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. Ms. L ANDRIEU, Mr. M CCAIN, Mr. B UNNING, and Mr. B YRD) submitted an amendment intended to be proposed by them to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 949. 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 950. 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 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. BAYH, and Mr. M. SALAZAR) submitted an amendment intended to be proposed by them to the bill H.R. 6, supra; which was ordered to lie on the table.

SA 960. 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 961. 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 962. 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 963. 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 964. 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 965. 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 966. 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 967. 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 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. A LEXANDER, 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 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 or owned by a State natural gas system of a project to import 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 an 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.”

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 Mr. KENNY and intended to be proposed by him 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, Mrs. 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 Mr. HARKIN) proposed an amendment to the bill H.R. 6, supra.

SA 991. Mr. FRIST (for Mr. DOMENICI) proposed an amendment to the bill H.R. 6, supra.

SA 992. Mr. FRIST (for Mr. DOMENICI) proposed an amendment to the bill H.R. 6, supra.

SA 993. Mr. FRIST (for Mr. DOMENICI) proposed an amendment to the bill H.R. 6, supra.
(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 from 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) determine the potential economic and tourism impacts of protecting State maritime heritage resources;

(C) recommend management alternatives that support effective and 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) determine in which areas in which to link appropriate national parks, State parks, waterways, monuments, parks, 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 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. 1501. TREATMENT OF ELECTRONIC WASTE AS A QUALIFIED RECYCLABLE MATERIAL FOR THE PURPOSES OF THE RECYCLABLE EQUIPMENT CREDIT.

(a) IN GENERAL.—Section 43M(c)(2) of the Internal Revenue Code of 1986 (relating to credits for recycling 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 panel, screen size 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 PARTICIPATE IN A 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, with major 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’’);

(12) the Convention sets 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;

(13) the Convention establishes that parties bear common but differentiated responsibilities for efforts to achieve the objective of stabilization of greenhouse gas concentrations;

(14) the Kyoto Protocol was entered into force on February 16, 2005, but the United States is not, nor is likely to be, a party to the Protocol;

(15) the parties to the Kyoto Protocol will begin discussion in 2005 in regard to possible future agreements;

(16) an effective global effort to address climate change must provide for commitments by all countries that are major emitters of greenhouse gases, whether developed or developing, and the widely varying circumstances among the developed and developing countries may require that such commitments and action vary; and

(17) the United States has the capability to lead the effort against global climate change.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should act to reduce the health, environmental, and economic risks posed by global climate change and foster sustained economic growth through a new generation of technologies by—

(1) participating in international negotiations under the Convention with the objective of securing United States participation in its and binding agreements that—

(A) advance and protect the economic interests of the United States;

(B) establish mitigation commitments by all countries that are major emitters of greenhouse gases, consistent with the principle of common but differentiated responsibilities;

(C) establish flexible international mechanisms to minimize the cost of efforts by participating countries; and

(D) achieve a significant long-term reduction in greenhouse gas emissions in the United States; and

(2) enacting and implementing effective and comprehensive national policies to achieve significant long-term reductions in greenhouse gas emissions in the United States;

(3) establishing a bipartisan Senate observer group, the members of which shall be designated by the majority leader and minority leader of the Senate, to—

(A) monitor any international negotiations on climate change; and

(B) ensure that the advice and consent function of the Senate is exercised in a manner to facilitate timely consideration of any future applicable treaty submitted to the Senate.

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 fish and wildlife; 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 in 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 Forest Service 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) BLACKLEAF AREA.—The term ‘‘Blackleaf 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 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 Blackleaf 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 the following:

(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 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

(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.—Out of any funds in the Treasury not otherwise appropriated, the Secretary shall use $5,000,000 to make a grant to an eligible lessee.

(2) CARDFORWARD 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 regulations 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 5, strike ‘‘and’’.

On page 767, line 15, strike the period and insert ‘‘;’’ and

On page 767, between lines 15 and 16, insert the following:

(E) a project to produce energy and clean fuels, using appropriate coal liquefaction technology, from bituminous or subbituminous coal that is—

(i) owned by a State government; or

(ii) from private and tribal coal resources.

SA 848. 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 353, strike lines 19 through 24 and insert the following:

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 767, line 5, strike ‘‘and’’.

On page 767, line 15, strike the period and insert ‘‘;’’ and

On page 767, between lines 15 and 16, insert the following:

(E) a project to produce energy and clean fuels, using appropriate coal liquefaction technology, from bituminous or subbituminous coal that is—

(i) owned by a State government; or

(ii) from private and tribal coal resources.
(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 (as in effect as of the date of enactment of this Act) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.
(G) Section 501(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–167) 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 107–167) 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 107–167) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.
(K) Subsection (A) of section 5647 of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–167) is amended by striking “December 31, 2009” and inserting “December 31, 2005”.

SA 851. 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:

On page 424, between lines 7 and 8, insert the following:

SEC. 706. JOINT FLEXIBLE FUELHYBRID VEHICLEx E 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 promote technologies for the commercialization of—
(1) a combination hybrid/flexible fuel vehicle;
(2) a plug-in hybrid/flexible fuel vehicle;
(3) a hybrid/flexible fuel vehicle technology to be demonstrated; and
(4) have the greatest potential of commercialization to the general public within 5 years.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable, plan, or limitation years beginning after December 31, 2010.

SA 852. 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 602, 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; and
(2) demonstrated readiness to take on the national priority of preparing the next generation of electric power operators and technicians.
(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. 622A. CREDIT FOR RENEWABLE LIQUID FUELS.

(a) IN GENERAL.—Chapter 32 of title 49, United States Code, is amended by inserting after section 32215 the following new section:

SEC. 32915A. USE OF CIVIL PENALTIES FOR FUEL ECONOMY RESEARCH.

(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.

The amendments made by this section were 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.

(3) such amounts as may be appropriated to the account; and
(4) any interest earned on investment of amounts in such account.

(b) EXPENDITURES FROM ACCOUNT.—On request by the Secretary of Transportation, the Secretary of the Treasury shall transfer from the account established by subsection (a) to the Secretary of Transportation, without further appropriation, such amounts as the Secretary of Transportation determines are necessary to carry out the flexible fuel/hybrid vehicle commercialization initiative established under section 706 of the Energy Policy Act of 2005.

(2) INTEREST-BEARING OBLIGATIONS.—In general, obligations may be made in connection with interest-bearing obligations of the United States.

(3) CREDITS TO ACCOUNT.—The interest on, and the proceeds from the sale or redemption of, such obligations held in the account shall be credited to and form a part of the account.

(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 estimates made by the Secretary of the Treasury.

(2) ADJUSTMENTS.—Proper adjustment 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.

(3) USE OF CIVIL PENALTIES FOR FUEL ECONOMY RESEARCH.

(a) IN GENERAL.—Chapter 32 of title 49, United States Code, is amended by inserting after the item relating to section 32915 the following:

(4) the hybrid/flexible fuel vehicle technologies to be demonstrated; and
(2) that grants are administered in accordance with this section.
(e) REPORT.—Not later than 260 days after the date of enactment of this Act, the Secretary shall publish in the Federal Register procedures to verify—
(1) the hybrid/flexible fuel vehicle technologies to be demonstrated; and
(2) that grants are administered in accordance with this section.
(f) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated—
(1) $3,000,000 for fiscal year 2005;
(2) $7,000,000 for fiscal year 2006;
(3) $10,000,000 for fiscal year 2007; and
(4) $20,000,000 for fiscal year 2008.

SEC. 707. DESIGNATION OF FUEL ECONOMY PENALTIES FOR FUEL ECONOMY RESEARCH.

(a) IN GENERAL.—Chapter 329 of title 49, United States Code, is amended by inserting after section 32915 the following new section:
(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 a mixture of 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;

(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.

(c) 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 byproduct streams including: agricultural byproducts and wastes, aquaculture products produced from waste streams, food processing plant byproducts, municipal solid and semi-solid waste streams, industrial waste streams, automotive scrap waste streams, and as further provided by regulations.

(2) Taxable fuel.—The term ‘taxable fuel’ has the meaning given such term by section 4033(a)(1).

(3) Feedstock.—The term ‘feedstock’ means raw material subject to further processing to make a chemical, 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 40B shall have the meaning given such term by section 40B.

(d) Certification for renewable liquid fuel.—No credit shall be allowed under this section with respect to any renewable liquid fuel 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.

(2) Coordination with credit against excise tax.—The amount of the credit determined under this section with respect to any renewable liquid fuel shall be properly taken into account as a benefit provided with respect to such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g).

(e) definitions and special rules.—For purposes of this section, the term ‘renewable liquid’ means liquid fuels derived from waste and byproduct streams including: agricultural products 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, as further provided by regulations.

(f) Mixture or renewable liquid not used as a fuel, etc.—

(i) mixtures.—If—

(A) any credit was determined under this section with respect to a mixture used by the taxpayer as a fuel or feedstock, 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.

(ii) without separation, use the mixture other than as a fuel, 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 4033 and not by this section.

(b) Registration requirement.—Section 4033(a)(1) of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by inserting after the item relating to section 40A the following new section:

“Sec. 40B. Credit for renewable liquid fuel.

(1) General rule.—For purposes of this section, the renewable liquid fuel credit determined under this section for the taxable year is an amount equal to the sum of—

(A) the renewable liquid mixture credit, plus

(B) the renewable liquid credit.

(2) Renewable liquid mixture credit.—The term ‘qualified renewable liquid mixture’ means the mixture of renewable liquid and taxable fuel (as defined in section 4033(a)(1)); if—

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

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

(3) Sale or use must be in trade or business, etc.—Renewable liquid used in the production of a qualified renewable liquid fuel mixture shall be taken into account—

(A) only if the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

(B) for the taxable year in which such sale or use occurs.

(4) Renewable liquid credit.—

(a) in general.—The renewable liquid credit of any taxpayer for any taxable year 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.

(b) use credit not to apply to renewable liquid sold at retail.—No credit shall be allowed under subparagraph (A)(i) with respect to any renewable liquid which was sold at retail under section 4033

(c) Certification for renewable liquid.—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.

(d) Coordination with credit against excise tax.—The amount of the credit determined under this section with respect to any renewable liquid fuel shall be properly taken into account as a benefit provided with respect to such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g).

(e) Definitions and Special Rules.—For purposes of this section, the term ‘renewable liquid’ means liquid fuels derived from waste and byproduct streams including: agricultural products 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, as further provided by regulations.

(f) Mixture or Renewable Liquid Not Used as a Fuel, Etc.—

(i) Mixtures.—If—

(A) any credit was determined under this section with respect to renewable liquid used in the production of any qualified renewable liquid mixture, and

(B) any person—

(i) separates the renewable liquid from the mixture, or

(ii) without separation, uses the mixture other than as a fuel, 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 4033 and not by this section.

(b) Registration requirement.—Section 4033(a)(1) of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by inserting after the item relating to section 40A the following new section:

“Sec. 40B. Credit for renewable liquid fuel.

(1) General rule.—For purposes of this section, the renewable liquid fuel credit determined under this section for the taxable year is an amount equal to the sum of—

(A) the renewable liquid mixture credit, plus

(B) the renewable liquid credit.

(2) Renewable liquid mixture credit.—The term ‘qualified renewable liquid mixture’ means the mixture of renewable liquid and taxable fuel (as defined in section 4033(a)(1)); if—

(A) the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

(B) for the taxable year in which such sale or use occurs.

(3) Sale or use must be in trade or business, etc.—Renewable liquid used in the production of a qualified renewable liquid fuel mixture shall be taken into account—

(A) only if the sale or use described in subparagraph (B) is in a trade or business of the taxpayer, and

(B) for the taxable year in which such sale or use occurs.

(4) Renewable liquid credit.—

(a) in general.—The renewable liquid credit of any taxpayer for any taxable year 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.

(b) use credit not to apply to renewable liquid sold at retail.—No credit shall be allowed under subparagraph (A)(i) with respect to any renewable liquid which was sold at retail under section 4033

(c) Certification for renewable liquid.—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.

(d) Coordination with credit against excise tax.—The amount of the credit determined under this section with respect to any renewable liquid fuel shall be properly taken into account as a benefit provided with respect to such renewable liquid fuel solely by reason of the application of section 6426A or 6427(g).

(e) Definitions and special rules.—For purposes of this section, the term ‘renewable liquid’ means liquid fuels derived from waste and byproduct streams including: agricultural products 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, as further provided by regulations.

(f) Mixture or renewable liquid not used as a fuel, etc.—

(i) mixtures.—If—

(A) any credit was determined under this section with respect to renewable liquid used in the production of any qualified renewable liquid mixture, and

(B) any person—

(i) separates the renewable liquid from the mixture, or

(ii) without separation, uses the mixture other than as a fuel, 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 in such mixture.

(2) Renewable liquid fuel.—If—

(A) any credit was determined under this section with respect to the retail sale of any renewable liquid, and

(B) any person mixes such renewable liquid or uses such renewable liquid other than as a fuel, 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 in such mixture.

(3) 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 (A) or (B) as if such tax were imposed by section 4033 and not by this chapter.

(c) Pass-through in the case of estates and trusts.—Under regulations prescribed by the Secretary, the provisions of subsection (d) of section 52 shall apply.

(d) 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-related credits) is amended, as amended by this act, by striking ‘‘plus’’ at the
end of paragraph (23), by striking the period at the end of paragraph (24), and inserting "plus", and by inserting after paragraph (24) the following new paragraph: "(29) The renewable liquid credit determined under section 40B." (c) CLERICAL AMENDMENT.—The table of sections for part D of title IV of subchapter D of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 40A the following new item: "Sec. 40B. Renewable liquid used as fuel." (d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or use after December 31, 2000, and before August 1, 2005, for established under State law on or after December 31, 2000, and before January 1, 2005, but such term shall not include a facility which includes impoundment structures.

SA 855. Mr. STEVENS submitted an amendment to paragraph (1) 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. 4. TAX-EXEMPT TREATMENT OF CERTAIN BONDS ISSUED BY CERTAIN JOINT ACTION AGENCIES.

(a) In General.—(1) The purpose of the Internal Revenue Code of 1986, with respect to the issuance of any bond by any joint action agency described in subsection (b), if such bond reduces the requirements of subsection (c) then—

(1) such bond shall be treated as issued by a political subdivision for purposes of section 105 of such Code, and

(2) the sale of power by such agency to its members shall not result in such bond being treated as a private activity bond under section 141 of such Code.

(b) AGENCY DESCRIBED.—An agency is described in this subsection if such agency is established under State law on or after December 31, 2000, and before August 1, 2005, for the purposes of participating in the design, construction, operation, and maintenance of one or more generating or transmission facilities and is treated under such law as a public utility.

(c) BOND REQUIREMENTS.—A bond issued as part of an issue satisfies the requirements of this subsection if—

(1) such issue satisfies the requirements of section 141(f)(2) of the Internal Revenue Code of 1986 (as amended by such Act); and

(2) such issue receives an allocation of the issuance limitation described in paragraph (3) by the governmental unit approving such issue under such law.

(3) the aggregate face amount of the bonds issued pursuant to such issue, when added to the aggregate face amount of bonds previously issued by all agencies described in subsection (b), does not exceed $1,000,000,000, and

(4) any bond issued pursuant to such issue is issued prior to the date of the enactment of this Act and before January 1, 2011.

SA 854. Mr. STEVENS 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. EXPANSION OF RESOURCES TO WAVE, CURRENT, TIDAL, AND OCEAN THERMAL ENERGY.

(a) In General.—Section 45(c)(1) of the Internal Revenue Code of 1986 (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting "; and", and by adding at the end the following new paragraph:

"(J) wave, current, tidal, and ocean thermal energy." (b) DEFINITION OF RESOURCES.—Section 45(c)(1) of such Code, as amended by this Act, is amended by adding at the end the following new paragraph:

"(1) WAVE, CURRENT, TIDAL, AND OCEAN THERMAL FACILITY.—In the case of a facility using resources described in subparagraph (A), (B), or (C) of subsection (c)(9) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after the date of enactment of this paragraph and before January 1, 2010, but such term shall not include a facility which includes impoundment structures.

SA 855. Mr. STEVENS 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. DEFINITION OF BIODIESEL.

(a) In General.—Section 40A(d) of the Internal Revenue Code of 1986 (defining biodiesel) is amended by adding at the end the following new flush sentence:

"Such term also includes long chain fatty acids from animal products produced under the regulatory authority of the Food and Drug Administration." (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SA 856. Mr. STEVENS 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. 7. SMALL IRRIGATION POWER.

(a) In General.—Section 45(c)(5) of the Internal Revenue Code of 1986 (concerning irrigation power) is amended by adding at the end the following new flush sentence:

"Such term includes power generated at FERC project numbers 1651, 1940, 11393, 11077, and 11585." (b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after the date of enactment of this Act, in taxable years ending after such date.

SA 857. Mr. BURR 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 160, before line 1, insert the following:

SEC. 220. IMPROVING MOTOR FUEL SUPPLY AND DISTRIBUTION.

(a) LIMITING THE USE OF BOUTIQUE FUELS.—Section 211(c)(4) of the Clean Air Act (42 U.S.C. 7545(c)(4)) as amended by section 222(b) 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 that State implementation plan revision, 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, in consultation with the Secretary of Energy, shall determine the total number of fuels approved under this paragraph as of January 1, 2005, in all State implementation plans and shall publish a list of such fuels, including the states and Petroleum Administration for Defense District in which they are used, in the Federal Register no later than 90 days after enactment.

(III) The Administrator shall remove a fuel from the list published under clause (II) if a fuel ceases to be included in a State's implementation plan or a revision to that State's implementation plan is identical to a Federal fuel formulation implemented by the Administrator, but the Administrator shall not remove the total number of fuels authorized under the list published under clause (II).

(IV) Subclause (I) shall not apply to approval by the Administrator of a control or prohibition regarding any new fuel under this paragraph in a State's implementation plan or a revision to that State's implementation plan after the date of enactment of this Act if the fuel, as of the date of consideration by the Administrator—

(aa) would replace completely a fuel on the list.

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

(cc) is a fuel that differs from the Federal conventional gasoline specifications under subsection (k)(6) only with respect to the presence of a maximum level of Reid Vapor Pressure of 7.0 or 7.8 pounds per square inch.

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

(VI) In this clause:

"(aa) The term 'control or prohibition respecting a new fuel' means a control or prohibition on the formulation, composition, or emissions characteristics of a fuel that would require the increase or decrease of a constituent in gasoline or diesel fuel.

(bb) The term 'fuel' means gasoline, diesel fuel, and any other liquid petroleum product (including, but not limited to, jet and diesel fuel for use in highway and non-road motor vehicles).

(cc) The term 'mix' means gasoline, diesel fuel, and any other liquid petroleum product as a component of any fuel prepared for sale to a person and used in a vehicle, including, but not limited to, jet and diesel fuel for use in highway and non-road motor vehicles.".

(b) TEMPORARY WAIVERS DURING SUPPLY EMERGENCIES.—Section 211(c)(4) of the Clean Air Act (42 U.S.C. 7545(c)(4)) is amended by adding at the end the following:

"(a) The Administrator may temporarily waive or control a new control with respect to the use of a fuel or fuel additive required under this section under subsection (c), (h), (i), (k), or (m), or prescribed in an applicable implementation
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, 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) the waiver applies to the smallest geographic area necessary to address 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 revocation 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 communities in the State or region to be covered by the waiver.

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

(i) limits or otherwise affects the applicability 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:

Begun and ended on page 296, strike lines 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 important energy 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 for 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 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. 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, the Secretary shall review the potential leasing program for the commercial development of oil shale on public land.

(B) OTHER INFORMATION.—The Secretary shall also consider—

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

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

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

(iv) the maximum number of leases and maximum acreage to be leased under the leasing program for the commercial development of oil shale resources, including the terms and conditions that should apply to the conversion of research and development leases into leases for commercial development, and commercially viable technologies, and the completion of land use planning and environmental reviews; and

(C) REPORT REQUIREMENT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to Congress a report respecting 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.

(d) ANALYSIS OF POTENTIAL LEASING PROGRAM.—

A waiver under subparagraph [(D) subjects any State or person to an enforcement action, penalties, or liability solely arising from actions taken pursuant to the Secretary’s determination that a shorter or longer waiver period is adequate, for the shortest practicable period determined by the Secretary, make available for leasing such land as the Secretary considers to be necessary to conduct research and development activities with respect to innovative technologies for the recovery of oil shale 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—

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

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

(3) 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;

(4) provide for a 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 lease;

(5) 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;

(ii) to develop an environmental protection plan; and

(iii) to undertake diligent research and development activities;

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

(7) provide for consultation with affected State and local governments; and

(8) 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—

(A) the programmatic environmental impact statement required under subsection (c); and

(B) the analysis required under subsection (d).

(3) MONEYS RECEIVED.—Any moneys received from a leasing activity under this subsection shall be paid in accordance with section 35 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 the commercial development of oil shale resources on public land.

(2) ANALYSIS OF POTENTIAL LEASING PROGRAM.—

A waiver under subparagraph [(D) subjects any State or person to an enforcement action, penalties, or liability solely arising from actions taken pursuant to the Secretary’s determination that a shorter or longer waiver period is adequate, for the shortest practicable period determined by the Secretary, make available for leasing such land as the Secretary considers to be necessary to conduct research and development activities with respect to innovative technologies for the recovery of oil shale 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—

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

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

(3) 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;

(4) provide for a 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 lease;

(5) 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;

(ii) to develop an environmental protection plan; and

(iii) to undertake diligent research and development activities;

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

(7) provide for consultation with affected State and local governments; and

(8) 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—

(A) the programmatic environmental impact statement required under subsection (c); and

(B) the analysis required under subsection (d).

(3) MONEYS RECEIVED.—Any moneys received from a leasing activity under this subsection shall be paid in accordance with section 35 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 the commercial development of oil shale and tar sands on public land.

(2) ANALYSIS OF POTENTIAL LEASING PROGRAM.—

A waiver under subparagraph [(D) subjects any State or person to an enforcement action, penalties, or liability solely arising from actions taken pursuant to the Secretary’s determination that a shorter or longer waiver period is adequate, for the shortest practicable period determined by the Secretary, make available for leasing such land as the Secretary considers to be necessary to conduct research and development activities with respect to innovative technologies for the recovery of oil shale 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—

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

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

(3) 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;

(4) provide for a 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 lease;

(5) 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;

(ii) to develop an environmental protection plan; and

(iii) to undertake diligent research and development activities;

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

(7) provide for consultation with affected State and local governments; and

(8) 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—

(A) the programmatic environmental impact statement required under subsection (c); and

(B) the analysis required under subsection (d).

(3) MONEYS RECEIVED.—Any moneys received from a leasing activity under this subsection shall be paid in accordance with section 35 of the Mineral Leasing Act (30 U.S.C. 191).
sec. 32. OUTER CONTINENTAL SHELF REVENUE SHARING FOR NONMORATORIA COASTAL PRODUCING STATES.

(a) Definitions.—In this section:

(1) COASTAL POPULATION.—The term ‘‘coastal population’’ means the sum of the coastal population of each coastal State as determined by the most recent official data of the Census Bureau, of each political subdivision, any part of which lies within 200 miles of any part of the coastline of the State.

(2) OUTER CONTINENTAL SHELF.—The term ‘‘outer Continental Shelf’’ means the coastal zone of the producing State that contains or part of which lies within the boundaries of any coastal political subdivision immediately below the level of State government, including counties, parishes, and boroughs.

(3) PRODUCING STATE.—The term ‘‘producing State’’ means a coastal State that has a coastal seaward boundary within 200 miles of the geographic center of a leased tract within any area of the outer Continental Shelf.

(b) Inclusion.—The term ‘‘inclusion’’ means any State that begins production on or after the date of enactment of this section, regardless of whether the leased tract was on any date subject to a leasing moratorium.

(c) Qualified Outer Continental Shelf Revenues.—

(1) In general.—The term ‘‘qualified Outer Continental Shelf revenues’’ means all qualified Outer Continental Shelf revenues received by producing States from each leased tract or portion of a leased tract.

(2).Exceptions.—The term ‘‘qualified Outer Continental Shelf revenues’’ does not include any revenues that would be attributable to any lease of any tract that is subject to a lease moratorium.

(3) Excluded.—The term ‘‘excluded’’ means any lease or portion of a lease of any tract that is subject to a lease moratorium.
“(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 to coastal political subdivisions to make payments to producing States and coastal political subdivisions under this section—

(A) for each of fiscal years 2006 through 2010, 50 percent of qualified Outer Continental Shelf revenues received for a fiscal year;

(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 subsection (c), and to coastal political subdivisions under paragraph (4), the funds allocated to the 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 that—

(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;

(B) QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—

(i) FISCAL YEARS 2006 THROUGH 2008.—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 2010.—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 to a coastal political subdivision 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 coastal 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 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 shall be divided equally among the 2 coastal political subdivisions that are closest to the geographic center of a leased tract.

“(5) NO APPROVED PLAN.—

(A) IN GENERAL.—If no plan is approved under paragraph (3) or (4) 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 under paragraph (C), if any amount allocated to a producing State or coastal political subdivision under paragraph (3) or (4) is not disbursed because a plan has not been approved by the Secretary under subsection (c), the Secretary shall allocate the undisbursed amount equally among all other producing States.

“(6) PUBLIC PARTICIPATION.—In carrying out this section, the Secretary shall use a variety of public participation methods, including, but not limited to—

(A) meetings held in the producing State; and

(B) assistance to the producing State in dealing with responses to public participation.

“(7) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditure 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; and if the Secretary determines that any expenditure 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.

“(8) ESTABLISHMENT OF SEAWARD LATERAL BOUNDARIES FOR COASTAL STATES.—Section 4(a)(2)(A) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended—

(A) by inserting ‘‘(i)’’ after ‘‘(A);’’

(B) in the first sentence—

(i) by striking ‘‘President shall’’ and inserting ‘‘Secretary shall’’; and

(ii) by inserting before the period at the end of the following: ‘‘not later than 180 days after the date of enactment of the Stewardship Act of 2000; or’’;

(C) by striking ‘‘(1)’’ from the second sentence.

“(9) ADMINISTRATION.—

(A) SECRETARY.—The Secretary shall—

(i) have the authority to represent and act on behalf of the producing State in dealing with the Secretary for purposes of this section;

(ii) develop a plan for the implementation of the plan that describes how the amounts provided under this Act for the producing State and coastal political subdivisions will be used;

(iii) determine the amount of each coastal political subdivision that receives an amount under this section—

(aa) the name of a contact person; and

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

(C) AGRICULTURAL ADVISORY COUNCIL.—The Secretary shall—

(i) develop a plan to carry out this Act in consultation with the Agricultural Advisory Council established by Section 3004 of the McIntire-Stennis Act of 1984; and

(ii) develop a plan in consultation with the following:—

(A) the Governor of each producing State shall so designate by a Governor’s order; and

(B) the Governor of each producing State shall designate 2 other individuals—

(aa) the name of the contact person; and

(bb) the name of a contact person.
“(1) For purposes of this Act (including determining boundaries to authorize leasing and preleasing activities and any attributing revenues under this Act and calculating payments to the affected States and coastal political subdivisions under section 32), the Secretary shall delineate the outer Continental Shelf boundaries of the State, to the extent of the exclusive economic zone of the United States, in accordance with article 15 of the United Nations Convention on the Law of the Sea of December 10, 1982.

“(2) A petition for a lease, easement, or right-of-way on the outer Continental Shelf shall be considered to be complete if, at the time of filing, the petition includes:

(i) a resource assessment for the area; and
(ii) a description of the proposed lease, easement, right-of-way, or other form of payment for the lease, easement, or right-of-way that is greater than 20 miles from the coastal line of the State for which the lease, easement, right-of-way, or other form of payment is requested.

“(3) The Secretary may not determine whether a lease, easement, or right-of-way on the outer Continental Shelf is practicable until after the area's resource assessment is complete and approved by the Secretary.

“(4) The Secretary shall not authorize the lease, easement, or right-of-way on the outer Continental Shelf if the area's resource assessment is not practicable or if the area's resource assessment fails to establish practicable after the date on which a petition is submitted.

“OPTION TO PETITION FOR LEASING WITHIN CERTAIN AREAS ON THE OUTER CONTINENTAL SHELF.—Section 12 of the Outer Continental Shelf Lands Act (43 U.S.C. 1341) is amended by adding at the end the following:

“(g) LEASING WITHIN THE SEAWARD LATERAL BOUNDARIES OF COASTAL STATES.—

(1) DEFINITION OF AFFECTED AREA.—In this subsection, the term ‘affected area’ means an area located—

(A) in the areas of northern, central, and southern California and the areas of Oregon and Washington;

(B) in the north, middle, or south planning area of the Atlantic Ocean;

(C) in the eastern Gulf of Mexico planning area and lying—

(i) south of 26 degrees north latitude; and

(ii) east of 86 degrees west longitude; or

(D) in the Straits of Florida.

(2) RESTRICTIONS ON LEASING.—The Secretary shall not allow for offshore leasing, preleasing, or any related activity—

(A) in any area located on the outer Continental Shelf that, as of the date of enactment of this subsection, is designated as a marine sanctuary under the Marine Protection, Research, and Sanitation Act of 1972 (33 U.S.C. 1401 et seq.); or

(B) except as provided in paragraphs (3) and (4), during the period beginning on the date of enactment of this subsection and ending on June 30, 2012, any affected area—

(C) RESOURCE ASSESSMENTS.—

(A) IN GENERAL.—Beginning on the date on which the Secretary delineates seaward lateral boundaries under section 4(a)(2)(A)(ii), a Governor of a State in which an affected area is located, with the consent of the State, may submit to the Secretary a petition requesting a resource assessment of any area within the seaward lateral boundary of the State. In determining the extent of the outer Continental Shelf the Secretary shall consult with the Secretary of the Department of the Interior, the Coast Guard, and other appropriate agencies concerning issues related to national security and navigational obstruction.

(B) ALTERNATE ENERGY-RELATED USES ON THE OUTER CONTINENTAL SHELF.—

(1) AMENDMENT TO OUTER CONTINENTAL SHELF LANDS ACT.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

“(p) LEASES, EASEMENTS, OR RIGHTS-OF-WAY FOR ENERGY AND RELATED PURPOSES.—

(A) IN GENERAL.—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 and affected States, shall issue any necessary regulations to ensure—

(i) safety; and

(ii) protection of correlative rights in the outer Continental Shelf;

(B) protection of national security interests; and

(C) protection of correlative rights in the outer Continental Shelf.

(2) SECURITY.—The Secretary shall require the holder of a lease, easement, or right-of-way to pay such security, if and when the Secretary deems it necessary, to ensure the interests of the United States.

(3) 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:

'LESS, 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 any reauthorization of actions previously authorized, with respect to any project—

(A) for which offshore test facilities have been issued 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 (as of the day before the date of enactment of this Act) did not contain an affected area (as defined in section 9(a) of that Act (as amended by subsection (d)(1))); and

(B) define "natural gas" as—

(i) unmixed natural gas; or

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

SA 863. 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:

At the end, add the following:

"TITLE XV—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 aforementioned 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 AND ANTICOMPETITIVE PRACTICES.

(a) DEFINITIONS.—In this title:

(1) GATT 1994.—The term "GATT 1994" has the meaning given such term in section 201(b)(5) of the Uruguay Round Agreements Act (19 U.S.C. 3511(b)(5)).

(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) CERTIFICATION DESCRIBED.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the President shall, not later than 180 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) 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) CONSULTATIONS DESCRIBED.—The countries described in this paragraph are the following:

(A) Indonesia.

(B) Kuwait.

(C) Nigeria.

(D) Qatar.

(E) The United Arab Emirates.

(F) Venezuela.

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

(d) CERTIFICATION DESCRIBED.—

(1) IN GENERAL.—The certification described in this subsection requires a certification submitted by the President to Congress not later than 30 days after the date of enactment of this Act, stating that instigating proceedings described in subsection (c) would—

(A) harm the national security interest of the United States; or

(B) harm the economic interests of the United States.

(2) REPORT.—A certification submitted under this subsection should be accompanied by a report that includes an explanation regarding how and why taking the action described in subsection (c) with respect to a country described in 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; as follows:

At the end, add the following:

"TITLE—ANTI-COMPETITIVE PRACTICES

SEC. 1. SHORT TITLE.

This title may be cited as the "OPEC Accountability 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; which was ordered to lie on the table; as follows:

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

Section 204 of the Federal Power Act (16 U.S.C. 824c) is amended by adding at the end the following:

(3) review of requests for the deferrals of scheduled deliveries.

On page 208, line 12, strike —

(a) This subsection does not preclude or deny the right of any State or political subdivision of a State to adopt and enforce standards for the corporate and financial practices of public-utility companies that are more stringent than those provided under the regulations issued under paragraph (2).

(b) No public-utility company to enter into or take any action in the performance of any transaction with any affiliate, or associate company, of a public-utility company in violation of the regulations issued under paragraph (2)."

SA 866. Mr. BINGAMAN (for himself, Mr. SPECTER, Mr. DOMENICI, Mr. ALEXANDER, Ms. CANTWELL, Mr. LIEBERMAN, Mr. LUTENBERG, Mr. MCCAIN, Mr. JEFFORDS, Mr. KERRY, Ms. SNOWE, Ms. COLLINS, and Mrs. BOXER) 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. 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) Sense of the Senate. — 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 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 for the use of a new gasoline blend or other fuel formulation under the Clean Air Act (42 U.S.C. 7041 et seq.), the Administrator of the Environmental Protection Agency shall consult 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 CHANGE

SEC. 1501. SHORT TITLE.

This title may be cited as the “Climate and Economic Recovery Act of 2009.”

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—

(A) 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 by the Secretary; and

(B) for each greenhouse gas (other than carbon dioxide, methane, nitrous oxide, and sulfur hexafluoride), the ratio of the global warming potential, as measured in units of carbon dioxide equivalent, of such greenhouse gas expressed in units of metric tons of carbon dioxide equivalent.

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

(A) petroleum products;

(B) natural gas;

(C) coal; and

(D) a nonfuel regulated entity.

(3) COVERED GREENHOUSE GAS EMISSIONS.—

(A) in general.—The term “covered greenhouse gas emissions” means—

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

(ii) the Start of Month greenhouse gas emissions in the United States, determined in accordance with section 1515(b)(2).

(B) UNITS.—Quantities of covered greenhouse gas emissions are 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 gross domestic product of 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 this subtitle 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 35,000,000 cubic feet of methane during 2004 or any subsequent calendar year; and

(G) the owner or operator of a facility that emits hydrofluorocarbon-23 as 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; or

(D) a 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, operator of—

(i) a natural gas pipeline;

(ii) a liquefied petroleum gas;

(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) a petroleum product;

(ii) coal;

(iii) coke; or

(iv) natural gas liquids; or

(C) any other entity the Secretary determines under section 1515(b)(3)(A)(ii) 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 quantity of allowances to be issued 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, 2009, 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

(B) determine the emissions intensity target 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.

(2) 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.

(3) 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.

(b) 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 calendar year during that subsequent allocation period, in accordance with paragraph (2); and

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

(2) EMISSIONS INTENSITY TARGETS.—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.

(c) 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 congressional review procedures under section 1521(d), not later than 180 days after the date on which the rule is submitted to Congress.

(C) **REQUIREMENTS.**—

(i) **INITIAL ALLOCATION PERIOD.**—The Secretary shall promulgate rules under subparagraph (A) for the initial allocation period not later than 18 months before the beginning of the period.

(ii) **SUBSEQUENT ALLOCATION PERIODS.**—The Secretary shall promulgate rules under subparagraph (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 affected 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.

(iii) Avoiding windfalls.

(iv) 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 this section in any calendar year to organizations (including recognized representatives of workers affected by programs under this subtitle) that provide retraining, educational support, or other assistance to workers affected by programs under this subtitle.

(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.**—

(C) **REQUIREMENTS.**—

(A) **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 quantity of allowances issued during that calendar year.

(3) **SCHEDULE.**—The auction of allowances shall be held on the following schedule:

(A) In 2007, the Secretary shall auction—

(i) ½ of the allowances available for auction for 2010; and

(ii) ½ of the allowances available for auction for 2011.

(B) In 2008, the Secretary shall auction ⅓ of the allowances available for auction for 2012.

(C) In 2009, the Secretary shall auction ⅓ of the allowances available for auction for 2013.

