission. Evidence of such notification shall be submitted to the Federal Energy Regulatory Commission.

(4) The Federal Energy Regulatory Commission shall not issue to the project Market-Based Rate Authority, Exempt-Wholesale Generator Status, or Qualified Facility rate schedule and 30 days after the date on which the Federal Energy Regulatory Commission notifies the Local Authorities under paragraph (3).

(c) HIGHLY SCENIC AREA AND FEDERAL LAND.

(1)(A) A Highly Scenic Area is—

(i) any coastal wildlife refuge located in the State of Louisiana; or

(ii) any area in the State of Alaska.

(B) A Qualified Wind Project is any wind-turbine project that—

(i) is generating energy; or

(ii) within 20 miles of the boundaries of an area described in subparagraph (A), (B), (C), (D), or (F) of paragraph (3).

(C) A Qualified Wind Project—

(i) shall not be eligible for any Federal tax subsidy.

(ii) shall be the Department of the Interior.

(iii) shall be the Department of the Interior.

(iv) shall be the Department of the Interior.

(v) shall be the Department of the Interior.

(vi) shall be the Department of the Interior.

(vii) shall be the Department of the Interior.

(viii) shall be the Department of the Interior.

(ix) shall be the Department of the Interior.

(x) shall be the Department of the Interior.

(B) Highly Scenic Area

(iii) the Flint Hills National Wildlife Refuge; or

(iv) the Flint Hills National Wildlife Refuge; or

(v) the Flint Hills National Wildlife Refuge; or

(vi) the Flint Hills National Wildlife Refuge; or

(vii) the Flint Hills National Wildlife Refuge; or

(viii) the Flint Hills National Wildlife Refuge; or

(ix) shall be the Department of the Interior.

(x) shall be the Department of the Interior.

(xi) shall be the Department of the Interior.

(xii) shall be the Department of the Interior.

(xiii) shall be the Department of the Interior.

(xiv) shall be the Department of the Interior.

(xv) shall be the Department of the Interior.

(xvi) shall be the Department of the Interior.

(xvii) shall be the Department of the Interior.

(xviii) shall be the Department of the Interior.

(xix) shall be the Department of the Interior.

(xx) shall be the Department of the Interior.

(xxx) shall be the Department of the Interior.

(3) Prior to the Federal Energy Regulatory Commission issuing to a Qualified Wind Project its Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, an environmental impact statement shall be conducted and completed by the lead agency in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 3321 et seq.). If no lead agency is designated, the lead agency shall be the Department of the Interior.

(4) The environmental impact statement determination shall be issued within 12 months of the date of application.

(5) Such environmental impact statement review shall include a cumulative impacts analysis and any additional impacts and any cumulative or incremental mortality analysis of a Qualified Wind Project.

(6) A Qualified Wind Project shall not be eligible for any Federal tax subsidy.

(7) EFFECTIVE DATE.—

(1) This section shall expire 10 years after the date of enactment of this Act.

(8) Nothing in this section shall prevent or discourage environmental review of any wind projects or any Qualified Wind Project on a State or local level.

(e) EFFECT OF SECTION.—Nothing in this section shall apply to a project that, as of the date of enactment of this Act—

(1) is generated by any electric utility; or

(2) has been issued a permit by the Federal Energy Regulatory Commission.

SA 962. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 724, lines 12 and 13, insert before “in consultation with the Administrator of the Environmental Protection Agency” the following: “in consultation with the Secretary of the Interior”.

On page 726, line 6, insert “10” in place of “9”.

SA 963. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 7, line 14, after “Governor” strike “may” and insert “must have the consent of the Governor and State Legislature of all other states”.

On page 7, line 14, after “Governor” strike “may” and insert “must have the consent of the Governor and State Legislature of all other states as of January 1, 2005 in order to”.

SA 964. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 7, line 14, after “Governor” strike “may” and insert “must have the consent of the Governor and State Legislature of all other states as of January 1, 2005 in order to”.

SA 965. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

1. On page 14, strike Lines 4-6.

2. On page 14, strike lines 11-17.

SA 966. Mr. CORZINE submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

1. On page 14, strike Lines 4 through 17 and insert—

“all such funds, to states and to local political subdivisions, shall only be expendable for mitigation measures and environmental restoration projects, fully subject to NEPA review, that specifically repair the adverse impacts of onshore and offshore facilities and operations associated with offshore oil and gas leasing, exploration, and development activities”.

SA 968. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

At the appropriate place, insert the following:

SEC. 450. CREDIT FOR CAPTURING COALMINE GAS.

(a) General Rule.—For purposes of section 38, the coalmine gas capture credit for any taxable year is an amount equal to the product of—

(1) the credit amount, and

(2) the qualified coalmine gas captured which is attributable to the taxpayer.

(b) Credit Amount.—For purposes of this section, the credit amount is $30,517 per 1,000 cubic feet of qualified coalmine gas captured.

(c) Qualified Coalmine Gas Captured.—For purposes of this section—

(1) In General.—The term ‘qualified coalmine gas captured’ means any coalmine gas which is—

(A) captured or extracted by the taxpayer; or

(B) utilized as a fuel source by or on behalf of the taxpayer to an unrelated person during such period.
“(2) Special rule for advanced extraction.—In the case of coalmine gas which is captured in advance of coal mining operations, the credit under subsection (a) shall be allowed after the date the coal extraction occurs in the immediate area where the coalmine gas was removed.

“(3) Noncompliance with pollution laws.—This paragraph shall not apply to the capture or extraction of coalmine gas from coal mining operations with respect to any period in which such coal mining operations are not in compliance with applicable State and Federal pollution prevention, control, and permit requirements.

“(4) Definitions.—

“(A) Coalmine gas.—For purposes of this paragraph, the term ‘coalmine gas’ means any methane gas which is—

“(i) liberated during or as a result of domestic coal mining—operations, or

“(ii) extracted up to 10 years in advance of domestic coal mining operations as part of a specific plan to mine a coal—

deposit.”

(b) Credit treated as part of general business credit.—Section 38(b) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking “plus” at the end of paragraph (24), by striking the period at the end of paragraph (24) and inserting “,” plus”, and by striking the end of paragraph (24), by striking the period at the end of paragraph (24) and inserting “,” plus”, and by striking the end of paragraph (24) and inserting “,” plus”, and

“(25) the coalmine gas capture credit determined under section 45O.

“(c) Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code, as amended by this Act, is amended by inserting after section 45N the following:

“Sec. 450. Credit for capturing coalmine gas.”

(d) Effective date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 969. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

“SEC. 450. CREDIT FOR CAPTURING COALMINE GAS.

“(a) General rule.—For purposes of section 38, the coalmine gas capture credit for any taxable year is an amount equal to the product of—

“(1) the credit amount, and

“(2) the qualified credit coalmine gas captured which is attributable to the taxpayer.

“(b) Credit amount.—For purposes of this section, the credit amount is $0.517 per 1,000 cubic feet of qualified coalmine gas captured.

“(c) Qualified coalmine gas captured.—For purposes of this Act, the term ‘qualified coalmine gas captured’ means any coalmine gas which is—

“(1) captured or extracted by the taxpayer during the period—beginning after September 30, 2005, and ending before January 1, 2008; and

“(2) utilized as a fuel source or sold by or on behalf of the taxpayer—to an unrelated person during such period.