(D) In 2010 and each subsequent calendar year, the Secretary shall auction—

(i) ⅓ of the allowances available for auction for that calendar year; and

(ii) ⅓ 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>
<tr>
<td>2011</td>
<td>91.0</td>
<td>5.0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2012</td>
<td>91.0</td>
<td>5.0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2013</td>
<td>90.5</td>
<td>5.5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2014</td>
<td>90.0</td>
<td>6.0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2015</td>
<td>90.5</td>
<td>6.5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2016</td>
<td>89.0</td>
<td>7.0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2017</td>
<td>88.5</td>
<td>7.5</td>
<td>3</td>
<td>1</td>
</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>1</td>
</tr>
</tbody>
</table>
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 natural gas pipeline, each natural gas pipeline or underground pipeline that sells or delivers to the owner or operator of the pipeline a number of allowances (or an equivalent payment of the safety valve 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 petroleum refinery 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;

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

(E) for an importer of coal, petroleum products, or natural gas liquids imported into the United States, the quantity of coal, petroleum products, or natural gas liquids imported into the United States.

(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 an 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;

(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) for an aluminum smelter, the sum of—

(i) the quantity of carbon dioxide emitted by the smelter; and

(ii) the quantity of perfluorocarbons emitted by the smelter; and

(F) for a facility that produces hydrofluorocarbon-23, the quantity of hydrofluorocarbon-23 emitted by the facility.

(3) ADJUSTMENTS.—

(A) REGULATED FUEL DISTRIBUTORS.—

(i) MODIFICATION.—The Secretary may modify, by rule, a quantity of covered fuels under paragraph (1) if the Secretary determines that the modification is necessary to ensure that allowances are not submitted for the same quantity of covered fuel by more than 1 regulated fuel distributor.

(ii) EXTENSION.—The Secretary may extend, by rule, the quantity of covered fuels under subsection (a)(1) to an entity that is not a regulated fuel distributor if the Secretary determines that the extension is necessary to ensure that allowances are submitted for all covered fuels.

(B) NONFUEL REGULATED ENTITIES.—The Secretary may modify, by rule, a quantity of nonfuel-related greenhouse gases under paragraph (2) if the Secretary determines that the modification is necessary to ensure that allowances are not submitted for the same volume of nonfuel-related greenhouse gas by more than 1 regulated entity.

(c) DEADLINE FOR SUBMISSION.—Any entity required to submit an allowance to the Secretary under this section may not submit more than 1 allowance for the same calendar year, a quantity of credits equal to the quantity of carbon dioxide sequestered by the entity during that year, as determined by the Secretary.

(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 to be necessary to—

(A) identify and register each regulated entity;

(B) calculate or verify the compliance of a regulated entity with any requirement under this section;

(C) promulgate such regulations as the Secretary determines to be necessary to ensure that allowances are submitted for the same volume of nonfuel-related greenhouse gas by more than 1 regulated entity;

(D) prescribe any recordkeeping or reporting requirements to which a regulated entity subject to this section is subject; and

(E) establish, by rule, any other procedures the Secretary determines to be necessary to ensure that allowances are submitted for the same volume of nonfuel-related greenhouse gas by more than 1 regulated entity.

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

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may exempt from the requirements of this subtitle an entity that emits, manufactures, or imports nonfuel-related greenhouse gases for any period during which the Secretary determines, after providing an opportunity for public comment, that measuring or estimating the quantity of greenhouse gases emitted, manufactured, or imported by the entity is not feasible.

(2) EXCLUSION.—The Secretary may not exempt a regulated fuel distributor from the requirements of this subtitle under paragraph (1) if the Secretary determines that the reduction of greenhouse gases by the exempting entity is not equivalent to the reduction of greenhouse gases by the entity being exempted.

(f) DEADLINE FOR SUBMISSION.—Any entity required to submit an allowance under this section may not submit more than 1 allowance for the same calendar year.

(g) ACTION BY SECRETARY.—The Secretary may—

(1) distribute allowances to a regulated fuel distributor in lieu of an allowance under section 1515; and

(2) authorize a regulated fuel distributor to sell any allowances it has received in lieu of an allowance under section 1515.

(h) T RANSPARENCY.—The Secretary shall maintain a public system of records, which shall include any information the Secretary determines to be necessary to—

(1) facilitate price transparency and public participation in the market for allowances and credits; and

(2) protect buyers and sellers of allowances and credits, and the public, from the adverse effects of collusion and other anticompetitive behaviors.

(i) AUTHORITY TO OBTAIN INFORMATION.—The Secretary may obtain any information that is necessary to carry out this section from any person or entity that buys, sells, exchanges, or otherwise transfers an allowance or credit.

SEC. 1518. CREDITS FOR GEOLOGIC SEQUESTRATION OF CARBON DIOXIDE, FEEDSTOCKS, AND EXPORTS.

(a) ESTABLISHMENT.—(1) IN GENERAL.—The Secretary shall establish, by rule, a program under which the Secretary distributes credits to entities in accordance with this section.

(2) SEQUESTRATION.—If the Secretary determines, based on information submitted under section 1522(c), that an entity has carried out long-term sequestration of carbon dioxide from the combustion of covered fuels in a geologic formation, the Secretary shall distribute to that entity, for 2010 and each subsequent calendar year, a quantity of credits equal to the quantity of carbon dioxide sequestered by the entity during that year, as determined by the Secretary.

(3) EXPORTERS OF COVERED FUEL.—If the Secretary determines that an entity has exported covered fuel, the Secretary shall distribute to that entity, for 2010 and each subsequent calendar year, a quantity of credits equal to the quantity of covered fuel exported by the entity during that year, measured in carbon dioxide equivalents.

(4) USE OF FUELS AS FEEDSTOCKS.—If the Secretary determines that an entity has used a covered fuel as a feedstock so that the carbon dioxide associated with the covered fuel will not be emitted, the Secretary shall distribute to that entity, for 2010 and each subsequent calendar year, a quantity of credits equal to the volume of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide used as a feedstock by the entity during that year, measured in carbon dioxide equivalents.

(5) NON-CARBON-DIOXIDE GREENHOUSE GASES.—If the Secretary determines that an entity has destroyed hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide so that the hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide will not be emitted, the Secretary shall distribute to that entity, for 2010 and each subsequent calendar year, a quantity of credits equal to the volume of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide destroyed by the entity during that year, measured in carbon dioxide equivalents.

(6) OTHER EXPORTERS.—If the Secretary determines that an entity has exported hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide, the Secretary shall distribute to that entity, for 2010 and each subsequent calendar year, a quantity of credits equal to the volume of hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrous oxide exported by the entity during that year, measured in carbon dioxide equivalents.

SEC. 1519. OFFSET PROJECT PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish, by rule, a program under which the Secretary distributes allowances to entities that carry out offset projects that meet the requirements of section 1522(c).

(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) or (b)(3) of section 1513; and
(2) the percentage available for offset allowances for the calendar year under section 1514(c).

(c) ELIGIBLE OFFSET PROJECTS.—An offset project shall not be eligible to receive an allowance under subsection (a) if the offset project—
(1) is carried out in the United States; and
(2) reduces or geologically sequesters covered greenhouse gas emissions.

(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 section 1515.

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. 13385(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, 2014, 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) REPORT.—
(1) IN GENERAL.—Not later than January 15, 2015, and every 5 years thereafter, the President shall submit to 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).

(c) CONGRESSIONAL ACTION.—
(1) CONSIDERATION.—Not later than September 30 of any calendar year during which a report is to be submitted under subsection (b), the House of Representatives and the Senate may consider a joint resolution, in accordance with paragraph (2), that—
(A) amends subsection (a)(2) or (b)(2) of section 1513;
(B) modifies the safety valve price; or
(C) modifies the percentage of allowances to be allocated under section 1514(c).

(2) REQUIREMENTS.—A joint resolution considered under paragraph (1) shall—
(A) be introduced during the 45-day period beginning on the date on which a report is required to be submitted under subsection (b); and
(B) after the resolving clause and "That", contain only 1 or more of the following:
(i) effective beginning January 1, 2015, section 1513(a)(2) of the Climate and Economy Insurance Act of 2005 is amended by striking "2.4" and inserting "2.5".
(ii) effective beginning section 1513(b)(2) of the Climate and Economy Insurance Act of 2005 is amended by striking "2.8" and inserting "2.9".
(iii) effective beginning section 1512(b)(3) of the Climate and Economy Insurance Act of 2005 is amended by striking "5 percent" and inserting "7 percent".
(iv) the table under section 1514(c) of the Climate and Economy Insurance Act of 2005 is amended by striking the line relating to calendar year 2020 and thereafter and inserting the following:

<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>2020 and thereafter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) APPLICABLE LAW.—Subsections (b) through (g) of section 802 of title 5, United States Code, shall apply to any joint resolution under this subsection.

(d) REVIEW OF ALLOCATION RULES.—
(1) EFFECTIVENESS OF ALLOCATION RULE.—A rule made under section 1514(a)(3)(A) shall not take effect if, not later than 180 days after the date on which the rule is submitted to Congress, a joint resolution described in paragraph (2) is enacted.

(2) REQUIREMENTS.—A joint resolution considered under paragraph (1) shall—
(A) be introduced during the 45-day period beginning on the date on which a rule is required to be submitted under section 1514(a)(3); and
(B) after the resolving clause, contain the following: "That the rule submitted by the Secretary of Energy under section 1514(a)(3) of the Climate and Economy Insurance Act of 2005 is disapproved.".

(3) APPLICABLE LAW.—Subsections (b) through (h) of section 802 of title 5, 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.

(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—
(1) accounting and reporting standards for covered greenhouse gas emissions; and
(2) standardized methods of calculating covered greenhouse gas emissions in specific years.
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.

(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 for verifying the data relating to covered greenhouse gas emissions;

(a) regulated entities; and

(b) independent verification organizations.

determination of eligibility for credits, offset allowances, and early reduction allowances.

SEC. 1523. 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 ENERGY INFORMATION.—For the purposes of carrying out this subtitle, the Secretary may make such rules and regulations as are necessary to define the term "energy information." The term includes 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 under section 212(c) of the Clean Air Act (as added by section 206); and

(3) DEDUCTIONS.—The Secretary shall carry out the advanced technology vehicles manufacturing incentive program under subsection (c).

(b) ZER0- OR LOW-CARBON ENERGY TECHNOLOGIES DEPLOYMENT.—(1) DEFINITIONS.—In this subsection: (A) ENERGY SAVINGS.—The term "energy savings" means megawatt-hours of electricity or watt-hours of electricity generated from natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(c) ZER0- OR LOW-CARBON GENERATION.—The term "zero- or low-carbon generation" means generation of electricity by an electric power generation unit that

(d) WILDLIFE CONSERVATION.—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.

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. 6306(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 323, 324, and 325 of that Act (42 U.S.C. 629l, 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. 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 under section 212(c) of the Clean Air Act (as added by section 206); and

(3) DEDUCTIONS.—The Secretary shall carry out the advanced technology vehicles manufacturing incentive program under subsection (c).

(b) ZER0- OR LOW-CARBON ENERGY TECHNOLOGIES DEPLOYMENT.—(1) DEFINITIONS.—In this subsection: (A) ENERGY SAVINGS.—The term "energy savings" means megawatt-hours of electricity or watt-hours of electricity generated from natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(c) ZER0- OR LOW-CARBON GENERATION.—The term "zero- or low-carbon generation" means generation of electricity by an electric power generation unit that

(d) WILDLIFE CONSERVATION.—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.

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. 6306(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 323, 324, and 325 of that Act (42 U.S.C. 629l, 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. 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 under section 212(c) of the Clean Air Act (as added by section 206); and

(3) DEDUCTIONS.—The Secretary shall carry out the advanced technology vehicles manufacturing incentive program under subsection (c).

(b) ZER0- OR LOW-CARBON ENERGY TECHNOLOGIES DEPLOYMENT.—(1) DEFINITIONS.—In this subsection: (A) ENERGY SAVINGS.—The term "energy savings" means megawatt-hours of electricity or watt-hours of electricity generated from natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(c) ZER0- OR LOW-CARBON GENERATION.—The term "zero- or low-carbon generation" means generation of electricity by an electric power generation unit that

(d) WILDLIFE CONSERVATION.—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.

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. 6306(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 323, 324, and 325 of that Act (42 U.S.C. 629l, 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. 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 under section 212(c) of the Clean Air Act (as added by section 206); and

(3) DEDUCTIONS.—The Secretary shall carry out the advanced technology vehicles manufacturing incentive program under subsection (c).

(b) ZER0- OR LOW-CARBON ENERGY TECHNOLOGIES DEPLOYMENT.—(1) DEFINITIONS.—In this subsection: (A) ENERGY SAVINGS.—The term "energy savings" means megawatt-hours of electricity or watt-hours of electricity generated from natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(c) ZER0- OR LOW-CARBON GENERATION.—The term "zero- or low-carbon generation" means generation of electricity by an electric power generation unit that

(d) WILDLIFE CONSERVATION.—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.

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. 6306(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 323, 324, and 325 of that Act (42 U.S.C. 629l, 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.
(A) ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE.—The term “advanced lean burn technology motor vehicle” means a passenger automobile or a light truck 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; and
(iii) achieves at least 125 percent of the 2002 model year city fuel economy of vehicles in the same size class as the vehicle.
(B) ADVANCED TECHNOLOGY VEHICLE.—The term “advanced technology vehicle” means a light duty motor vehicle that—
(i) is a hybrid motor vehicle or an advanced lean burn technology motor vehicle; and
(ii) meets the following performance criteria:
(I) Except as provided in paragraph (3)(A)(1), the Tier II Bin 5 emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(k) of the Clean Air Act (42 U.S.C. 7521(k)), or a lower numbered bin.
(ii) At least 125 percent of the base year city fuel economy for the weight class of the vehicle.
(C) ENGINEERING INTEGRATION COSTS.—The term “engineering integration costs” includes the cost of engineering tasks relating to—
(i) incorporating qualifying components into the design of advanced technology vehicles; and
(ii) designing new tooling and equipment for production facilities that produce qualifying components or advanced technology vehicles.
(D) HYBRID MOTOR VEHICLE.—The term “hybrid motor vehicle” means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are—
(i) an internal combustion or heat engine using combustible fuel; and
(ii) a rechargeable energy storage system.
(E) QUALIFYING COMPONENTS.—The term “qualifying components” means components that the Secretary determines to be—
(i) specially designed for advanced technology vehicles; and
(ii) installed for the purpose of meeting the performance requirements of advanced technology vehicles.
(F) MANUFACTURER FACILITY CONVERSION AWARDS.—The Secretary shall provide facility conversion funding awards under this subsection to automobile manufacturers and component suppliers to pay 30 percent of the cost of—
(A) re-equipping or expanding an existing manufacturing facility to produce—
(1) qualifying advanced technology vehicles; or
(2) qualifying components; and
(B) engineering integration of qualifying vehicles and qualifying components.
(G) PERIOD OF AVAILABILITY.—
(A) PHASE 1.—
(I) IN GENERAL.—An award under paragraph (2) shall apply to—
(I) facilities and equipment placed in service before January 1, 2014; and
(ii) engineering integration costs incurred during the period beginning on the date of enactment of this Act and ending on December 31, 2013.
(B) TRANSITION STANDARD FOR LIGHT DUTY MANUFACTURING VEHICLES.—For purposes of making an award under clause (i), the term “advanced technology vehicle” includes a diesel-powered or diesel-hybrid light duty vehicle that—
(i) has a weight greater than 6,000 pounds; and
(ii) is capable of using a fuel that is not a petroleum fuel; or
(iii) is capable of using a fuel that is not a petroleum fuel, and a low-carbon fuel; and
(iv) a rechargeable energy storage system.
(II) meets the Tier II Bin 8 emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(l) of the Clean Air Act (42 U.S.C. 7221(l)), or a lower numbered bin.

(b) PHASE II.—If the Secretary determines under paragraph (4) that the program under this subsection resulted in a substantial improvement in the ability of automobile manufacturers to produce light duty vehicles with improved fuel economy, the Secretary shall make a determination under paragraph (2) that shall apply to—

(I) facilities and equipment placed in service before January 1, 2021; and

(II) engineering integration costs incurred during the period beginning on January 1, 2014, and ending on December 31, 2020.

(4) DETERMINATION OF IMPROVEMENT.—

(A) IN GENERAL.—Not later than January 1, 2013, the Secretary shall determine, after providing notice and an opportunity for public comment, whether 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.

(5) PROHIBITION ON MANUFACTURERS.—In preparing the determination under paragraph (4), the Secretary shall enter into an agreement with the National Academy of Sciences to analyze the effect of the program under this subsection on automobile manufacturers.

SEC. 1527. EFFECT OF SUBTITLE.

Nothing in this subtitle affects the authority of Congress to limit, terminate, or change the value of an allowance or credit issued under this subtitle.

Subtitle II—International Programs

SEC. 1531. PURPOSES.

The purposes of this subtitle are—

(1) to strengthen the cooperation of the United States with developing countries in addressing critical energy needs and global climate change;

(2) to promote sustainable economic development, increase access to modern energy 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; and

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

(d) EFFECTIVE DATE.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 1532. CLEAN ENERGY TECHNOLOGY DEVELOPMENT IN DEVELOPING COUNTRIES.

Title VII of the Global Environmental Protection Assistance Act of 1989 (Public Law 101–240; 103 Stat. 2521) is amended by adding at the end the following:

"PART C—CLEAN ENERGY TECHNOLOGY DEVELOPMENT IN DEVELOPING COUNTRIES

"SEC. 731. DEFINITIONS.

"In this part—

"(1) 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 and available commercial use in any developing country—

"(A) is reliable, affordable, economically viable, socially acceptable, and compatible with the needs and norms of the host country;

"(B) results in—

"(i) reduced emissions of greenhouse gases; or

"(ii) 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) EXCLUSION.—The term ‘developing country’ may include a country with an economy in transition, as determined by the Secretary.

"(4) GEOLOGICAL 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) QUALITY PROJECT.—The term ‘qualifying project’ means a project meeting the criteria established under section 723(b).

"(7) SECRETARY.—The term ‘Secretary’ means the Secretary of Energy.

"(8) STRATEGY.—The term ‘strategy’ means the strategy established under section 733.

"(9) TASK FORCE.—The term ‘Task Force’ means the Task Force on International Clean Energy Cooperation established under section 732(a).

"(10) UNITED STATES.—The term ‘United States’, when used in a geographical sense, means all of the States.

"SEC. 732. ORGANIZATION.

"(a) INITIAL STRATEGY.—

"(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this part, the President shall establish a Task Force on International Clean Energy Cooperation.

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

"(A) the Secretary and the Secretary of Energy, who shall serve jointly as Co-Chairpersons; and

"(B) representatives, appointed by the head of the respective Federal agency, of—

"(i) the Department of Commerce;

"(ii) the Department of Treasury;

"(iii) the Environmental Protection Agency;

"(iv) the United States Agency for International Development;

"(v) the Export-Import Bank;

"(vi) the Overseas Private Investment Corporation;

"(vii) the Trade and Development Agency;

"(viii) the Small Business Administration; and

"(ix) the Office of United States Trade Representatives;

"(x) other Federal agencies, as determined by the President.

"(b) WORKING GROUPS.—

"(1) ESTABLISHMENT.—The Task Force—

"(A) shall establish an Interagency Working Group on Clean Energy Technology Exports; and

"(B) may establish other working groups as necessary to carry out this part.

"(2) COMPOSITION OF INTERAGENCY WORKING GROUP.—The Interagency Working Group shall be composed of—

"(A) the Secretary of Energy, the Secretary of Commerce, and the Administrator of the United States Agency for International Development; and

"(B) other members, as determined by the Task Force.

"(c) INTERAGENCY CENTER.—

"(1) ESTABLISHMENT.—There is established an Interagency Center in the Office of International Energy Market Development of the Department of Energy.

"(2) DUTIES.—The Interagency Center shall—

"(A) assist the Interagency Working Group in carrying out this part; and

"(B) perform such other duties as are determined to be appropriate by the Secretary of Energy.

"SEC. 733. STRATEGY.

"(a) INITIAL STRATEGY.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this part, the Task Force shall develop and submit to the President a Strategy to—

"(A) support the development and implementation of programs and policies in developing countries to promote the adoption of clean energy technologies and energy efficiency technologies and strategies, with an emphasis on those developing countries that experience the most significant growth in energy production and use over the next 20 years;

"(B) open and expand clean energy technology markets and facilitate the export of clean energy technology to developing countries, in a manner consistent with the subsidy codes of the World Trade Organization; and

"(C) integrate into the foreign policy objectives of the United States the promotion of—

"(i) clean energy technology deployment and reduced greenhouse gas emissions in developing countries; and

"(ii) clean energy technology exports;

"(D) establish a pilot program that provides financial assistance for qualifying projects; and

"(E) develop financial mechanisms and instruments (including securities that mitigate the political and financial risks of uses that are consistent with the foreign policy of the United States by combining the private sector market and government enhancements) that—

"(i) are cost-effective; and

"(ii) facilitate private capital investment in clean energy technology projects in developing countries;

"(2) TRANSMISSION TO CONGRESS.—On receiving the Strategy from the Task Force
under paragraph (1), the President shall transmit to Congress the Strategy.

(2) 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 and markets for clean energy technologies in the United States;

(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 open markets and improve clean energy technology exports of the United States in support of—

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

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

(C) analyzing energy supply technologies, including fossil, nuclear, and renewable technology initiatives;

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

(A) energy-sector reform;

(B) the creation of open, transparent, and competitive markets for clean energy technologies;

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

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

(2) establish priorities for promoting the diffusion and adoption of clean energy technologies and strategies in developing countries, consistent with the priorities established under the Strategy;

(3) develop 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. 733. PILOT PROGRAM FOR DEMONSTRATION 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 Secretary, 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 1608(k) of the Energy Policy Act of 1992 (42 U.S.C. 13537(k));

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

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

(1) 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; and

(2) 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

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

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

(1) 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; and

(2) 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

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

(c) FINANCIAL ASSISTANCE.—

(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 733(c)(7)) the quantity of annual greenhouse gas emissions avoided, reduced, or sequestered as a result of the development 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) Development.—To be eligible for a loan or loan guarantee for research 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 the appropriate country or 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. 722. PERFORMANCE CRITERIA FOR MAJOR ENERGY CONSUMERS.

(a) Identification of major energy consumers.—

(1) In general.—Under section 734 of the Energy Policy Act of 1992 (42 U.S.C. 8241), the Secretary of Energy shall make annual determinations of the energy consumption of persons who are major energy consumers. Beginning on page 692, strike line 20 and insert the following:

SEC. 731. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated:

(a) findings.—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 733(c)(7)) the quantity of annual greenhouse gas emissions avoided, reduced, or sequestered as a result of the development 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) Development.—To be eligible for a loan or loan guarantee for research 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 the appropriate country or 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.—Under section 734 of the Energy Policy Act of 1992 (42 U.S.C. 8241), the Secretary of Energy shall make annual determinations of the energy consumption of persons who are major energy consumers. Beginning on page 692, strike line 20 and insert the following:

(2) 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 the appropriate country or 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. . INCOME TAX EXCLUSION FOR CERTAIN FUNDS 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 who meets the rural carpool requirements of section 132(f) (8).

(b) Limitation on exclusion.—

Section 132(f)(2) of such Code (relating to limitation on exclusion) is amended by striking ‘‘at the end of the following new subparagraph:

(D) $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:

‘‘(8) REQUIREMENTS FOR EMPLOYERS PARTICIPATING IN RURAL CARPOOLS.—

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

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

(ii) certifies to such employer that—

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

(II) such employer 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 employer uses the employee’s highway vehicle when traveling between the employee’s residence and place of employment, and

(IV) for at least 75 percent of the total mileage of the employee described in clause (i), the employee is accompanied by 1 or more employers of such employer, and

(iii) agrees to notify such employer when any of subsection (c)(ii) no longer applies.

(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 are 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 (b)(1)(D) thereof’’ after ‘‘or 132’’.

(e) Effective date.—The amendments made by this section shall apply to expenses incurred after the date of the enactment of this Act and before January 1, 2007.

SEC. 720. 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:

At the appropriate place, insert the following: Amendments to be proposed by Mrs. Boxer.

Sec. . final action on refunds for excessive charges.

(a) Findings.—Congress finds that—

(1) the state of California experienced an energy crisis;

(2) FERC issued an order requiring a refund of the portion of charges on the sale of electric energy that was unjust or unreasonable during that crisis;

(3) as of the date of enactment of this Act, none of the refunds ordered to date have been received by the state of California; and

(4) the commission has ruled that the state of California is entitled to approximately $3 billion in refunds; the state of California maintains that that $6.9 billion in refunds is owed.

(b) FERC shall—

(1) seek to conclude its investigation into the unjust or unreasonable charges incurred by California during the 2000–2001 electricity crisis as soon as possible;

(2) seek to ensure that refunds the Commission determines are owed to the state of California are paid to the state of California; and

(3) submit to Congress a report by December 31, 2005 describing the actions taken by the Commission to date under this section and timetables for further actions.

SEC. 871. Mr. REID (for himself and Mr. ENSIGN) 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:

SECTION . WHISTLEBLOWER PROTECTION FOR EMPLOYEES OF THE DEPARTMENT OF ENERGY AND THE NUCLEAR REGULATORY COMMISSION.

(a) Definition of employees—Section 211(a)(2) of the Energy Reorganization Act of 1974 (42 U.S.C. 5851(a)(2)) is amended—

(1) in subparagraph (C), by striking ‘‘at the end of the’’ and

(2) in subparagraph (D), by striking ‘‘that is indemnified’’ and all that follows through ‘‘and’’

(b) de novo judicial determination—

Section 211(b) of the Energy Reorganization Act of 1974 (42 U.S.C. 5851 (b)) is amended by adding at the end the following:

(E) the Department of Energy; ‘‘

(f) de novo judicial determination—

If the Secretary does not issue a final decision within 180 days after the filing of a complaint under paragraph (1) and the Secretary does not show that the delay is caused by the bad faith of the claimant, the claimant may bring a civil action in United States district court for a determination of the claim by the court de novo.’’

SEC. 872. Mr. MARTINEZ (for himself and Mr. JOHNSON) 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 692, strike line 20 and all that follows through page 693, line 13, and insert the following:

(3) Electric consumer; electric utility.—

(A) in general.—The terms ‘‘electric consumer’’ and ‘‘electric utility’’ have the meanings given those terms in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602).

At the appropriate place, insert the following:

Amendment to be proposed by Mrs. Boxer.

At the appropriate place, insert the following:

Amendment to be proposed by Mrs. Boxer.

At the appropriate place, insert the following:
newable thermal energy for district cooling which is designed to access deep water re-
sources.

(2) EFFECT OF RULES.—Rules issued under paragraph (1) shall not affect, alter, limit, interfere with, or otherwise regulate the provision of information by an electric utility to a consumer reporting agency (as defined in section 903 of the Fair Credit Reporting Act (15 U.S.C. 1681a)).

SA 877. Mr. VITTER 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, add the following:

SEC. 390. DEEPWATER PORTS.

Section 4(c) of the Deepwater Port Act of 1974 (33 U.S.C. 1536(c)) is amended by striking paragraphs (8) and (9) and inserting the following:

(8) The Governor of each adjacent coastal State under section 9 approves, or is presumed to approve, the issuance of the license; and

(9) as of the date on which the application for a license is submitted, the adjacent coastal State to which the deepwater port is to be directly connected by pipeline has developed, or is making reasonable progress toward developing, as determined in accordance with section 603 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

SA 878. Mr. KYL 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 325, strike line 17 and insert "$500,000,000".

SA 879. Mr. KYL 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 323, line 17, strike "$1,000,000,000" and insert "$1,000,000,000".

SA 880. Mr. KYL 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 in subtitle A of title II, insert the following:

SEC. 4. WEATHERIZATION ASSISTANCE CRED-
IT.

(a) IN GENERAL.—Subpart D of Part III of subpart A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits), as amended by this Act, is amended by inserting after section 45N the following new section:

SEC. 45O. WEATHERIZATION ASSISTANCE CRED-
IT.

(a) GENERAL RULE.—For purposes of section 38, in the case of a utility, the amount of the weatherization assistance credit determined under this section for the taxable year shall be an amount equal to 20 percent of the qualified weatherization assistance expenses.

(b) DEFINITIONS.—For purposes of this section:

(1) WEATHERIZATION ASSISTANCE EX-
PENSES.—The term "weatherization assistance expenses" means amounts—

(A) paid by the taxpayer—

(i) to a State weatherization agency for use by such agency in its program that enhances or extends the Department of Energy’s program described in subparagraph (A), and

(ii) certified to the taxpayer by a State weatherization agency as paid to one or more entities described in subparagraph (A)(i) or to such agency described in subparagraph (A)(ii),

(2) QUALIFIED WEATHERIZATION ASSISTANCE EXPENSES.—The term ‘qualified weatherization assistance expenses’ means—

(A) with respect to the first 5 taxable years ending after the date of enactment of this section, the weatherization assistance expenses for each such year, and

(B) with respect to a taxable year after the fifth taxable year ending after the date of enactment of this section, the excess (if any) of the weatherization assistance expenses for such year over the weatherization assistance expenses for the fifth taxable year preceding such year;

(3) UTILITY.—The term ‘utility’ means a corporation that is engaged in the sale of electric energy or gas and is described in section 701(a)(35)(A).

(4) STATE WEATHERIZATION AGENCY.—The term ‘State weatherization agency’ means the department, agency, board, or other enti-

ty of a State that is authorized by State law to administer the weatherization program described in section 415 of the Energy Conservation and Production Act (42 U.S.C. 6865).

(c) REGULATIONS.—The Secretary shall prescribe regulations necessary to carry out the purposes of this section.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit), as amended by this Act, is amended by striking ‘plus’ at the end of paragraph (23), striking the period at the end of paragraph (24), and inserting ‘plus’ and by inserting after paragraph (24) the following new paragraph:

(25) the weatherization assistance credit determined under subsections (a) and (c) and section 45C, as amended by this Act, is
amended by adding after the item relating to section 45N the following new item:

“45O. Weatherization assistance credit.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to weatherization assistance expenditures (within the meaning of section 45O of the Internal Revenue Code of 1986) paid or incurred in taxable years ending after the date of enactment of this Act.

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 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 consequences and more certainty of providing the necessary generation capacity and reliability.

SEC. 1244. SENSE OF THE SENATE REGARDING LOCATIONAL 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 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 consequences and more certainty of providing the necessary generation capacity and reliability.
“(II) a closing agreement under section 7211 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:


(i) by striking “‘biodiesel’ means” and inserting the following—“‘biodiesel’ means, and;

(ii) by adding the following:

“§ 112.9.1. Waste- Derived Ethanol and Bio- Diesel. (d) ‘biodiesel’ means, and—

§ 112.9.2. (1) only if the electricity is generated by a utility owned by a governmental unit, and

§ 112.9.3. (2) only to the extent that the electricity is sold (other than for resale) to customers of such utility who are located within the service area of such utility, and

§ 112.9.4. (D) Adjustments for Changes in Customer Base.—

§ 112.9.5. (1) New Business Customers.—If—

§ 112.9.6. (2) other than for resale) for use by a business at a property within the service area of such utility, and

§ 112.9.7. (3) the utility did not supply natural gas to such property during the testing period or the ratable amount of natural gas to be supplied under the contract is significantly greater than the ratable amount of gas supplied to such property during the testing period, then a contract shall not fail to be treated as a qualified natural gas supply contract by reason of supplying the additional natural gas under the contract referred to in subparagraph (A).

§ 112.9.8. (B) Overall Limitation.—The average under subparagraph (A)(i) shall not exceed the annual amount of natural gas reasonably expected to be purchased (other than for resale) by persons who are located within the service area of such utility and who, as of the date of issuance of the issue, are customers of such utility.

§ 112.9.9. (C) Ruling Requests.—The Secretary may increase the average under subparagraph (B)(i) for any period if the utility owned by the governmental unit establishes to the satisfaction of the Secretary that, based on objective evidence of growth in natural gas consumption or population, such average would otherwise be insufficient for such period.

§ 112.9.10. (D) Adjustment for Natural Gas Otherwise on Hand.—(1) in General.—The amount otherwise permitted to be acquired under the contract for any period shall be reduced by—

§ 112.9.11. (2) the amount of natural gas held by the utility on the date of issuance of the issue, and

§ 112.9.12. (3) the natural gas (not taken into account under clause (1)) which the utility has a right to acquire during such period (determined as of the date of issuance of the issue).

§ 112.9.13. (E) Applicable Share.—For purposes of clause (i), the term ‘applicable share’ means, with respect to any period, the natural gas allocable to such period if the gas were allocated ratably among the periods to which the prepayment relates.

§ 112.9.14. (G) Intentional Acts.—Subparagraph (A) shall not apply if the utility owned by the governmental unit engages in any intentional act to render the volume of natural gas acquired by such prepayment to be in excess of—

§ 112.9.15. (ii) the amount of natural gas needed (other than for resale) by customers of such utility who are located within the service area of such utility, and

§ 112.9.16. (ii) the amount of natural gas used to transport such natural gas to the utility.

§ 112.9.17. (H) Testing Period.—For purposes of this paragraph, the term ‘testing period’ means, with respect to an issue, the most recent 5 calendar years ending before the date of issuance of the issue.

§ 112.9.18. (I) Service Area.—For purposes of this paragraph, the service area of a utility owned by a governmental unit shall be comprised of—

§ 112.9.19. (i) any area throughout which such utility provided at all times during the testing period—

§ 112.9.20. (1) in the case of a natural gas utility, natural gas transmission or distribution services, and

§ 112.9.21. (2) in the case of an electric utility, electricity distribution services.

§ 112.9.22. (l) any area contiguous to the area described in clause (i) in which retail customers of such utility are located if such area is not also served by another utility providing natural gas or electricity services, as the case may be, and

§ 112.9.23. (m) any area recognized as the service area by such utility under State or Federal law.”.

(b) Private Loan Financing Test Not To Apply To Prepayments for Natural Gas.—Section 148(b)(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:

§ 112.9.24. (C) is a qualified natural gas supply contract (as defined in section 148(b)(2)).

§ 112.9.25. (c) Conforming Amendment.—Section 14(d) of the Internal Revenue Code of 1986 is amended by striking “at the end of the following new paragraph:

§ 112.9.26. “(7) Exception for Qualified Electric and Natural Gas Supply Contracts.—The term ‘qualified electric and natural gas supply contracts’ in section 148(b) shall mean any contract for the prepayment of electric or natural gas which is not investment property under section 148(b)(2).”.

SA 887. 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 end of title XV, add the following:

Sec. 15. State Incentives for Use of Clean Coal Technology.

(a) Definitions.—In this section—

§ 112.9.27. (1) Compliance Facility.—The term ‘compliance facility’ means any facility that—

§ 112.9.28. (A)(i) is designed, constructed, and installed, and, 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

§ 112.9.29. (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.

§ 112.9.30. (B)(i) removes sulfur compounds from coal before the combustion of the coal; and

§ 112.9.31. (ii) located off the premises of the electric generation facility at which the coal processed at the facility is burned;

§ 112.9.32. (C) includes a flue gas desulfurization system connected to a coal-fired electric generation unit; or

§ 112.9.33. (D) includes facilities or equipment acquired, constructed, or installed, and used, at a coal-fired electric generation unit for the primary purpose of handling—

§ 112.9.34. (i) the byproducts produced by the compliance facility; or

§ 112.9.35. (ii) other coal combustion byproducts produced by the electric generation unit in or to which the compliance facility is incorporated or connected.

§ 112.9.36. (2) Electric Utility.—The term ‘electric utility’ means any person (including any municipality) that generates, transmits, or distributes electric energy through the use of a coal-fired electric generation unit that contains, is attached to, or is used in conjunction with a compliance facility.

§ 112.9.37. (b) Credits.—A State may provide an electric utility a credit against any tax or fee owed to the State under a State law, in an amount calculated in accordance with a
designated coastal boundary of a State (as of the 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. — 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 306 of the Coastal Zone Management Act of 1972 (4 U.S.C. 1463)) of the coastal State; 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 (4 U.S.C. 1451 et seq.).

"(3) Coastal State. — The term "coastal State" has the meaning given the term in section 306 of the Coastal Zone Management Act of 1972 (4 U.S.C. 1451).

"(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, from the geographic center of each producing State; and

"(6) Leased 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, producing, and 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 109 of division E of the Consolidated Appropriations Act, 2005 (Public Law 108-447; 118 Stat. 3036).

"(8) Political subdivision. — The term 'political subdivision' means the political subdivision 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 coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract within any area of the outer Continental Shelf.

"(B) Exception. — The term "producing State" does not include a producing State, a majority of the coastline of which is subject to leasing moratoria, unless production was occurring on January 1, 2005, from a lease within 30 nautical miles of the coastline of that State.

"(10) Qualified outer Continental Shelf Revenues. —

"(A) In general. — The term "qualified Outer Continental Shelf Revenues" means all amounts received by the United States from each leased tract or portion of a leased tract.

"(i) lying

"(I) seaward of the zone covered by section 8(g); or

"(II) within that zone, but to which section 8(g) does not apply; and

"(ii) the geographic center of which lies within a distance of 200 nautical miles from any part of the coastline of any coastal State.

"(B) Inclusions. — 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 payment interest from natural gas and oil leases issued under this Act.

"(C) Exclusion. — The term "qualified Outer Continental Shelf Revenues" does not include any revenues from a leased tract or portion of a leased tract that is located in a geographic area subject to a leasing moratorium on January 1, 2005, unless the lease was in production on January 1, 2006.

"(D) Payments to producing States and coastal political subdivisions. —

"(1) The Secretary shall, without further appropriation, disburse to producing States and coastal political subdivisions in accordance with this section for each of fiscal years 2007 and 2008 shall be determined using qualified outer Continental Shelf revenues received for fiscal year 2006; 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 2008.

"(C) Multiple producing States. — In a case in which more than 1 producing State is located within 200 nautical 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. — The amount allocated to a producing State under subparagraph (B) shall be not less than 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 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 coastal population of all coastal political subdivisions in the producing State; and

"(ii) 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 each leased tract, as determined by the Secretary.

"(C) Exception for the State of Louisiana. — For the purposes of subparagraph (B)(iv), the coastal line for coastal political subdivisions in the State of Louisiana without a coastline shall be considered to be ½ the average length of the coastline of all coastal political subdivisions with a coastline in the State of Louisiana.

"(D) Exception for the State of Alaska. — For the purposes of carrying out subparagraph (B)(ii), the amounts allocated shall be divided equally among the 2 coastal political subdivisions in the State of Alaska close to the geographic center of a leased tract.

"(E) Exclusion of certain leased tracts. — For purposes of subparagraph (B), no lease that portion of a leased tract shall be included if the tract or portion of a leased tract is located in a geographic

"(F) Amount of outer Continental Shelf Revenues. — For purposes of paragraph (A) —

"(i) 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

"(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 2008.

"(G) Separate accounting. — The Secretary shall ensure that the amounts described in paragraph (4)(A) are separately accounted for in the accounts of the producing State.

"(H) List of producing States. — The Secretary shall maintain a list of the producing States and shall make the list available to the public.

"(I) Annual Report. — The Secretary shall submit an annual report to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives, describing the allocations made under this section, respectively, for the fiscal year.

"(J) Administration. — The provisions of section 325 are applicable to the administration of this section.

"(K) Authorization of Appropriations. — There is authorized to be appropriated $50,000,000 for each of fiscal years 2007 and 2008 to carry out this section.

"(L) Definitions. — For purposes of this section, the terms "leasing moratoria" and "lease" have the meanings given those terms in section 306 of the Coastal Zone Management Act of 1972 (43 U.S.C. 1356).

"(M) Effective Date. — This section shall take effect on January 1, 2005.
disapproval of a plan submitted under paragraph (1) shall require the Secretary to reallocate 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).

(C) COASTAL IMPACT ASSISTANCE PLAN.—(1) 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) PUBLIC PARTICIPATION.—In carrying out subparagraph (A), the Governor shall solicit local input and provide for public participation in the development of the plan.

(2) APPROVAL.—

(A) IN GENERAL.—The Secretary shall approve a plan of a producing State submitted under this section if the Secretary determines that the plan

(i) is developed in accordance with this section; and

(ii) the plan contains—

(I) the name of the State agency that will have the authority to represent and act on behalf of the producing State in dealing with the Secretary for purposes of this section;

(II) a program for the implementation of the plan, including how the amounts provided under this section to the producing State will be used;

(III) for each coastal political subdivision that receives an amount under this section—

(aa) the name of a contact person; and

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

(IV) a certification by the Governor that ample 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.

(3) AMENDMENT.—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 under paragraph (4).

(4) PROCEDURE.—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.

(d) AUTHORIZED USES.—

(1) IN GENERAL.—A producing State or coastal political subdivision shall use all amounts received under this section, including any amount deposited in a trust fund that is established by the Governor of the State or coastal political subdivision and dedicated to uses 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 wetland.

(B) Mitigation of damage to fish, wildlife, or natural resources.

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

(D) Wetland conservation management plan.

(E) Mitigation of the impact of outer Continental shelf activities through funding of offshore infrastructure projects and public service needs.

(2) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditure 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 subsection to the producing State or the coastal political subdivision until such time as all amounts obligated for unauthorized uses have been repaid or reauthorized for authorized uses.

(3) LIMITATION.—Not more than 23 percent of amounts received by a producing State or coastal political subdivision for any fiscal year shall be used for purposes described in subparagraph (C) and (E) of paragraph (1).

SA 892. 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:

SEC. ... PAYMENT TO CERTAIN ULTIMATE VENDORS OF EXCISE TAX REFUND FOR BIODIESEL MIXTURES SOLD FOR NONTAXABLE PURPOSES.

(a) IN GENERAL.—Section 4227(c) 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 (1) to such ultimate vendor, but only if such ultimate vendor delivers—

(A) is registered under section 4101, and

(B) meets the requirements of subparagraph (A), (B), or (D) of section 61(h)(1)."

(b) EFFECTIVE DATE.—In any case where a reimbursement 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:

"(3) The Secretary, the Administrator of the Environmental Protection Agency, and the Administrator of the Small Business Administration, as a part of the outreach to businesses concerned with the Energy Star Program required by this subsection, may enter into cooperative agreements with qualified resource partners (including the National Center for Appropriate Technology) to establish, maintain, and promote a Small Business Energy Clearinghouse (hereafter referred to as the ‘Clearinghouse’). The Secretary and the Administrators shall ensure that the Clearinghouse 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.

(4) There are authorized to be appropriated such sums as may be necessary to carry out this subsection, to remain available until expended."
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 600.208 and 600.209.95 (40 C.F.R. 600.208 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) Deadlines.—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) Reconsideration process.—The Administrator shall consider the public comments made by sections 1251 and 1254; and the public benefits that have been derived from net metering and interconnection

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. 1255. 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 1251 and 1254;
2. contains a list of preapproved systems and equipment as well as the standards established under the amendments made by sections 1251 and 1254; and
3. describes—
(A) the public benefits that have been derived from net metering and interconnection technologies;
(B) any barriers to further deployment of net metering and interconnection technologies.

SA 898. Mr. LEVIEV (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 523, between lines 13 and 14, insert the following:

SEC. 958. 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.—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.—Not later than 180 days after 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. REINSTATEMENT OF LEASES.

Notwithstanding section 313(d)(2)(B) of the Mineral Leasing Act (30 U.S.C. 186(d)(2)(B)), the Secretary may reinstate any oil and gas lease issued under that Act that was terminated by lessee for 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 313(e) of the Mineral Leasing Act (30 U.S.C. 186(e)); and
(3) certifies that the lessee did not receive a notice of termination by the date that was 15 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. 9. RATEPAYER PROTECTION.

(a) Study on Energy Efficiency; 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 subparagraph (B) to review the report.

(C) Effective Date.—If the Congressional Budget Office determines that there would be no 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).

SEC. 34. PAYMENTS TO ELECTRIC GENERATING UNITS.—

(1) In General.—Beginning in calendar year 2008 and each subsequent calendar year, the electric generating unit that incurs any costs in complying with the requirements of that title shall submit to the Commissioner of the Federal Energy Regulatory Commission (referred to in this subsection as the ‘‘Commissioner’’) a statement of the total costs incurred by the electric generating unit for the calendar year.

(2) Approved Costs.—The Commissioner shall—

(A) review any costs submitted under paragraph (1);
(B) approve or disapprove the submitted costs as legitimate; and
(C) determine the total amount of approved costs submitted by all electric generating utilities.

(3) Average Costs.—The Commissioner shall determine—
(A) the total megawatts of electricity produced from all electric generating units for the calendar year; and

(B) the average cost per megawatt determined in accordance with any carbon reduction mandates 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 shall submit to the Commission, in an amount equal to the product obtained by multiplying—

(A) the average cost per megawatt determined by the Commissioner under paragraph (3)(B); by

(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 reduction mandates of the act, including the electric generating unit in excess of the amount required to be paid by the electric generating unit under paragraph (4).

(6) PROHIBITION.—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.—The National Climate Program Office of the Department of Energy, the Environmental Protection Agency, and the Federal Emergency Management Agency, as the lead agencies, shall provide programs and initiatives to encourage the reduction of electricity consumption, and to reduce energy costs.

(d) UTILITY ACTIONS TO REDUCE CARBON DIOXIDE EMISSIONS.—

(1) The average fuel economy standard applicable for automobiles (except passenger automobiles) manufactured by a manufacturer in a model year—

(A) after model year 1994 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 2012 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; and (E) after model year 2016 shall be 27.5 miles per gallon, except as provided under paragraph (2).

(2) 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 paragraph (2); and

(B) in paragraph (1) (i)—

(i) by striking “Subject to paragraph (2) of this subsection, the” and inserting “The”; and

(ii) by striking “amending the standard and inserting “increasing the standard otherwise applicable” and

(iii) by striking “and inserting the following:” and

(b) PASSENGER AUTOMOBILE.—Section 32902(a)(1) of such title is amended to read 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 the floor of which is at least 6 feet in interior length 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 subsection (a) 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 inserting ‘‘(1)’’ before ‘‘Except as provided for in subparagraph (B)’’;

(2) by striking ‘‘5,’’ and ‘‘10, as increased from time to time under subparagraph (B).’’ and inserting ‘‘5, as increased from time to time under subparagraph (B).’’;

(3) by adding at the end the following:

‘‘(2) The dollar amount applicable under subparagraph (B) shall be the dollar amount applicable under subparagraph (B) of section 32902 of this title for the model year that includes January 1 of that fiscal year, and

‘‘(3) Beginning in fiscal year 2011, at least 10,000 vehicles in the fleet of automobiles or passenger automobiles, used 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 standard applicable to the automobile under subsection (b) or (c) of 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 the following:

(1) comments to identify solid-state lighting technology needs;

(2) an assessment of the progress of the research activities of the Initiative; and

(3) assistance in annually updating solid-state lighting technology roadmaps.

(c) SPECIAL RULES.—(1) In making the awards, the Secretary may give preference to participants whose taxable year is such calendar year.

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 require that—

‘‘(I) 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 vehicle fuel economy rating that is at least 5 miles per gallon higher than the average fuel economy standard applicable to the automobile under subsection (b) or (c) of section 32902 of this title for the model year that includes January 1 of that fiscal year; and

‘‘(II) beginning in fiscal year 2011, at least 10,000 vehicles in the fleet of automobiles or passenger automobiles, used 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 904. 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 appropriate place, insert the following:

‘‘(c) MINIMUM NUMBER OF EXCEPTIONALLY FUEL-EFFICIENT VEHICLES.—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 vehicle fuel economy rating that is at least 5 miles per gallon higher than the average fuel economy standard applicable to the automobile under subsection (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 or passenger automobiles, used 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 standard applicable to such automobiles under section 32902 of this title for the model year that includes January 1 of that fiscal year.’’.
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 216(b)(2)) 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 paragraph, 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 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 which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears 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 corporation (as defined in that section), the individual’s proportionate share of any expenditures of such corporation shall be treated as made when the original installation of the item is completed.

(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) IN 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.

(ii) 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 2502(a)(4)).

(d) 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 of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(e) LIMITATIONS.—No credit shall be allowed under this section for any item of property unless—

(i) the case of a solar heating property, the property meets all applicable health and safety standards and requirements imposed by any State or local permitting authority, and

(ii) the case of a photovoltaic property, the property meets all appropriate fire and safety standards and requirements imposed by any State or local permitting authority, and

(f) TERMINATION.—This section shall not apply to expenditures made after December 31, 2010.

(b) PRODUCTION TAX CREDIT FOR UTILITY-SCALE SOLAR.—

(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.

(c) CONFORMING AMENDMENTS.—


(2) The item relating to section 25D in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code, as added by section 1527 of this Act, is amended by striking subparagraph of paragraph (E) thereof.

(3) SEC. 25D. RENEWABLE ENERGY EQUIPMENT CREDIT.—

(a) ALLOWANCE OF CREDIT.—In the case of solar heating property expenditures made by all of such individuals during such calendar year, 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—

(i) the credit allowable under this section for any expenditure with respect to any property, and

(ii) the credit allowable under this section for any expenditure with respect to any property.

(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term ‘qualified photovoltaic property expenditure’ means any property expenditure for property which use solar energy to generate electricity for use in a dwelling unit through the photovoltaic effect.

(3) QUALIFIED SOLAR HEATING PROPERTY EXPENDITURE.—

(A) IN GENERAL.—The term ‘qualified solar heating property expenditure’ means any property expenditure for property which uses solar energy to generate heat or to provide hot water for use in a dwelling unit.

(B) EXCLUSION.—The term ‘qualified solar heating property expenditure’ does not include any property expenditure 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 2 or more individuals, the following shall apply separately with respect to qualified solar heating property expenditures and qualified photovoltaic property expenditures:

(A) 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.

(B) The following shall apply 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 which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears 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 corporation (as defined in that section), the individual’s proportionate share of any expenditures of such corporation shall be treated as made when the original installation of the item is completed.

(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 (as defined in section 216(b)(3)) of any expenditures of such condominium.

(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 corporation (as defined in that section), the individual’s proportionate share of any expenditures of such corporation shall be treated as made when the original installation of the item is completed.

(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) IN 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.

(ii) 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 2502(a)(4)).

(d) 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 of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(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.

(ii) 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 48(a)(10)(A)).

(d) 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 of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(e) LIMITATIONS.—No credit shall be allowed under this section for an item of property unless—
SA 906. 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:

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 321) is amended by adding at the end the following:

"(q) GAS-ONLY LEASES.—"

"(1) In general.—The Secretary may issue a lease under this section beginning in the 2007-2008 period that authorizes development and production only of gas and associated condensate in accordance with regulations issued under paragraph (2)."

"(2) 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—

(II) liquids that condense from natural gas in the process of treatment, dehydration, decompression, or compression prior to the point to which the credit as provided in section 45(d) of the Internal Revenue Code is applicable; and

(III) natural gas liquefied for transportation; and

(ii) excludes crude oil;"

"(B) provide that gas-only leases shall contain the same initial 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 lease 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 Governor of the State adjacent to the lease area, as determined under section 18(8)(a)(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 (f) of this section, to be established by the Secretary, that requires—

(i) consultation by the Secretary with the Governor of the State in which the leased area is located 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 to be relevant; and

(ii) compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)."

"(3) 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. 1344) 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) Outer Continental Shelf.—The term 'maritime area' means—

(i) any area withdrawn from disposition by leasing by the memorandum entitled 'Memorandum of a Request for Sale 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 leasing, or related activities.

(2) Resource estimates.—

(A) Requests.—At any time, the Governor of an affected State, acting on behalf of the Secretary, may request the Secretary to provide a current estimate of proven and potential gas, or oil and gas, resources in any maritime area (or any part of the maritime 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 of receipt of a request under subparagraph (A), the Secretary shall provide—

(i) a delineation of the boundary of the proposed leasing area; and

(ii) a delineation of the outer Continental Shelf area within the area of the lease, in accordance with—

"(i) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;"

"(ii) any principles 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 on the official fiscal resolution diagrams of the Secretary:"

"(ii) a current inventory of proven and potential gas, or oil and gas, resources in any maritime areas within the area of the lease, in accordance with the lateral boundaries delineated under clause (i), as requested by the Governor; and

(C) Environmental Assessment.—Before modifying a 5-year Outer Continental Shelf Oil and Gas Leasing Program under clause (1), the Secretary shall complete an environmental assessment that anticipates the environmental effect of leasing in the area under the petition.

(2) Use of Proceeds.—The proceeds from the sale of leases under this section shall be used exclusively for the provision of electric power, the term 'electric power' means electric power generated solely from renewable energy sources; the term 'renewable energy' means electric power generated solely from renewable energy sources; the term 'renewable energy sources' means—

"(i) solar energy equipment credits;"
"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) 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 adjacent State (or the boundaries of the State 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"

"(H) 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. 1486(c))."

"(I) REVENUE SHARING.—

(A) BONUS BIDS.—If the Governor of a State requests the Secretary to allow gas, or oil or natural gas, leasing in the moratorium area which the Governor identifies) adjacent to the 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 bonus bids under subparagraph (A), a State described in subparagraph (A) shall receive 25 percent of—

(i) any royalty proceeds from a sale of royalties taken in kind by the Secretary; and

(ii) 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 31, the Governor, 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.


(iii) The Land and Water Conservation Fund to provide financial assistance to States under section 6 of that Act (16 U.S.C. 4606)."

"(J) 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 1H planning area;

(C) any area not included in the Outer Continental Shelf;

(D) the Great Lakes, as defined in section 118(a) of the Federal Water Pollution Control Act (33 U.S.C. 1226(a)); or

(E) the eastern coast of the State of Florida.

SA 907. 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:

On page 327, after line 21, add the following:

"SEC. 390. 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. 1347) (as amended by section 321) is amended by adding at the end the following:

(i) GAS-ONLY LEASE.

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—

(1) hydrocarbons and other substances in a gaseous state at atmospheric pressure and a temperature of 60 degrees Fahrenheit;

(II) any principles of domestic and international law governing the delineation of lateral offshore boundaries and

(III) the maximum extent practicable, existing lease boundaries and block lines based on the official protraction diagrams of the Secretary;

(2) the Great Lakes, as defined in section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended by adding at the end the following:

(i) STATE REQUESTS TO EXAMINE ENERGY AREAS.

1. DEFINITIONS.—In this subsection:

(A) 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, 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.

2. RESEARCH ESTIMATES.—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, or oil and gas, resources 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.

3. 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—

(1) a delineation of the lateral boundaries between the coastal States, in accordance with—

(i) any judicial decree or interstate compact delineating lateral offshore boundaries between coastal States;

(ii) any principles of domestic and international law governing the delineation of lateral offshore boundaries and

(iii) the maximum extent practicable, existing lease boundaries and block lines based on the official protraction diagrams of the Secretary;

4. APPLICATION.—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 the Secretary 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

5. CONTENTS.—In a petition under clause (1), a Governor may request that an area described in that clause be made available for leasing under subsection (b) or (q), or both, of section 8."
“(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 areas in the area covered by the petition in lease sales under the subsequent 5-year outer Continental Shelf oil and gas leasing program.

(iii) 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 any activity relating to leasing or action, receive 25 percent of any gross receipts from manufacturing (as defined in section 30B(d)(2)(A) and determined without regard to any gross vehicle weight rating).

(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component included to any advanced technology motor vehicle, including—

(A) with respect to any gasoline or diesel 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

(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) fuel injection system, or

(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.

(F) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (c)(1)(B), costs for engineering integration are costs incurred to modify 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) 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,

(5) LIMITATION ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the lesser of—

(A)(i) the sum of—

(i) the regular tax liability (as defined in section 26(b) for such taxable year, plus

(ii) the tax imposed by section 55 for such taxable year beginning after 1986 and not taken into account under section 55 for any prior taxable year, or

(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 subpart A and sections 27, 30, and 30B for the taxable year.

(g) REDUCTION IN BASIS.—For purposes of this section—the amount of any deduction under section 179(b)(1) 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, or

(2) 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 subpart A and sections 27, 30, and 30B for the taxable year.

(h) REDUCTION IN BASIS.—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 of such property which would (but for this section) result from such expenditure shall be reduced by the amount of the credit so allowed.

(i) 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)

‘‘(1) advanced technology motor vehicle’’ means—

(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

(B) any new qualified hybrid motor vehicle (as defined in section 30B(b)(2)(A) and determined without regard to any gross vehicle weight rating).

(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component included to any advanced technology motor vehicle, including—

(A) with respect to any gasoline or diesel 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

(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) fuel injection system, or

(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.

(2) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (c)(1)(B), costs for engineering integration are costs incurred to modify 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) 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,

(5) LIMITATION ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the lesser of—

(A) the sum of—

(i) the regular tax liability (as defined in section 26(b) for such taxable year, plus

(ii) the tax imposed by section 55 for such taxable year beginning after 1986 and not taken into account under section 55 for any prior taxable year, or

(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 amount of any deduction under section 179(b)(1) 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 subpart A and sections 27, 30, and 30B for the taxable year.

(h) REDUCTION IN BASIS.—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 of such property which would (but for this section) result from such expenditure shall be reduced by the amount of the credit so allowed.

(i) 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)

‘‘(1) advanced technology motor vehicle’’ means—

(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

(B) any new qualified hybrid motor vehicle (as defined in section 30B(b)(2)(A) and determined without regard to any gross vehicle weight rating).

(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component included to any advanced technology motor vehicle, including—

(A) with respect to any gasoline or diesel 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

(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) fuel injection system, or

(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.

(2) ENGINEERING INTEGRATION COSTS.—For purposes of subsection (c)(1)(B), costs for engineering integration are costs incurred to modify 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) 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,

(5) LIMITATION ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the lesser of—

(A) the sum of—

(i) the regular tax liability (as defined in section 26(b) for such taxable year, plus

(ii) the tax imposed by section 55 for such taxable year beginning after 1986 and not taken into account under section 55 for any prior taxable year, or

(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 amount of any deduction under section 179(b)(1) 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 subpart A and sections 27, 30, and 30B for the taxable year.

(h) REDUCTION IN BASIS.—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 of such property which would (but for this section) result from such expenditure shall be reduced by the amount of the credit so allowed.

(i) 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 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 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(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) 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 1016(a), as amended by this Act, is amended by striking “and” at the end of paragraph (39), by striking the period at the end of paragraph (40) and inserting “, and”, and by adding at the end the following new paragraph:

“(41) 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(c),”.

“(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.”

(c) EFFECTIVE DATE.—The amendments made by this section (other than subsection (d)) shall apply to amounts incurred in taxable years beginning after December 31, 2006. (d) ELECTION IN PERIODS IN WHICH RESEARCHABLE ENERGY PRODUCTION CREDIT EXTENDS.—Section 45(d) of the Internal Revenue Code of 1986 (relating to qualified facilities), as amended by section 1501, is amended by striking “2009” each place it appears in paragraphs (1) through (7) and inserting “2008”.

SA 909. Mr. ALEXANDER (for himself, Mr. WARNER, Ms. LANDRIEU, Mr. MCCAIN, Mr. ALLEN, Mr. VINOGRICH, 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; which was ordered to lie on the table; 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, theowski must complete its Local Notification Process.

(b) LOCAL NOTIFICATION PROCESS.—

(1) In this section, the term “Local Authorities” means the state, the county, and the senior executive of the body, at the lowest level of government that possesses 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 may not issue the Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, until 180 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.—

(i) A Highly Scenic Area is—

(1) any area listed as an official United Nations Educational, Scientific, and Cultural Organization World Heritage Site, as supported by the Department of the Interior, the National Park Service, and the International Council on Monuments and Sites; (ii) land designated as a National Park; (iii) a National Park Service unit; (iv) a National Seashore; (v) a National Wildlife Refuge that is adjacent to an ocean; (vi) a National Military Park; (vii) the Flint Hills National Wildlife Refuge; (viii) the Tallgrass Prairie National Preserve; or (ix) the Flint Hills Tallgrass Prairie Preserve or the Konza Prairie in the State of Kansas.

(ii) The term “Highly Scenic Area” does not include—

(i) any coastal wildlife refuge located in the State of Louisiana; or

(ii) any area in the State of Alaska.

(iii) A Qualified Wind Project is any wind turbine project located—

(A) in a Highly Scenic Area; or

(B) within 20 miles of the coast of a National Wildlife Refuge that is adjacent to an ocean.

(ii) Prior to the Federal Energy Regulatory Commission issuing to a Qualified Wind Project an Exempt-Wholesale Generator Status, Market-Based Rate Authority, or Qualified Facility rate schedule, an environmental impact statement shall be conducted and completed in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 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 addressing visual impacts and avian mortality analysis of a Qualified Wind Project.

(6) A Qualified Wind Project shall not be eligible for any Federal tax subsidy.

(b) EFFECTIVE DATE.

(1) This section shall expire 10 years after the date of enactment of this Act.

(2) Nothing in this section shall prevent or disallow the environmental review of any wind projects or any Qualified Wind Project on a State or local level.

(c) EFFECT OF SECTION.—Nothing in this section shall apply to a project that, as of the date of enactment of this Act—

(1) is generating energy; or

(2) has been issued a permit by the Federal Energy Regulatory Commission.

SA 910. Mr. THOMAS 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. 95. COMPARABLE ALLOCATIONS OF CAPACITY FOR INTEGRATED GASIFICATION COMBINED CYCLE PROJECTS AMONG MAJOR TYPES OF COAL FEEDSTOCKS.

(a) IN GENERAL.—Section 48A(e)(2)(A) of the Internal Revenue Code of 1986, as added by this Act, is amended by striking “certify capacity” and inserting “certify capacity in relatively equal amounts.”

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 1506(b) of this Act.

SA 911. Mr. INHOFE (for himself and 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:

On page 523, between line 13 and 14, insert the following:

SEC. 95. HEAVY OIL RESEARCH, DEVELOPMENT, AND DEMONSTRATION.

(a) FINDINGS.—Congress finds that—

(1) the continued imbalance between the oil consumption and conventional crude oil reserves of the United States has resulted in unacceptable dependency on foreign oil supplies;

(2) national energy security requires rapid development of alternative energy resources that are both commercially recoverable and compatible with the infrastructure for petroleum processing, distribution, and use in existence as of the date of enactment of this Act;

(3) the Western Hemisphere contains the largest resources of heavy oil and natural bitumen in the world, but no in-depth assessment of domestic heavy oil has been completed since 1987;

(4) an up-to-date, in-depth assessment of domestic heavy oil would be of high value to energy policymakers and industry and could provide insights into formulation of policies, initiatives, and technology for more efficient development of that resource; and

(5) resources of heavy oil and bitumen in the United States and Canada known as of
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, Kansas, Kentucky, Louisiana, Missouri, Oklahoma, Texas, and Utah have significant deposits of heavy oil and bitumen; (7) emerging technologies for in situ production of 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 provinces have received substantial government subsidies and United States production should receive similar financial incentives; (9) potential environmental impacts from in situ production of heavy oil and bitumen appear more manageable than impacts from other processes for unconventional oil extraction; (10) testing as of the date of enactment of this Act indicates that in some cases, heavy hydrocarbon production technologies can be combined with cogeneration facilities to reduce recovery costs and produce electricity economically; and (11) recent liquefying indicators that emerging acoustic agglomeration technologies are capable of converting heavy oil production and refinery wastes into materials capable of use in recycling, production, or refining processes, or other reuse to produce electricity, thermal energy, chemicals, liquid fuels, or hydrogen. (b) PROGRAM— (1) IN GENERAL.—The Secretary shall establish a program for research, development, and commercial demonstration of technologies for in situ production of heavy oil and natural bitumen. (2) ASSESSMENT.—In carrying out the program, the Secretary shall first update the technical and economic assessment of domestic heavy oil resources prepared in 1987 by the Interstate Oil and Gas Compact Commission to cover— (A) the entire continental North America; and (B) all unconventional oil resources, including heavy oil, tar sands, and oil shale. (c) ADMINISTRATION.—The program shall— (1) focus initially on technologies and domestic heavy oil resources likely to result in significant commercial production in the near future, including technologies that combine heavy oil recovery with electric power generation; and (2) include research necessary— (A) to ensure that refinery processes are capable 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 associated 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 $20,000,000 for each of fiscal years 2006 through 2010. (2) APPROPRIATION SET-ASIDE.—Of the amount authorized to be applied under paragraph (1) for fiscal year 2006, $1,000,000 shall be provided to the Interstate Oil and Gas Compact Commission for use in updating and expanding the assessment described in subsection (b)(2).
The purpose of this subtitle is to establish a greenhouse gas inventory, reductions registry, and information system that—

(1) are complete, consistent, transparent, and accurate;

(2) 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) will implement 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 1622(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 of the United States; and

(a) The term ‘‘designated agency’’ includes those departments and agencies responsible for monitoring of greenhouse gases for the designated agency under other law;

(b) a fleet of 20 or more motor vehicles under the common control of an entity;

(c) an inventory of greenhouse gas emissions; and

(d) a registry of greenhouse gas emissions.

(5) EMISSIONS.—The term ‘‘emissions’’ includes greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(6) 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;

(B) a fleet of 20 or more motor vehicles under the common control of an entity;

(C) a greenhouse gas; and

(D) any other anthropogenic, climate-forcing emission with significant ascertainable global warming potential, as—

(i) recommended by the National Academy of Sciences under section 1621(b)(3); and

(ii) determined in regulations issued under section 1621(c)(1) (or revisions to the regulations) to be appropriate and practicable for reducing greenhouse gas emissions; and

(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;

(B) a fleet of 20 or more motor vehicles under the common control of an entity;

(C) a greenhouse gas; and

(D) any other anthropogenic, climate-forcing emission with significant ascertainable global warming potential, as—

(i) recommended by the National Academy of Sciences under section 1621(b)(3); and

(ii) determined in regulations issued under section 1621(c)(1) (or revisions to the regulations) to be appropriate and practicable for reducing greenhouse gas emissions; and

(8) 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;

(B) a fleet of 20 or more motor vehicles under the common control of an entity;

(C) a greenhouse gas; and

(D) any other anthropogenic, climate-forcing emission with significant ascertainable global warming potential, as—

(i) recommended by the National Academy of Sciences under section 1621(b)(3); and

(ii) determined in regulations issued under section 1621(c)(1) (or revisions to the regulations) to be appropriate and practicable for reducing greenhouse gas emissions; and

(9) INDICATOR.—The term ‘‘indicator’’ means greenhouse gas emissions that—

(A) are a result of the activities of an entity; and

(B)(i) are emitted from a facility owned or controlled by another entity; and

(ii) are not reported as direct emissions by the emitting activities of which resulted in the emissions.

(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 under other law;

(B) provide for the collection of data relating to greenhouse gas emissions and effects; and

(C) are necessary for the operation of the database;

(2)(A) distribute additional responsibilities and activities identified under this subtitle to Federal departments or agencies in accordance with the missions and expertise of those departments and agencies; and

(B) maximize the use of available resources of those departments and agencies; and

(3) provide for the comprehensive collection and analysis of data on greenhouse gas emissions relating to product use (including the use of fossil fuels and energy-consuming appliances and vehicles).

(b) MINIMUM REQUIREMENTS.—The memorandum of agreement entered into under section 1623(a) shall, at a minimum, retain the following functions for the designated agencies:

(1) DEPARTMENT OF ENERGY.—The Secretary of Energy 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. 1326b). 

(2) DEPARTMENT OF COMMERCE.—The Secretary of Commerce shall be primarily responsible for—

(A) monitoring greenhouse gas emissions; and

(B) verification technologies and methods for greenhouse gas emissions reporting.

(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 registration.

(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 calculation of emissions 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 divestitures); and

(iv) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities.

paragraph (1), the designated agencies shall develop and implement a system that provides—

(A) for the provision of unique serial numbers to be verified by the registry and used to identify the verified emission reductions made by an entity relative to the baseline of the entity;

(B) for the tracking of the reductions associated with the serial numbers; and

(C) that the reductions may be applied, as determined to be appropriate by any Act of Congress enacted after the date of enactment of this Act, toward a Federal requirement under such an Act that is imposed on the entity for the purpose of reducing greenhouse gas emissions.

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 in future years.

(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 with a participant in the registry for the purpose of a carbon sequestration project shall not be required to comply with 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 estimated in accordance with regulations issued under section 1624(c)(1) and the regulations promulgated under section 1624(c)(2), and that relates to—

(i) with respect to the calendar year preceding the calendar year in which the information is submitted to the registry, any greenhouse gas emitted by the entity—

(I) project reductions from facilities owned or controlled by the reporting entity in the United States;

(II) transfers of project reductions to and from any other entity;

(III) project reductions and transfers of project reductions under the United States;

(IV) other indirect emissions that are not required to be reported under paragraph (1); and

(V) product use phase emissions; or

(ii) with respect to greenhouse gas emission reduction activities of the entity that have been carried out during or after 1990, verified in accordance with regulations issued under section 1624(c)(1), and submitted by an entity under—

(I) section 1625(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)); and

(II) any other Federal or State voluntary greenhouse gas reduction program; and

(III) any project that results in the reduction of greenhouse gas emissions or sequestration of a greenhouse gas that is carried out by the entity, including a project or activity relating to—

(I) fuel switching;

(II) energy efficiency improvements;

(III) use of renewable energy;

(IV) use of combined heat and power systems;

(V) management of cropland, grassland, or grazing land;

(VI) a forestry activity that increases forest carbon stocks or reduces forest carbon emissions; and

(VII) methane recovery; and

(IX) greenhouse gas offset investment; and

(X) any other practice for achieving greenhouse gas reductions as recognized by 1 or more designated agencies.

(2) Exemptions from reporting. —

(A) In general.—If the Director of the Office of National Climate Change and Coastal Protection determines under section 1626(b) that the reporting requirements under paragraph (1) shall not apply to an entity (other than entities exempted by this paragraph), regardless of participation or nonparticipation in the registry, the entity shall be required to submit reports under paragraph (1) only if—

(i) the entity determines under section 1626(b) that the entity is not a feedlot or other farming operation (as defined in section 101 of title 11, United States Code).

(B) Entities already reporting. —

(i) In general.—An entity that, as of the date of enactment of this Act, reports under the United States Greenhouse Gas Reporting Program to a Federal agency shall not be required to re-report that data for the purposes of this subtitle.

(ii) Review of participation.—For the purpose of section 1628, emissions reported under clause (i) shall be considered to be reported by the entity to the registry.

(c) Provision of verification information by reporting entities.—Each entity that submits a report under this section shall provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with measurable and verifiable standards developed under section 1626, that the greenhouse gas report of the reporting entity—

(A) has been accurately reported; and

(B) in the case of each voluntary report under paragraph (2), represents—

(i) actual reductions in direct greenhouse gas emissions—

(I) relative to historic emission levels of the entity; and

(II) of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(i).

(2) Failure to submit report.—An entity that participates or has participated in the registry and that fails to submit a report required under this subsection shall be prohibited from including emission reductions reported to the registry in the calculation of the baseline of the entity in future years.

(c) Independent third-party verification.—To meet the requirements of subsection (b) and section 1628, an entity that is required to submit a report under this section—

(A) obtain independent third-party verification; and

(B) present the results of the third-party verification to each appropriate designated agency.

(d) Availability of data.—

(A) In general.—The designated agencies shall ensure, to the maximum extent practicable, that information in the database is—

(i) published; and

(ii) accessible to the public; and

(iii) made available in electronic format on the Internet.

(B) Exception.—Subparagraph (A) shall not apply in any case in which the designated agencies determine that publishing or otherwise making available information described in that subparagraph poses a risk to national security.

(e) Data infrastructure.—The designated agencies shall ensure, to the maximum extent practicable, that information in 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.

(f) Additional issues to be considered.—In promulgating the regulations under section 1626(c)(1) and implementing the data infrastructure, 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;

(D) the extent to which available fossil fuel greenhouse gas data and greenhouse gas production and importation data may be integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(E) the differences in, and potential uncertainties of, the federal, state, and local, and business and other relevant practices of persons and entities in the private and public sector;
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 entities with respect to—(1) the amount of greenhouse gas emissions; (2) the amount of greenhouse gas emissions; and (3) the amount of any increase in greenhouse gas emissions that is attributable to a specific entity, other than an entity covered by subsection (a) of this section.