“(2) Special rule for advanced extraction.—In the case of coalmine gas which is captured in advance of coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine gas was removed.

“(3) Noncompliance with pollution laws.—This paragraph shall not apply to the capture or extraction of coalmine gas from coal mining operations with respect to any period in which such coal mining operations are not in compliance with applicable State and Federal pollution prevention, control, and permit requirements.

“(4) Definitions.—

“(A) Coalmine gas.—For purposes of this paragraph, the term ‘coalmine gas’ means any methane gas which is—

“(i) liberated during or as a result of domestic coal mining—operations, or

“(ii) extracted up to 10 years in advance of domestic coal mining operations as part of a specific plan to mine a coal—

deposit.”

(b) Credit treated as part of general business credit.—Section 38(b) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking “plus” at the end of paragraph (24), by striking the period at the end of paragraph (24) and inserting “,” plus”, and by striking the end of paragraph (24) and inserting “,” plus”, and

“(25) the coalmine gas capture credit determined under section 45O.

“(c) Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code, as amended by this Act, is amended by inserting after section 45N the following:

“Sec. 450. Credit for capturing coalmine gas.”

(d) Effective date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 970. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

“SEC. 450. CREDIT FOR CAPTURING COALMINE GAS.

“(a) General rule.—For purposes of section 38, the coalmine gas capture credit for any taxable year is an amount equal to the product of—

“(1) the credit amount, and

“(2) the qualified credit coalmine gas captured which is attributable to the taxpayer.

“(b) Credit amount.—For purposes of this section, the credit amount is $0.517 per 1,000 cubic feet of qualified coalmine gas captured.

“(c) Qualified coalmine gas captured.—For purposes of this Act, the term ‘qualified coalmine gas captured’ means any coalmine gas which is—

“(A) captured or extracted by the taxpayer during the period—beginning after September 30, 2005, and ending before January 1, 2008; and

“(B) utilized as a fuel source or sold by or on behalf of the taxpayer—to an unrelated person during such period.

“(2) Special rule for advanced extraction.—In the case of coalmine gas which is
captured in advance of coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine gas was removed.

“(3) Noncompliance with pollution laws.—This paragraph shall not apply to the capture or extraction of coalmine gas from coal mining operations with respect to any period in which such coal mining operations are not in compliance with applicable State and Federal pollution prevention, control, and permit requirements.

“(4) Definitions.—

“(A) Coalmine gas.—For purposes of this paragraph, the term ‘coalmine gas’ has any meaning ascribed to it in general.

“(B) Issued during or as a result of domestic coal mining—operations, or

“(C) Issued prior to, or lying seaward of, the coastline of, that State.

“(D) Surface mine gas.—The term ‘surface mine gas’ has any meaning ascribed to it in general.

“(E) crude oil.—The term ‘crude oil’ has any meaning ascribed to it in general.

“(F) natural gas.—The term ‘natural gas’ has any meaning ascribed to it in general.

“(G) liquefied natural gas.—The term ‘liquefied natural gas’ has any meaning ascribed to it in general.

“(H) coalmine gas.—For purposes of this paragraph, the term ‘coalmine gas’ means any coalmine gas that is

“(i) liberated during or as a result of domestic coal mining—operations, or

“(ii) extracted up to 10 years in advance of domestic coal mining—operations as part of a specific plan to mine a coal—allotment.

“(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking ‘‘plus’’ at the end of subsection (2)(F), and inserting ‘‘plus’’ at the end of section 45(b), and by adding at the end of the following paragraph 1:

“(2) For purposes of this paragraph, the term ‘coalmine gas credit capture determined under section 450’ means

“(3) Clerical Amendment.—The table of sections for part D of chapter 1 of subchapter V of the Code, as amended by this Act, is amended by inserting after section 45N the following:

“Sec. 450. Credit for capturing coalmine gas.

“(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 972. Mr. WARNER (for himself, Mr. ALEXANDER, and Mr. Voinovich) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 327, after line 21, add the following:

SEC. 290. GAS-ONLY LEASES; STATE REQUESTS TO EXAMINE ENERGY AREAS.

(a) GAS-ONLY LEASES.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) (as amended by section 332) is amended by adding at the end the following:

“(q) GAS-ONLY LEASES.—

“(1) General.—The Secretary may issue a lease under this section beginning in the 2007-2012 plan period that authorizes development and production only of gas and associated condensate in accordance with regulations issued under paragraph (2).

“(2) Regulations.—Not later than October 1, 2006, the Secretary shall issue regulations that, for purposes of this section—

“(A) define natural gas so that the definition—

“(i) includes carbon dioxide and other substances in a gaseous state at atmospheric pressure and a temperature of 60 degrees Fahrenheit;

“(ii) liquidizes that condense from natural gas in the process of being tend and processed, incineration, liquefaction, or compression prior to the point for measuring volume and quality of the production established by the Minerals Management Service; and

“(iii) natural gas liquefied for transportation; and

“(ii) excludes crude oil;

“(B) allow only gas-only leases shall contain the same rights and obligations established for oil and gas leases;

“(C) provide that, in reviewing the adequacy of bids for gas-only leases, the Minerals Management Service shall exclude the value of any crude oil estimated to be discovered within the boundaries of the leasing area;

“(D) provide for cancellation of a gas-only lease, with payment of the fair value of the lease rights canceled, if the Secretary determines that any natural gas discovered within the boundaries of the leasing area cannot be produced without causing an unacceptable waste of crude oil discovered in association with the natural gas; and

“(E) provide that, at the request and with the consent of the State adjacent to the lease area, as determined under section 18(b)(2)(B)(i), and with the consent of the lessee, an existing gas-only lease may be converted, without an increase in the rental or royalty rate and without further payment in the nature of a lease bonus, to a lease under subsection (b), in accordance with a process to be established by the Secretary, that requires—

“(i) consultation by the Secretary with the Governor of the State and the lessee with respect to the operating conditions of the lease, taking into consideration environmental resource conservation and recovery, economic factors, and other factors, as the Secretary determines; and

“(ii) compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

“(B) Effect of other laws.—Any Federal law (including regulations) that applies to an oil and gas lease on the Outer Continental Shelf shall apply to a gas-only lease issued under this subsection.

“(b) STATE REQUESTS TO EXAMINE ENERGY AREAS.—Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

“(1) Definitions.—In this subsection:

“(A) Lease.—The term ‘lease’ includes a gas-only lease under section 8(q).

“(B) Moratorium area.—The term ‘moratorium area’ means—

“(i) any area withdrawn from disposition by leasing by the memorandum entitled ‘Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition’ (34 Weekly Comp. Pres. Doc. 1111 (June 12, 1986)); and

“(ii) any area of the outer Continental Shelf as to which Congress has denied the use of appropriated funds or other means for preleasing, leasing, or related activities.

“(2) Resource Estimates.—

“(A) Requests.—At any time, the Governor of an affected State, acting on behalf of the Governor, may request the Secretary to provide a current estimate of proven and potential gas, or oil and gas, resources in any moratorium area (or any part of the moratorium area identified by the Governor) adjacent to, or lying seaward of the coastline of, that State.