(d) EXPERTS AND CONSULTANTS.—(1) IN GENERAL.—The designated agencies shall jointly publish an annual report that—(A) describes the total greenhouse gas emissions and emission reductions reported to the database during the year covered by the report; and (B) provides entity-by-entity and sector-by-sector analyses of the emissions and emission reductions reported; (C) describes the atmospheric concentrations of greenhouse gases; and (D) 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.—(A) Those methods and standards developed under paragraph (1) shall address the need for—(i) 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 under section 1628(b)(1) to 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 activities as the Secretary of Commerce, the Secretary of Agriculture, the Administrator, and the Comptroller General of the United States shall determine to be appropriate; and (E) other factors that, as determined by the designated agencies, will allow entities to adequately establish a fair and reliable measurement and reporting system.

(b) INCREASED APPLICABILITY OF REQUIREMENTS.—The designated agencies shall periodically review, and revise as necessary, the methods and standards developed under subsection (a).

(c) PUBLIC PARTICIPATION.—The Secretary of Commerce shall—(1) make available to the public for comment the methods 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.

(d) EXPERTS AND CONSULTANTS.—(1) IN GENERAL.—The designated agencies may utilize 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 utilize 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 scientific methods and standards used by the designated agencies in implementing this subtitle; and (2) not later than 4 years after the date of enactment of this Act, transmit 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.—Not later than 5 years after the date of enactment of this Act, the Director of the Office of National Climate Change Policy shall determine whether the 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 finds that the reports submitted under section 1625(c)(1) represent less than 60 percent of the national aggregate anthropogenic greenhouse gas emissions, the Director shall—(1) 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. 1629. REPORT ON STATUTORY CHANGES AND HARMONIZATION.

(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 (2), (9), and (10); (2) by redesignating paragraphs (4), (5), (6), (7), and (8) as paragraphs (4), (5), (7), (8), (9), and (10), respectively; and (3) by inserting after paragraph (1) the following paragraphs—(2) BIOMASS FUEL.—The term ‘biomass fuel’ means any transportation fuel produced from biomass.

(b) BIOMASS PRODUCT.—The term ‘biomass product’ means an industrial product (including chemicals, materials, and polymers) produced from biomass, or a component of an industrial product (including animal feed and electric power) derived in connection with the conversion of biomass to fuel.

(c) EFFECTIVE DATE.—This section takes effect on the date on which the first report is submitted under this section.
(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; 
(q) Cooperative 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) by redesignating subsections (a) and (d), by striking “industrial products” each place it appears and inserting “fuels and biobased products”; and 
(2) by redesignating subsections (b) and (c); and 
(b) by redesignating subsection (d) as subsection (b). 
(c) Biomass Research and Development Board—(A) in paragraph (1), by striking “Agriculture and Energy” and inserting “Agriculture and Energy and Energy” after “technical peers”; and 
(2) by redesigning subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and 
(D) in subparagraph (C) as redesignated by subparagraph (B) by inserting “predominantly from outside the Departments of Agriculture and Energy” after “technical peers”.
(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, and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, biotechnology...”; and 
(2) by redesigning subsections (b) through (e) and 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, though 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 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 diversity of sustainable domestic sources of biomass for conversion to 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.
(f) Additional Considerations—Within the technical areas described in subsection (e), and in addition to advancing the purposes described in subsection (d), the objectives described in subsection (c), the Secretary 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 policies, 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.
(g) 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) an Federal research agency; 
(4) a State research agency; 
(5) a private sector entity;
SEC. 9. PRODUCTION INCENTIVES FOR CELLULOSIC 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; and

(B) meets all applicable Federal and State permitting requirements;
is 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) meets any financial criteria established by the Secretary.
(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.
(c) PROCEDURE. —
(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) ELIGIBLE ENTITIES.—Under this program, the Secretary shall award production incentives on a per gallon basis of cellulosic biofuels from eligible entities, through—
(A) set payments per gallon 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 3 years after the date of enactment of this Act.
(4) REVERSE AUCTION PROCEDURE.—
(A) IN GENERAL.—On initiation of the first reverse auction, the Secretary shall conduct a reverse auction at
(B) AMOUNT OF INCENTIVE RECEIVED .
(i) the Secretary shall issue awards for
(ii) the Secretary shall conduct a reverse auction at which
(1) the Secretary shall solicit bids from
(2) the amount of the grant received.
(3) not more than $1,000,000,000 over the remaining lifetime of the program.
(4) not more than $100,000,000 in any 1 year; and
(5) not more than $1,000,000,000 over the remaining lifetime of the program.
(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 (d).
(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) has not previously received a grant under this section; and
(3) has not previously received a grant under this section.
(c) BIOBASED 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 provide matching non-Federal funds equal to the amount of the grant received.
(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 necessary.
(g) AUTHORIZATIONS OF APPLICATIONS. — There are authorized to be appropriated to make grants under this section
 SEC. 9. — SMALL BUSINESS BIOPRODUCT MARKETING AND CERTIFICATION 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 (d).
for grants under this section, including re-
quirements for applications for the grants, as the Secretary considers appropriate.

(f) AMOUNT.—A grant made under this sec-
tion shall not exceed $500,000.

(g) AUTHORIZATIONS OF APPROPRIATIONS.—
There are authorized to be appropriated to make grants under this section—
(1) $5,000,000 for each of fiscal years 2006 and 2007; and
(2) such sums as are necessary for fiscal year 2007 each subsequent fiscal year.

SEC. 9 . PREPROCESSING AND HARVESTING FEEDSTOCK GRANTS.

(a) IN GENERAL.—The Secretary of Agri-
culture (referred to in this section as the “Secretary”) shall make grants available on a competitive basis to entities, including cooperatives, for the purposes of demonstrating cost-effective, cellulosic bio-

mass innovations in—
(1) preprocessing of feedstocks, including cleaning, separating and sorting, mixing or blending, and chemical or biochemical treat-
ments, 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) NON-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) ELIGIBILITY.—To be eligible for a grant for a project under this section, a recip-
ient 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) LIMITATIONS ON APPROPRIATIONS.—
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 en-
courage investment in, and production and use of, biobased fuels and biobased products through—

(1) an investment tax credit for the con-
struction or modification of facilities for the produc-
tion of biomass 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 man-
ufacturers 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 Agri-
culture shall establish, within the Depart-
ment of Agriculture or through an inde-
pended contracting entity, a program of education and outreach on biobased fuels and biobased products consisting of—

(1) training and technical assistance pro-
grams for feedstock producers to promote producer ownership, investment, and partici-
pation in the operation of processing facili-
ties; and

(2) public education and outreach to famil-
iliarize consumers with the biobased fuels and biobased products.

(b) AUTHORIZATIONS OF APPROPRIATIONS.—
There is authorized to be appropriated to carry out this title $1,000,000 for each of fiscal years 2006 through 2010.

SEC. 9 . REPORTS.

(a) BIOMASS PRODUCT POTENTIAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture (re-

ferred to in this section as the “Secretary”) shall submit to the Committee on Agri-
culture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—
(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 en-
actment of this Act, and every 2 years there-
fore, the Secretary shall submit to Congress an analysis of economic indicators of the biobased economy during the 2-year period preceding the analysis.

SA 920. Mr. HARKIN 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 489, between lines 20 and 21, insert the following:

SEC. 9 . HYDROGEN INTERMEDIATE FEEDSTOCKS RE-
SEARCH PROGRAM.

(a) IN GENERAL.—The Secretary, in coordi-
nation with the Secretary of Agriculture, shall carry out a 5-year program of research, development, and demonstration of the use of ethanol and other low-cost transportable renewable feedstocks as intermediate fuels for the safe, energy efficient, and cost-effec-
tive transportation of hydrogen.

(b) GOALS.—The goals of the program shall in-
clude—

(1) demonstrating the cost-effective con-
version of ethanol or other low-cost trans-
portable renewable feedstocks to pure hydro-
gen suitable for eventual use in fuel cells;

(2) using existing commercial reforming technology or modest modifications of exist-
ing 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 feedstock (including onsite hydrogen com-
pression, storage, and dispensing), at the fa-
cilities of a fleet operator;

(b) OPERATING THE 1 OR MORE VEHICLES DE-
scribed in paragraph (3) for a period of at 
least 2 years; and

(c) COLLECTING EMISSIONS AND FUEL ECONOMY DATA ON THE 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.

SA 921. Mr. HARKIN 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. 9 . APPLICATION OF SECTION 45 CREDIT TO AGRICULTURAL COOPERATIVES.

(a) REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 922. Mr. HARKIN 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 159, after line 23, add the fol-
lowing:

SEC. 9 . REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OP-
eration.

(a) REQUIREMENT TO EQUIP AUTOMOBILES FOR FLEXIBLE FUEL OPERATION.
"§ 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) Requirement.—

(1) In general.—An automobile that is manufactured by a manufacturer for a model year after model year 2008 and is capable of operating using gasoline shall also be capable of flexible fuel operation in accordance with the schedule in paragraph (2).

(2) Schedule.—For each manufacturer described in paragraph (1), the schedule shall be—

(A) the schedule in paragraph (2) of section 32902(b) of the Code, amended by inserting before the period at the end of the period ' ’ the following:

"§ 32902A. Requirement to equip automobiles for flexible fuel operation.

(b) Technical Amendment.—The Secretary of Transportation shall carry out activities to promote the use of a mixture containing at least 85 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:

Beginning on page 202, strike line 18 and all that follows through page 203, line 3, and insert the following:

(A) will be no less protective than the fishway initially prescribed by the Secretary;

(B) will protect Indian land or tribal fishery resources for which the Secretary has a legal responsibility; and

(C) will—

(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.

SA 924. 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:

On page 200, strike lines 8 through 21 and insert the following:

the Secretary determines, based on substantial evidence provided by the license applicant, any other party to the proceeding, or otherwise available to the Secretary—

(A) that the alternative condition—

(i) provides for the adequate protection and use of the reservation;

(ii) will protect Indian land and tribal fishery resources for which the Secretary has a legal responsibility; and

(B) that the proposed alternative condition will—

(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.

SA 925. Mr. BOND (for himself, Mr. LEVIN, Ms. STABENOW, and Mr. VARGO) 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:

Strike subtitle B of title VII, and insert the following:

Subtitle B—Automobile Efficiency

CHAPTER 1—MAXIMUM AVERAGE FUEL ECONOMY

SEC. 711. REVISED CONSIDERATIONS FOR DECISIONS ON MAXIMUM FEASIBLE AV. REAGE FUEL ECONOMY.

Section 32902(f) of title 49, United States Code, is amended to read as follows:

(f) CONSIDERATIONS FOR DECISIONS ON MAXIMUM FEASIBLE AVERAGE FUEL ECONOMY.—When deciding maximum feasible average fuel economy under this section, the Secretary of Transportation shall consider the following matters:

(1) Technological feasibility.

(2) Economy.


(4) The need of the United States to conserve energy.

(5) The desirability of reducing United States dependence on imported oil.

(6) The effects of the average fuel economy standards on motor vehicle and passenger safety.

(7) The effects of increased fuel economy on air quality.

(8) The adverse effects of average fuel economy standards on the relative competitiveness of manufacturers.

(9) The effects of compliance with average fuel economy standards on levels of employment in the United States.

(10) The cost and lead time necessary for the introduction of the necessary new technologies.

(11) The potential for advanced technology vehicles, such as hybrid and fuel cell vehicles, to contribute to the achievement of significant reductions in fuel consumption.

(12) The extent to which the necessity for vehicle manufacturers to incur near-term costs to comply with the average fuel economy standards adversely affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles.


SEC. 712. INCREASED FUEL ECONOMY STANDARDS.

(a) New Regulations Required.—

(1) Non-Passenger Automobiles.—

(A) Requirement for New Regulations.—

The Secretary of Transportation shall issue, under section 32902 of title 49, United States Code, new regulations requiring a gradual increase in average fuel economy standards for non-passenger automobiles. The regulations shall be determined on the basis of the maximum feasible average fuel economy standards for non-passenger automobiles, taking into consideration the matters set forth in subsection (f) of such section.

(b) Time for Issuing Regulations.—

The Secretary of Transportation shall issue the final regulations under subparagraph (A) not later than April 1, 2006.

(c) Passenger Automobiles.—

(A) Requirement for New Regulations.—

The Secretary of Transportation shall issue, under section 32902 of title 49, United States Code, new regulations requiring a gradual increase in average fuel economy standards for passenger automobiles. The regulations shall be determined on the basis of the maximum feasible average fuel economy standards for passenger automobiles. Taking into consideration the matters set forth in subsection (f) of such section.

(b) Time for Issuing Regulations.—

The Secretary of Transportation shall issue the final regulations under subparagraph (A) not later than 2 years after the date of the enactment of this Act.

(c) 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.

(d) Clarification of Authority To Amend Passenger Automobile Standard.—Section 32902(b) of title 49, United States Code, is amended by inserting, respectively, then this section shall apply to automobiles, taking into consideration the matters set forth in subsection (f) of such section.

(e) Environmental Assessment.—When issuing final regulations setting forth increased average fuel economy standards under section 32902(a) or section 32902(c) of the United States Code, the Secretary of Transportation shall also issue an environmental assessment of the effects of the increased standards on the environment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(f) 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 INCREASE IN FUEL ECONOMY STANDARDS.

(a) Condition for Application.—If the Secretary of Transportation fails to issue final regulations with respect to non-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, then this section shall apply with respect to a bill described in subsection (b).

(b) Bill.—A bill referred to in this subsection is a bill that satisfies the following requirements:

(1) Introduction.—The bill is introduced by one or more Members of Congress not later than 60 days after the date referred to in subsection (a).

(2) Title.—The title of the bill is as follows: ‘A bill to establish new average fuel economy standards for certain motor vehicles.’

(3) Text.—The bill provides before the enacting clause only the text specified in subparagraph (A) or (B) of any provision described in paragraph (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:

"§ 32902 of title 49, United States Code, is amended by adding at the end the following new subsection:
(c) AMENDMENTS.—(A) A full and complete list of amendments to the bill are in order in each House, as follows:—
(i) Amendments proposed by the majority, and minority leader of the House.
(ii) Amendments proposed by the minority leader of that House.
(B) FORM AND CONTENT.—To be in order under subsection (a), an amendment to the bill shall apply to strike all after the enacting clause and substitute text that only includes the same text as is proposed to be stricken except for one or more different numbers in the text.

SEC. 714. EXTENSION OF MAXIMUM FUEL ECONOMY OLYMPIC INDEX FOR ALTERNATIVE FUELED VEHICLES.

(a) MANUFACTURING INCENTIVES.—Section 32005 of title 49, United States Code, is amended—
(i) in subsection (b), by striking "1993–2001" and inserting "1993–2004"; and
(ii) in subsection (d), by striking "1993–2004" and inserting "1995–2008"; and

(b) EXTENSION OF MAXIMUM FUEL ECONOMY INCREASE.—Section 32006(a)(1) of title 49, United States Code, is amended—
(i) in subparagraph (A), by striking "1993–2004" and inserting "1993 through 2008"; and
(ii) in subparagraph (B), by striking "2005–2008" and inserting "2009 through 2012".

CHAPTER 2.—ADVANCED CLEAN VEHICLES

SEC. 721. HYBRID VEHICLES RESEARCH AND DEVELOPMENT.

(a) RECHARGEABLE ENERGY STORAGE SYSTEMS AND OTHER TECHNOLOGIES.—The Secretary of Energy shall accelerate research and development toward the improvement of diesel combustion and after treatment technologies for use in diesel fueled motor vehicles.

(b) WAIVER AUTHORITY.—The head of an agency, in consultation with the Administrator, may waive the applicability of the policy regarding the procurement of hybrid vehicles if such an agency is unable to comply with the policy to the extent that the head of that agency determines necessary:

(1) to meet specific requirements of the agency for capabilities unique to the agency.

(2) to provide vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government.

(3) to adjust to limitations on the commercial availability of light duty trucks that are hybrid vehicles; or

(4) to avoid the necessity of procuring a hybrid vehicle for the agency when each of the hybrid vehicles available for meeting the requirements of the agency has a cost to the United States that exceeds the cost of comparable nonhybrid vehicles by a factor that is significantly higher than the difference between:

(i) the real cost of the hybrid vehicle to retail purchasers, taking into account the benefit of any tax incentives available to retail purchasers for the purchase of the hybrid vehicle; and

(ii) the costs of the comparable nonhybrid vehicles to retail purchasers.

SEC. 722. DIESEL FUELED VEHICLES RESEARCH AND DEVELOPMENT.

(a) DIESEL COMBUSTION AND AFTER TREATMENT TECHNOLOGIES.—The Secretary of Energy shall accelerate research and development toward the improvement of diesel combustion and after treatment technologies for use in diesel fueled motor vehicles.

(b) WAIVER AUTHORITY.—The Secretary shall carry out subsection (a) with a view to achieving the following goals:

(1) COMPLIANCE WITH CERTAIN EMISSION STANDARDS BY 2010.—Developing and demonstrating diesel technologies that not later than 2010, meet the following standards:

(A) TIER 2 EMISSION STANDARDS.—The Tier 2 emission standards.

(B) HEAVY-DUTY EMISSION STANDARDS OF 2007.—The 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 in Energy Policy Act of 1992.—

The head of each agency of the executive branch shall be deemed to refer to the bill described in subsection (b) to that agency fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(b) WAIVER AUTHORITY.—The head of an agency, in consultation with the Administrator, may waive the applicability of the policy regarding the procurement of hybrid vehicles in paragraph (1) to that agency fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(c) APPLICABILITY TO PROCUREMENTS AFTER FISCAL YEAR 2006.—This subsection applies with respect to procurements of light duty trucks in fiscal year 2006 and subsequent fiscal years.

(d) INAPPLICABILITY TO DEPARTMENT OF DEFENSE.—This section does not apply to the Department of Defense, which is subject to comparable requirements under section 318 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1055; 10 U.S.C. 2302 note).

SEC. 724. PROCUREMENT OF HYBRID LIGHT DUTY TRUCKS.

(a) VEHICLE Fleets Not Covered by Requirement in Energy Policy Act of 1992.—

The head of each agency of the executive branch shall coordinate with the Administrator of General Services to ensure that only hybrid vehicles are procured by or for each agency fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(b) WAIVER AUTHORITY.—The head of an agency, in consultation with the Administrator, may waive the applicability of the policy regarding the procurement of hybrid vehicles if such an agency is unable to comply with the policy to the extent that the head of that agency determines necessary:

(1) to meet specific requirements of the agency for capabilities unique to the agency.

(2) to provide vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government.

(3) to adjust to limitations on the commercial availability of light duty trucks that are hybrid vehicles; or

(4) to avoid the necessity of procuring a hybrid vehicle for the agency when each of the hybrid vehicles available for meeting the requirements of the agency has a cost to the United States that exceeds the cost of comparable nonhybrid vehicles by a factor that is significantly higher than the difference between:

(i) the real cost of the hybrid vehicle to retail purchasers, taking into account the benefit of any tax incentives available to retail purchasers for the purchase of the hybrid vehicle; and

(ii) the costs of the comparable nonhybrid vehicles to retail purchasers.

(5) APPLICABILITY TO PROCUREMENTS AFTER FISCAL YEAR 2006.—This subsection applies with respect to procurements of light duty trucks in fiscal year 2006 and subsequent fiscal years.

(6) INAPPLICABILITY TO DEPARTMENT OF DEFENSE.—This section does not apply to the Department of Defense, which is subject to comparable requirements under section 318 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1055; 10 U.S.C. 2302 note).

SEC. 725. DEFINITIONS.

In this chapter:

(1) HYBRID VEHICLE.—The term "hybrid vehicle" means—

(A) a motor vehicle that draws propulsion energy from on board sources of stored energy that is both an internal combustion engine or a heat engine using combustible fuel; and

(B) a rechargeable energy storage system; and

(C) any other vehicle that is defined as a hybrid vehicle in regulations prescribed by

(4) Motor vehicle.—The term ‘‘motor vehicle’’ means any vehicle that is designed primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and that has at least four wheels.

(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 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 Operations Office, to demonstrate the viability of any of the new technologies, commercialization of new technologies, and the development of new technologies that provides for a budget roadmap for the reduction of carbon dioxide emissions from 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.

(6) the Federal Government would need to commit to developing, in conjunction with the private industry and academia, advanced vehicle technologies and the necessary hydrogen infrastructure to provide alternatives to petroleum.

(b) Study.—(1) As soon as practicable after the date of enactment of this Act, the Secretary shall enter into a contract with the appropriate Federal agencies and with the National Academy of Sciences and the National Research Council to carry out a study of the budget roadmap, that provides for 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 of 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.

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 by the end of the 21st 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 increase in greenhouse gases; and

(b) In General.—For purposes of subparagraph (A), the new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(4) the amount equal to the sum of—

(A) $8,000, if such vehicle has a gross vehicle weight rating of more than 12,000 and not more than 14,000 pounds;

(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 17,000 pounds;

(C) $12,000, if such vehicle has a gross vehicle weight rating of more than 17,000 but not more than 20,000 pounds;

(D) $14,000, if such vehicle has a gross vehicle weight rating of more than 20,000 pounds.

SEC. 30B. ALTERNATIVE MOTOR VEHICLE CREDITS.

(a) In General.—Subpart B of part IV of chapter 1 relating to foreign tax credit, etc., is amended by adding the following:

SEC. 1701. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) Findings.—The amount determined under section (e) is increased by $1,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2002 model year city fuel economy.
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>City Fuel Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 lbs</td>
<td>39.6 mpg</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>35.2 mpg</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>28.8 mpg</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>22.6 mpg</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>19.8 mpg</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>17.6 mpg</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>15.9 mpg</td>
</tr>
<tr>
<td>7,000 lbs</td>
<td>14.4 mpg</td>
</tr>
<tr>
<td>8,000 lbs</td>
<td>13.2 mpg</td>
</tr>
<tr>
<td>9,000 lbs</td>
<td>12.2 mpg</td>
</tr>
<tr>
<td>10,000 lbs</td>
<td>11.3 mpg</td>
</tr>
</tbody>
</table>

**(ii) In the case of a light truck:**

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>City Fuel Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 lbs</td>
<td>45.2 mpg</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>38.6 mpg</td>
</tr>
<tr>
<td>2,250 lbs</td>
<td>35.2 mpg</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>31.7 mpg</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>28.8 mpg</td>
</tr>
<tr>
<td>3,500 lbs</td>
<td>26.4 mpg</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>22.6 mpg</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>19.8 mpg</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>17.6 mpg</td>
</tr>
<tr>
<td>7,000 lbs</td>
<td>15.9 mpg</td>
</tr>
<tr>
<td>8,000 lbs</td>
<td>14.4 mpg</td>
</tr>
<tr>
<td>9,000 lbs</td>
<td>13.2 mpg</td>
</tr>
<tr>
<td>10,000 lbs</td>
<td>12.2 mpg</td>
</tr>
</tbody>
</table>

### Fuel Economy and Conservation Credit

- **Fuel Economy:**
  - City fuel economy
  - Highway fuel economy
- **Conservation Credit:**
  - The credits must be claimed in accordance with the following table:

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 lbs</td>
<td>$600</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>$1,000</td>
</tr>
<tr>
<td>2,500 lbs</td>
<td>$1,600</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>$2,100</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>$2,600</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>$3,100</td>
</tr>
</tbody>
</table>

### Hybrid Motor Vehicles

- **(i) In the case of a passenger automobile:**
  - A vehicle 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 reformation prior to use.
- **(ii) In the case of a passenger automobile or light truck:**
  - A vehicle 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 that such vehicle meets or exceeds the Bin 5 Tier II emission level established by regulations prescribed under section 202(i) of the Clean Air Act for that model and make vehicle year.

- **(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 or exceeds:**
  - At least 200 percent but less than 225 percent of the applicable percent.

### New Qualified Hybrid Motor Vehicle Credit

- **(C) Vehicle Inertia Weight Class:**
  - For purposes of subparagraph (B), the term 'vehicle inertia weight class' means the same meaning as when defined 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.).
- **(3) New Qualified Fuel Cell Motor Vehicle:**
  - For purposes of this subsection, the term 'new qualified fuel cell motor vehicle' means a motor vehicle:
    - 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 reformation prior to use.
    - 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 that such vehicle meets or exceeds the Bin 5 Tier II emission level established by regulations prescribed by the Administrator of the Environmental Protection Agency.
- **(4) New Qualified Lean Burn Technology Motor Vehicle Credit:**
  - For purposes of this subsection, the term 'new qualified lean burn technology motor vehicle' means a passenger automobile or light truck which:
    - Is designed to operate primarily using more air than necessary for complete combustion of the fuel,
    - Incorporates direct injection,
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 or medium-duty 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 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) $30,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Fuel Economy</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<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>
</tr>
</tbody>
</table>

"(4) APPLICABLE PERCENTAGE.—For purposes of this subsection—

(A) 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—

(I) an internal combustion or heat engine using consumable fuel, and

(II) a rechargeable energy storage system,

(ii) which, in the case of a passenger automobile, medium-duty passenger vehicle, or light truck—

(I) having a gross vehicle weight rating of 6,000 pounds or less, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 206 of the Clean Air Act for that make and model year vehicle,

(II) having 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,

(III) 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 2363(e)(2) of the Clean Air Act for that make and model year vehicle, and

(IV) has a maximum available power of at least 5 percent,

(iii) which, in the case of a heavy-duty or medium-duty 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,

(iv) which is used for the purpose of which commences with the taxpayer,

(v) which is acquired for use or lease by the taxpayer and not for resale, and

(vi) which is made by a manufacturer.

(B) CONSUMABLE FUEL.—For purposes of subparagraph (A)(i)(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.—

(1) PASSENGER AUTOMOBILE, MEDIUM DUTY PASSENGER VEHICLE, OR LIGHT TRUCK.—For purposes of subparagraph (A)(iii)(II), the term 'maximum available power' means the maximum available power of the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net 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.

(2) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of subparagraph (A)(iii), the term 'maximum available power' means the maximum available power of the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net power of the vehicle.

(3) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i), the term 'applicable percentage' means—

(A) 60 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 certification under the Clean Air Act for that make and model year vehicle, and

(ii) has received 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 (other than a zero emission standard), or

(iii) 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 2363(e)(2) of the Clean Air Act for that make and model year vehicle, and

(4) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of this subsection, the term 'heavy duty 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.

(5) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.—

(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (2), the credit under this subsection, for any qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year, is $5,000, if such vehicle—

(A) has a maximum available power of at least 30 percent with respect to any new qualified alternative fuel motor vehicle is—

(1) 50 percent, plus

(2) 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 certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

(ii) 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 2363(e)(2) of the Clean Air Act for that make and model year vehicle, and

(2) 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), with respect to which—

(i) the incremental cost of such vehicle is $5,000, if such vehicle—

(A) has a maximum available power of at least 30 percent with respect to any new qualified alternative fuel motor vehicle is—

(1) 50 percent, plus

(2) 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 certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

(ii) 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 2363(e)(2) of the Clean Air Act for that make and model year vehicle, and

(II) APPLICABLE PERCENTAGE.—For purposes of this subsection—

(A) IN GENERAL.—The term 'new qualified alternative fuel motor vehicle' means a motor vehicle—

(i) which is acquired by the taxpayer for use or lease, but not for resale, and

(ii) 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 85 percent of the volume of which consists of methanol.

(5) CREDIT FOR MIXED-FUEL VEHICLES.—

(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, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and

(ii) in the case of a 90/10 mixed-fuel vehicle, 80 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

(6) CREDIT FOR HYBRID AND ADVANCED LEAN-BURN TECHNOLOGY VEHICLES ELIGIBLE FOR CREDIT.—

(A) IN GENERAL.—In the case of a qualified hybrid 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 on 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) A PPLICABLE 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) CON TROLLED GROUPS.—

(A) IN GENERAL.—For purposes of this subsection, a controlled group is treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 411 shall be treated as a single manufacturer.

(B) APPLICATION TO FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied to the entity using such vehicle.

"(5) Q UALIFIED VEHICLE.—For purposes of this subsection, the term ‘qualified vehicle’ means any new qualified hybrid motor vehicle and any new advanced lean burn technology motor vehicle.

"(6) E LIGIBILITY WITH OTHER CREDITS.—The credit allowed under subsection (a) for any property for which a deduction for depreciation is not allowable under paragraph (3) or (4) of section 50(b) 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.

"(7) R ECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit under this section (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).

"(8) E LIGIBILITY FOR CREDIT.—No credit shall be allowed under subsection (a) for any taxable year in which the amount of any existing credit attributable to property placed in service during such taxable year exceeds the amount of credit allowed under paragraph (3) or (4) of section 50(b) with respect to such property.

"(9) E LIGIBILITY FOR CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

"(10) C ARRYBACK AND C ARRYFORWARD 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’), 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.

(B) RULES.—Rules similar to the rules of section 30B(h)(9), after the amendment made by this section, apply to any carryback and credit carryforward under subparagraph (A).

"(11) I NTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle (as defined in subsection (d)) placed in service after December 31, 2005, shall not apply to any credit carryback if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

"(12) R ULES.—Rules similar to the rules of section 30B(h)(9), after the amendment made by this section, apply to any carryback and credit carryforward under subparagraph (A).

"(13) I NTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle (as defined in subsection (d)) placed in service after December 31, 2005, shall not apply to any credit carryback if such credit carryback is attributable to property for which a deduction for depreciation is not allowable.

"(14) C REDIT ALLOWED.—

(A) IN GENERAL.—If the credit allowable under subsection (a) for the 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 Act.

(B) RULES.—Rules similar to the rules of section 30B(h)(9), after the amendment made by this section, apply to any carryback and credit carryforward under subparagraph (A).

"(15) B EST DEDUCTION OR OTHER CREDIT ALLOWED.—The amount of any deduction or other credit allowable under this section—

(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 (a), (c), or (d) shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

"(16) P ROPERTY 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 subject to a lease to a tax-exempt entity, 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 such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (g)).

"(17) P ROPERTY USED OUTSIDE UNITED STATES.—Any property purchased after December 31, 2005, shall be allowable under subsection (a) with respect to any property referred to in section 30B(h)(1) or with respect to the portion of the cost of any property taken into account under section 179.

"(18) R ECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit under this section (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).
(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 sum of the credits allowable under subpart A and 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 which is reduced by the portion of the cost of such property taken into account under subsection (a) shall not exceed the basis which such property would have but for the election under subsection (d).

(2) 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.

(3) ELECTION NOT TO TAKE CREDIT.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowable under subsection (a).

(4) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 30B(b)(1), if such use 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 of any credit allowable under subsection (a) with respect to such property (determined without regard to subsection (d)).

(5) 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.

(6) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any property, the use of which is not subject to a lease, and by adding at the end of the following new flush sentence:

“Sec. 30C. Clean-fuel vehicle refueling property credit.

(a) EIGHTEEN YEARS.—The amendments made by this section shall apply to property placed in service after December 31, 2009.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years ending after such date.

(c) APPLICABILITY OF SECTION.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, section 1552 shall apply as if such provisions and amendments were inserted in the section to which they relate.

(d) CONFORMING AMENDMENTS.

(1) Section 179A(b)(2)(A)(i) is amended by adding at the end of such paragraph:

“the following new flush sentence:

In the case of clean-burning fuel which is hydrogen produced from renewable energy, paragraph (3)(A) shall be applied by substituting ‘production, storage, or dispensing’ for ‘storage or dispensing’ both places it appears.”

(2) Section 55(c)(2), as amended by this Act, is amended by inserting “30C(e)” after “30B(e).”

(3) Section 6501 is amended by inserting “30C(f)(5)” at the end of such section.

(4) The table of sections for part IV of chapter A of title I, 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 refueling property credit.

(a) EIGHTEEN YEARS.—The amendments made by this section shall apply to property placed in service after December 31, 2009.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years ending after such date.

(c) APPLICABILITY OF SECTION.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, section 1552 shall apply as if such provisions and amendments were inserted in the section to which they relate.

SEC. 1703. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) in general.—Subpart B of part IV of chapter A of title I, as amended by this Act, is amended by adding at the end of such section:

“Sec. 30B. Advanced technology motor vehicle 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 the lesser 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.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year.

(A) for re-equipping or expanding any manufacturing facility of the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components,

(B) for engineering integration of such vehicles and components as described in subsection (d), and

(C) for research and development related to advanced technology motor vehicles and eligible components.

(2) RULES OF SECT. 1552.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(3) DESIGNING.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(4) VALIDATING.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(5) QUALIFIED INVESTMENT.—The term ‘advanced technology motor vehicle’ means—

(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

(B) any new qualified hybrid motor vehicle (as defined in section 30B(a)(4) and determined without regard to any gross vehicle weight rating).

(2) ELIGIBLE COMPONENTS.—The term ‘eligible component’ means any component inheren-ent 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) fuel injection system, or

(iv) after-treatment system, such as a particle filter or NOx absorber.

(3) ADMISSION TO MOTOR VEHICLE.—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) modifying functional, structural, and performance requirements for component 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.

(4) 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 of motor vehicles.

(5) 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(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 ac-

(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) Reduction of 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(h)) shall be taken into account in determining base period research expenses for purposes of applying section 41 to subsequent taxable years.

(1) BUSINESS CARRIERS ALLOWED.—If the credit allowable under subsection (a) for a taxable year exceeds the limitation under subsection (b)(1)(A) for such taxable year, such excess (to the extent of the credit allowable with respect to property subject to the allowance for depreciation) shall be allowed as a credit against carryback and carryforward under rules similar to the rules of section 39.

(2) SPECIAL RULES.—For purposes of this section, the term ‘participation’ means a specified submission.

(a) IN GENERAL.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

(b) CONFORMING AMENDMENTS.—
   (1) Section 1016(a), as amended by this Act, is amended by striking ‘‘and’’ at the end of paragraph (4), 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 650(a), as amended by this Act, is amended by inserting ‘‘30D(k),’’ after ‘‘30C(j),’’.
   (3) The table of sections for subpart B of part III 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.’’

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

Subtitle B—Revenue Offset Provisions

PART I—REDUCTION IN EXTENSION OF RENEWABLE ELECTRICITY PRODUCTION CREDIT


(1) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

PART II—GENERAL PROVISIONS

SEC. 1711. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENT.

SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702A. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702A is amended to read as follows:

SEC. 6702A. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702B. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702B is amended to read as follows:

SEC. 6702B. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702C. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702C is amended to read as follows:

SEC. 6702C. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702D. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702D is amended to read as follows:

SEC. 6702D. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702E. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702E is amended to read as follows:

SEC. 6702E. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702F. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702F is amended to read as follows:

SEC. 6702F. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702G. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702G is amended to read as follows:

SEC. 6702G. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702H. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702H is amended to read as follows:

SEC. 6702H. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702I. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702I is amended to read as follows:

SEC. 6702I. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702J. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702J is amended to read as follows:

SEC. 6702J. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702K. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702K is amended to read as follows:

SEC. 6702K. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702L. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702L is amended to read as follows:

SEC. 6702L. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702M. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702M is amended to read as follows:

SEC. 6702M. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702N. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702N is amended to read as follows:

SEC. 6702N. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702O. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702O is amended to read as follows:

SEC. 6702O. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702P. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702P is amended to read as follows:

SEC. 6702P. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702Q. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702Q is amended to read as follows:

SEC. 6702Q. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702R. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702R is amended to read as follows:

SEC. 6702R. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702S. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702S is amended to read as follows:

SEC. 6702S. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702T. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702T is amended to read as follows:

SEC. 6702T. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702U. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702U is amended to read as follows:

SEC. 6702U. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702V. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702V is amended to read as follows:

SEC. 6702V. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702W. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702W is amended to read as follows:

SEC. 6702W. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702X. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702X is amended to read as follows:

SEC. 6702X. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702Y. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702Y is amended to read as follows:

SEC. 6702Y. FRIVOLOUS TAX SUBMISSIONS.

SEC. 6702Z. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702Z is amended to read as follows:

SEC. 6702Z. FRIVOLOUS TAX SUBMISSIONS.
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 for part I of chapter 68 of this title 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 actions, issues, and transactions entered into after the date of the enactment of this Act.

SEC. 1714. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN ONSHORE FINANCIAL ARRANGEMENTS.

(a) DETERMINATION OF PENALTY.—

(1) IN GENERAL.—In determining any other provision of law, in the case of an applicable taxpayer—

(A) the determination as to whether any interest or penalty is imposed, the amount of such interest or penalty shall be equal to twice the interest or applicable penalty imposed under subsection (a)(9) of section 6621, 6655, or 6661 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 underpaid 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 countries, or

(II) any offshore financial arrangement (including any arrangement with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and

(ii) has not signed a closing agreement pursuant to section 7802 to the Secretary of the Treasury during an examination.

(B) AUTHORITY TO WAIVE.—The Secretary may waive the application of paragraph (1) to any taxpayer if the Secretary determines that the use of offshore payment mechanisms is incidental to the taxation of entities, and 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.—Notwithstanding any other provision of law, in the case of any failure described in paragraph (2), an item shall be treated as not to be imposed with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to any arrangement described in paragraph (2), if the Secretary determines that the use of offshore payment mechanisms is incidental to the taxation of entities, and in the case of a trade or business, such use is conducted in the ordinary course of the trade or business of the taxpayer.

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) IN GENERAL.—The term "United States shareholder" means a United States shareholder who, at any time during the period under consideration, holds a qualified income distribution with respect to a controlled foreign corporation, or who has a direct or indirect transfer of any of its stock to a controlled foreign corporation during such period.

(2) LIMITATIONS.—The term "United States shareholder" shall not include any person described in section 1297(e) (relating to passive foreign investment company).

(b) EFFECTIVE DATE.—This section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2004.

SEC. 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL ANNUAL CORPORATE INCOME TAX RETURN.

(a) IN GENERAL.—The provisions of this section shall apply to returns of Federal annual corporate income tax returns for taxable years ending after the date of the enactment of this Act.

(b) EVIDENCE.—The chief executive officer of a corporation shall file with the Secretary a declaration that the corporation is not a controlled foreign corporation.

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:

"(n) REGULATIONS.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of any foreign tax, or allocating a foreign tax, or providing that the foreign tax is imposed on any person in respect of income of another person or in other cases involving the inappropriate setoff of the foreign tax from the related foreign income."

(b) EFFECTIVE DATE.—This section shall apply to returns of Federal annual corporate income tax returns for taxable years ending after the date of the enactment of this Act.

SEC. 1718. WHISTLEBLOWER REFORMS.

(a) IN GENERAL.—Section 7873 (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 “subject to such action” and inserting “subject to such action, and”, and (4) by adding at the end the following new subsections:—

"’’(B) AWARDS TO WHISTLEROFFICERS.—

’’(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 (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement (other than a settlement described in subsection (b)) resulting from the action, with such settlement being determined as 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.

’’(A) In general. — The Secretary 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) 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 not to 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 fund the expenses 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 subject to the direction and control of the Whistleblower Office or the office assigned to investigate the matter under subparagraph (A). To the extent that assistance is so requested may be caused by the violation of any law or resulting as reimbursement to the government as a result of any amount paid or incurred by order of a court or settlement agreement.

’’(B) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred by order of a court in a suit in which no government or entity described in section 7412(c) (7), or to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1254(g)(7)), or 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 due.

’’(6) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after the date of enactment of this Act, except that such amendment shall not apply to any amount paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 1729. FREEZE OF INTEREST SUSPENSION RULES WITH RESPECT TO LISTED TRANSACTIONS.

(a) IN GENERAL.—Paragraph (2) of section 930(d) of the American 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 after October 3, 2004.

’’(B) SPECIAL RULE FOR CERTAIN LISTED TRANSACTIONS.—

’’(i) IN GENERAL.—Except as provided in clause (ii) 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 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 that 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 binding on the taxpayer 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 under section 7211 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 provisions of the American Jobs Creation Act of 2004 to which it relates.


(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 (2) and (3), 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 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 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 title with respect to the tax liability 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 sentence.

“(3) EXCLUSION FOR CERTAIN GAIN.—In the case of any gain 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 5 percentage points of any property (A) treated in the same manner as an amount required to be includible in gross income.

“(B) CLOSING ADJUSTMENT.—

“(i) IN GENERAL.—In the case of an expatriate (A) who is subject to the tax liability arising in connection with the listed transaction, or

“(ii) if the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2004’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDED RULES.—If any amount after adjustment described in paragraph (A) is a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

“(C) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.

“(1) 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 taxpayer electing to be taxed under this title in the same manner as the individual who were a United States citizen.

“(D) 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 individual under any treaty of the United States with any other country, and

“(iii) complies with such other requirements as the Secretary may prescribe.

“(E) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable.

Such election shall also apply to the property of which is determined in whole or in part by reference to the property with respect to which the election was made.

“(F) 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 any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year during 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).

“(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 during 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).

“(G) 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 security otherwise provided with respect to the pouty fails to meet the requirements of paragraph (1), unless the taxpayer corrects such failure within the time specified by the Secretary).

“(H) SECURITY.—If a covered expatriate fails to provide security under paragraph (2), the individual not be treated as sold for purposes of subsection (a)(1), but

“(i) an amount equal to the present value of the expatriate’s nonforfeitable accrued 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 expiration date to or on behalf of the expatriate, such distribution shall be treated as a distribution under subparagraph (A). If less than the entire amount of the distribution is distributed to the expatriate, the amount not distributed shall be treated as a distribution under subparagraph (A). If more than the entire amount of the distribution is distributed to the expatriate, the amount exceeding the entire amount of the distribution shall be treated as a distribution under subparagraph (A), and the fraction of the distribution not distributed to the expatriate shall be treated as a distribution under subparagraph (A). If the distribution is to or on behalf of the expatriate and another person, the distribution shall be treated as a distribution under subparagraph (A) to or on behalf of the expatriate, and the other person shall be treated as though the distribution had been made to such other person.

(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this section, a distribution is treated as made to a person with respect to property under any plan on or after the expiration date to or on behalf of the expatriate if, before such date, such person was treated as an individual who was a participant in the plan.

(D) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 401(c)),

(2) any eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

(3) any annuity plan (as defined in section 4974(c)), any personal retirement plan (as defined in section 457(b)) of an eligible employer, any individual retirement arrangement under section 408(b) that is described in paragraph (1) or (2) of section 408(b), any individual retirement arrangement or annuity plan (as defined in section 408(b)) or individual retirement account under section 4975(e)(1)(A), or any qualified retirement plan (as defined in section 401(a)(38)) or annuity plan (as defined in section 4974(c)) to which this paragraph applies.

(e) Definitions.—For purposes of this section—

(1) EXPatriate.—The term ‘expatriate’ means—

(A) any United States citizen who relinquishes citizenship,

(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(a)(2)),

(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 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. 1431(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 309(a) of the Immigration and Nationality Act (8 U.S.C. 1431(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 grants 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 or 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 BENEFICIARIES 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) if such separate share shall be treated as a separate trust consisting of the assets allocable to such interest, such separate trust shall be treated as being held by the expatriate and such separate trust shall be treated as if the expatriate was treated as receiving the property of such 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 income, gain, or loss attributable to 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 an interest in a qualified trust, such interest is treated as if the interest were not an interest in a trust.

(ii) in addition to any other tax imposed by this title on the amount of such tax imposed under subsection (B).

(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

(ii) the balance in the deferred tax account determined without regard to any increases under subparagraph (C)(i) after the 30th day preceding the distribution.

(C) DEFERRED TAX ACCOUNT.—For purposes of paragraph (B)(ii)

(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in the gross income of the other beneficiary.

(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

(1) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

(2) in the case of a person holding a nonvested interest in a trust, 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) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary in a trust shall be the lesser of—

(A) the amount of gain which would be allocable to such beneficiary’s vested and nonvested interests and

(B) the amount of interest in the trust if the beneficiary held directly all assets allocable to such interest.

(iii) TAX DEDUCTED AND WITHHELD.—

(1) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld with respect to the income distributions and any person acting on the behalf of the individual.

(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

(1) 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

(2) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

(2) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate shall be deemed to have disposed of an interest in a qualified trust if the individual ceases to be a beneficial owner of 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, or

(ii) the balance in the trust 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 covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

(g) QUALIFIED TRUST.—The term ‘qualified trust’ means a trust which is described in section 7704(a)(3).

(ii) VESTED INTEREST.—The term ‘vested interest’ means any interest which, as of the day before the expatriation date, is vested in the interest.

(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 exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

(h) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

(i) DETERMINATION OF BENEFICIARIES’ INTEREST IN TRUST.—

(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary in a trust shall be treated as not holding any interest in the trust which is not a vested interest and the trust shall be treated as if the person holding such interest was acting for and in behalf of the trust.

(B) DETERMINATION OF BENEFICIARIES’ INTERESTS.—In determining the amount of the allocable expatriation gain with respect to any beneficiary in a trust, such amount shall be determined in accordance with the provisions of this subsection (i), 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 the trust beneficiaries for purposes of this section.

(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

(A) the methodology used to determine that taxpayer's trust interest under this section, and

(B) 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 DEFERRALS, 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 period for payment 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.—

(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, including the expatriation date and the unpaid portion of such tax is deferred shall terminate on the day after the expatriation date.

(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO TAXATION.—Paragraph (1) shall not apply to any property if either—

(A) a 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.

(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 covered expatriate, or

(B) if 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:

(4) 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 7701(b).

(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to any 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) 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 AMENDMENT TO IMMIGRATION AND NATIONALITY ACT.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 7701(h)(2) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation)."

(e) EFFECTIVE DATE.—

(1) 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.

(f) CLERICAL 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.

(g) EFFECTIVE DATE.—

(1) 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 BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after the date of the enactment of this Act, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(h) DUE DATE FOR TENTATIVE TAX.—The due date under section 677A(h)(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.

SEC. 1723. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) 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, and

B) by striking "(1)" and inserting:

"(1) TREBLE DAMAGES.—(1), and

(C) by adding at the end the following new paragraph:

"(2) PUNITIVE 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. This paragraph shall not apply to punitive damages described in section 100(c)."
(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.—Section 83 (relating to employer securities) is amended by inserting “and punitive damages” after “and interest”.

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section: “SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.—Gross income shall include any amount paid or accrued to 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: “(e) REQUIREMENTS FOR REPORTING PAYMENTS FOR PUNITIVE DAMAGES.—Amounts paid (or accrued) to a taxpayer as insurance or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages shall be included in gross income if the amount of such payment (or accrual) is $50 or more.”

(3) INCOME TAX RETURNS.—The amendment made by this section shall apply to payments made 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 183(j) (relating to limitation on deduction for interest on certain obligations of a C corporation) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (9) the following new paragraph: “(10) ALLOCATIONS TO CERTAIN CORPORATE PARTNERS.—If a C corporation is a partner in a partnership—

(A) the corporation’s allocable share of limited partnership 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 an allocable share of any interest expense of the partnership, this subsection shall be applied separately in determining whether a deduction is allowable to the corporation for the corporation’s allocable share of such interest expense.”

(b) IN GENERAL.—Section 6159 (relating to compromise of tax liabilities) 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: “(g) IN GENERAL.—The provisions described in section 6159(b)(4) shall apply to any installment agreement entered into before, on, or after the date of the enactment of this Act.”

(2) LUMP-SUM OFFERS.—(A) IN GENERAL.—Section 7122 (relating to lump-sum offers-in-compromise) 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: “(g) IN GENERAL.—The provisions of this section shall be applicable to offers-in-compromise submitted or pending on or after the date of the enactment of this Act.”

(3) PARTIAL PAYMENTS REQUIRED WITH RESPECT TO INSTALLMENT AGREEMENTS MADE BEFORE THE ENACTMENT OF THIS ACT.—Section 6159(b)(4) (relating to compromise of tax liabilities) is amended by redesignating subsection (c) as subsection (d), and inserting after subsection (d) the following new subsection: “(e) IN GENERAL.—The provisions of this section shall be applicable to installment agreements made before the date of the enactment of this Act.”

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of the enactment of this Act.

SEC. 1726. LIMITATION OF EMPLOYER DEDUCTION FOR CERTAIN ENTERTAINMENT EXPENSES. (a) IN GENERAL.—Paragraph (7) of section 274(e) (relating to expenses treated as compensation) is amended by inserting “and (E) punitive damages” after “includible in the gross income.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after the date of the enactment of this Act.

SEC. 1727. INCREASE IN PENALTY FOR BAD CHECKS OR MONEY ORDERS. (a) IN GENERAL.—Section 6679 (relating to penalties for bad checks or money orders) is amended by inserting “and punitive damages” after “includible in the gross income”.

(b) EFFECTIVE DATE.—The provisions of this section shall be applicable to payments made on or after the date of the enactment of this Act.

SEC. 1728. ELIMINATION OF DOUBLE DEDUCTION ON EXPLORE AND DEVELOPMENT COSTS UNDER THE MINIMUM TAX. (a) IN GENERAL.—Section 7563(a)(1) (relating to depletion allowances for oil and gas properties (c)) is amended by inserting “for the taxable year and determined without regard to any restriction other than the restriction described in section 6167 that a devaluation is allowable for any taxable year under this part.”

(b) EFFECTIVE DATE.—The provisions of this section shall be applicable to payments made on or after the date of the enactment of this Act.

PART III.—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 waiver of user fee for installment agreements) is amended by redesignating subsection (e) as subsection (f) 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 not charge such tax (if any) for entering into the installment agreement.”

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of the enactment of this Act.
the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

(b) No user fee imposed.—Any user fee which would otherwise be imposed under section 7426(d) (relating to standards for evaluation of offers), as redesignated by subsection (a), is amended by striking ‘‘and’’ 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 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.—(A) Any offer—

subsection (a) 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, or 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, or is accounted for in accordance with the regulations prescribed by the Secretary for determining the expiration of the 24—month period (or 12—month period, if applicable)).

(B) 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 form a joint task force—

(1) to review the Internal Revenue Service’s determinations with respect to offers—in—compromise, including offers which raise equity, economic, or other public interest 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, and

(C) wrongful acts by a third party which gave rise to the liability, and

(4) to annually 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 any 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 7803(b)(1) (relating to annual report) is amended by striking ‘‘and’’ at the end of subclause (X), by redesignating subclause (XI) as subclause (XII), and by inserting after subclause (XII) 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 such offers that have been accepted and rejected, the number of such offers appealed, the period during which review of such offers have remained 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.

SEC. 1792. INCREASE FOR FUEL EFFICIENCY.

(a) In general.—The amount determined under paragraph (1)(A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(i) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

(ii) $2,000, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

(iii) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2002 model year city fuel economy,

(iv) $3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2002 model year city fuel economy,

(v) $3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2002 model year city fuel economy,

(vi) $4,000, if such vehicle achieves at least 300 percent 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:

(1) In the case of a passenger automobile:

**TABLE XVII—TAX INCENTIVES FOR ALTERNATIVE MOTOR VEHICLES AND FUELS**

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>City Fuel Economy</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500 or 1,750 lbs</td>
<td>35.2 mpg</td>
<td>$8,000</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>35.2 mpg</td>
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<td>$1,000</td>
</tr>
<tr>
<td>6,500 lbs</td>
<td>12.5 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>7,500 to 8,500 lbs</td>
<td>11.3 mpg</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

(2) In the case of a light truck:

**TABLE XVII—TAX INCENTIVES FOR ALTERNATIVE MOTOR VEHICLES AND FUELS**

<table>
<thead>
<tr>
<th>Weight Class</th>
<th>City Fuel Economy</th>
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<tbody>
<tr>
<td>1,500 or 1,750 lbs</td>
<td>35.4 mpg</td>
<td>$7,000</td>
</tr>
<tr>
<td>2,000 lbs</td>
<td>35.2 mpg</td>
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<td>2,250 lbs</td>
<td>31.8 mpg</td>
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<td>29.0 mpg</td>
<td>$2,500</td>
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<tr>
<td>2,750 lbs</td>
<td>26.8 mpg</td>
<td>$2,000</td>
</tr>
<tr>
<td>3,000 lbs</td>
<td>24.9 mpg</td>
<td>$1,500</td>
</tr>
<tr>
<td>3,500 lbs</td>
<td>21.8 mpg</td>
<td>$1,500</td>
</tr>
<tr>
<td>4,000 lbs</td>
<td>19.4 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>4,500 lbs</td>
<td>17.6 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>5,000 lbs</td>
<td>16.1 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>5,500 lbs</td>
<td>14.8 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>6,000 lbs</td>
<td>13.7 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>6,500 lbs</td>
<td>12.8 mpg</td>
<td>$1,000</td>
</tr>
<tr>
<td>7,000 to 8,500 lbs</td>
<td>12.1 mpg</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—

<table>
<thead>
<tr>
<th>Fuel Savings</th>
<th>Credit Amount</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>

(2) CREDIT AMOUNT.—

(A) FUEL ECONOMY.—

(i) In general.—For purposes of section (a), the new qualified hybrid motor vehicle credit determined under this subsection with respect to a new qualified hybrid motor vehicle which is made by a manufacturer and which is acquired for use or lease by the taxpayer during the taxable year is the credit amount determined under paragraph (2)

(ii) 2002 model year city fuel economy credit.—

For purposes of clause (i), the 2002 model year city fuel economy with respect to a vehicle shall be determined on a gasoline gallon equivalent basis determined by the Administrator of the Environmental Protection Agency using the tables provided in subsection (b)(2) with respect to such vehicle.

The amount determined under subparagraph (A) with respect to a new advanced lean burn technology motor vehicle shall be increased by the conservation credit amount determined in accordance with the following table:

In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—

<table>
<thead>
<tr>
<th>Fuel Savings</th>
<th>Credit Amount</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>

(C) OPTION TO USE LIKE VEHICLE.—At the option of the vehicle manufacturer, the increase in fuel efficiency and conservation credit may be calculated by comparing the new qualified advanced lean burn technology motor vehicle to a like vehicle.

(D) 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, medium duty passenger vehicle, or light truck.

(E) CREDIT AMOUNT FOR HEAVY VEHICLES.—

(A) IN GENERAL.—In the case of a new 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.

(B) INCREMENTAL COST.—For purposes of this paragraph, the incremental cost of any heavy duty hybrid motor vehicle is equal to the difference between the suggested retail price of such vehicle and the cost of the退税 manufacturer’s suggested retail price for such vehicle.

(C) APPlicable PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Percentage Increase</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 percent up to 10 percent</td>
<td>10 percent</td>
</tr>
<tr>
<td>11 percent up to 20 percent</td>
<td>15 percent</td>
</tr>
<tr>
<td>21 percent up to 30 percent</td>
<td>20 percent</td>
</tr>
<tr>
<td>31 percent up to 40 percent</td>
<td>25 percent</td>
</tr>
<tr>
<td>41 percent up to 50 percent</td>
<td>30 percent</td>
</tr>
<tr>
<td>51 percent up to 60 percent</td>
<td>35 percent</td>
</tr>
<tr>
<td>61 percent up to 70 percent</td>
<td>40 percent</td>
</tr>
<tr>
<td>71 percent up to 80 percent</td>
<td>45 percent</td>
</tr>
<tr>
<td>81 percent up to 90 percent</td>
<td>50 percent</td>
</tr>
<tr>
<td>91 percent up to 100 percent</td>
<td>55 percent</td>
</tr>
</tbody>
</table>

(D) CREDIT AMOUNT FOR HYBRID MOTOR VEHICLES.—For purposes of this subsection:

(A) IN GENERAL.—The term ‘new qualified hybrid motor vehicle’ means a motor vehicle which—

(i) draws propulsion energy from consumable fuel, and

(ii) is an internal combustion or heat engine using consumable fuel, and

(iii) a rechargeable energy storage system, and

(iv) which, in the case of a passenger automobile, medium duty passenger vehicle, or light truck—

(A) 120,000 divisible by 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.

(C) NEW QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

(i) IN GENERAL.—For purposes of this paragraph, the credit amount determined under subsection (a) with respect to a new qualified hybrid motor vehicle which is a medium duty passenger vehicle or light truck for that make and model year vehicle.

(ii) LIFE TIME FUEL SAVINGS.—For purposes of paragraph (2), ‘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) 120,000 divided by 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.

(B) TRANSMISSION (AUTOMATIC OR MANUAL),

(C) ACCELERATION PERFORMANCE (0-60 SECONDS),

(D) DRIVETRAIN (2-WHEEL DRIVE OR 4-WHEEL DRIVE),

(E) CERTIFICATION BY THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.

(IV) LIFETIME FUEL SAVINGS.—For purposes of paragraph (2), the 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) 120,000 divided by 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.

(C) DRIVETRAIN (2-WHEEL DRIVE OR 4-WHEEL DRIVE),

(D) TRANSMISSION (AUTOMATIC OR MANUAL),

(E) CERTIFICATION BY THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.

(IV) LIFETIME FUEL SAVINGS.—For purposes of paragraph (2), the 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) 120,000 divided by 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.

(C) DRIVETRAIN (2-WHEEL DRIVE OR 4-WHEEL DRIVE),

(D) TRANSMISSION (AUTOMATIC OR MANUAL),

(E) CERTIFICATION BY THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.
fuel’ means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

‘(C) MAXIMUM AVAILABLE POWER.—

(1) PASSENGER AUTOMOBILE, MEDIUM DUTY PASSENGER VEHICLE, OR LIGHT TRUCK.—For purposes of subparagraph (A)(i)(II), 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 ‘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 means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(2) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection, the term ‘new qualified alternative fuel motor vehicle’ means any motor vehicle which weighs more than 14,000 pounds which may be sold or leased in California and meets or exceeds the low emission vehicle as meeting the same requirements as a zero emission standard.

For purposes of paragraph (1), the applicable percentage of the credit allowable under subsection (a) for each 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 section 28(b)(m) or (o) of title II of the Clean Air Act (42 U.S.C. 7521 et seq.),

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

(3) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(A) MOTOR VEHICLE.—The term ‘motor vehicle’ has the meaning given such term by section 3903(2).

(B) CITY FUEL ECONOMY.—The city fuel economy with respect to any vehicle shall be determined in a manner which is substantially similar to the manner city fuel economy is measured in accordance with procedure under part 600 of subchapter Q of chapter I of title 40, Code of Federal Regulations, as in effect on the date of the enactment of this section.

(C) OTHER TERMS.—The terms ‘automobile,’ ‘passenger automobile,’ ‘medium duty passenger vehicle,’ ‘light truck,’ and ‘manufacturer’ 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.).

(1) 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 without regard to subsection (e).

(2) No double benefit.—The amount of any deduction or other credit allowable under this chapter shall be reduced by the amount of such credit attributable to such cost, and

(3) Subsection (a) shall be reenumbered as subsection (d).

S7136

CONGRESSIONAL RECORD — SENATE
June 22, 2005
(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 places such vehicle in service under subsection (a) with respect to such vehicle (determined without regard to subsection (g)) shall pay the amount of any credit allowable under subsection (a) with respect to such vehicle if 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 using such vehicle (as described in subsection (c)) or a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010."

(b) CONFORMING AMENDMENTS.—
(1) Paragraph (1) of this Act, as amended by inserting "and" at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting ", and ", and by adding at the end the following new paragraph:
(37) to the extent provided in section 30(b)(4)."
(2) Section 59(c)(2), as amended by this Act, is amended by inserting "30B(h)(g)," after "30B(g)," after "30B(3),"
(3) The table of sections for subsection B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:
"Sec. 30B. Alternative motor vehicle credit.",
(4) The amendments made by this Act shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.
(d) Stickering Information Required at Retail Sale.—
(1) IN GENERAL.—The Secretary of the Treasury shall issue regulations under which each qualified vehicle sold at retail shall display a notice—
(A) that such vehicle is a qualified vehicle, and
(B) that the buyer may not benefit from the credit allowed under section 30B of the Internal Revenue Code of 1986 if such buyer has insufficient tax liability.
(2) Qualified Vehicle.—For purposes of paragraph (1), the term "qualified vehicle" means a vehicle with respect to which a credit is allowed under section 30B 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, section 1531 of this Act shall not apply to any property installed on property which is not a qualified alternative fuel vehicle refueling station.
SEC. 1702. CREDIT FOR INSTALLATION OF ALTERNATIVE FUEL REFINING STATIONS.
(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign income tax credit, etc.), as amended by this Act, is amended by adding at the end the following new section:
"Sec. 30C. ALTERNATIVE FUEL VEHICLE REFINING PROPERTY CREDIT.
(1) The credit allowed under section 30C shall be for the installation of an alternative fuel vehicle refueling property, but only if such property is installed on property which is a qualified alternative fuel vehicle refueling property and the use of which is described in subsection (g)."
(b) Modification to Extension of Certain Refueling Property Credit.—
(1) IN GENERAL.—Except as provided in paragraph (2), the term ‘qualified alternative fuel vehicle refueling property’ has the meaning given to such term by section 179A(d), but only with respect to any fuel at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, and hydrogen.
(2) RESIDENTIAL PROPERTY.—In the case of any property installed on property which is a new residential property, the meaning of section 121 of the Internal Revenue Code of 1986 (relating to low-income housing) shall apply.
(3) COMMUNITY PROPERTY.—In the case of any property installed on property which is community property, the meaning of section 615 of the Internal Revenue Code of 1986 shall apply.
(4) Regulated Gas.—In the case of any property installed on property which is regulated gas, the meaning of section 6101 shall apply.
(5) OTHER.—In the case of any property installed on property which is nonregulated gas, the meaning of section 6101 shall apply.
(c) Carryback—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 subpart A and sections 27, 29, 30, and 3B, over
"(2) the tentative minimum tax for the taxable year."
(d) Election to Not Take Credit.—
(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 taxable year to which it was attributable, and may apply to property installed on property which is a qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 50(b) and which 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 which placed such property in service in such taxable year.
(2) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).
(e) 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 (d) for such taxable year.
(3) Property Used by Tax-Exempt Entity.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 50(b) and which 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 which placed such property in service in such taxable year.
(4) 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.
(5) Election Not to Take Credit.—No credit shall be allowed under subsection (a) for any property as to which the taxpayer elects not to have this section apply to such property.
(6) Recaputure.—The credit allowed under 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), or with respect to any property purchased after the date of the enactment of this Act shall be null and void.
(7) Property Used Outside United States, ETC., NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property which has adopted such provision under a law of a district of the United States, the Commonwealth of Puerto Rico, or a possession of the United States.
(8) Electing Not to Take Credit—No credit shall be allowed under subsection (a) for any property for which a credit has been allowed under subsection (d) for such taxable year, but only if such person clearly discloses to such person or entity using such property (as described in subsection (c)) or a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010.
(b) Conforming Amendments.—
(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting ", and ".
"(37) to the extent provided in section 30(b)(4)."
(2) Section 59(c)(2), as amended by this Act, is amended by inserting "30B(h)(g)," after "30B(g)," after "30B(3),"
(3) The table of sections for subsection B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:
"Sec. 30B. Alternative motor vehicle credit.",
(4) The amendments made by this Act shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.
(d) Stickering Information Required at Retail Sale.—
(1) IN GENERAL.—The Secretary of the Treasury shall issue regulations under which each qualified vehicle sold at retail shall display a notice—
(A) that such vehicle is a qualified vehicle, and
(B) that the buyer may not benefit from the credit allowed under section 30B of the Internal Revenue Code of 1986 if such buyer has insufficient tax liability.
(2) Qualified Vehicle.—For purposes of paragraph (1), the term ‘qualified vehicle’ means a vehicle with respect to which a credit is allowed under section 30B 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, section 1531 of this Act shall not apply.
(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) 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 (d) for such taxable year.
(3) Property Used by Tax-Exempt Entity.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraph (3) or (4) of section 50(b) and which 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 which placed such property in service in such taxable year.
(4) 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.
(5) Election Not to Take Credit.—No credit shall be allowed under subsection (a) for any property as to which the taxpayer elects not to have this section apply to such property.
(6) Recaputure.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).
(g) Regulations.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.
(b) Termination.—This section shall not apply to any property installed on property which is a new residential property, the meaning of section 121 of the Internal Revenue Code of 1986, after December 31, 2014, and
(2) in the case of any other property, after December 31, 2009.
(b) Modifications to Extension of Deduction for Certain Refueling Property.—
(1) Increase in Deduction for Hydrogen Infrastructure.—Section 179A(b)(2)(A)(i) is amended by inserting 
"$300,000 in the case of property relating to hydrogen" after ""$100,000"".
(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 RE-Fueling Property.—Section 179A(d) (defining qualified clean-fuel vehicle refueling property) is amended by adding at the end the following new paragraph:

"(3D) to the extent provided in section 30C(f),".

(2) Section 55(c)(2), as amended by this Act, is amended by inserting "30C(e)," after "30B(c),".

(d) Section 6501(m) is amended by inserting "30C(h)," after "30B(h),".

(e) The applicable rules of section 2 for part B of part IV of subsection A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 30B the following new paragraph:

"Sec. 30C. Clean-fuel vehicle refueling property credit."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

(f) NONAPPLICATION OF SECTION.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, section 1933 of this Act shall be null and void.

SEC. 1705. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) In General.—Subpart B of part IV of chapter 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 paragraph:

"Sec. 30D. Advanced technology motor vehicle manufacturing credit.

"(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 a plant which produces for such taxable year as does not exceed $25,000,000.

"(b) Qualified Investment.—For purposes of this section:

"(1) In General.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year—

"(A) to re-equip or expand any manufacturing facility of the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components,

"(B) for engineering integration of such vehicles and components as described in subsection (d), and

"(C) for research and development related to advanced technology motor vehicles and eligible components.

"(2) Attribution Rules.—In the event a facility of the eligible taxpayer produces both advanced technology motor vehicles and other clean-burning fuel, paragraph (3(A) shall be applied by substituting "production, storage, or dispensing" for "storage or dispensing" wherever it appears.

(d) CONFORMING AMENDMENTS.

(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting "and", and by adding at the end the following new paragraph:

"(38) to the extent provided in section 30C(f),".

(2) Section 55(c)(2), as amended by this Act, is amended by inserting "30C(e)," after "30B(c),".

(3) Section 6501(m) is amended by inserting "30C(h)," after "30B(h),".

SEC. 1706. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) Coordination With Other Deductions and Credits.—Except as provided in paragraph (2), the amount of any deduction or credit allowable under this section 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.

(b) Research and Development Costs.—The amount of any deduction or credit allowable under this section for any cost 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.

(c) Elections 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.

(d) Effective Date.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

SEC. 1707. PHASEOUT OF THE CREDIT.

(a) In General.—Section 30D is amended by striking "and" at the end of paragraph (38), by striking the period at the end of paragraph (39) and inserting "; and", and by adding at the end the following new paragraph:

"(41) to the extent provided in section 30D(c).

(b) Section 6501(m), as amended by this Act, is amended by inserting "30D(k)," after "30C(k),".

(c) 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."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred in taxable years beginning after December 31, 2005.

Title B—Revenue Offset Provisions

PART I—GENERAL PROVISIONS

SEC. 1711. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE INSTRUMENTS.

(a) In General.—Section 1275(d) (relating to recognition of contingent payment converted instrument) is amended by—

"(1) by striking "The Secretary" and inserting the following:
"(1) IN GENERAL.—The Secretary, and
(2) by adding at the end the following new paragraph:

"(D) OMISSION OF PENALTY.—The penalty imposed by this section shall be in addition to any other penalty provided by law.

"(b) CROSS REFERENCE.—Section 15See(e)(6) (relating to tax on equity interests) is amended by adding at the end the following new paragraph:

"(B) THREATENING AND INFLATION OF PENALTY.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

"(c) 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 DISBARRED.—Section 6320 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—(1) FRIVOLOUS REQUESTS DISBARRED.—Section 6320 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFER-IN-COMPROMISE INSTALLMENT AGREEMENT.—Section 7222 is amended by adding at the end the following new subsection:

"(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 6 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.

"(1) 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 666(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

"(2) SPECIFIED FRIVOLOUS SUBMISSION.—Any person who

"(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

"(b) CIVIL PENALTY FOR SPECIFIED FRIVOLOUS TAX RETURNS.—A person shall pay a penalty of $5,000 if

"(A) a person files a return described in subsection (a) for a period which is convertible into stock.

"(B) cross reference.—Section 15See(e)(6) (relating to tax on equity interests) is amended by adding at the end the following new paragraph:

"(C) by inserting after subparagraph (A)(ii) the following new subparagraph:

"(2) STATEMENT OF GROUNDS.—Any person

"(1) IN GENERAL.—The Secretary

"(c) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFER-IN-COMPROMISE INSTALLMENT AGREEMENT.—Section 7222 is amended by adding at the end the following new subsection:

"(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFER-IN-COMPROMISE INSTALLMENT AGREEMENT.—Section 7222 is amended by adding at the end the following new subsection:

"(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 6 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.

"(1) 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 666(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

"(2) SPECIFIED FRIVOLOUS SUBMISSION.—Any person who

"(A) a person files a return described in subsection (a) for a period which is convertible into stock.

"(B) by inserting "'any person who—" and inserting "'(a) IN GENERAL.—Any person who—"

"(c) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

"(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFER-IN-COMPROMISE INSTALLMENT AGREEMENT.—Section 7222 is amended by adding at the end the following new subsection:

"(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 6 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.

"(1) 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 666(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

"(2) SPECIFIED FRIVOLOUS SUBMISSION.—Any person who

"(A) a person files a return described in subsection (a) for a period which is convertible into stock.

"(B) by inserting "'any person who—" and inserting "'(a) IN GENERAL.—Any person who—"

"(c) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

"(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFER-IN-COMPROMISE INSTALLMENT AGREEMENT.—Section 7222 is amended by adding at the end the following new subsection:

"(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 6 is amended by striking the item relating to section 6702 and inserting the following new item:

"Sec. 6702. Frivolous tax submissions.

"(1) 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 666(c) of the Internal Revenue Code of 1986, as amended by subsection (a).
SEC. 1714. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) DETERMINATION OF PENALTY.—

(1) Nowithstanding 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 based with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to it, and its connection with any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6661 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—

(I) an 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 a foreign jurisdiction;

(II) any offshore financial arrangement (including any arrangement with foreign banks, financial institutions, corporations, partnerships, or other entities); and

(ii) has not signed a closing agreement pursuant to the Voluntary Offshore Compliance Initiative established by the Department of the Treasury under Revenue Procedure 2011 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 any offshore payment mechanism is incidental to, and 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) PAYMENT OF PENALTIES.—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.

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) APPLICABLE PENALTY.—The term ‘‘applicable penalty’’ means any penalty, addition to tax, or interest determined without regard to items arising in connection with any such payment of Federal income tax attributable to a trade or business of the taxpayer.

(b)(2) FEES AND EXPENSES.—The Secretary of the Treasury may make, by rules prescribed in chapter 68 of the Internal Revenue Code of 1986, a reasonable fee to cover the expenses of enforcement and collection activities of the Internal Revenue Service.

(c) REPORT BY SECRETARY.—The Secretary shall each year conduct a study and report to 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 additional applicable penalties imposed, asserted, waived, and assessed during such preceding year.

(c)(d) EFFECTIVE DATE.—The provisions of this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 1715. MODIFICATION 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 1297(e) (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 in gross income under section 965(a)(1)(A)(ii).’’

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of United States shareholders with or without respect to any taxable years ending after the date of the enactment of this Act.

SEC. 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL TAXES OF CORPORATE INCOME TAX RETURN.

(a) IN GENERAL.—The Federal annual tax return of any corporation with respect to income shall also include a declaration signed by the chief executive officer of such corporation (or other such officer of the corporation as the Secretary of the Treasury may designate if the 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 is aware of the 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 (as defined in section 851 of such Code).

(b) EFFECTIVE DATE.—This section shall apply to tax 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 (i) the following new subsection:

‘‘(m) REGULATIONS.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of 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 income of another person or in other cases involving the inappropriate separation of the foreign investment income.’’

(b) EFFECTIVE DATE.—The amendments made by this section shall apply only to tax years beginning 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—

(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 ‘‘or interest, additions to tax, and additional amounts resulting from the action (including any related actions) or from any settlement’’ (other than under this subparagraph) and inserting ‘‘or any settlement’’ (other than under this subparagraph); and

(4) by adding at the end the following new subsections:

‘‘(b) AWARDS TO WHISTLEBLOWERS.—

‘‘(1) IN GENERAL.—If the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information provided 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 related proceedings, all or a portion of which includes any interest, additions to tax, and additional amounts resulting from the action (including any related actions) or from any settlement in response to 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 other than those 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 (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 action.

‘‘(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—Paragraph (1)(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 not based on information provided by an individual 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 or deny an award.