“(B) Response of Secretary.—Not later than 45 days after the date on which the Governor submits a request under subparagraph (A), the Secretary shall provide—

“(i) a delineation of the lateral boundaries between the coastal States, in accordance with—

“(II) any principles of domestic and international law governing the delineation of lateral offshore boundaries between coastal States;

“(III) any principles of domestic and international law governing the delineation of lateral offshore boundaries between coastal States;

“(III) to the maximum extent practicable, existing lease boundaries and block lines

based on the official protraction diagrams of the Secretary;

“(ii) a current inventory of proven and potential gas, or oil and gas, resources in any moratorium area off the shore of a State, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor; and

“(iii) an explanation of the planning processes that could lead to the leasing, exploration, development, and production of the gas, or oil and gas, resources within the area identified.

“(3) Making certain areas available for leasing.—

“(A) In general.—On consideration of the information received from the Secretary, the Governor (acting on behalf of the State of the Governor) may submit to the Secretary a petition requesting that the Secretary make available for leasing any portion of a moratorium area off the coast of the State, in accordance with the lateral boundaries delineated under paragraph (2)(B)(i).

“(B) Action by Secretary.—Not later than 90 days after the date of receipt of a petition under subparagraph (A), the Secretary shall approve the petition or deny the petition if the Secretary determines that leasing in the affected area presents a significant likelihood of incidents associated with the development of resources that would cause serious harm or damage to the marine resources of the area or of an adjacent State.

“(C) Failure to Act.—If the Secretary fails to approve or deny a petition in accordance with subparagraph (B), the petition shall be considered to be approved as of the date that is 90 days after the date of receipt of the petition.

“(D) Treatment.—Notwithstanding any other provision of this section, not later than 180 days after the date on which a petition is approved, or considered to be approved, under subparagraph (B) (C), the Governor shall—

“(i) request that the petition of the Governor under subparagraph (A) as a proposed revision to a leasing program under this section; and

“(ii) except as provided in subparagraph (B), expedite the revision of the 5-year outer Continental Shelf oil and gas leasing program in effect as of that date to include any leases sale for any area covered by the petition.

“(E) Inclusion in subsequent plans.—

“(i) In general.—If there are fewer than 18 months remaining in the 5-year outer Continental Shelf oil and gas leasing program described in subparagraph (D)(ii), the Governor, without consultation with any State, may include the areas covered by the petition in lease sales under the 5-year outer Continental Shelf oil and gas leasing program.

“(ii) Environmental Assessment.—Before modifying a 5-Year Outer Continental Shelf Oil and Gas Leasing Program under clause (i), the Secretary shall complete an environmental assessment that requires an anticipated environmental effect of leasing in the area under the petition.

“(F) Spending limitations.—Any Federal spending limitation with respect to preleasing, leasing, or a related activity in an area made available for leasing under this paragraph shall terminate as of the date on which the petition of the Governor relating to the area is approved, or considered to be approved, under subparagraph (B) or (C).
"(G) COASTAL ZONE MANAGEMENT.—For purposes of title III of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), any activity relating to leasing and subsequent production on an area made available for leasing under this paragraph shall—

(i) if the leased area is located more than 20 miles offshore of an adjacent State (or the boundary of the area as delineated under paragraph (2)(B)), be considered by the Secretary of Commerce to be necessary to the interest of national security and be carried out notwithstanding the objection of a State to a consistency certification under that Act; or

(ii) if the leased area is located not greater than 20 miles offshore of an adjacent State, be subject to section 307(c) of that Act (16 U.S.C. 1456(c)).

(4) Revenuer Sharing.—If the Governor of a State requests the Secretary to allow gas, oil or natural gas, leasing in the moratorium area and the Secretary allows that leasing, the State shall, without further appropriation or action, receive 25 percent of any bonus bid paid for leasing rights in the area.

(B) Post Leasing Revenues.—In addition to the bonus bids proceeds from a sale of royalties taken in kind by the Secretary; and

(iii) any other revenues from a bidding system under section 8.

(C) Conservation Royalties.—After making distributions in accordance with subparagraphs (A) and (B), and in accordance with section 4(d) of the Secretary, in coordination with the Governor of a State, shall, without further appropriation or action, distribute a conservation royalty of 12.5 percent of Federal royalty revenues in an area leased under this section, not to exceed $1,250,000,000 for any year, to 1 or more of the following:

(i) The Coastal and Estuary Habitat Restoration Trust Fund.

(ii) the wildlife restoration fund established under section 3 of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b).

(iii) the Land and Water Conservation Fund to provide financial assistance to States under section 6 of that Act (16 U.S.C. 460I-8).

(5) Application.—This subsection shall not apply to—

(A) any area designated as a national marine sanctuary or a national wildlife refuge;

(B) the Lease Sale 18 planning area; and

(C) any area not included in the outer Continental Shelf.

(6) The Great Lakes, as defined in section 118a(3) of the Federal Water Pollution Control Act (33 U.S.C. 1286(a)(3));

(7) the eastern coast of the State of Florida; or

(B) Bristol Bay.

(c) great lakes oil and gas drilling ban.—no federal or state permit or lease shall be issued for new oil and gas slant, directional, or offshore drilling in or under 1 or more of the Great Lakes (as defined in section 118a(3) of the Federal Water Pollution Control Act (33 U.S.C. 1286(a)(3)));

SA 973. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 12, strike line 16 and insert the following:

"(5) PROHIBITION.—No exploration or production activities under this subsection may be carried out within 100 nautical miles of a national park, national seashore, national military park, national marine sanctuary, location listed on the National Register of Historic Places, or State park facility.

(6) Application.—This subsection shall not

SA 974. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

Beginning on page 11, strike line 3 and all that follows through page 12, line 15 and insert the following:

"(4) USE OF REVENUE.—If the Governor of a State requests the Secretary to allow gas, oil or natural gas, leasing in the moratorium area, and the Secretary allows that leasing, any additional revenue raised by the leasing shall be deposited in the general fund of the Treasury for purposes of deficit reduction.

SA 975. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 12, strike line 16 and insert the following:

"(5) PROHIBITION.—No exploration or production activities under this subsection may be carried out within 100 nautical miles of a military training area.

(6) Application.—This subsection shall not

SA 976. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

On page 12, strike line 16 and insert the following:

"(5) LIABILITY.—Any person that conducts exploration or production activities in accordance with a gas, or oil or natural gas, lease under this subsection shall be liable for any environmental or economic damages that result from those activities.

(6) Application.—This subsection shall not

SA 977. Mr. SNOWE submitted an amendment intended to be proposed to amendment SA 825 submitted by Mr. KERRY and intended to be proposed to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

(1) AUTHORITY TO PROVIDE DISASTER ASSISTANCE TO AQUACULTURE ENTERPRISES.—Section 16(b)(1) of the Small Business Act (15 U.S.C. 647(b)(1)) is amended—

(i) by striking “aquaculture,”; and

(ii) by inserting before the semicolon at the end of “other than aquaculture”.

SA 978. Mr. FRIST (for Mr. CONRAD (for himself, Mr. DURBIN, and Ms. STABENOW)) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 767, strike lines 6 through 15, and insert the following:

(1) facilities that—

(i) use the Fischer-Tropsch process;

(ii) use those streams to facilitate the production of ultra clean premium fuels through the Fischer-Tropsch process.

SA 979. Mr. FRIST (for Mr. HATCH (for himself and Mr. SALAZAR)) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

Beginning on page 290, strike line 6 and all that follows through page 290, line 20, and insert the following:

SEC. 346. OIL SHALE AND TAR SANDS.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States that—

(1) United States oil shale and tar sands are strategically important domestic resources that should be developed through methods that help reduce the growing dependence of the United States on politically unstable sources of foreign oil imports;

(2) the development of oil shale and tar sands for research and development, should be conducted in an economically feasible and environmentally sound manner, using practices that minimize impacts;

(3) development should occur at a deliberate pace, with an emphasis on sustainability, to benefit the United States while taking into account affected States and communities; and

(4) the Secretary of the Interior should work toward developing a commercial leasing program for oil shale and tar sands so that such a program can be implemented when production technologies are commercially viable.

(b) LEASING PROGRAM.—

(1) RESEARCH AND DEVELOPMENT.—

(A) IN GENERAL.—In accordance with section 21 of the Mineral Leasing Act (30 U.S.C. 221) and any other applicable law, except as provided in this section, not later than 1 year after the date of enactment of this Act, on land otherwise available for leasing, the Secretary of the Interior (hereafter referred to in this section as the “Secretary”) shall, for a period determined by the Secretary, make available for leasing such land as the Secretary considers to be necessary to conduct research and development with respect to innovative technologies for the recovery of shale oil from oil shale resources on public land.

(B) Application.—The Secretary may offer to lease the land to persons that submit an application for the lease, if the Secretary determines that there is no competitive interest in the land.

(C) Administration.—In carrying out this paragraph, the Secretary shall—

(i) provide for environmentally sound research and development of oil shale;

(ii) provide for an appropriate return to the public, as determined by the Secretary;

(iii) before carrying out any activity that would disturb the surface of the land for an adequate bond, surety, or other financial arrangement to ensure reclamation;
(iv) provide for a primary lease term of 10 years, after which the lease term may be extended if the Secretary determines that diligent research and development activities are occurring on the land leased; and
(v) require the owner or operator of a project under this subsection, within such period as the Secretary may determine—
(I) to undertake research and development activities;
(II) to develop an environmental protection plan; and
(III) to undertake diligent research and development activities;
(vi) ensure that leases under this section are not larger than necessary to conduct research and development activities under an application for a lease; and
(vii) provide for consultation with affected State and local governments; and
(viii) provide for such requirements as the Secretary determines to be in the public interest.
(2) COMMERCIAL LEASING.—Prior to conducting commercial leasing, the Secretary shall carry out—
(A) the programmatic environmental impact statement required under subsection (c); and
(B) the analysis required under subsection (d).
(3) MONIES RECEIVED.—Any moneys received from a leasing activity under this subsection shall be paid in accordance with section 5 of the Mineral Leasing Act (30 U.S.C. 191).
(c) PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT.—Not later than 18 months after the date of enactment of this Act, in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)), the Secretary shall complete a programmatic environmental impact statement that analyzes potential leasing for commercial development of oil shale resources on public land.
(d) ANALYSIS OF POTENTIAL LEASING PROGRAM.—
(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to Congress a report (including recommendations) analyzing a potential leasing program for the commercial development of oil shale on public land.
(2) INCLUSIONS.—The report under paragraph (1) shall include—
(A) an analysis of technologies and research and development programs for the production of oil and other materials from oil shale and tar sands in existence on the date on which the report is prepared;
(B) an analysis of—
(i) whether leases under the program should be issued on a competitive basis;
(ii) the term of the leases;
(iii) the maximum size of the leases;
(iv) the use and distribution of bonus bid lease payments;
(v) the royalty rate to be applied, including whether a sliding scale royalty rate should be used;
(vi) whether an opportunity should be provided to convert research and development leases into leases for commercial development, including the terms and conditions that should apply to the conversion;
(vii) the maximum number of leases and maximum acreage to be leased under the leasing program to an individual; and
(viii) any infrastructure required to support oil shale development in industry and commerce;
(C) an identification of events that should serve as a precursor to commercial leasing, including development of environmentally and commercially viable technologies, and the completion of land use planning and environmental reviews; and
(D) an analysis, developed in conjunction with the appropriate State water resource agencies, of the demand for, and availability of, water with respect to the development of oil shale and tar sands.
(3) PUBLIC PARTICIPATION.—In preparing the report under this subsection, the Secretary shall provide notice to, and solicit comment from—
(A) the public;
(B) representatives of local governments;
(C) representatives of industry; and
(D) other affected parties.
(4) PARTICIPATION BY CERTAIN STATES.—In preparing the report under this subsection, the Secretary shall provide notice to, and solicit comment from, the Governors of the States of Colorado, Utah, and Wyoming; and
(B) incorporate within the report submitted to Congress under paragraph (1) any response of the Secretary to those comments.
(e) OIL SHALE AND TAR SANDS TASK FORCE.—
(1) ESTABLISHMENT.—The Secretary of Energy, in cooperation with the Secretary of the Interior, shall establish an Oil Shale and Tar Sands Task Force to develop a program to coordinate and accelerate the commercial development of oil shale and tar sands in an integrated manner.
(2) COMPOSITION.—The Task Force shall consist of—
(A) the Secretary of Energy (or the designee of the Secretary of Energy);
(B) the Secretary of Defense (or the designee of the Secretary of Defense);
(C) the Secretary of the Interior (or the designee of the Secretary of the Interior);
(D) the Governors of the affected States; and
(E) representatives of local governments in affected areas.
(3) DEVELOPMENT OF A 5-YEAR PLAN.—
(A) IN GENERAL.—The Task Force shall formulate a 5-year plan to promote the development of oil shale and tar sands.
(B) COMPONENTS.—In formulating the plan, the Task Force shall—
(i) identify public actions that are required to stimulate prudent development of oil shale and tar sands;
(ii) analyze the costs and benefits of those actions;
(iii) make recommendations concerning specific actions that should be taken to stimulate prudent development of oil shale and tar sands, including economic, investment, tax, technology, research and development, infrastructure, environmental, education, and socio-economic actions; and
(iv) consult with representatives of industry and other stakeholders;
(v) provide notice and opportunity for public comment on the plan;
(vi) identify oil shale and tar sands technologies that—
(I) are ready for pilot plant and seminovels development; and
(II) have the probability of leading to advanced technology for first- or second-generation commercial production; and
(3) assess the availability of water from the Green River Formation to meet the potential needs of oil shale and tar sands development.
(4) NATIONAL PROGRAM OFFICE.—The Task Force shall analyze the recommendations regarding the need for a national program office to administer the plan.
(5) PARTNERSHIP.—The Task Force shall recom mend to the President a partnership with Alberta, Canada, for purposes of sharing information relating to the development and production of oil from tar sands.
(6) MINERAL LEASING ACT AMENDMENTS.—Section 21(a) of the Mineral Leasing Act (30 U.S.C. 152(a)) is amended—
(A) by designating the first, second, and third sentences as paragraphs (1), (2), and (3), respectively; and
(B) by designating paragraph (3) as designated by paragraph (1)—
(i) by striking “rate of 50 cents per acre” and inserting “rate of $2.00 per acre”;
(B) in the last proviso—
(i) by striking “That not more than one lease shall be granted under this section to any” and inserting “That no”; and
(ii) by striking “except that with respect to leases for” and inserting “shall acquire or hold more than 25,000 acres of oil shale leases in the United States. For”.
(c) COST-SHARED DEMONSTRATION TECHNOLOGIES.—
(1) IDENTIFICATION.—The Secretary of Energy shall identify technologies for the development of oil shale and tar sands that—
(A) are ready for demonstration at a commercially-representative scale; and
(B) have a high probability of leading to commercial production.
(2) ASSISTANCE.—For each technology identified under paragraph (1), the Secretary of Energy may provide—
(A) technical assistance; and
(B) assistance in meeting environmental and regulatory requirements; and
(C) cost-sharing assistance in accordance with section 1002.
(h) TECHNICAL ASSISTANCE.—
(1) IN GENERAL.—The Secretary of Energy may provide technical assistance for the purpose of overcoming technical challenges to the development of oil shale and tar sands technologies for application in the United States.
(2) ADMINISTRATION.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.
(1) NATIONAL OIL SHALE ASSESSMENT.—
(1) ASSESSMENT.—
(A) IN GENERAL.—The Secretary shall carry out a national assessment of oil shale resources for the purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B).
(B) GEOGRAPHIC AREAS.—The geographic areas referred to in subparagraph (A) are—
(i) the Green River Region of the States of Colorado, Utah, and Wyoming; and
(ii) the Devonian oil shales of the eastern United States; and
(iii) any remaining area in the central and western United States (including the State of Texas) that contains oil shale, as determined by the Secretary.
(2) USE OF STATE SURVEYS AND UNIVERSITIES.—In carrying out the assessment under paragraph (1), the Secretary may request assistance from any State-administered geological survey or university.
(3) STATE WATER RIGHTS.—Nothing in this section preempts or affects any State water law or interstate compact relating to water.
(k) AUTHORIZATION OF APPROPRIATIONS.—The Secretary is authorized to appropriate such sums as are necessary to carry out this section.
SA 980. Mr. FRIST (for Ms. STABENOW (for herself, Mr. BOXER, and Mr. DORGAN)) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