‘‘(A) AGAINST TAXPAYER.—If the individual is brought by an individual who planned and directed such actions to tax, and additional amounts) result-

‘‘(4) APPEAL OF AWARD DETERMINATION.—Any determination regarding an award under paragraph (1) or (2) is subject to the following procedures: (A) by the individual described in such paragraph of a petition for review with the Secretary 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).

‘‘(A) APPLICABILITY OF SUBSECTION.—This subsection shall apply with respect to any action brought to the Secretary 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).

‘‘(B) IF THE Tax, penalties, interest, additions to tax, and additional amounts in dispute exceed $20,000.

‘‘(5) ADDITIONAL RULES.—

‘‘(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is

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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 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, and

(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 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.

"(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 that disclosure of any returns or return information to the individual or any legal representative of such individual is required for the performance of such assistance, such disclosure shall be made to the extent that the Secretary determines that such disclosure is consistent with the protection of the confidentiality and security of such information.

"(B) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual, and

"(4) C ERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—Any entity exercising self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1506(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 due.

"(6) 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.

"(b) REPRESENTATION.—For purposes of this section—

"(1) MARK TO MARKET.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(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.

"(c) AMOUNTS.—

"(1) THE AWARD.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(d) PARTICIPANTS IN SETTLEMENT INITIATIVES.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(3) EXCEPTION FOR TAXES DUE.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(4) 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.

"(1) THE AWARD.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(3) EXCEPTION FOR TAXES DUE.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(4) 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.

"(1) THE AWARD.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(3) EXCEPTION FOR TAXES DUE.—In the case of any sale of property to a person other than a transparent entity under section 1024, the amount included in gain or loss from such sale which is prevented by the operation of any law or governmental function.

"(4) 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.
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 2004, 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 2005’ in subparagraph (B) thereof.

(ii) Rounding Rules.—If any amount after adjustment under paragraph (1) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

"(2) ELECTION TO CONTINUE TO BE TAXED AS UNRESTRICTED.—

(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 shall be subject to tax under this 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—

(1) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

(2) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

(3) 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).

"(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 paragraph (B) thereof.

"(C) COVERED EXPATRIATE.—For purposes of this section—

(A) IN GENERAL.—Except as provided in paragraph (2), the term ‘covered expatriate’ means an expatriate.

(B) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

(1) the individual

(A) became before 2005 the citizen of a foreign country under the provisions of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1444(a)(5)), or

(B) was entitled to the benefits of a tax treaty with the United States by reason of the individual’s having being received by such individual on such date as a distribution under the plan.

"(D) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 4975(e)(1)(A)),

(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) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on behalf of such plan, shall treat an amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

"(E) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 4975(e)(1)(A)),

(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) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

"(F) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on behalf of such plan, shall treat an amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

"(G) 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 to which this paragraph applies, and any person acting on behalf of such plan, any distribution to the covered expatriate from such plan or any person acting on behalf of such plan in lieu of such distribution shall be treated as a distribution described in subparagraph (A) of subsection (a)(1) and, the amount otherwise includable in gross income by reason of the subsequent distribution shall be reduced by the amount includible in gross income under subparagraph (A) over any portion of such amount to which such subparagraph previously applied.

"(H) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 4975(e)(1)(A)),

(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) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

"(I) SPECIAL RULES.—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

(A) became before 2005 the citizen of a foreign country under the provisions of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1444(a)(5)), or

(B) was entitled to the benefits of a tax treaty with the United States by reason of the individual’s 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 to which this paragraph applies, and any person acting on behalf of such plan, any distribution to the covered expatriate from such plan or any person acting on behalf of such plan in lieu of such distribution shall be treated as a distribution described in subparagraph (A) of subsection (a)(1) and, the amount otherwise includable in gross income by reason of the subsequent distribution shall be reduced by the amount includible in gross income under subparagraph (A) over any portion of such amount to which such subparagraph previously applied.

"(C) 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 to which this paragraph applies, and any person acting on behalf of such plan, any distribution to the covered expatriate from such plan or any person acting on behalf of such plan in lieu of such distribution shall be treated as a distribution described in subparagraph (A) of subsection (a)(1) and, the amount otherwise includable in gross income by reason of the subsequent distribution shall be reduced by the amount includible in gross income under subparagraph (A) over any portion of such amount to which such subparagraph previously applied.

"(D) APPLICABLE PLANS.—This paragraph shall apply to—

(1) any qualified retirement plan (as defined in section 4975(e)(1)(A)),

(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) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

"(E) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on behalf of such plan, shall treat an amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.
(4) LONG-TERM RESIDENT.—The term ‘long-term resident’ has the meaning given to such term by section 877(a)(2).

(1) 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 share,

(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 as having distributed all of its assets to the individual as of such time, and

(iii) the individual shall be treated as having contributed 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, adjustments shall be made for liabilities of the trust allocable to an individual’s share in the trust.

(2) GENERAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

(i) paragraph (1) and subsection (a) shall not apply, and

(ii) in addition to any other tax imposed by this chapter, there shall be imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(i) shall be equal to the lesser of—

(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

(ii) the balance in the deferred tax account of the trust that is using a different methodology to determine such beneficiary’s interest in a trust on the day before the expatriation date, and

(iii) the amount of such tax imposed on the other beneficiary of the trust.

(3) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account determined with regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

(C) DEFERRAL TAX ACCOUNT.—For purposes of subparagraph (B)(i)—

(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined under subparagraph (B)(i) applied to the account at the time the interest accrues, for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B)(i).

(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

(A) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

(B) in the case of a person holding a nonvested interest, by the extent provided by regulations, in the case of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary’s interest in a trust is the amount of gain which would be allocable to such beneficiary’s vested and nonvested interests in the trust if it distributed directly all assets allocable to such interests.

(E) TAX DEDUCTED AND WITHHELD.—

(i) IN GENERAL.—The tax imposed by subparagraph (A) shall be deducted and withheld by the trustees from the distribution to which it relates.

(ii) EXCEPTION WHERE FAILURE TO WAIVE TAXES PREVIOUSLY DEDUCTED AND WITHHELD.—if an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

(I) the tax imposed by subparagraph (A)(i) 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 and any other bene-

(iii) DETERMINATION OF BENEFICIARIES’ INTEREST IN TRUST.—

(A) DETERMINATIONS UNDER PARAGRAPH (1).—(I) The term ‘qualified trust’ means a trust which is described in section 7701(a)(30)(E).

(ii) VESTED INTEREST.—The term ‘vested 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.

(iii) NONVESTED INTEREST.—The term ‘nonvested interest’ means with respect to any beneficiary, any interest in a trust which is not a vested interest.

(iv) ADJUSTMENTS.—The Secretary may provide for the taking into account of changes to the trust, or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

(v) 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.

(D) DETERMINATION OF BENEFICIARIES’ INTEREST IN TRUST.—

(A) DETERMINATIONS UNDER 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, the extent provided by regulations, and any other facts and circumstances, and domestic and foreign law, including the trust’s documents and the existence of and functions performed by a trust protector or any similar adviser.

(B) OTHER DETERMINATIONS.—For purposes of this section—

(i) Trustee.—If the trust is a trust for beneficiaries and does not provide for the appointment of a trustee, the term ‘trustee’ includes the individual who administers the trust.

(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return the methodology used to determine its tax liability under this section.

(iii) 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.

(E) TERMINATION OF DEFERRALS, ETC.—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 shall cease to apply on the day before the expatriation date and the unpaid portion of tax so deferred shall be due and payable at the time and in the manner prescribed by the Secretary.

(F) IMPOSITION OF TENTATIVE TAX.—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 equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

(G) DETERMINATION OF BENEFICIARIES’ INTEREST IN TRUST.—

(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 thereto) shall be a lien in favor of the United States on all property of the expatriate located in the United States.

(B) LIENS.—For purposes of this section, such lien is a lien for all properties held by such person.

(C) DEPARTMENT OF THE TREASURY.—The provisions of subsection (b) shall apply to such lien.

(2) Taxpayers.—The provisions of subsection (b) shall apply to such lien.

(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) Deferral of Tax.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to a gain includable in gross income by reason of this section.

(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

(A) Imposition of Lien.—

(1) 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 thereto) shall be a lien in favor of the Secretary in the United States on all property of the expatriate located in the United States.

(2) Period of Lien.—The lien imposed by this subsection shall be imposed on the day before the expatriation date, and

(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.

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The amendments made by this subsection shall apply to an expatriate (as defined in section 877A) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(f) C LERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 of subtitle A of part I of subchapter B of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the entry for section 877A and inserting the entry for section 877A.3.

(g) E FFECTIVE DATE.—(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

(2) G RANTS AND REQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by this section) shall apply to grants made on or after the date of the enactment of this Act.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall be no event occur prior to the 90th day after the date of the enactment of this Act.

SEC. 1723. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—(1) IN GENERAL.—Section 162(g) (relating to deduction for punitive damages) is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriates.—(A) In general.—(i) Prohibition on additional deferral through deferred compensation arrangements.—(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, (B) by striking "It" and inserting "They", (C) by adding the following new subsection:

"(2) PUNITIVE 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. This paragraph shall not apply to punitive damages described in section 109(c).

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting "INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE."
(b) Controlled Group Rules.—Section 414(v)(2) is amended by inserting “83(i),” after “79.”.

**SEC. 1726. LIMITATION OF EMPLOYER DEDUCTION FOR TAX LIABILITY FOR MINING EXPLORATION AND DEVELOPMENT COSTS UNDER THE INTERNAL REVENUE SERVICE.**

(a) In General.—(1) Paragraph (2) of section 274(e) (relating to expenses treated as compensation for income tax purposes) is amended by striking “at source on wages)”.

(b) Effective Date.—The amendments made by this section shall apply to any installment or agreement entered into on or after the date of the enactment of this Act.

**SEC. 1727. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.**

(a) In General.—Section 6159 (relating to bad checks) is amended—

(1) by striking “$750” and inserting “$1,250”;

(2) by striking “$15” and inserting “$25.”

(b) Effective Date.—The amendments made by this section shall apply to bad checks and 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 51(a)(1) (relating to deductions 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.

**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 subsection (e) as subsection (f) and by inserting after subsection (d) the following:

“(e) Waiver of User Fees for Installment Agreements Using Automated Withdrawals.—A taxpayer entering 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 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 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 paragraph (C) as subsection (g), and by inserting after subparagraph (E) the following:

“(f) to make a Federal tax deposit under section 6022 at the same 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 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 review of offer-in-compromise) is amended—

(1) by striking “offers-in-compromise” and all that follows through “such offer” and inserting “offers-in-compromise” and all that follows through “his delegate” and inserting “If the Secretary determines that an opinion of the General Counsel 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 Treasury, or the Counsel’s delegate, if required with respect to a compromise, a complete copy of the offer.”

(b) 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 compromises) is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and—

(ii) 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

(4) to annually report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (beginning in 2007) regarding such review and recommendations.

**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 or claims for compromise liability under section 7122 of the Internal Revenue Code of 1986; and

(b) 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

(4) to annually report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (beginning in 2007) regarding such review and recommendations.

**SEC. 1736. OFFER-IN-COMPROMISE NOT REJECTED WITHIN CERTAIN PERIOD.**

(a) In General.—Any offer-in-compromise submitted under this section which is not rejected by the Secretary after the date which is 24 months after the date of the submission of such offer shall be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 5 years after the date of the enactment of this section. For purposes of the preceding sentence, any offer which is rejected under this section which is not rejected by the Secretary if such offer is not rejected by the Secretary before the date which is 5 years after the date of the enactment of this section. For purposes of the preceding sentence, an offer shall not be rejected in determining the expiration of the 24-month period (or 12-month period, if applicable).”.

(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.
(c) Report of National Taxpayer Advocate.—

(1) In general.—Clause (ii) of section 7803(c)(2)(B) (relating to annual reports) 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 such 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 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 930. Mr. LEVIN (for himself 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:

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 is 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:

TITLE 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 section (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 shall be determined as when defined 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. 7522 et seq.).

"(2) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—For purposes of this section, the term ‘new qualified fuel cell motor vehicle’ means a motor vehicle 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 reformation prior to use.

"(C) WHICH QUALIFIES.—For purposes of this section, a new qualified fuel cell motor vehicle shall include any fuel cell motor vehicle placed in service by the Administrator of the Environmental Protection Agency using the tables provided in such section with respect to a new advanced lean burn technology motor vehicle placed in service by the taxpayer during the taxable year that the amount determined under this paragraph 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).

"(D) WhICh Qualifies.—For purposes of this subsection, the term ‘new qualified fuel cell motor vehicle’ means a motor vehicle placed in service by the Administrator of the Environmental Protection Agency using the tables provided in such section with respect to a new advanced lean burn technology motor vehicle placed in service by the taxpayer during the taxable year that the amount determined under this paragraph 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).
the conservation credit amount determined in accordance with the following table:

In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—

<table>
<thead>
<tr>
<th>Category</th>
<th>Credit Amount</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>$1,400</td>
</tr>
<tr>
<td>At least 3,000 but less than $2,000</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

(2) OPTION TO USE LIKE VEHICLE.—At the option of the vehicle manufacturer, the increased fuel efficiency and conservation credit may be calculated by comparing the new qualified advanced lean burn technology motor vehicle to a like vehicle.

(3) New Qualified Advanced Lean Burn Technology Motor Vehicle.—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) 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 or exceeds the Bin 8 Tier II emission standard.

(B) LIKE VEHICLE.—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 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,

(C) Vehicle weight rating of more than 8,500 but not more than 14,000 pounds, has a maximum available power of at least 15 percent.

(D) Heavy Duty Hybrid Motor Vehicle.—For purposes of subparagraph (A)(iii), 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 '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 means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(4) Heavy Duty Hybrid Motor Vehicle.—For purposes of subparagraph (A)(iii), the term 'new qualified hybrid motor vehicle' means a new qualified hybrid motor vehicle which is a passenger automobile or a light truck.

(5) New Qualified Hybrid Motor Vehicle Credit.—For purposes of this section, the term 'new qualified hybrid motor vehicle' means a motor vehicle—

(A) which draws propulsion energy from a fuel cell system, or

(B) which draws propulsion energy from any combination of electric storage and a fuel cell system.

(6) Credit Amount for Heavy Vehicles.—

(A) In General.—In the case of a new qualified hybrid motor vehicle, the credit amount determined under this paragraph is equal to the sum of the following amounts:

(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.

(B) Incremental Cost.—For purposes of this paragraph, the incremental cost of any new advanced lean burn technology 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 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.

(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.

(7) Applicable Percentage.—For purposes of paragraph (A), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Percent increase</th>
<th>The applicable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 percent</td>
<td>50 percent plus</td>
</tr>
<tr>
<td>30 percent</td>
<td>60 percent plus</td>
</tr>
<tr>
<td>40 percent</td>
<td>70 percent plus</td>
</tr>
<tr>
<td>50 percent</td>
<td>80 percent plus</td>
</tr>
<tr>
<td>60 percent</td>
<td>90 percent plus</td>
</tr>
<tr>
<td>70 percent</td>
<td>100 percent</td>
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</tbody>
</table>

(8) Fuel Economy.—The amount which would be determined under subsection (c)(2)(A) if such vehicle were a vehicle referred to in such subsection.

(9) Conservation Credit.—The amount which would be determined under subsection (c)(2)(B) if such vehicle were a vehicle referred to in such subsection.

(10) Option to Use Like Vehicle.—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)).

(11) Credit Amount for Heavy Vehicles.—

(A) In General.—In the case of a new qualified hybrid motor vehicle, the credit amount determined under this paragraph is equal to the applicable percentage of the incremental cost of such vehicle placed in service by the taxpayer during the taxable year.

(B) Incremental Cost.—For purposes of this paragraph, the incremental cost of any new advanced lean burn technology 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 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.

(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.

(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>The applicable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 percent</td>
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</tr>
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<td>40 percent</td>
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<td>50 percent</td>
<td>80 percent plus</td>
</tr>
<tr>
<td>60 percent</td>
<td>90 percent plus</td>
</tr>
<tr>
<td>70 percent</td>
<td>100 percent</td>
</tr>
</tbody>
</table>

(D) New Qualified Hybrid Motor Vehicle Credit.—For purposes of this section, the term 'new qualified hybrid motor vehicle' means a 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 15 percent.

(II) having a gross vehicle weight rating of more than 14,000 pounds, has a maximum available power of at least 15 percent.

(III) which is made by a manufacturer.

(B) Consumable Fuel.—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 '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 means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(4) Heavy Duty Hybrid Motor Vehicle.—For purposes of subparagraph (A)(ii)(II), 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 '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 means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(5) New Qualified Alternative Fuel Motor Vehicle Credit.—

(A) 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.

(B) Applicable Percentage.—For purposes of paragraph (A), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

(i) 50 percent, plus

(ii) 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 certification under 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 standard or standards to which such vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the California law or laws enacted in accordance with a waiver granted under section 208(b) of the Clean Air Act) for that...
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, to this extent the most stringent standard available shall be such standard available for certification on the date of 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 motor vehicle of the term model, 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) $25,000, 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 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) MEDIUM DUTY PASSENGER VEHICLE.—The term 'medium duty passenger vehicle' means a vehicle which serves as a mobile office, grocery delivery, or transportation vehicle that weighs between 8,500 and 10,000 pounds.

"(5) CREDIT FOR MIXED-FUEL VEHICLES.—

(A) IN GENERAL.—For purposes of this section, the term 'mixed-fuel vehicle' means any motor vehicle—

(i) which is only capable of operating on an alternative fuel, and

(ii) the original use of which commences with the taxpayer.

(B) MEDIUM DUTY PASSENGER VEHICLE.—The term 'medium duty passenger vehicle' means a vehicle which serves as a mobile office, grocery delivery, or transportation vehicle that weighs between 8,500 and 10,000 pounds.

"(6) CREDIT FOR FUEL-ECONOMY VEHICLES.—

(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying fuel-economy vehicle' means a motor vehicle which operates—

(i) as a substitute for a current vehicle which is a mobile office, grocery delivery, or transportation vehicle of the same type, and

(ii) which is capable of operating on a qualified alternative fuel.

(B) MEDIUM DUTY PASSENGER VEHICLE.—The term 'medium duty passenger vehicle' means a vehicle which serves as a mobile office, grocery delivery, or transportation vehicle that weighs between 8,500 and 10,000 pounds.

"(7) CREDIT FOR ELECTRIC VEHICLES.—

(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying electric vehicle' means an electric vehicle that—

(i) is manufactured after the date of the enactment of the Energy Tax Incentives Act, and

(ii) is capable of operating on a qualified alternative fuel.

(B) MEDIUM DUTY PASSENGER VEHICLE.—The term 'medium duty passenger vehicle' means a vehicle which serves as a mobile office, grocery delivery, or transportation vehicle that weighs between 8,500 and 10,000 pounds.

"(8) CREDIT FOR FUEL-ECONOMY VEHICLES.—

(A) IN GENERAL.—For purposes of this subsection, the term 'qualifying fuel-economy vehicle' means a motor vehicle which is capable of operating on a qualified alternative fuel.

(B) MEDIUM DUTY PASSENGER VEHICLE.—The term 'medium duty passenger vehicle' means a vehicle which serves as a mobile office, grocery delivery, or transportation vehicle that weighs between 8,500 and 10,000 pounds.

"(9) RULES.—For purposes of this subsection, the term 'manufacturer' means any person who manufactures a qualified alternative fuel motor vehicle or a mixed-fuel vehicle and all of whose products are manufactured in the United States.

"(10) RULES FOR NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLES.—In determining the credit allowable under this section, the term 'original use of vehicle' means the date on which the vehicle is first placed in service for any purpose other than personal use.
waiver under section 209(b) of the Clean Air Act), and
"(g) REGULATIONS.—
"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.
"(2) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury shall consult 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.

"(i) CONSEQUENTIAL AMENDMENTS.—
"(1) Section 101(g), as amended by this Act, is amended by striking "(8)(C)" and "(9)(B)" at the end of paragraph (3)(A) by striking the period at the end of paragraph (3)(B) and inserting " and ", and by adding at the end of the following new paragraph:
"(37) to the extent provided in section 30B(h)(1).

"(2) Section 55(c)(2), as amended by this Act, is amended by inserting "30B(g)," after "30B(2)".

"(3) Section 651(m) is amended by inserting "30B(h)(9)," after "30B(d)(4)".

"(4) The tables of sections for part IV of subchapter A of chapter 1 is amended by inserting the item relating to section 36A the following new item:
"Sec. 36A. Motor vehicle fueling property credit.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

"(d) STICKER INFORMATION REQUIRED AT RETAIL SALE.—
"(1) IN GENERAL.—The Secretary of the Treasury shall issue regulations under which the qualified fuel vehicle sold at retail shall display a notice—
"(A) that such vehicle is a qualified vehicle, and
"(B) that the buyer may not benefit from the credit allowed under section 30B of the Internal Revenue Code of 1986 if such buyer has increased tax liability.

"(2) QUALIFIED VEHICLE.—For purposes of paragraph (1), the term "qualified vehicle" means a vehicle with respect to which a credit is allowed under section 30B 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, section 101(b)(1) shall apply to such property as if such property were the property described in section 55(c)(2)(B) of the Internal Revenue Code of 1986.

SEC. 1792. CREDIT FOR INSTALLATION OF ALTERNATIVE FUEL REFUELING STATIONS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 30C. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

"(a) CREDIT ALLOWED.—There shall be allowed as a credit for the taxable year an amount equal to 50 percent of the cost of any qualified alternative fuel vehicle vehicle fueling property placed in service by the taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed under subsection (a) with respect to any alternative fuel vehicle fueling property shall not exceed—
"(1) $50,000 in the case of a property of a character subject to an allowance for depreciation,
"(2) $1,000 in any other case.

"(c) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—For purposes of this section—
"(1) IN GENERAL.—Except as provided in paragraph (2), the term "qualified alternative fuel vehicle fueling property" has the meaning given to such term by section 179A(d), but only with respect to any fuel at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, and hydrogen.

"(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(a) 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 sum of the credits allowable under subpart A and 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 used by a tax-exempt entity in the case of any qualified alternative fuel vehicle fueling property the use of which is described in paragraph (3) or (4) of section 55(c)(4), or subject to 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 of any credit allowable under subsection (a) with respect to such property determined without regard to subsection (d).

"(2) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 55(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

"(3) 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.

"(g) RECAPTURE RULES.—Rules similar to the rules of section 179A(e)(4) shall apply.

"(h) MODIFICATIONS TO EXTENSION OF DEDUCTION FOR CERTAIN REFUELING PROPERTY.—
"(1) INCREASE IN DEDUCTION FOR HYDROGEN INFRASTRUCTURE.—Section 179A(d) is amended by inserting "$200,000 in the case of property relating to hydrogen" after "$100,000".

"(2) EXTENSION OF DEDUCTION.—Subsection (f) of section 179A is amended to read as follows:
"(1) IN GENERAL.—This section shall not apply to any property purchased in place of—
"(i) in the case of property relating to hydrogen, after December 31, 2014, and
"(ii) in the case of any other property, after December 31, 2009.

"(i) EFFECTIVE DATE.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

"(j) TERMINATION.—This section shall not apply to any property purchased in place of—
"(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.

"(k) MODIFICATIONS TO EXTENSION OF DEDUCTION FOR CERTAIN REFUELING PROPERTY.—
"(1) INCREASE IN DEDUCTION FOR HYDROGEN INFRASTRUCTURE.—Section 179A(d) is amended by inserting "$200,000 in the case of property relating to hydrogen" after "$100,000".

"(2) EXTENSION OF DEDUCTION.—Subsection (f) of section 179A is amended to read as follows:
"(1) IN GENERAL.—This section shall not apply to any property purchased in place of—
"(i) in the case of property relating to hydrogen, after December 31, 2014, and
"(ii) in the case of any other property, after December 31, 2009.

"(l) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

"(m) INCOME TAX RETURN.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

Subtitle B—Revenue Offset Provisions

PART I—GENERAL PROVISIONS

SEC. 1711. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) In General.—Subsection 1275(d) (relating to regulation authority) is amended—
"(1) by striking "The Secretary" and inserting the following:
"(1) IN GENERAL.—The Secretary", and
"(2) by adding at the end the following new paragraph:
"(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.—
"(A) IN GENERAL.—In the case of a debt instrument which—
Frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall apply with respect to such submission; and

(2) 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.

(f) Effective Date.—The amendments made by this section shall apply to submissio
(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 tax arising from the use of offshore payment mechanisms, that is secured, directly or indirectly, by a financial arrangement with a foreign financial institution or entity, other than an arrangement described in subsection (b), (c), or (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 that is attributable to the use of offshore payment mechanisms, that is secured, directly or indirectly, by a financial arrangement with a foreign financial institution or entity, other than an arrangement described in subsection (b), (c), or (d) of section 6664 of the Internal Revenue Code of 1986, and

(3) by striking

(4) by adding at the end the following new subsection:

(B) REDUCTION IN OR DENIAL OF AWARD.

If the Secretary proceeds to pay to the Whistleblower Office a fraction or portion of the amount of interest, penalties, and additional amounts resulting from the action (including any related actions) or from any settlement in response to such action, the Whistleblower Office shall take into account the significance of the information and action described in subsection (a) based on information that is 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 7661(b)(1).

(5) APPLICABILITY 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 $100,000.

(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. 1717. TREASURY REGULATIONS ON FOREIGN TAX CREDIT.

(a) In General.

The Secretary is authorized to prescribe regulations disallowing a credit under section 901 (relating to taxes of foreign countries and of possessions of the United States) and under section 965 (relating to foreign branches) against any tax, penalty, or interest with respect to any return of a regulated investment company for taxable years beginning after the date of the enactment of this Act.

(b) EFFECTIVE DATE.

The amendments made by this section shall apply to foreign tax returns for taxable years beginning after the date of the enactment of this Act.
under this subsection shall be included in gross income for purposes of determining alternative minimum taxable income.  

"(c) WHISTLEBLOWER OFFICE.—  

"(1) IN GENERAL.—The Whistleblower Office—[paragraph deleted]—shall be established in the Internal Revenue Service as an office to be known as the ‘Whistleblower Office’ which—

(A) shall at all times operate at the direction and control of, and be under the direction and coordination 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 OF 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.

"(3) REQUIREMENT FOR ASSISTANCE.—

(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

(B) REQUIREMENT FOR ASSISTANCE.—

(A) IN GENERAL.—Any assistance requested under paragraph (1)(F) shall be under the direction and control of the Whistleblower Office and also to reimburse other Internal Revenue Service offices for related costs, such as costs of investigation and collection.

(B) FUNDING OF ASSISTANCE.—From the amounts available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any 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 any payments made 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 by adding at the end the following new paragraph:

"(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 fine, penalty, or other amount paid or incurred in connection with a civil or criminal suit, proceeding, or inquiry by or before a Federal or State court or administrative or regulatory body, or in connection with a settlement of any such suit, proceeding, or inquiry, by the Internal Revenue Service or the Secretary to the Whistleblower Office.

"(2) EXCEPTION FOR LISTED TRANSACTIONS.—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."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any payments made after the date of the enactment of this Act.

SEC. 1720. FREEZE OF INTEREST SUSPENSION Rules OF RESPECT TO LISTED TRANSACTIONS.

(a) IN GENERAL.—Paragraph (2) of section 90(d) of the American 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 this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendment shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exclusion shall be subject to the agreement of the Secretary to the Whistleblower Office.

(B) SPECIAL RULE FOR CERTAIN LISTED TRANSACTIONS.—

(A) IN GENERAL.—Except as provided in clause (ii) 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.

(B) PARTICIPANTS IN SETTLEMENT INITIATIVES.—Clause (i) shall not apply to a listed transaction if, as of May 9, 2005—

"(1) the taxpayer is participating in a published settlement initiative which is offered by the Secretary of the Treasury or his delegate to the 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 before the Secretary determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.

(c) MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) REPEAL OF EXCEPTION QUALIFIED LEASING PROVISION—Section 994(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2) and redesignating paragraphs (3) and (4) as paragraphs (1) and (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004.


(a) REPEAL OF EXCEPTION QUALIFIED LEASING PROVISION—Section 994(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2) and redesignating paragraphs (3) and (4) as paragraphs (1) and (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004.

SEC. 1722. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subsection II of subsection Chapter I of section 877 of the Internal Revenue Code of 1986 is amended by adding after section 877 the following new section:

"(a) SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATES.

"(1) IN GENERAL.—(A) A person who expatriates shall be subject to a tax on the gain or loss realized from the sale or exchange of property if the gain or loss is treated as income realized from a transaction with a foreign person. The tax shall be computed as if such person were a citizen or resident of the United States at the time such transaction occurred.

(B) Any failure to comply with the provisions of this section shall be treated as a taxable event and shall be subject to the provisions of section 6038.

"(2) SPECIAL RULE — UNRECOGNIZED GAIN.—In the case of any taxpayer who expatriates and who is a United States citizen or resident at the time such transaction occurred, the tax shall not apply to any gain or loss realized from the sale or exchange of property if the gain or loss is treated as income realized from a transaction with a foreign person.

"(3) EXCLUSION FOR CERTAIN GAIN.—(A) 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 (but not below zero) by $600,000. For purposes of this paragraph, 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.

"(B) COST-OF-LIVING ADJUSTMENT.—

"(1) IN GENERAL.—In the case of an expatriation date occurring in any calendar year after 2004, the amount under sub-paragraph (A) shall be increased by an amount equal to 1/10 percent of the increase (if any) in the consumer price index for all urban consumers for the previous 12-month period, determined by the Secretary of Labor.

(b) TRAFFIC IN UNRECOGNIZED GAIN.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.
“(1) such dollar amount, multiplied by
“(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2012’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) 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.

“(4) 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 under this section;

“(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this 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—

“(1) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require.

“(2) (i) waives any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph;

“(ii) complies with such other requirements as the Secretary may prescribe.

“(3) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to the transfer 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 the paragraph, 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).

“(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 not been a resident of the United States (as defined in section 7701(b)(1)) 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.

“(8) ELECTED PROPERTY: SPECIAL RULES FOR PENSION PLANS.—

“(1) EXEMPT PROPERTY.—This section shall not apply to the following:

“(A) UNIVERSAL REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding company 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 (as defined in paragraph (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 shall be treated as having been received by such individual on such date as a distribution under the plan.

“(B) TRANSFER 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 had elected to receive 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 to which this subparagraph previously applied.

“(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—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 (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 497(e)(1)(A)), and

“(ii) an eligible deferred compensation plan (as defined in section 457(b)(1)) of an eligible employer 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—

“(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 7101(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 treaty applicable to residents of the foreign country.

“(2) EXPATRIATION DATE.—The term ‘expatriation date’ means—

“(1) the date an individual relinquishes United States citizenship, or

“(2) 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).

“(b) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship if—

“(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)(6)),

“(B) the date the individual ceases to be a United States citizen by reason of a certificate of loss of nationality by the United States Department of State,

“(C) the date the United States Department of State issues 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 777(e)(2).

“(c) SPECIAL RULES APPLICABLE TO BENEFICIARIES’ INTERESTS IN TRUST.—

“(A) 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) the interest shall be treated as a separate share in the trust, and

(C) such separate share shall be treated as a separate trust consisting of the assets allocated to such separate share.

(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 as having distributed 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 in a qualified trust,

(i) subparagraph (1) and subsection (a) shall not apply, and

(ii) in addition to any other tax imposed by this title on the interest described in clause (i), there may be imposed in the taxable year to which subsection (a) applies—

(A) a tax equal to the highest rate of tax imposed by section 11211(a)(30) of the Internal Revenue Code of 1986, multiplied by the amount of the distribution, or

(B) the tax determined under paragraph (1) if it is established to the satisfaction of the Secretary that the distribution is made in the manner prescribed by subparagraph (B)(ii) of the 90th day after the expatriation date, or

(C) the tax determined under paragraph (1) if the amount of such tax is less than the tax determined under subparagraph (B)(ii) of the 90th day after the expatriation date.

(B) Additional Tax.—If the amount of tax described in subparagraph (A) is less than the amount of tax required to be included in gross income under section 7701(a)(30)(E), there may be imposed in the taxable year to which subsection (a) applies—

(i) the highest rate of tax imposed by section 11211(a)(30) of the Internal Revenue Code of 1986, multiplied by the amount of the distribution, or

(ii) the tax determined under paragraph (1) if such trust interest is distributed in the manner prescribed by subparagraph (B)(ii). If such distribution is made after the 90th day after the expatriation date, the tax determined under paragraph (1) shall be the 90th day after the expatriation date.

(C) Deferred Tax. —The term ‘qualified trust’ means any interest which, as of the day before the expatriation date, is vested in the beneficiary. 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 the distribution in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

(iv) Adjustments.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

(v)=-=-=[[7701(a)(30)(E)]=

(vi) 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.

(vii) Determination of Beneficiaries’ Interest in Trust.—

(A) Determinations 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 other relevant document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar advisor.

(B) Other Determinations.—For purposes of this section—

(i) Constructive Ownership.—If a beneficiary is a trust protector, partner, employer, trustee, or estate of 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 for the taxable year to which subsection (a) applies—

(A) whether such trust interest is described in paragraph (1) and, if so, the method used to determine such tax liability, and

(B) whether any additional tax is required to be imposed on any such taxpayer by this subsection.

(C) Termination of Deferrals, etc.—In the case of any covered expatriate, and in the case of any other taxpayer, there is hereby imposed—

(i) a tax equal to the highest rate of tax imposed on a covered expatriate and certain other taxpayers, and in the case of any other taxpayer, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

(ii) the tax due date shall be imposed in the manner prescribed by paragraph (1) if it is imposed on the taxable year to which subsection (a) applies.

(iii) Deferment 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.

(iv) Deferral of Tax.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includable in gross income by reason of this section.

(v) Special Liens for 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 reason of this section, there is hereby imposed—

(A) a tax equal to the amount of such 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) Deferred Amount.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate’s income tax which, 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) Period of Lien.—The lien imposed by this subsection shall arise on the expatriation date and continue until

(A) the Secretary determines that such tax liability may arise by reason of this section.

(B) Certain Rules.—The rules set forth in paragraphs (1), (3), and (4) of section 7701(a)(30) of the Internal Revenue Code of 1986 shall apply with respect to a lien imposed by this subsection as if it were a lien imposed by section 6624A.
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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 or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive dam-
gages.”.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amend-
ed by adding at the end the following new subsection:

“(f) APPROPRIATE TAX GENERATION.—This section shall apply to payments by a person to or on be-
half of another person as insurance or other-
wise by reason of the other person’s liability (or agreement) to pay punitive dam-
gages.”.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chap-
ter 1 is amended by adding at the end the fol-
lowing new section:

“Sec. 91. Punitive damages compensated by insurance or otherwise.”.

(c) EFFECTIVE DATE.—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-
RING RULES TO PARTNERS WHO ARE C CORPORATIONS.

(a) IN GENERAL.—Section 83(i) (relating to limitation on deduction for interest on cer-
tain indebtedness) is amended by redesig-
nating paragraph (8) as paragraph (9) 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 inter-
ested and interest income of the part-
nership shall be taken into account in apply-
ing this subsection 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 cor-

poration with respect to the corporation’s al-
locable 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 EXERCISE OF STOCK OP-
TIONS AND RESTRICTION ON STOCK GAINS THROUGH DEFERRED COM-
pensation arrangements.

(a) IN GENERAL.—Section 83 (relating to property transferred in connection with per-
formance of services) is amended by adding at the end the following new subsection:

“(1) Prohibition on additional deferral through deferred compensation arrange-
ments.—If a taxpayer exchanges

“(A) an option to purchase employer securi-
ties—

“(a) to which subsection (b) applies, or

“(b) which is described in subsection (e)(3), or

“(2) employer securities or any other prop-
erty based on employer securities trans-
ferred to the taxpayer, for a right to receive future payments, then, notwithstanding any other provision of this title, such gain shall be included in gross income for the taxable year of the exchange an amount equal to the present value of such right (or such other amount as the Secretary may by regulations prescribe). For purposes of this subsection, the term ‘employer securities’ includes any security issued by the em-
ployer.”.

(b) CONTROLLLED GROUP RULES.—Section 414(t)(2) is amended by inserting “83(i)” after “79.”.