SEC. 10. STUDY OF BEST MANAGEMENT PRACTICES FOR ENERGY RESEARCH AND DEVELOPMENT PROGRAMS.

(a) In General.—The Secretary shall enter into an arrangement with the National Academy of Public Administration under which the Academy shall conduct a study to assess current management practices for research, development, and demonstration programs at the Department.

(b) Scope of the Study.—The study shall consider:

(1) management practices that act as barriers between the Office of Science and offices conducting mission-oriented research;

(2) the applicability of the management practices used by the Department of Defense Advanced Research Projects Agency to research programs at the Department;

(3) the advisability of creating an agency within the Department modeled after the Department of Defense Advanced Research Projects Agency;

(4) recommendations for management practices that could best encourage innovative research and efficiency at the Department; and

(5) any other relevant considerations.

(c) Report.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under this section.

SA 983. Mr. FRIST (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 131, line 20, insert ‘‘livestock methane.’’ after ‘‘landfill gas.’’

SA 984. Mr. FRIST (for Mr. CORNYN) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 317, after line 22, insert the following:

SEC. 9. LOW-VOLUME GAS RESERVOIR RESEARCH PROGRAM.

(a) Definitions of GIS.—In this section, the term ‘‘GIS’’ means geographic information systems technology that facilitates the organization and management of data with a geographic component.

(b) Program.—The Secretary shall establish a program of research, development, demonstration, and commercial application to maximize the productive capacity of marginal wells and reservoirs.

(c) Data Collection.—Under the program, the Secretary shall collect data on:

(1) the status and location of marginal wells and gas reservoirs;

(2) the production capacity of marginal wells and gas reservoirs;

(3) the location of low-pressure gathering facilities and pipelines; and

(4) the quantity of natural gas vented or flared in association with crude oil production.

(d) Analysis.—Under the program, the Secretary shall:

(1) estimate the remaining producible reserves based on variable pipeline pressures; and

(2) recommend measures that will enable the continued production of those resources.

(e) Study.—

(1) In General.—The Secretary may award a grant under this section to a State or States that contain significant numbers of marginal oil and natural gas wells to conduct an annual study of low-volume natural gas reservoirs.

(2) Organization with no GIS Capabilities.—If an organization receiving a grant under paragraph (1) does not have GIS capabilities, the organization shall contract with an institution of higher education with GIS capabilities.

(3) State Geologists.—The organization receiving a grant under paragraph (1) shall collaborate with each State geologist of each State being studied.

(f) Public Information.—The Secretary may use the data collected and analyzed under this section to create maps and literature to disseminate to States to promote conservation of natural gas reserves.

(g) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary to carry out this section—

(1) $1,500,000 for fiscal year 2006; and

(2) $450,000 for each of fiscal years 2007 and 2008.

SA 985. Mr. FRIST (for Mrs. HUTCHISON) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 767, between lines 21 and 22, insert the following:

(3) Petroleum Coke Gasification Projects.—The Secretary is encouraged to make loan guarantees under this title available for petroleum coke gasification projects.

SA 986. Mr. FRIST (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 6, to ensure jobs for our future with secure, affordable, and reliable energy; as follows:

On page 159, after line 23, add the following:

SEC. 609. RURAL AND REMOTE COMMUNITY ELECTRIFICATION GRANTS.

The Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.) is amended in title VI by adding at the end the following:

‘‘(a) Definitions.—In this section:

(1) the term ‘‘eligible grantee’’ means a local government or municipality, peoples’ utility district, irrigation district, and cooperative, nonprofit, or limited-dividend association in a rural area;

(2) the term ‘‘incremental hydropower’’ means additional generation achieved from increased efficiency after January 1, 2005, at a hydroelectric dam that was placed in service before January 1, 2005;

(3) the term ‘‘renewable energy’’ means electricity generated from—

(A) a renewable energy source; or

(B) hydrogen, other than hydrogen produced from a fossil fuel, that is produced from a renewable energy source;

(4) the term ‘‘renewable energy source’’ means—

(A) wind;

(B) ocean waves;

(C) biomass;

(D) solar;

(E) landfill gas;

(F) incremental hydropower;

(G) livestock methane; or

(H) geothermal energy.

(5) the term ‘‘rural area’’ means a city, town, or unincorporated area that has a population of not more than 10,000 inhabitants;

(6) the Secretary, in consultation with the Secretary of Agriculture and the Secretary of the Interior, may provide grants under this section to eligible grantees for the purpose of—

(1) increasing energy efficiency, siting or upgrading transmission and distribution lines serving rural areas; or

(2) providing or modernizing electric generation facilities that serve rural areas;

(c) Grant Administration.—(1) The Secretary shall make grants under this section based on a determination of cost-effectiveness and the most effective use of the funds to achieve the purposes described in paragraphs (1) and (2) of this section.