June 22, 2005

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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. 1736. 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 chapter 1 (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 6159 (relating to offer-in-compromise) is amended by—

(1) striking ‘‘$750’’ and inserting ‘‘$1,250’’; and

(2) by striking ‘‘$15’’ and inserting ‘‘$25’’.

(b) Effective Date.—The amendments made by this section apply to offers 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 bad check imprisonment) is amended by—

(1) striking ‘‘$750’’ and inserting ‘‘$1,250’’; and

(2) by striking ‘‘$15’’ and inserting ‘‘$25’’.

(b) Effective Date.—The amendments made by this section apply to checks or money orders received 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 ON DEPARTMENT OR OFFICE INVOLVEMENT.

(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 inserting after subparagraph (B) the following:

‘‘(C) to make a Federal tax deposit under section 6321 at the time such deposit is required to be made by the taxpayer (relating to withholding of income tax at source on wages).’’. (b) Conforming Amendment.—The heading of 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 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. 1732A. OFFICE OF CHIEF COUNSEL REVIEW OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122(b) (relating to record) is amended by striking ‘‘Whenever a taxpayer makes an offer to resolve longstanding cases by forgoing penalties and interest which have accumulated as a result of delay in determining the taxpayer’s liability’’ and inserting ‘‘Whenever a taxpayer makes an offer to resolve longstanding cases by forgoing penalties and interest which have accumulated as a result of delay in determining the taxpayer’s liability’’.

(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 offers-in-compromise submitted after the date of the enactment of this Act.

SEC. 1734A. RULES FOR SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) In General.—Section 7122 (relating to offers-in-compromise), as amended by this Act, 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 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 installment plan offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the offer-in-compromise proceeding is being evaluated for acceptance and has not been rejected by the Secretary. Any failure to make a payment required under the proceeding shall result in the automatic 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 requirement of payment.—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 paragraph.

(a) In General.—Section 7122(d) (relating to standards for evaluation of offers, as redesignated by subsection (a), is amended by—

(1) striking ‘‘and’’ 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 striking ‘‘the end of the following new subparagraph:’’.

(b) Deemed Acceptance of Offer Not Rejected Within Certain Period.—Any offer-in-compromise submitted under this section which would otherwise be rejected by the Secretary before the date which is 24 months after the date of the submission of such offer-in-compromise 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-in-compromise submitted after the date which is 5 years after the date of the enactment of this section. For purposes of the preceding sentence, any period during which the Secretary shall be required with respect to the offer-in-compromise is in dispute in any judicial proceeding shall not be taken in 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, and

(2) to review the extent to which the Internal Revenue Service has used its authority to resolve longstanding cases by forgoing penalties and interest which have accumulated as a result of delay in determining the taxpayer’s liability.

(b) Membership.—

(C) Data Collection.—The joint task force shall submit to the Committees on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives, and to the Senate Committee on Finance, the Senate Appropriations Committee, and the Committee on the Budget of the Senate, a report regarding the activities of the joint task force, the results of the review conducted by the joint task force, and any recommendations made by the joint task force.

(c) Report of National Taxpayer Advocate.

(1) In General.—Clause (iv) of section 7701(k)(4) (relating to taxpayer advocate) is amended by striking ‘‘and’’ at the end of subclause (X), by redesigning subclause (XI) as (X) underlying tax disputes with respect to offers-in-compromise, and by redrafting subclauses (XII) and (XIII).
SA 931. Mr. LEVIN (for himself and Mr. BATH) submitted an amendment intended to be considered 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 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:

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to reports in calendar year 2008 and thereafter.

**SEC. 1702. 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 vehicle 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 paragraph (1) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(1) $1,500, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

(2) $2,000, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

(3) $2,500, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

(B) CREDIT AMOUNT.

(1) In the case of a passenger automobile, the new qualified fuel cell motor vehicle credit determined under subsection (a), the new qualified fuel cell motor vehicle credit determined under subsection (b), and the new qualified alternative fuel motor vehicle credit determined under section (c), the new qualified hybrid motor vehicle credit determined under section (d), and the new qualified alternative fuel motor vehicle credit determined under section (e) shall be increased by the following:

(1) the new qualified alternative fuel motor vehicle to a like vehicle.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to reports in calendar year 2008 and thereafter.

SA 931. Mr. LEVIN (for himself and Mr. BATH) submitted an amendment intended to be considered 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 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:

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to reports in calendar year 2008 and thereafter.

**SEC. 1702. 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 vehicle 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 paragraph (1) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(1) $1,500, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

(2) $2,000, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

(3) $2,500, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

(B) CREDIT AMOUNT.

(1) In the case of a passenger automobile, the new qualified fuel cell motor vehicle credit determined under subsection (a), the new qualified fuel cell motor vehicle credit determined under subsection (b), and the new qualified alternative fuel motor vehicle credit determined under subsection (c), the new qualified hybrid motor vehicle credit determined under subsection (d), and the new qualified alternative fuel motor vehicle credit determined under subsection (e) shall be increased by the following:

(1) the new qualified alternative fuel motor vehicle to a like vehicle.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to reports in calendar year 2008 and thereafter.

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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

(2) in the case of a vehicle having a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds, the Bin 8 Tier II emission standard which is so established.

(2) in the case of a vehicle having a gross vehicle weight rating of more than 14,000 pounds, but not more than 26,000 pounds, and

(c) if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

If percent increase in fuel economy over comparable vehicle is:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Credit Amount</th>
</tr>
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<tbody>
<tr>
<td>At least 30 but less than 40 percent</td>
<td>30 percent</td>
</tr>
<tr>
<td>At least 40 percent</td>
<td>40 percent</td>
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(d) NEW QUALIFIED HYBRID MOTOR VEHICLE.—In the case of a new qualified hybrid motor vehicle which weighs more than 8,500 pounds, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission standard which is so established, and

(3) Incremental cost.—For purposes of this subsection, the term ‘incremental cost’ shall mean the difference between the cost of the vehicle which weighs more than 14,000 pounds, but not more than 26,000 pounds, and the cost of the vehicle which weighs less than 14,000 pounds, which term does not include the sum of the peak power available from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole propulsion source, the terms total traction power is the peak power of such storage system.

(e) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.—For purposes of this subsection, the term ‘new qualified alternative fuel motor vehicle’ means a new qualified hybrid motor vehicle which weighs more than 14,000 pounds, has received a certificate of conformity under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds, is equal to the amount by which 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—

(1) $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

(2) $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

(3) $25,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(3) 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 rechargeable energy storage system, during a standard 10 second pulse power test or equivalent test, divided by the vehicle’s maximum vehicle weight rating.

(2) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of subparagraph (A)(ii), the term ‘maximum available power’ means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power equivalent test, divided by the vehicle’s maximum vehicle weight rating.
“(i) which is only capable of operating on an alternative fuel,  
“(ii) the original use of which commences with the taxpayer,  
“(iii) for which the taxpayer is required 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 85 percent of the volume of which consists of methane.  

(C) CREDIT FOR MIXED-FUEL VEHICLES.—  

(A) IN GENERAL.—In the case of a mixed-fuel vehicle acquired by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—  

(1) the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and  

(ii) the case of a 90/10 mixed-fuel vehicle, 90 percent of the credit which would have been allowed under this subsection if such vehicle were a qualified alternative fuel motor vehicle.  

(B) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term ‘mixed-fuel vehicle’ means a 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 duty operations using a combination of an alternative fuel and a petroleum-based fuel,  

(ii) either—  

(I) has received a certificate of conformity under the Clean Air Act, or  

(II) has received an order certifying the vehicle as being so able, and  

(iii) the term ‘mixed-fuel vehicle’ means a 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 duty operations using a combination of an alternative fuel and a petroleum-based fuel,  

(ii) either—  

(I) has received a certificate of conformity under the Clean Air Act, or  

(II) has received an order certifying the vehicle as being so able, and  

(iii) the term ‘mixed-fuel vehicle’ means a 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 duty operations using a combination of an alternative fuel and a petroleum-based fuel,  

(ii) either—  

(I) has received a certificate of conformity under the Clean Air Act, or  

(II) has received an order certifying the vehicle as being so able, and  

(iii) the term ‘mixed-fuel vehicle’ means a vehicle described in subparagraph (C) or (D) of paragraph (3).  

(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.  

(E) 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)).  

(F) 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.  

(G) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) in the case of a vehicle to the extent such vehicle is no longer eligible for such credit after the date of the enactment of this section.  

(H) 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 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. The Secretary shall not apply to any credit carryforward if such credit carryforward is attributable to property for which a deduction for depreciation is not allowable.  

(I) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).  

(J) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless provided otherwise 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.), the Secretary of Transportation and the Administrator of the National Highway Traffic Safety Administration may adopt such regulations as necessary to carry out the provisions of this section.  

(K) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a vehicle meets the requirements to be eligible for a credit under this section.
and by adding at the end the following new paragraph:

“(37) To the extent provided in section 30B(h)(4).”

(2) Section 55(c)(2), as amended by this Act, is amended by inserting “30B(g),” after “30(b)(2),”.

(3) Section 6561(m) is amended by inserting “30B(h),” after “30(b)(4),”.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to sec. 30B, Alternative motor vehicle credit.

“Sec. 30B. Alternative motor vehicle credit.”.

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

(d) Sticker Information Required at Retail Sale.—

(1) in general.—The Secretary of the Treasury shall issue regulations under which each qualified vehicle sold at retail shall display a notice—

(A) that such vehicle is a qualified vehicle, and

(B) that the buyer may not benefit from the credits allocated after section 30B of the Internal Revenue Code of 1986 if such buyer has insufficient tax liability.

(2) Qualified Vehicle.—For purposes of paragraphs (1) and (2) of section 30B of the Internal Revenue Code of 1986, ‘‘qualified vehicle’’ means a vehicle with respect to which a credit is allowed under section 30B of the Internal Revenue Code of 1986.

(e) Section 173. Credit for Investment in Alternative Fuel Refueling Stations.—

(a) 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. 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 the product of the cost of any qualified alternative fuel vehicle refueling property placed in service in such taxable year.

‘‘(b) Authorization of section 30B(b)(2).’’

‘‘(c) Qualified Alternative Fuel Vehicle Refueling Property.—For purposes of this section—

‘‘(1) in general.—Except as provided in paragraph (2), the term ‘qualified alternative fuel vehicle refueling property’ has the meaning given to such term by section 179A(c)(1)(C) only with respect to any fuel at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, and hydrogen, as subsection (a) for any taxable year shall not exceed the excess (if any) of—

‘‘(i) the regular tax for the taxable year reduced by the sum of the credits allowable under section 2804 and section 30C(d),

‘‘(ii) the tentative minimum tax for the taxable year, and

‘‘(iii) the credit allowed under section 30B, Alternative motor vehicle credit.’’

‘‘(d) Carryforward Allowed.—

‘‘(1) in general.—If the credit amount allowable under subsection (b) 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 38 shall apply with respect to the credit carryforward under paragraph (1).

‘‘(3) Special Rules.—For purposes of this section—

‘‘(A) 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).

‘‘(B) 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).

‘‘(C) Property Exempt Entity.—In the case of any qualified alternative fuel vehicle refueling property the use of which is described in paragraphs (3) and (4) of section 55(b)(2), such property is 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 the person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such property (determined without regard to subsection (d)).

‘‘(D) 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.

‘‘(E) 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.

‘‘(F) Recapture Rules.—Rules similar to the rules of section 179A(e)(4) shall apply.

‘‘(g) Regulations.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

‘‘(h) Termination.—This 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.”

(b) Modifications to Extension of Deduction for Certain Refueling Property.—

(1) increase in deduction for hydrogen infrastructure.—Section 179A(c)(2)(A)(i) is amended by inserting “$200,000 in the case of property relating to hydrogen” after “$100,000”.

(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 hydrogen, after December 31, 2014, and

‘‘(2) in the case of any other property, after December 31, 2009.”

(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 flush sentence:

‘‘In the case of any vehicle which is hydrogen produced from another clean-burn fuel, paragraph (3)(A) shall be applied by substituting ‘production, storage, or dispensing’ for ‘storage or dispensing’ both places it appears.’’

(d) Conforming Amendments.—

(1) Section 101(b), as amended by this Act, is amended by striking “and” at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting a colon, and by inserting at the end the following new paragraph:

‘‘(38) to the extent provided in section 30C(e),’’ after “30C(e),”.

(2) Section 55(c)(2), as amended by this Act, is amended by inserting “30C(e),” after “30(b)(4),”.

(3) Section 6561(m) is amended by inserting “30C(e),” after “30(b)(5),”.

(4) 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 refueling property credit.”

(e) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

(f) Nonapplication of Section.—Notwithstanding any other provision of this Act, the provisions of, and amendments made by, section 1533 of this Act shall be null and void.

SA 932. Mr. Levin (for himself 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:

At the end add the following:

TITLE XVII—TAX INCENTIVES FOR ALTERNATIVE MOTOR VEHICLES AND FUELS

SEC. 179A. 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, 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. 179B. ADVANCED TECHNOLOGY MOTOR VEHICLES MANUFACTURING CREDIT.

(a) 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. 30B. Advanced Technology Motor Vehicle Manufacturing 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 35 percent of so much of the qualified investment of an eligible taxpayer for such taxable year as does not exceed $200,000.

‘‘(b) Qualified Investment.—For purposes of this section—

‘‘(1) in general.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year:

‘‘(A) to re-equip or expand any manufacturing facility of the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components,

‘‘(B) for engineering integration of such vehicles, eligible components as described in subsection (d), and

‘‘(C) for research and development related to advanced technology motor vehicles and eligible components.

‘‘(2) Attribution Rules.—In the event a facility of the eligible taxpayer produces both

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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, the term ‘advanced technology motor vehicle’ means—

"(1) Advanced Technology Motor Vehicle.—The term ‘advanced technology motor vehicle’ means—

"(A) any new advanced lean burn technology motor vehicle (as defined in section 30B(c)(3)), or

"(B) 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) electric drive train system,

"(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) high pressure fuel system, or

"(iv) after-treatment system, such as a particle filter or NOx absorber,

"(D) with respect to any advanced technology lean burn technology motor vehicle—

"(1) hydraulic accumulator vessel,

"(2) hydraulic hydraulic pump, or

"(3) hydraulic pump-motor assembly.

"(D) with respect to any new advanced lean burn technology motor vehicle—

"(A) 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) electric drive train system,

"(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) high pressure fuel system, or

"(iv) after-treatment system, such as a particle filter or NOx absorber,

"(D) with respect to any advanced technology lean burn technology motor vehicle—

"(1) hydraulic accumulator vessel,

"(2) hydraulic hydraulic pump, or

"(3) hydraulic pump-motor assembly.

"(E) with respect to any advanced technology lean burn technology motor vehicle—

"(1) hydraulic accumulator vessel,

"(2) hydraulic hydraulic pump, or

"(3) hydraulic pump-motor assembly.

"(F) with respect to any new advanced lean burn technology motor vehicle—

"(A) any new qualified hybrid motor vehicle (as defined in section 30B(c)(2)(A) and determined without regard to any gross vehicle weight rating).

"(G) Reduction In Basis.—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 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 costs 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.

"(2) Business Carriers Allowed.—If the credit allowed under section (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 depreciation and applied in the applicable period) shall be allowed as a credit carryback and carryforward under rules similar to the rules of section 39.

"(i) Special Rules.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 179(e) and paragraphs (1) and (2) of section 41(f) shall apply.

"(j) 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.

"(1) 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, 2013.

(b) Conforming Amendments.—

"(1) Section 1016(a), as amended by this Act, is amended by striking ‘‘and’’ at the end of paragraph (39), by striking the period at the end of paragraph (40) and inserting ‘‘.’’, and by adding at the end the following new paragraph:

"(41) 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(1).’’

"(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 30C the following new item:

"Sec. 30D. Advanced technology motor vehicles manufacturing credit.’’

(c) Effective Date.—The amendments made by this section apply to expenditures incurred in taxable years beginning after December 31, 2005.


(a) In General.—Section 1275(d) (relating to regulation authority) is amended—

"(1) by striking ‘‘The Secretary’’ and inserting in its place ‘‘The Administrative Federal tax laws’’;

"(2) by adding at the end the following new paragraph:

"(i) In General.—In the case of a debt instrument which is convertible into stock of the issuing corporation, into stock 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 comparable yield of a noncontingent fixed-rate debt instrument shall be applied as if the comparable yield were determined by reference to a noncontingent fixed-rate debt instrument which is convertible into stock.

"(b) Special Rule.—For purposes of paragraph (a), the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock.

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 with respect to the substantial correctness of the self-assessment of tax;

"(B) contains information that on its face indicates that the self-assessment is substantially incorrect; or

"(2) 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) Special Penalties 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) Special 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—
(1) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or
(2) section 6330 (relating to notice and opportunity for hearing before levy), and
(ii) an application under—
(1) section 6159 (relating to agreements for penalties imposed in installments), or
(2) section 7122 (relating to compromises), or
(iii) section 7811 (relating to taxpayer assistance orders).

“(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with an opportunity to make a determination that a submission is a frivoulous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (2) 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 6621(d)(2)(B)(i)(I).

“(d) REDUCTION OF PENALTY.—The Secretary may reduce any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the 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:

“(B) the issue 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 examination or review.

“(e) CLEICAL 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 submissions made on or after the date of the enactment of this Act.

SEC. 1714. DOUBLING OF CERTAIN PENALTIES, FINDS, 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 subparagraph (B) of section 6038E(b)(1)(A) or 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 6664 of the Internal Revenue Code of 1986, and
(B) 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.

(b) Applicable Taxpayer.—For purposes of this section—
(A) In general.—The term applicable taxpayer means a taxpayer which—
(i) has understated 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 any arrangement with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and
(ii) has not 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.

(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 about the specific item, or
(ii) has made a request for taxpayer information for the purpose of determining if the individual examining the return—
(A) communicates to the taxpayer knowledge about the specific item, or
(B) inquires about the taxpayer’s knowledge of the specific item.

(d) Definitions and Rules.—For purposes of this section—
(A) Term.—The term applicable penalty means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) Fines and penalties collected under this section may be used for enforcement and collection activities of the Internal Revenue Service. 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 and used for enforcement and collection activities of the Internal Revenue Service.

SEC. 1715. INCREASE IN CERTAIN CRIMINAL PENALTIES.

(a) General.—

(1) in general.—The term applicable taxpayer means a taxpayer which—

(i) has understated 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 any arrangement with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and

(ii) has not 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.

(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 about the specific item, or
(ii) has made a request for taxpayer information for the purpose of determining if the individual examining the return—
(A) communicates to the taxpayer knowledge about the specific item, or
(B) inquires about the taxpayer’s knowledge of the specific item.

(d) Definitions and Rules.—For purposes of this section—
(A) Term.—The term applicable penalty means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) Fines and penalties collected under this section may be used for enforcement and collection activities of the Internal Revenue Service. 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 and used for enforcement and collection activities of the Internal Revenue Service.
shall keep accurate 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 for Certification. The Secretary shall each year conduct a study and report to 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 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, additions to tax, and any other amount 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 Corporations.

(1) IN GENERAL.—Section 864(c)(14) (relating to passive foreign investment companies) shall be interpreted so as not to apply to any interest in a passive foreign investment company to the extent that the interest is includable in the gross income of the United States shareholder under section 951(a)(1)(A)(i).

(2) Effective Date.—The amendments made by this section shall apply to tax years of controlled foreign corporations beginning after March 2, 2005, and to taxable years of United States shareholders with or without United States source income beginning after March 2, 2005.

(b) Effective Date.—The amendments 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 United States source income beginning after March 2, 2005.

SEC. 1716. DECLARATION BY CHIEF EXECUTIVE OFFICER RELATING TO FEDERAL INCOME TAX RETURN.

(a) In General.—The Federal annual tax return of a corporation with respect to any taxable year shall also include a declaration signed by the chief executive officer of such corporation (or other such officer of the corporation as the Secretary of the Treasury may designate if the corporation does not have a chief executive officer), under penalties of perjury, that the corporation has in place procedures that reasonably 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 851 of the 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 the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (n) the following new subsection:

"(m) Regulations.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or any portion of any taxes of a foreign country to the extent that such taxation is imposed on any person in respect of income of another person or in other cases (appropriately) disallowing 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—

(1) by striking "the Secretary" and inserting "(i) the Secretary and";

(2) by striking "and" at the end of paragraph (1) and inserting "or";

(3) by striking "interest, additions to tax, and additional amounts (including any related actions) or from any settlement in response to such action, taking into account the significance of the information and the role of such individual and any legal representative in contributing to such action."

(b) Award 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 (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 action, taking into account the significance of the information and the role of such individual and any legal representative in contributing to such action.

(2) Award in case of less substantial contribution.—

(1) 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 other internal Revenue Service publication, 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 (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 action, taking into account the significance of the information and the role of such individual and any legal representative in contributing to such action.

(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 with other divisions in the Internal Revenue Service as directed by the Commissioner,

(B) shall analyze information received from an 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) in its sole discretion, disburse such additional assistance for 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 for the Whistleblower Office. These funds shall be used to maintain the Whistleblower Office and also to reimburse other divisions in the Internal Revenue Service for related costs, such as costs of investigation and collection.

(3) Request for Assistance. —

(A) In General.—If the Secretary requests assistance 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). To the extent the disclosure of any returns or return information to the individual or legal representative is required for the performance of such assistance, such disclosure shall be pursuant to a 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 available for expenditure under subsection (b), the Whistleblower Office may, with the agreement of the individual described in subsection (b), reimburse the costs incurred by any legal representative of such individual in providing assistance described in subparagraph (A).

(4) Authorization of Appropriations. —The Secretary shall each year conduct a study and report to Congress on the use of this section during the preceding year and the results of such use, and
“(2) any legislative or administrative recom-
mendations regarding the provisions of this section and its application.”.

(b) Effective Date.—The amendments made by subsection (c) shall apply to informa-
tion provided on or after the date of the en-
actment 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:

“(1) Fines, Penalties, and Other Amounts.

“(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 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—

“(A) the taxpayer is participating in a pub-
lished settlement initiative offered by the Secre-
tery of the Treasury or his delegate to a group of similarly situated tax-
ayers claiming benefits from the listed trans-
action.

“(B) the taxpayer has entered into a set-
tlement agreement pursuant to such an ini-
tiative with respect to the tax liability aris-
ing in connection with the listed trans-
action.

“(III) CLOSED TRANSACTIONS.—Clause (i) shall not apply to a listed transaction if, as of May 9, 2005—

“(A) the assessment of all Federal income taxes for the taxable year in which the tax liabil-
ity to which the interest relates arose is prevented by the operation of any law or rule of law, or

“(B) a closing agreement section 7121 has been entered into with respect to the tax liability in connection with the listed transaction.

“(ii) Exception for amounts constituting re-
imbursable to the government or entity for the cost of any investigation or inquiry by such government or entity into the potential violation of any tax.

“(3) Exception for amounts constituting re-
imbursement to the government or entity for the costs of any investigation or litigation.

“(4) Certain nongovernmental regulatory entities.—An entity is described in this paragraph if it is—

“(A) a nongovernmental entity which exer-
cises self-regulatory powers (including im-
posing sanctions) in connection with a quali-
field 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 incurred as reimbursement to the government or entity for the cost of the tax liability related to any amount paid or incurred (whether by 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 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).

“(6) Effective Date.—The amendment made by this section shall apply to settle-
mation agreements offered under such sub-
section on or after the date of the enactment of this Act.

(a) Repeal of Exception for Qualified Transportation Property.—Section 899(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).

(b) Effective Date.—The amendment made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.


(a) Repeal of Exception for Qualified Transportation Property.—Section 899(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).

(b) Effective Date.—The amendment made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004.

SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATES.

(a) General Rules.—For purposes of this sub-
title—

“(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 title, such sale shall be treated as a sale that is an taxable year, determined by substituting ‘calendar year 2004’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ELECTIVE 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.

“(C) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

“(1) In General.—If a covered expatriate elects the application of this paragraph—

“(A) the amendment made by this section shall be applied to the tax liability arising in connection with the listed transaction if, as of May 9, 2005—

“(1) the taxpayer is participating in a pub-
lished settlement initiative offered by the Secre-
tery of the Treasury or his delegate to a group of similarly situated tax-
ayers claiming benefits from the listed trans-
action.

“(II) the taxpayer has entered into a set-
tlement agreement pursuant to such an ini-
tiative with respect to the tax liability aris-
ing in connection with the listed trans-
action.

“Subclause (I) shall not apply to the taxpayer if, after May 9, 2005, the taxpayer withdraws from, or terminates, participation in the ini-
tiative or the Secretary or his delegate de-
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—

“(A) the assessment of all Federal income taxes for the taxable year in which the tax liabil-
ity to which the interest relates arose is prevented by the operation of any law or rule of law, or

“(B) a closing agreement section 7121 has been entered into with respect to the tax liability in connection with the listed transaction.

“(ii) Exception for amounts constituting re-
imbursement to the government or entity for the costs of any investigation or litigation.

“(4) Certain nongovernmental regulatory entities.—An entity is described in this paragraph if it is—

“(A) a nongovernmental entity which exer-
cises self-regulatory powers (including im-
posing sanctions) in connection with a quali-
field 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 incurred as reimbursement to the government or entity for the cost of the tax liability related to any amount paid or incurred (whether by 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 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).

“(6) Effective Date.—The amendment made by this section shall apply to settle-
mation agreements offered under such sub-
section on or after the date of the enactment of this Act.

(2) Determination of Tax With Respect to Property.—For purposes of clause (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) as the gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

“(C) ELECTION.—An election under subsection (a) shall apply to all property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

“(D) Election To Deferral Tax.—In General.—If a covered expatriate 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 other date as the Secretary may prescribe).

“(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 expa-

(b) Election To Deferral Tax.—In General.—If a covered expatriate 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 other date as the Secretary may prescribe).

“(2) Determination of Tax With Respect to Property.—For purposes of clause (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) as the gain 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 expa-
(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) INADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

(1) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

(2) such 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), and no tax due under such paragraph, shall be determined without regard to the trust with respect to which gain is required to be distributed under subparagraph (A), if—

(A) an election may be made under paragraph (1) with respect to the property, or

(B) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in section 457(e)(1)(A) with respect to which gain is required to be distributed under subparagraph (A) of section 457(b)(5).

(7) INTEREST.—For purposes of section 6621—

(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 not 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

(ii) has not 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 PENSION PLANS.—

(1) EXEMPT PROPERTY.—This section shall not apply to the following:

(A) in general.—Any interest in property described in section 457(e)(1)(A), which is not a share in a qualified trust (as defined in section 457(e)(1)(B)), or

(B) in qualified trust.—Any property described in subsection (f)(1), (ii), the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C) for the 30th day preceding the distribution.

(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii),—

(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced by—

(I) the amount of taxes imposed by paragraph (A) on any distribution to the person holding the trust interests, and

(II) the amount of taxes imposed by paragraph (A) on any distribution to the person holding the trust interests.
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.

"(D) ELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(ii) the tax imposed by subparagraph (A)(ii) shall be imposed and withheld by the payee from the distribution to which it relates.

"(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

"(a) Definitions and special rules.—For purposes of this paragraph,

"(II) any other beneficiary of the trust

"(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) the termination of any period during which recognition of income or gain is deferred shall terminate on the day before the expiration date, and

"(G) Definitions and special rules.—For purposes of this paragraph,

"(B) Taxpayers' trust interest under this section.

"(C) It is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

"(b) Inclusion in income of gifts and bequests received by United States citizens and residents from expatriates.—Section 877A(c)(1)(C) (relating to gifts and bequests received by United States citizens and residents from expatriates) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

"(i) Taxpayer return position.—A taxpayer shall clearly indicate on its income tax return—

"(ii) Taxpayer return position.—A taxpayer shall clearly indicate on its income tax return—

"(ii) the amount of the tax imposed by this section shall be due and payable at the time and in the manner prescribed by the Secretary.

"(A) DETERMINATIONS UNDER PARAGRAPH (1)—

"(I) the methodology used to determine that a beneficiary's trust interest under this section.

"(b) Imposition of Tentative Tax—

"(2) Period of Lien.

"(A) In general.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, the tax determined under paragraph (1) shall be due and payable at the time and in the manner prescribed by the Secretary.
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)(1) of the Administration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).

(b) SEC. 91.—Section 6103(p)(4) (relating to safeguards) is amended by striking “or (20)” each place it appears and inserting “(20), or (21).”

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship or after the date of the enactment of this Act.

(c) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

“(h) 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 the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2005.

(2) Section 2219 is amended by adding at the end the following new paragraph:

“(t) Application.—This section shall not apply to any expatriate subject to section 877A.

(3) Section 2501(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 A of part II of subchapter N of chapter 1 is amended by adding after the item relating to section 877 the following new item:

“Sec. 877A. Tax responsibilities of expatriates.”

(g) EFFECTIVE DATE.—

(1) 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 section 877A) 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 subsection (b), shall apply to gifts and bequests received on or after the date of the enactment of this Act, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(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.

SEC. 1725. PROHIBITION ON DEFERRAL OF GAIN FROM THE EXERCISE OF STOCK OPTIONS AND CONSTRUCTED STOCK GAINS THROUGH DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 871(c)(4)(B) (relating to property transferred in connection with performance of services) is amended by adding at the end the following new subsection:

“(c) Prohibition on additional deferral through deferred compensation arrangements.—If a taxpayer exchanges—

(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 to the taxpayer, for a right to receive future payments, then, for purposes of this title, there shall be included in gross income for the taxable year of the exchange 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 subsection, the term ‘employer securities’ includes any security issued by the employer.”

(b) CONTROLLED GROUP RULES.—Section 414(p)(2) is amended by inserting “83(b),” after “(19),”

(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.—Section 162(g) (relating to expenses treated as compensation) is amended by adding after paragraph (8) the following new paragraph:

“(g) EFFECTIVE DATE.—This paragraph shall apply to any expenses treated as compensation 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 6059 (relating to bad checks) 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 56(a)(1) (relating to the calculation of the minimum tax) is amended by striking “the taxable year” and inserting “the taxable year and determined without regard to so much of the basis as is attributable to mineral 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 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 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 Withdrawals.—In the case of a taxpayer who enters into an installment agreement in which automatic installment payments are agreed to by the Secretary solely for any purpose, except 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. 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 (D), and by inserting after subparagraph (D) the following:

“(E) to file a return of tax imposed under this title on or before the time such deposit is required to be made.

“(F) to file, or to authorize any other person to file, an installment or any other tax liability when due or to provide requested financial information.”

(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 PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION”.

(c) **Effective Date.**—The amendments made by this section shall apply to agreements entered into 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 “deemed to be accepted by the Secretary if such offer is 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).” and inserting “the period during which any tax liability which is the subject of such offer-in-compromise is in dispute in any judicial proceeding pending or referred to in account in determining the expiration of the 24-month period (or 12-month period, if applicable).”.

(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 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 compromises), as amended by this Act, is amended by adding at the end the following new section:

“(c) **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 the proposed installment due at the time of the submission. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the 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 Payments Offers.**—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected provisionally. 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 is imposed under section 6621 shall not be imposed under this subsection.”.

(2) **Rules Relating to Treatment of Offers.**—

“(1) **Unprocessable Offer if Payment Requirements Are Not Met.**—Paragraph (3) of subsection (b) (relating to the Secretary’s evaluation of offers), as redesignated by section (a), is amended by striking “; and” at the end of subparagraph (A) and inserting a comma and “; and”, and by adding at the beginning of subparagraph (C) 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 striking “at the end of 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 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). 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 pending or referred to in 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 equity balances in public control by placing on the books of the Treasury, the Office of the Taxpayer Advocate, the Office of Appeals, 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.

(b) **Report of National Taxpayer Advocate.**—

“(1) **In General.**—Clause (ii) of section 7301(c) (relating to any report) is amended by striking “and” at the end of subclause (X), by redesignating subclause (XI) as subclause (X), and by inserting after subclause (X) the following new subclause:

“(X1) include a list of the factors taxpayers have raised to support their claims for offers-in-compromise relief, the number of offers-in-compromise 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 Internal Revenue Service has made to correctly identify such offers, including the training of employees in identifying and evaluating such offers.”.

**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 or nonhydroelectric dam”.

On page 8, lines 10 and 11, strike “low-head 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

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) **Subtitle D (c)(2) is amended by inserting ‘, and subpart H thereof’ after ‘refundable credits’.”.

On page 8, 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, strike lines 4 through 7.

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 purposes of this section,” after “(IPLA),”.

On page 110, line 22, strike “(2)” and insert “(3)”.

On page 143, strike lines 1 through 6, and insert the following:

“**Maximum Credits.**—The credit allowed under subsection (a) for any taxable year shall not exceed—
The following:

"(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) $2,000 with respect to each kilowatt 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, section 1400C" and inserting "this section, section 25D, and section 1400C".

(2) Section 23(y)(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 1400(c)(3) 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 "(3)" and insert "(5)".

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 40(g)(6)(A)(i) (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 1362(d)."

On page 210, line 20, strike "(b)" and insert "(c)".

Beginning on page 228, line 19, strike all through page 228, line 2, and insert the following:

"(B) within 2 years after the date of such first retail sale, such article is resold by the purchaser or such purchaser makes a substantial non-exempt use of such article, then such sale or use of such article by such purchaser shall be treated as the first retail sale of such article for a price equal to its fair market value at the time of such sale or use.

On page 232, line 21, strike "and".

On page 232, between lines 21 and 22, insert the following:

(i) by adding at the end the following new sentence: "For purposes of this subsection, any removal described in section 4801(a)(3)(A) shall be treated as a removal from a terminal but only if such terminal is located within a secured area of an airport."

SA 934. Mr. GREGG 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 beginning page 238, strike line 16 and all that follows through page 29, line 2, and insert the following:

SEC. 105. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) Extension.—Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8267(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. 8267a) 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, 2009, the Secretary of the Treasury shall transfer to the Secretary $240,000,000, 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) Obligation of Full Cost.—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.

"(4) 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.

"(5) 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:

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

SEC. 13. ANALYSIS OF IMPACTS OF USE OF SPECIAL FUEL FORMULATIONS.

(a) In General.—The Administrator of the Environmental Protection Agency, in cooperation with the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Energy, shall carry out a study—

(1) to develop a plan to balance the environmental benefits of using special gasoline blends or formulations with the impacts that the use of those blends or formulations has on the supply, demand, and pricing of gasoline and other fuels; and

(2) to identify any statutory or other changes that would be required to achieve that balance.

(b) Report.—As soon as practicable after the date of completion of the study under subsection (a), the Administrator of the Environmental Protection Agency shall submit to Congress a report describing the results of the study.

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:

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

SEC. 14. IMPACTS OF USE OF SPECIAL FUEL FORMULATIONS.

In determining whether to approve an application from a State for the use of a new gasoline blend or other fuel formulation under the Clean Air Act (42 U.S.C. 7401 et seq.), the Administrator of the Environmental Protection Agency 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 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. 8. 5-YEAR RECOVERY PERIOD FOR QUALIFIED SOLAR INDUSTRIAL FACILITIES.

(a) In General.—Section 48(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 (vii) 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 48(e)(3) of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new paragraph:

"(18) 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 serves as part of an industrial process, solar process energy, but does not include any facility described in section 43(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 evaporation ponds used solely to dispose 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.

"(E) 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:

On page 272, between lines 7 and 8, insert the following:

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 by the applicant, unless the general requirements for the application under the Mineral Leasing Act (30 U.S.C. 181 et seq.),
Notwithstanding any other provision of this Act or any other law, a State that permits offshore drilling in Federal water off the coast of the State shall be liable for any damage caused by that drilling, including damage to coastal and marine natural resources. The term "spend nuclear fuel" means a uranium-bearing fuel element that—

(A) has been used at a nuclear reactor; and

(B) has no more production than enough energy to sustain a nuclear reaction.

(2) USE OF FEDERAL FUNDS.—No Federal funds shall be used to study, report, or investigate a deposit or transportation described in paragraph (1).

(b) MORATORIUM.—

(1) IN GENERAL.—Notwithstanding any other provision of law (including regulations, guidelines, and advisors), no spent nuclear fuel or related high level material shall be deposited into, or transported to, a non-Federally-owned, offsite facility.

(2) PROMOTION OF SITES.—

(A) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall conduct a study of the feasibility of transporting, maintaining, and storing commercial spent nuclear fuel and related material at—

(i) the facilities described in subparagraph (A); or

(ii) privately-owned nuclear power facilities.