(2) In each fiscal year, the Secretary shall allocate grant funds under this section equally between the purposes described in paragraphs (1) and (2) of this section.
shall give preference to renewable energy fa-
cilities.

'(d) AUTHORIZATION OF APPROPRIATIONS.—
There is authorized to be appropriated to the
Secretary to carry out this section $320,000,000
for each of fiscal years 2008 through 2012.’.”

SA 987. Mr. FRIST (for Mr. ALEX-
ANDER) proposed an amendment to the bill
H.R. 6, to ensure jobs for our future
with secure, affordable, and reliable en-
ergy; as follows:

On page 758, after line 25, add the fol-
lowing:

SEC. 13. PASSIVE SOLAR TECHNOLOGIES.
(a) DEFINITION OF PASSIVE SOLAR TECH-
NOLOGY.—In this section, the term “passive
solar technology” means a passive solar
technology, including daylighting, that—
(1) is used exclusively to avoid electricity
use; and
(2) can be metered to determine energy
savings.
(b) STUDY.—The Secretary shall conduct a
study to determine—
(1) the range of levelized costs of avoided
electricity for solar technologies;
(2) the quantity of electricity displaced using
passive solar technologies in the United
States as of the date of enactment of this
Act; and
(3) the projected energy savings from pas-
sive solar technologies in 5, 10, 15, 20, and
25 years after the date of enactment of this Act.
If—
(A) incentives comparable to the incen-
tives provided for electricity generation
systems were provided for passive solar
systems;
(B) no new incentives for passive solar
systems were provided,
(c) the Secretary submits a report to
Congress that describes the results of the study
under subsection (b).

SA 988. Mr. FRIST (for Mr. HARKIN)
proposed an amendment to the bill
H.R. 6, to ensure jobs for our future
with secure, affordable, and reliable en-
ergy; as follows:

On page 488, between lines 20 and 21, insert
the following:

SEC. 9. HYDROGEN INTERMEDIATE FUELS
RESEARCH, DEVELOPMENT, AND DEMO-
NSTRATION ACT OF 2005.
(a) IN GENERAL.—The Secretary, in coordi-
nation with the Secretary of Agriculture,
shall carry out a 3-year program of research,
development, and demonstration on the use of
ethanol and other low-cost transportable
renewable feedstocks as intermediate fuels for
the safe, energy efficient, and cost-effective
conversion and transportation of hydrogen.
(b) GOALS.—The goals of the program shall
include—
(1) demonstrating the cost-effective con-
version of ethanol or other low-cost transpor-
table renewable feedstocks to pure hydrogen
suitable for eventual use in fuel cells;
(2) using existing commercial reforming
technology or modest modifications of existing
technology to reform ethanol or other
low-cost transportable renewable feedstocks
into hydrogen;
(3) converting at least 1 commercially
available internal combustion engine hybrid
electric passenger vehicle to operate on hy-
drogen;
(4) not later than 1 year after the date on
which the program begins, installing and op-
erating an ethanol reformer, or reformer for
another low-cost transportable renewable feed-
stock (including lignin, hydrogen com-
pression, storage, and dispensing), at the fa-
cilities of a fleet operator;

(5) operating the 1 or more vehicles de-
scribed in paragraph (3) for a period of at
least 2 years; and
(6) collecting emissions and fuel economy
data on the 1 or more vehicles described in
paragraph (3) in various operating and envi-
ronmental conditions.
(c) AUTHORIZATION OF APPROPRIATIONS.—
There is authorized to be appropriated to carry
out this section $5,000,000.00.

SA 989. Mr. FRIST (for Mr. DOMENICI)
proposed an amendment to the bill
H.R. 6, to ensure jobs for our future
with secure, affordable, and reliable en-
ergy; as follows:

On page 11, between lines 10 and 11, insert
the following:

(O) Savannah River National Laboratory.
On page 11, line 11, strike “(O)” and insert
“(P)”.
On page 11, line 12, strike “(P)” and insert
“(Q)”.
Beginning on page 47, strike line 11 and all
that follows through page 49, line 4, and in-
sert the following:

SEC. 127. STATE BUILDING ENERGY EFFICIENCY
STANDARDS.
Section 306(e) of the Energy Conservation
and Production Act (42 U.S.C. 6833(e)) is
amended—
(1) in paragraph (1), by inserting before
the period at the end of the first sentence the
following: “—including increasing and
verifying compliance with such codes”; and
(2) by striking paragraph (2) and inserting
the following:
“(2) Additional funding shall be provided
under this subsection for implementation of
a plan to achieve and document at least a 90
percent rate of compliance with residential
and commercial building energy efficiency
codes, based on energy performance—
(A) to a State that has adopted and is im-
plementing, on a statewide basis—
(i) a residential building energy efficiency
code that meets or exceeds the requirements
of the 2001 International Energy Conserva-
tion Code, or any succeeding version of that
code that has received an affirmative deter-
mination from the Secretary under sub-
section (a)(5)(A); and
(ii) a commercial building energy effi-
ciency code that meets or exceeds the
requirements of the ASHRAE Standard 90.1
—1999, or any succeeding version of that
standard that has received an affirmative deter-
mination from the Secretary under sub-
section (b)(2)(A); or
(B) in a State in which there is no state-
wide energy code either for residential
buildings or for commercial buildings, to a
local government that has adopted and is im-
plementing residential and commercial building
energy efficiency codes, as described in sub-
paragraph (A),
“(3) Of the amounts made available under
this subsection, the Secretary may use
$500,000 for each fiscal year to train State
and local officials to implement codes de-
scribed in paragraphs (1) and (2); and
“(4)(A) There are authorized to be approp-
riated to carry out this subsection—
(i) $25,000,000 for each of fiscal years 2006
through 2010;
(ii) such sums as are necessary for fiscal
year 2011 and each fiscal year thereafter.
(B) Funding provided to States under paragraph
(2) for such fiscal year shall not exceed ½ of the amount of funding under this
section for $500,000 for the fiscal year.”.
On page 76, lines 9 and 10, strike “January 1,
2006” and insert “January 1, 2007”.
On page 234, strike lines 23 through 25, and
insert the following:
“(i) $25,000,000 for each of fiscal years 2006
and 2007; and
(ii) $25,000,000 for each of fiscal years 2008
through 2010.
On page 321, line 18, insert “by the Com-
mittee” after “request”. On page 333, strike lines 19 through 24 and insert the following:

SEC. 347. FINGER LAKES WITHDRAWAL.
All Federal land within the boundary of
Finger Lakes National Forest in the State of
New York is withdrawn from
—
(1) all forms of entry, appropriation, or dis-
position under the public land laws; and
(2) disposition under all laws relating to oil
and gas leasing.
On page 11, line 11, strike “(A)” and insert
“(C)”.

SEC. 348. FINGER LAKES WITHDRAWAL.
The area of the Finger Lakes National Forest
in the State of New York is withdrawn from
—
(1) entry, appropriation, disposition under the
public land laws; and
(2) disposition under all laws relating to oil
and gas leasing.
On page 488, strike lines 5 through 9 and in-
sert the following:

(a) DEFINITION OF LIGNOCELLULOSIC FEED-
STOCK.—In this section, the term “lignocellulosic
feedstock” means any portion of a plant or coproduct from conversion,
including crops, trees, and agricultural and forest residues not specifically
grown for food.

On page 489, line 3, strike “cellulosic feed-
stocks” and insert “lignocellulosic feed-
stocks”.
On page 489, lines 11 and 12, strike “cel-
losic feedstocks” and insert “lignocellulosic feed-
stocks”.
On page 503, strike lines 22 through 24.
On page 504, line 1, strike “(2)” and insert
“(1)”.
On page 504, strike lines 4 through 7 and in-
sert the following:

(2) For activities under section 955—
(A) $357,000,000 for fiscal year 2006; and
(B) $364,000,000 for fiscal year 2007; and
(C) $394,000,000 for fiscal year 2008.

(3) For activities under section 956—
(A) $20,000,000 for fiscal year 2006;
(B) $25,000,000 for fiscal year 2007; and
(C) $30,000,000 for fiscal year 2008.

On page 504, line 24, strike “(b)(2)” and insert “(b)(1)”.

Beginning on page 505, strike lines 17 and all that follows through page 506, line 2.

On page 506, line 3, strike “(o)” and insert “(b)”. On page 506, line 11, strike “(d)” and insert “(c)”.

Beginning on page 519, strike line 9 and all that follows through page 523, line 6, and insert the following:

SEC. 956. COAL AND RELATED TECHNOLOGIES PROGRAM.

(a) In General.—In addition to the programs authorized under title IV, the Secretary shall conduct a program of technology research, development, and demonstration and commercial application for coal and power systems, including programs to facilitate production and generation of coal-based power through—

(1) innovations for existing plants (including mercury removal);

(2) gasification systems;

(3) advanced combustion systems;

(4) turbines for synthesis gas derived from coal;

(5) carbon capture and sequestration research and development;

(6) coal-derived chemicals and transport fuels;

(7) liquid fuels derived from low rank coal water;

(8) solid fuels and feedstocks;

(9) advanced coal-related research;

(10) advanced separation technologies; and

(11) fuel cells for the operation of synthesis gas derived from coal.

(b) Cost and Performance Goals.—

(1) In General.—In carrying out programs authorized by this section, the Secretary shall identify cost and performance goals for coal-based technologies that would permit the continued cost-competitive use of coal for the production of electricity, chemical feedstocks, and transportation fuels in 2008, 2010, 2012, and 2016, and each calendar year beginning after September 30, 2021.

(2) Administration.—In establishing the cost and performance goals, the Secretary shall—

(A) consider activities and studies undertaken by any entity in the private sector, through regional carbon sequestration partnerships.

(B) consult with interested entities, including—

(1) coal producers;

(2) industries using coal;

(3) organizations that promote coal and advanced coal technologies;

(4) environmental organizations;

(5) organizations representing workers; and

(6) organizations representing consumers;

(C) not later than 120 days after the date of enactment of this Act, publish in the Federal Register the cost and performance goals for public comments; and

(D) not later than 180 days after the date of enactment of this Act and every 4 years thereafter, submit to Congress a report describing the final cost and performance goals for the technologies that includes—

(i) a list of technical milestones; and

(ii) of how programs authorized in this section will not duplicate the activities authorized under the Clean Coal Power Initiative authorized under title IV.

(3) Powder River Basin and Fort Union Lignite Coal Mercury Removal.—

(1) In General.—In addition to the programs authorized by subsection (a), the Secretary may establish a program to test and develop technologies to control and remove mercury emissions from subbituminous coals examined in the Powder River Basin, and Fort Union lignite coals, that are used for the generation of electricity.

(2) Mercury Removal Technology.—In carrying out the program under paragraph (1), the Secretary shall examine the efficacy of mercury removal technologies on coals described in paragraph (d) that are blended with other types of coal.

SEC. 956. CARBON CAPTURE RESEARCH AND DEVELOPMENT PROGRAM.

(a) In General.—The Secretary shall carry out a 10-year carbon capture research and development program to develop carbon dioxide capture technologies on combustion-based systems for use—

(1) in new coal utilization facilities; and

(2) on the fleet of coal-based units in existence on the date of enactment of this Act.

(b) Objectives.—The objectives of the program under subsection (a) shall be—

(1) to develop carbon dioxide capture technologies, including adsorption and absorption technologies and chemical processes to remove the carbon dioxide from gas streams containing carbon dioxide potentially amenable to sequestration;

(2) to develop technologies that would directly produce concentrated streams of carbon dioxide potentially amenable to sequestration;

(3) to increase the efficiency of the overall system to reduce the quantity of carbon dioxide emissions released from the system per megawatt generated; and

(4) in accordance with the carbon dioxide capture program, to promote a robust carbon sequestration program and continue the work of the Department, in conjunction with the private sector, through regional carbon sequestration partnerships.

On page 522, between lines 8 and 9, insert the following:

(d) Fuel Cells.—

(1) In General.—The Secretary shall conduct a program of research, development, demonstration, and commercial application on fuel cells for low-cost, high-efficiency, fuel-flexible, modular power systems.

(2) Demonstrations.—The demonstrations referred to in paragraph (1) shall include real-world demonstrations for commercial, residential, and transportation applications, and distributed generation systems, using improved manufacturing production and processes.

On page 558, beginning on line 22, strike “the Senate” and all that follows through “and Commerce” on line 23 and insert “and the Committee on Energy and Commerce and the Committee on International Relations.”

On page 595, between lines 4 and 5, insert the following:

(2) Report on Trends.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on current trends under paragraph (1), with recommendations (as appropriate) to meet the future labor requirements for the energy technology industries.

On page 595, line 5, strike “(2) Report” and insert the following:

(3) Report on Shortages and As—

On page 596, line 22 and all that follows through page 597, line 20, and insert the following:

SEC. 1105. EDUCATIONAL PROGRAMS IN SCIENCE AND MATHEMATICS.

(a) Science Education Enhancement Fund.—Section 3164 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381a) is amended by adding at the end:

“(c) Science Education Enhancement Fund.—The Secretary shall use not less than 0.2 percent of the amount made available to the Department for fiscal year 2006 and each fiscal year thereafter to carry out activities authorized by this subsection.

(b) Authorized Education Activities.—Section 3165 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381b) is amended by adding at the end the following:

“(14) Support competitive events for students under the supervision of teachers, designed to encourage critical thinking and knowledge in science and mathematics.

“(15) Support competitively-awarded, peer-reviewed programs to promote professional development for mathematics teachers and science teachers who teach in grades from kindergarten through grade 12 at Department research and development facilities.

“(16) Support summer internships at Department research and development facilities, for mathematics teachers and science teachers who teach in grades from kindergarten through grade 12.

“(17) Sponsor and assist in educational and training activities identified as critical skills needs for future workforce development at Department research and development facilities.”.

(c) Educational Partnerships.—Section 3166(b) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381c(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) by the Department of Commerce and the Committee on International Relations.

(2) INCLUSION.

(1) In General.—The Secretary shall enter into an arrangement with the National Academy of Public Administration to conduct a study of the priorities, quality, local and regional flexibility, and plans for educational programs at Department research and development facilities.

(2) Definition of Department Research and Development Facilities.—Section 3167(3) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381d(3)) is amended by striking “from the Office of Science of the Department of Energy” and inserting “by the Department of Energy.”

(d) Study.—

(1) In General.—The Secretary shall enter into an arrangement with the National Academy of Public Administration to conduct a study of the priorities, quality, local and regional flexibility, and plans for educational programs at Department research and development facilities.

(2) Inclusion.—The study shall recommend measures that the Secretary may take to improve Department-wide coordination of educational, workforce development, and critical skills development activities.

(3) Report.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted under this subsection.

On page 755, after line 25, add the following:

“The Secretary shall use not less than 0.2 percent of the amount made available to the Department for fiscal year 2006 and each fiscal year thereafter to carry out activities authorized by this subsection.

On page 599, line 15, insert “(as amended by section 115(a))” after “7381a)”.

On page 599, line 17, strike “(c)” and insert “(d)”.

On page 686, line 3, insert “by the Commission” after “request.”

On page 755, after line 25, add the following:
SEC. 12. STUDY OF LINK BETWEEN ENERGY SECURITY AND INCREASES IN VEHICLE MILES TRAVELED.

(a) In General.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the Academy shall conduct a study to assess the implications on energy use and efficiency of land development patterns in the United States.

(b) Scope.—The study shall consider—

(1) the correlation, if any, between land development patterns and increases in vehicle miles traveled;

(2) whether petroleum use in the transportation sector can be reduced through changes in the design of development patterns;

(3) the potential benefits of—

(A) information and education programs for State and local officials (including planning officials) on the potential for energy savings through planning, design, development, and infrastructure decisions;

(B) incorporation of location efficiency models in transportation infrastructure planning and investments; and

(C) transportation policies and strategies to help transportation planners manage the demand for the number and length of vehicle trips, including trips that increase the viability of nonmotorized travel; and

(4) such other considerations relating to the study topic as the National Academy of Sciences finds appropriate.

(c) Submission.—Not later than 2 years after the date of enactment of this Act, the National Academy of Sciences shall submit to the Secretary and Congress a report on the study conducted under this section.

SEC. 13. STUDY OF AVAILABILITY OF SKILLED WORKERS.

(a) In General.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the National Academy of Sciences shall conduct a study of the short-term and long-term availability of skilled labor at both entry level and more senior levels; and

(b) Inclusions.—The study shall include an analysis of—

(1) the need for and availability of workers for the oil, gas, and mineral industries;

(2) the availability of skilled labor at both entry level and more senior levels; and

(3) recommendations for future actions needed to meet future labor requirements.

(c) Authorization.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the results of the study.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources on Tuesday, July 19, at 10 a.m. in Room SD-336 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of the oversight hearing is to receive testimony regarding the effects of the U.S. nuclear testing program on the Marshall Islands.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, D.C. 20510-6150.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. INHOFE. Mr. President, I ask unanimous consent that the committee on Agriculture, Nutrition and Forestry be authorized to conduct a hearing during the session of the Senate on Wednesday, June 22, 2005 at 10 a.m. in SR-328A, Russell Senate Office Building. The purpose of this hearing will be to consider the nomination of Dr. Richard A. Raymond to be Under Secretary for food safety at the United States Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. INHOFE. Mr. President, I ask unanimous consent that the committee on Agriculture, Nutrition and Forestry be authorized to conduct a hearing during the session of the Senate on Wednesday, June 22, 2005 at 9:30 a.m. to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. INHOFE. Mr. President, I ask unanimous consent that the committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, June 22, 2005 at 10 a.m. to hold a business meeting to consider pending committee business.

AGENDA

LEGISLATION

S. 662, Postal Accountability Enhancement Act; S. 457, Purchase Card Waste Elimination Act; S. 611, Emergency Medications for Veterans Act; S. 37, a bill to extend the special postage stamp for breast cancer research for two years.

POST OFFICE NAMING BILLS

H.R. 1460, a bill to designate the facility of the U.S. Postal Service located at 1280 Rolling Road in Springfield, VA, as the “Captain Mark Stubenhofer Post Office Building”.

S. 590/H.R. 1236, a bill to designate the facility of the U.S. Postal Service located at 750 4th Street in Sparks, NV, as the “Iron Tony Armstrong Memorial Post Office”.

S. 571, a bill to designate the facility of the U.S. Postal Service located at 1915 Fulton Street in Brooklyn, NY, as the “Congresswoman Shirley A. Chisholm Post Office Building”.

S. 892/H.R. 324, a bill to designate the facility of the U.S. Postal Service located at 321 Montgomery Road in Altamonte Springs, FL, as the “Arthur Stacey Mastrapa Post Office Building”.

S. 867/H.R. 289, a bill to designate the facility of the U.S. Postal Service located at 8200 South Vermont Avenue in Los Angeles, CA, as the “Sergeant First Class John Marshall Post Office Building”.

S. 1207/H.R. 120, a bill to designate the facility of the U.S. Postal Service located at 20777 Pascho California Road in Temecula, CA, as the “Dalip Singh Saund Post Office Building”.

S. 775, a bill to designate the facility of the U.S. Postal Service located at 123 West 7th Street in Holdenville, OK, as the “Judge Emilio Vargas Post Office Building”.

S. 1004, a bill to designate the facility of the U.S. Postal Service located at 4960 West Washington Boulevard in Los Angeles, CA, as the “Ray Charles John Marshall Post Office Building”.

S. 1001, a bill to designate the facility of the U.S. Postal Service located at 301 South Heatherwilde Boulevard in Pflugerville, TX, as the “Sergeant Byron W. Norwood Post Office Building”.

H.R. 1072, a bill to designate the facility of the U.S. Postal Service located at 151 West End Street in Goliad, TX, as the “Judge Emilio Vargas Post Office Building”.

H.R. 1542, a bill to designate the facility of the U.S. Postal Service located at 675 Pleasant Street in New Bedford, MA, as the “Honorable Judge George N. Leighton Post Office Building”.

H.R. 1082, a bill to designate the facility of the U.S. Postal Service located at 120 East Illinois Avenue in Vinita, OK, as the “Francis C. Goodpasture Post Office Building”.

H.R. 1524, a bill to designate the facility of the U.S. Postal Service at 12433 Antioch Road in Overland Park, KS, as the “Ed Ellert Post Office Building”.

H.R. 627, a bill to designate the facility of the U.S. Postal Service located at 40 Putnam Avenue in Hamden, CT, as the “Linda White-Epps Post Office”.

H.R. 2326, a bill to designate the facility of the U.S. Postal Service located at 614 West Old Country Road in Belhaven, NC, as the “Floyd Lupton Post Office”.

NOMINATIONS

Linda M. Combs to be Controller, Office of Federal Financial Management, Office of Management and Budget.

Linda M. Springer to be Director, Office of Personnel Management.

Laura A. Cordero to be Associate Judge, Superior Court of the District of Columbia.

Noel Anketell Kramer to be Associate Judge, District of Columbia Court of Appeals.