(3) FEASIBILITY OF REPROCESSING.—

(A) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall request that the National Academy of Sciences conduct a study of techniques and technologies available as of the date on which the study is conducted for reprocessing and recycling spent nuclear fuel.

(B) RECYCLING PROGRAM.—

(i) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall carry out a program under which the Department shall recycle commercial spent nuclear fuel in the United States.

(ii) INCLUSIONS.—The program described in clause (i) shall include—

(I) an integrated spent fuel recycling plan, including the selection of an advanced reprocessing technology to be used to carry out the recycling; and

(II) a competitive process under which the Secretary shall select 1 or more sites at which to develop integrated spent fuel recycling facilities (including facilities for reprocessing, preparation of mixed oxide fuel, vitrification of higher level waste, and temporary storage).

(C) FEDERALLY-OWNED FACILITIES.—As soon as practicable after the date of enactment of this Act, the Secretary shall conduct a study of the feasibility of transporting, maintaining, and storing commercial spent nuclear fuel and related material at Federally-owned facilities, including facilities controlled by the Department and Department of Defense.

(D) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Appropriations and the Committee on Energy and Natural Resources of the Senate and the
Mr. HATCH submitted an amendment that will be proposed by him on the bill H.R. 6, to ensure a future with secure, affordable, and reliable energy; which was ordered to lie on the table; as follows:

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 without which our future is not secure, affordable, and reliable energy; and
(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 minimize impacts; and
(i) 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. 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, from land otherwise available for leasing, the Secretary of the Interior shall identify areas that have a high probability of leading to demonstration at a commercially-representative scale; and
(ii) 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.
(2) DELENTIFICATION.
(A) research and development of oil shale
(B) have a high probability of leading to commercial production.
(ii) consult with representatives of industry and other stakeholders;
(iii) provide notice and opportunity for public comment on the plan;
(iv) identify oil shale and tar sands technologies that—
(1) are ready for pilot plant and semiscale development; and
(2) have a high probability of leading to advanced technology for first- or second-generation commercial production; and
(v) assess the availability of water from the Green River Formation to meet the potential needs of oil shale and tar sands development.
(3) NATIONAL PROGRAM OFFICE.—The Task Force shall study the development of oil shale and tar sands in an integrated manner.
(4) PURCHASING.
(A) in this section as a
(B) awareness of the United States.
(1) USE OF FUEL TO MEET DEFENSE NEEDS.—The Secretary of Energy may provide technical assistance under this section on a cost-shared basis in accordance with section 1002.
(2) 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), 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 (excluding the State of Alaska) that contains oil shale, as determined by the Secretary.
(2) USE OF STATE SURVEYS AND UNIVER- SITY REPORTS.—In carrying out a national 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.—
(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2398 the following:

(A) by striking “rate of 50 cents per acre” and inserting “rate of $2.00 per acre”; and
(B) in the last proviso—
(i) by striking “That not more than one lease need be granted under this section to any”; and
(ii) by striking “except that with respect to leases for” and inserting “shall acquire or rate of $2.00 per acre 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—
(A) technical assistance;
(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 purposes of evaluating and mapping oil shale deposits, in the geographic areas described in subparagraph (B).
(2) 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 (excluding the State of Alaska) that contains oil shale, as determined by the Secretary.
(j) PROCUREMENT OF UNCONVENTIONAL FUEL BY THE DEPARTMENT OF DEFENSE.—
(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2398 the following:

(2) A USE OF FUEL TO MEET DEPARTMENT OF DEFENSE NEEDS.—The Secretary of Defense shall develop a strategy to use fuel produced 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.
(3) AUTHORITY TO PROCURE.—The Secretary of Defense may enter into 1 or more contracts or other agreements (that meet the requirements of this section) to procure a covered fuel produced from coal, oil shale, and tar sands (referred to in this section as a ‘‘covered fuel’’).
(a) $103,000,000,000 to undemocratic countries, (b) $23,986,000,000 to military aid, (c) $10,000,000,000 to economic assistance, and (d) $5,000,000,000 to developmental assistance. Subject to the availability of funds, the Secretary shall coordinate with the Office of International Development in the United States Agency for International Development for the development of assistance programs. Section 151. SHORT TITLE; FINDINGS AND PURPOSES.—(a) SHORT TITLE.—This title may be cited as the “Oil Security Act.” (b) FINDINGS.—(1) the United States is dangerously dependent on oil. (2) the United States is dangerously dependent on oil. (3) the United States is dangerously dependent on oil. (4) the United States is dangerously dependent on oil. (5) that dependence on foreign oil under-mines the war on terror by financing both sides of the war; and (6) in 2004 alone, the United States spent $105,000,000,000 to underdeveloped countries, some of which use revenues to support ter-rorism and spread ideology hostile to the United States, as documented by the Council on Foreign Relations. (7) terrorists have identified oil as a stra-tegic vulnerability and have ramped up att-acks against oil infrastructure worldwide; (8) oil imports comprise more than 25 per-cent of the dangerously high United States trade deficit; (9) it is feasible to achieve oil savings of more than 25 percent by 2015 and 10,000,000,000 barrels per day by 2025; (10) those goals can be achieved by estab-lishing a set of flexible policies, including: (A) increasing the gasoline-efficiency of cars, trucks, tires, and oil; (B) providing economic incentives for compa-nies and consumers to purchase fuel-effi-cient cars; (C) encouraging the use of transit and the reduction of truck idling; and (D) increasing production and commer-cialization of alternative liquid fuels. (c) PURPOSES.—The purposes of this sub-title 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 neu-trality in order to foster private innovation and commercialization and allow market forces to decide the technologies and fuels that are consumer-friendly, safe, environment-ally-sound, and economic; (3) to provide, for a limited time period, fi-nancial incentives to encourage consumers nationwide to purchase or lease new fuel cell, hybrid, battery electric, and alternative fuel motor vehicles; and (4) to increase demand of vehicles de-scribed in paragraph (3) so as to make the annual production by manufacturers and re-tail sale of vehicles economically and commercially viable for the consumer; (5) to promote and expand the use of vehi-cles 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.
the eligible taxpayer to produce advanced technology motor vehicles or to produce eligible components; and

(II) any engineering integration costs associated with production technology motor vehicles or eligible components.

(2) EStABLISHMENT.—The Secretary shall establish a program to provide grants, loans, and loan guarantees to entities for qualifying investment.

(3) REQUIREMENTS.—For an automobile manufacturer to be eligible for a grant, loan, or loan guarantee under the program, the adjusted average fuel economy of the manufacturer for light duty vehicles for the most recent year for which data is available must be at least equal to 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 project that produces alternative fuel use factor for a model of automobile, the factor determined by

(a) GENERAL REQUIREMENTS.—

(i) DEFINITIONS.—In this section:

(A) the term ‘‘cellulose biomass-to-fuel’’ means any fuel that is produced from at least 80 percent cellulosic biomass.

(B) 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 or demonstrated in a project that produced at least 1,000,000 gallons per year of cellulose biomass-to-fuel and related products, as measured by energy content.

(ii) COMMITTEE.—The term “Committee” means the Cellulosic Biomass-to-Fuel Review Committee established under paragraph (4).

(iii) DEFINITIONS.—The term ‘‘pre-commercial scale plant’’ means—

(A) a facility 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; or

(B) an existing industrial facility 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.

(iii) COMMITTEE.—The term “Committee” means the Cellulosic Biomass-to-Fuel Review Committee established under paragraph (4).

(iv) DEFINITIONS.—The term ‘‘commercial-scale plant’’ means—

(A) a high level of demand for fuel ethanol or commercial byproducts of the facility; or

(B) an existing commercial-ready plant that includes a 10-year plan containing—

(i) a list of all activities expected to be carried out; and

(ii) a detailed list of milestones for each biomass and related technology that will be pursued.

(5) PERIODIC UPDATES.—Until all incentives committed under subsection (b) have been used, the Secretary, in consultation with representatives of 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-fuel producers. In making such payments, the Secretary may provide loan guarantees and performance incentives to merchant producers of cellulose biomass-to-fuel in the United States to assist such producers to—

(i) to build eligible commercial-ready production facilities; and

(ii) to produce cellulose biomass-to-fuel in accordance with paragraphs (2) and (3).

(2) TOTAL VALUE.—In general, the total value to the facility of all incentives offered under this subsection shall not exceed the value presented in the following table, in which the ‘‘Facility on line’’ dates are expressed in years from the date of enactment of this Act.

(a) general requirements.—

(i) balancing.—

(ii) prioritization.—

(iii) projects demonstrating the potential to substantially further scale-sensitive national objectives, including—

(A) sustainable resource supply;

(B) reduced greenhouse gas emissions;

(C) improved strategic security and trade balances;

(iii) projects located in local markets that have the greatest need for the facility because of—

(1) high level of demand for fuel ethanol or commercial byproducts of the facility; or

(II) availability of sufficient quantities of cellulosic biomass.

(3) 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 adequate;

(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 biomass and related technology that will be pursued.

(4) ESTABLISHMENT OF PROGRAM.—The Secretary, in consultation with the Secretary of the Treasury, shall establish a program for providing incentives to commercial scale cellulosic biomass-to-fuel producers.

(A) Cellulosic Biomass-to-Fuel Review Committee.—The Secretary shall request the National Academy of Science to establish an independent Cellulosic Biomass-to-Fuel Review Committee, of which at least 1/2 of the members shall be experts external to the Department of Agriculture and the Department of Energy.

(B) Financial criteria.—The Secretary may establish such additional financial criteria as the Secretary considers to be appropriate.

(C) Pryoritization.—In selecting projects, the Committee shall prioritize the following goals in the following order:

(i) Projects demonstrating the potential for significant advances in biomass processing.

(ii) Projects demonstrating the potential to substantially further scale-sensitive national objectives, including—

(A) sustainable resource supply;

(B) reduced greenhouse gas emissions;

(C) improved strategic security and trade balances;

(iii) Projects located in local markets that have the greatest need for the facility because of—

(1) high level of demand for fuel ethanol or commercial byproducts of the facility; or

(II) availability of sufficient quantities of cellulosic biomass.

(5) 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 adequate;

(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 biomass and related technology that will be pursued.

(7) PERIODIC UPDATES.—Until all incentives committed under subsection (b) have been used, the Secretary, in consultation 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.
(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this section.

(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 to an applicant if—

(i) the proposed project is a facility to produce cellulosic ethanol;

(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;

(iii) the risk the loan guarantee will provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with the terms of the loan; and

(iv) the loan is reasonable and consistent with the Secretary's definition of reasonableness;

(i) the loan guarantee shall have a maturity of not more than 20 years; and

(ii) the loan guarantee shall pay the Secretary an amount sufficient to cover the administrative costs of the guarantee.

(D) TERMS AND CONDITIONS.—The loan agreement for a loan guarantee under this paragraph shall provide that—

(i) the loan guarantee shall be in a form acceptable to the Secretary and the lender of the guaranteed loan; and

(ii) the loan guarantee shall not be amended or waived without the consent of the United States.

(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;

(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 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.—Any guarantee under this paragraph shall provide that in the event of a default resulting in the acceleration of the loan to the borrower, the borrower may not challenge the validity of the guarantee or the lien on the loan.

(G) ALLOWED USES OF FUNDS.—In the event of a default resulting in the acceleration of the loan, any proceeds from the sale of the collateral shall be used to pay the outstanding balance of the loan, including interest, penalties, and other fees.

(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 Secretary shall establish a schedule of performance incentives that decrease throughout the period that begins on the date of enactment of this Act.

(ii) FIRST PHASE.—

(I) IN GENERAL.—During the period that begins on the date of enactment of this Act through the date that is 2 years after the date of enactment of this Act, the Secretary shall provide performance incentives on a per gallon basis.

(II) PAYMENTS.—During the period described in clause (I), payments shall be made available through not less than 2 reverse auctions as described in subclauses (II) through (V).

(III) AMOUNT OF FUNDS.—The Secretary shall make available through this program for each reverse auction conducted under this set of rules for each phase.

(IV) SELECTION OF FACILITIES.—The Secretary shall select facilities to receive incentives on the basis of the Secretary's assessment of the facilities' ability to meet the performance criteria.

(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.

(B) LIMITATION.—In addition to the overall limitation established in paragraph (1)(C)(ii), the value of the incentives paid 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.

(C) TERMINATION.—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 6 years after the date of establishment of the program.

(D) AUTHORITY 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—

(I) in partnership with industry; and

(II) for a wide range of electric drive components, systems, and vehicles in a wide range of applications using diverse electric drive 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 non-road and on-road mobile applications of vehicles leading to commercialization of plug-in hybrid electric vehicles, plug-in hybrid fuel cell vehicles, and electric vehicles and 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 non-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 part of their motive power and that may or may not use off-board 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 a conventional combustion engine for all or part of the work of the equipment, including corded electric equipment linked to transportation or mobile sources of air pollution.
(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-board 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 4211 of title 49, Code of Federal Regulations, 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;
(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; or
(C) a vehicle or propelled piece of equipment that is in the United States.
(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) means of using an off-board 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 electric drive transportation technology, including—
(1) high capacity, high efficiency lithium and nickel metal hybrid batteries for plug-in hybrid fuel cell vehicles and plug-in hybrid electric vehicles;
(2) high efficiency on-board and off-board charging components;
(3) on-road and off-road electric train systems for passenger and commercial vehicles and for non-road and rail 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) development of efficient cooling systems;
(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;
(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 evaluation of vehicles for different applications and plug-in hybrid electric vehicles in different applications with different batteries and control systems, including—
(A) military applications;
(B) paratransit applications;
(C) mass market passenger and light-duty truck applications;
(D) private fleet applications; and
(E) medium-duty applications; and
(7) a nationwide education strategy for electric drive transportation technologies providing secondary and high school teaching materials and support for university education focused on electric drive system and component engineering;
(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; and
(B) an examination of potential markets, 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 powering, 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 Secretary shall adopt, in consultation with the Administrator of the Environmental Protection Agency, under subsection (c) shall be to develop, in partnership with industry and 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; and
(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.
(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 155. TIRE EFFICIENCY PROGRAM.
(3) EFFECT OF STANDARDS AND REGULATIONS.—A tire standard shall apply to—
(1) a tire or group of tires with the same size, SKU, plant, and year, and
(2) by adding at the end the following:
(3) NATIONAL TIRE EFFICIENCY PROGRAM.—
(a) DEFINITION.—In this paragraph, 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 on which the tire is used.
(b) 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.
(4) REQUIREMENTS.—Not later than March 31, 2008, the Secretary shall implement—
(A) policies and procedures for testing and labeling tires for fuel economy to enable tire buyers to make informed purchasing decisions about the fuel economy of tires;
(B) policies and procedures to promote the choice of energy efficient replacement tires, including purchase incentives, website listings on the Internet, printed fuel economy booklets, and other 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.
(5) MINIMUM FUEL ECONOMY STANDARDS.—In promulgating minimum fuel economy standards for tires, the Secretary shall design 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;
(B) secure the maximum technically feasible and cost-effective fuel savings;
(C) do not adversely affect tire safety;
(D) incorporate the results from—
(i) laboratory testing; and
(ii) to the extent appropriate and available on-road fleet testing programs conducted by manufacturers; and
(E) do not adversely affect efforts to manage scrap tires.
(6) 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 575.104 of title 49, Code of Federal Regulations (or a successor regulation).
(7) 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; and
(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 average fuel economy standards applicable to replacement tires.
(8) NO PREEMPTION OF STATE LAW.—Nothing in this section shall apply to—
(A) a tire or group of tires with the same size, SKU, plant, and year, and
(B) a tire or group of tires with the same size, SKU, plant, and year, and
(C) in the third sentence, by striking “A tire standard” and inserting the following:
(9) STRIKING—“A tire standard” and inserting the following:—
(B) a deep tread, winter-type snow tire, space-saver tire, 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.

(b) CONFORMING AMENDMENT.—Section 3013(b)(1) of title 49, United States Code, is amended by striking “When” and inserting “Except as provided in section 3013(d), when”.

(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. 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 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) IDLING REDUCTION SYSTEM.—The term “idling reduction system” means a system of 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 a heavy-duty motor vehicle.

(b) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, in consultation with the Secretary of Transportation, prescribe regulations that ensure the maximum feasible and cost effective reductions in fuel consumption resulting from the use of long duration idling of heavy-duty motor vehicles. The Administrator shall review the regulations not less frequently than every 3 years and revise the regulations to ensure that the regulations reflect the maximum feasible and cost effective reductions in fuel consumption resulting from long duration idling.

(c) AGREEMENTS WITH STATES.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall enter into agreements with the States, in consultation with the Secretary of Transportation, to administer, assist, and cooperate with the States in developing, implementing, and enforcing long duration idling reduction programs.

(d) ENSURING STATE PROGRAMS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation shall issue regulations to ensure that, prior to adoption of any State program to reduce idling of heavy-duty motor vehicles, the State program meets the requirements adopted under paragraph (1) of this section.

SEC. 157. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.

Part C of subtitle VI of title 49, United States Code, is amended by inserting after chapter 330 the following:

CHAPTER 330—HEAVY DUTY VEHICLE FUEL ECONOMY STANDARDS


§ 33001. Purpose and policy

(1) The purpose of this chapter is to reduce petroleum consumption by heavy duty motor vehicles.

(2) The purposes of this chapter are—

(A) to reduce the existing number of designated truck parking spaces at any given rest or recreation area; and

(B) to ensure that all the spaces under use by trucks employing alternative idle reduction technologies; and

(C) to charge a fee, or permit the charging of a fee, for the use of a parking space that provides electrification or other idling reduction facilities and equipment.

(b) IDLING REDUCTION.—The idling reduction system described in section 33001(d)(2) (or similar systems) shall be enabled for use on commercial vehicles for the purposes of—

(A) to reduce idling of a truck while parked in the rest or recreation area; and

(B) to voluntarily permit drivers of a truck to voluntarily reduce to idling of a truck, or provide alternate power for supporting driver comfort, while parked.

(c) TIME FOR IMPLEMENTATION.—Beginning not later than March 31, 2008, the Secretary 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.

(d) AGREEMENTS WITH STATES.—Not later than 1 year after the date of enactment of this Act, the Administrator may enter into agreements with the States, in consultation with the Secretary of Transportation, to administer, assist, and cooperate with the States in developing, implementing, and enforcing long duration idling reduction programs.

(e) EFFECTIVE DATES OF STANDARDS.—The Secretary shall establish effective dates for model years of a heavy-duty motor vehicle fuel economy standards prescribed under this chapter.

(f) 5-YEAR PLAN FOR TESTING STANDARDS.—The Secretary shall establish, periodically, 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 consistent with section 33001 and the Secretary’s other duties and responsibilities.

SEC. 158. 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 3201 of title 49, United States Code.

(2) ALTERNATIVE FUEL REFUELING RETAIL OUTLET.—The term “alternative fuel refueling retail outlet” means an establishment—

(A) that has been designated by the Secretary as a refueling retail outlet using a gasohol blend, and 1 or more alternative fuels; and

(B) at which such fuel is sold or offered for sale for the general public for use in alternative fuel vehicles without the need to establish an account.

(3) FLEXIBLE FUEL VEHICLES.—The term “flexible fuel vehicle” means an alternative fuel vehicle capable of using gasoline and 1 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;

(B) a franchisor or distributor 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;

(C) a refiner or distributor 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; and

(D) an owner or lessee of a retail gasoline outlet with 10 or more motor fuel pumps that are capable of dispensing alternative fuel and gasoline.

(5) INCREASE PERCENTAGE OF LIGHT DUTY VEHICLES THAT ARE ALTERNATIVE OR FLEXIBLE 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; and

(C) not less than 30 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.

(3) ALTERNATIVE FUEL RETAIL OUTLETS.—

(1) REQUIREMENT.—Beginning in the year in which 10 percent or more of the registered vehicles in a county are capable of using a designated alternative fuel, each owner or lessor of a retail gasoline outlet with 10 or more motor fuel pumps in that county shall offer such designated alternative fuel at not less than 10 percent of such pumps.

(2) COMPLIANCE.—An owner or lessor is in compliance with the requirement under paragraph (1) if the owner or lessor—

(A) provides all alternative fuel vehicles owned or controlled by the owner or lessor; or

(B) purchases credits from another owner or lessor who operates more than the minimum number of designated alternative fuel pumps.

(3) 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; and

(B) notify owners and lessors with retail gasoline outlets in the counties identified under subparagraph (A) of the alternative fuel pump requirement under this subsection.
(4) Rulemaking.—The Secretary of Energy shall issue regulations to carry out the provisions of this subsection.

SEC. 159A. AUTONOMOUS MEDIA CAMPAIGN TO DECREASE OIL CONSUMPTION.

(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 the consumption of petroleum in the United States over the next decade.

(b) Contract with Entity.—The Secretary shall carry out subsection (a) directly or through contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(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

(c) Collective Agreements.—The Secretary may enter into collective agreements with any media firm or combination of media firms (including nonprofit organizations) to:

(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) The cost of media campaigns.

(iv) The distribution of monthly television, radio, and newspaper public service announcements.

(2) the economic impact on users.

(3) promote economic development.

(d) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 2006 through 2015.

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 (referred to in this section 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 this subtitile, that will be taken together to save from the baseline determined under section 159F, at least—

(A) 1,000,000 barrels of oil per day during calendar year 2010; 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.

SEC. 159C. STANDARDS AND REQUIREMENTS.

(a) Secretary.—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.

(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 18 months after the date of enactment of this Act, the Director of the Office of Management and Budget, the Secretary of Transportation, and the Administrator shall promulgate final regulations described in sub- sections (a), (b), and (c), respectively.

(e) In the Report.—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 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:

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:

"(O) A cost-sharing plan developed under this paragraph 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—
(1) at the liquefied natural gas import facility; and
(2) 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) Except as provided in subparagraph (B), the Commission may approve an application for siting, construction, expansion, 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.
(B) 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 any other applicant or an affiliate of the applicant who will supply to the facility; or
(ii) condition an order on—
(1) the applicant that the liquefied natural gas import facility offer service to customers other than the applicant, or any affiliate of the applicant, securing the order;
(2) 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 * * *"

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:

"(A) The Governor of a State in which a liquefied natural gas import facility from a foreign country (referred to in this paragraph as a ‘LNG facility’) is proposed to be located shall designate a lead State agency.
(B) The Commission shall grant the request of a lead State agency that requests cooperation agency status in accordance with regulations promulgated pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.) with respect to a proposed LNG facility.

(C) The Commission shall promulgate regulations under the National Environmental Policy Act pre-filing process within 60 days of enactment of this section.

(D) An applicant seeking Commission approval for an LNG facility shall follow the National Environmental Policy Act pre-filing process to commence at least 7 months prior to the filing of an application for authorization to construct an LNG facility. During this pre-filing process the applicant shall—
(i) list all the relevant Federal and State agencies with corresponding permitting requirements;
(ii) include documents establishing that the applicant has notified the relevant Federal and State agencies of the applicant’s intent to file an application with the Commission;
(iii) identify interested persons and organizations that have been contacted about the project; and
(iv) detail stakeholder outreach efforts to date and an outreach plan to facilitate stakeholder communications and outreach efforts.

(E) Upon completion of the pre-filing process under the National Environmental Policy Act, the applicant may file its application with the Commission.

(F) A lead State agency may furnish an advisory report to the Commission with respect to an application no later than 30 days after the application was filed with the Commission. An advisory report may address siting issues, access to infrastructure, alternative potential locations, safety and security concerns, and access to emergency responders.

(G) Before issuing an order authorizing an applicant to site, construct, expand or operate a liquefied natural gas import facility, the Commission shall review and respond specifically to the issues raised by the lead State agency in the advisory report.

(H) This paragraph shall apply to any application filed after the date of enactment of this paragraph. A lead State agency has 30 days after the date of enactment of this paragraph to file an advisory report related to any applications pending at the Commission as of the date of enactment of this paragraph.

(4)(A) Before issuing an order authorizing an applicant to site, construct, expand, or operate a liquefied natural gas import facility, the Commission shall require the applicant, in cooperation with the Commandant of the Coast Guard and State and local agencies that provide for the safety and security of the liquefied natural gas import facility and any vessels that serve the facility, to develop a cost-sharing plan.

(B) A cost-sharing plan developed under subparagraph (A) 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—
(i) at the liquefied natural gas import facility; and
(ii) 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:

(0) Savannah River National Laboratory.

On page 11, line 12, 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. 157. 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: '(i) including increasing and verifying compliance with energy 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 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 ASHRAE Standard 90.1–2004, or any succeeding version of that standard 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 (2)(B).

(3) Of the amounts made available under this subsection, the Secretary may use—
(i) $25,000,000 for each of fiscal years 2006 through 2010; and
(ii) such sums as are necessary for fiscal year 2011 and each fiscal year thereafter.

(4)(A) There are authorized to be appropriated to carry out this subsection—
(i) $25,000,000 for each of fiscal years 2006 through 2010; and
(ii) such sums as are necessary for fiscal year 2011 and each fiscal year thereafter.
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 324, lines 21 through 25, and insert the following:

(20) by striking “section 104(b)” of the Naval Petroleum Reserves Production Act of 1976 (90 Stat. 2044; 42 U.S.C. 6904) and inserting “section 104(a)”;

and

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

SEC. 4. FINGER LAKES WITHDRAWAL.

All Federal land within the boundary of Finger Lakes National Forest in the State of New York is withdrawn from—

(1) appropriation, or disposition under the public land laws; and

(2) disposition under all laws relating to oil and gas leasing.

On page 33, 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 programs for use in the promotion of energy resource development on Indian land and commercial use of energy resources; and

“(D) provide grants and technical assistance to an appropriate tribal environmental organization, as determined by the Secretary, that represents multiple Indian tribes to establish a national resource center to develop tribal capacity to establish and carry out tribal environmental programs in support of energy-related programs and activities under this title, including—

“(i) training programs for tribal environmental officials, program managers, and other tribal 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 566, 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 Secretary determines to be appropriate.

On page 357, line 6, insert “(A)” after “(2).”

On page 357, 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 503, strike lines 22 through 24.

On page 501, line 1, strike “(ii)” and insert “(1).”

On page 504, strike lines 4 through 7 and insert the following:

(2) For activities under section 955—

(A) $337,000,000 for fiscal year 2006;

(B) $364,000,000 for fiscal year 2007; and

(C) $391,000,000 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 “(c)” 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. 955. COAL AND RELATED TECHNOLOGIES PROGRAM.

(a) IN GENERAL.—In addition to the programs authorized under title IV, 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 advanced coal combustion technologies, including absorption and desorption 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.

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 absorption and desorption 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-elastic, modular power systems.

(2) DEMONSTRATIONS.—The demonstrations referred to in paragraph (1) shall include—

(i) solid oxide fuel cell technology for commercial, residential, and transportation applications, using improved manufacturing production and processes.
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.—Section 3164(b) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381b) is amended by adding at the end the following:

The study shall include an analysis 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) the short-term and long-term availability of skilled workers to meet the energy and mineral security requirements of the United States.

(f) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the 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.

SEC. 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:

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. 151. SHORT TITLE; FINDINGS AND PURCHASES.

This subtitle may be referred to as “Oil Security.”

(a) SHORT TITLE.—This subtitle may be referred to as “Oil Security.”

(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.

(3) the United States currently imports nearly 60 percent of oil needed in the United States.
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, 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; (6) oil imports comprise more than 25 percent of the dangerously high United States trade deficit; (7) terrorists have identified oil as a strategic vulnerability and have ramped up attacks against oil infrastructure worldwide; (8) oil savings are more difficult and expensive; and

SEC. 152. MANUFACTURING INCENTIVES FOR ALTERNATIVE FUEL VEHICLES.

(a) Advanced Technology Motor Vehicles Manufacturing Credit.—

(1) In general.—Subpart B of chapter 1 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.—An eligible taxpayer 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 an amount equal to the base year average fuel economy of the eligible taxpayer for such taxable year.

(b) Eligible Taxpayer.—For purposes of this subsection, the term 'eligible taxpayer' means any taxpayer if more than 25 percent of its gross receipts for the taxable year is derived from the manufacture of motor vehicles or any component parts of such vehicles.

(c) Qualified Investment.—For purposes of this section—

(I) In general.—The qualified investment for any taxable year is equal to the incremental costs incurred during such taxable year.

(II) Recoupment.—(A) To re-equip or expand a manufacturing facility of the taxpayer to produce advanced technology motor vehicles or to produce eligible components, and

(B) for engineering integration of such vehicles and components as described in subsection (e).

(2) Attribution Rules.—In the event a facility of the taxpayer produces both advanced technology motor vehicles and conventional motor vehicles, only the qualified investment attributable to production of advanced technology motor vehicles and eligible components shall be taken into account.

(d) Subsection (c)(1) Amendment.—(A) Definitions.—For purposes of this paragraph—

(I) Adjusted fuel economy.—(1) In general.—The term 'adjusted fuel economy' means the average fuel economy of a manufacturer for all light duty motor vehicles, adjusted as described in subsection (II).

(2) Base year.—The term 'base year' means model year 2002.

(B) Eligibility.—For an automobile manufacturer to be eligible for an award under this subsection in a year, the adjusted average 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.

(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 advanced lean burn technology motor vehicle;

(B) any new qualified hybrid motor vehicle as defined in section 30B(c)(3) (other than a heavy duty hybrid motor vehicle), eligible for a credit amount under section 30B(c)(2)(B), which is in compliance with any Environmental Protection Agency emission standard for fine particulate matter for the applicable manufacture and model year vehicle;

(2) Advanced Lean Burn Technology Motor Vehicle.—The term 'advanced lean burn technology motor vehicle' means a motor vehicle with an internal combustion engine—

(A) which is designed to operate primarily on summer fuel than is necessary for complete combustion of the fuel, and

(B) which incorporates direct injection, and

(C) which achieves at least 125 percent of the 2006 model year city fuel economy, and

(D) which, for 2004 and later model vehicles, has received a certificate that such 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 promulgated by the Administrator under section 202(h) of the Clean Air Act for that make and model year vehicle, and

(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 so established.

(3) Eligible Components.—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 such vehicle, including—

(A) with respect to any gasoline-electric new qualified hybrid motor vehicle—

(i) electric motor or generator,

(ii) power split device,

(iii) power control unit,

(iv) power control unit,

(v) integrated starter generator, or

(vi) battery,

(B) with respect to any advanced lean burn technology motor vehicle—

(i) diesel engine,

(ii) turbocharger,

(iii) fuel injection system, or

(iv) after-treatment system, such as a particle filter or NOx absorber, and

(C) any other 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) incorporating eligible components into the design of advanced technology vehicles, and

(2) designing new tooling and equipment for production facilities which produce eligible components or advanced technology 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, over

(2) 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 paragraph) 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 credits allowed under subsection (a) shall be reduced by the amount of such credit attributable to such cost.
new paragraph:
(a) when operating the model on alternative
the fuel economy measured under subsection
and
ating the model on gasoline or diesel fuel;
under subparagraph (A) by the fuel economy
and
the end of paragraph (33) and inserting

(iii) a provisions as necessary to
 carry out the provisions of this section.
(mm) TERMINATION.—This section shall not
apply to any qualified investment after De-
cember 31, 2015.

(2) CONFORMING AMENDMENTS.—
(A) Section 1016(a), as amended by this
Act, is amended by striking “and” at the end
of paragraph (31), by striking the period at
the end of paragraph (33) and inserting “,
and”, and by adding at the end the following new
paragraph:
“(32) to the extent provided in section
30D(g).”;
(B) Section 650(m), as amended by this
Act, is amended by inserting “30D(k),” after
“30C(k)”.;
(C) 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
at the end the following new section:
“Sec. 30D. Advanced technology motor vehi-
cles using alternative fuels and carrying credit.

(3) EFFECTIVE DATE.—The amendments
made by this subsection shall apply to
amounts incurred in taxable years beginning

(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; and

(B) dividing the difference calculated
under subparagraph (A) by the fuel economy
measured under section 32905(c) when oper-
ing the model on gasoline or diesel fuel; and
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 automobile, the factor deter-
ing by the Administrator under paragraph
(3).

(2) At the beginning of each calendar year,
the Secretary of Transportation shall esti-
mate the total potential 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
of the number of gallons of alternative fuel
used by such model bears to the amount of
fuel used by such model.”.

(c) CELLULOSIC BIOMASS-FUEL EARLY
DEPLOYMENT AND COMMERCIALIZATION
INITIATIVES.

(1) GENERAL REQUIREMENTS.

(1) DEFINITIONS.—In this section:

(A) CELLULOSIC BIOMASS-FUEL.—The
term “cellulosic biomass-to-fuel” means any
fuel that is produced from at least 80 percent
of biomass that is not produced from

(i) an existing industrial facility—

(II) that adds equipment to conduct re-
search, development, demonstration and
deployment of biomass-to-fuel technology;

(III) improvements to allow the facility
of all incentives offered under this

(ii) meet all applicable Federal and State
permitting requirements; and

(i) be located in the United States;

(2) APPLICABILITY OF EXISTING STAN-
ARDS.—The amendments made by this sub-
section shall not affect the application of
section 32901 of title 49, United States Code,
to automobiles manufactured before model
year 2007.

(3) EFFECTIVE DATE.—The amendments
made by this subsection shall take effect on

SEC. 153. CELLULOSIC BIOMASS-TO-FUEL
EARLY DEPLOYMENT AND COMMERCIALIZATION
INITIATIVES.

(a) GENERAL REQUIREMENTS.

(1) DEFINITIONS.—In this section:

(A) CELLULOSIC BIOMASS-FUEL.—The
term “cellulosic biomass-to-fuel” means any
fuel that is produced from at least 80 percent
of biomass that is not produced from

(i) an existing industrial facility—

(II) that adds equipment to conduct re-
search, development, demonstration and
deployment of biomass-to-fuel technology;

(III) improvements to allow the facility
of all incentives offered under this

(ii) meet all applicable Federal and State
permitting requirements; and

(i) be located in the United States;

(2) APPLICABILITY OF EXISTING STAN-
ARDS.—The amendments made by this sub-
section shall not affect the application of
section 32901 of title 49, United States Code,
to automobiles manufactured before model
year 2007.

(3) EFFECTIVE DATE.—The amendments
made by this subsection shall take effect on

SEC. 153. CELLULOSIC BIOMASS-FUEL EARLY
DEPLOYMENT AND COMMERCIALIZATION
INITIATIVES.

(a) GENERAL REQUIREMENTS.

(1) DEFINITIONS.—In this section:

(A) CELLULOSIC BIOMASS-FUEL.—The
term “cellulosic biomass-to-fuel” means any
fuel that is produced from at least 80 percent
of biomass that is not produced from

(i) an existing industrial facility—

(II) that adds equipment to conduct re-
search, development, demonstration and
deployment of biomass-to-fuel technology;

(III) improvements to allow the facility
of all incentives offered under this

(ii) meet all applicable Federal and State
permitting requirements; and

(i) be located in the United States;

(2) APPLICABILITY OF EXISTING STAN-
ARDS.—The amendments made by this sub-
section shall not affect the application of
section 32901 of title 49, United States Code,
to automobiles manufactured before model
year 2007.

(3) EFFECTIVE DATE.—The amendments
made by this subsection shall take effect on
Facility on line:  

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Value of Incentives Over the Life of a Facility: The lesser of:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per million gallons capacity</td>
</tr>
<tr>
<td>Year 4</td>
<td>$4,600,000</td>
</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>

subsequent shall not exceed the values presented in the following table, in which the term ‘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) CELLULOSE 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—

(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;
(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 (3)(C)(ii), the maximum loan guarantee that any project that is begun but 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; and
(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 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.

(F) FULL FAITH AND CREDIT.—

(i) IN GENERAL.—In connection with such guarantees, 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) CONCLUSIVE EVIDENCE.—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 a holder of the guaranteed loan.

(iv) AMENDMENT OF LOAN.—In the event of a performance shortfall, the loan guarantee may be amended to provide for loan payments and interest which are reasonable in light of the performance shortfall.

(v) LOSS OF SECURITY.—In the event of a performance shortfall, the loan guarantee may be amended by the Secretary to provide for the sale of collateral and the receipt of funds to be used in the payment of guarantees issued under this paragraph.

(vi) ALIAS GUARANTEES.—Any guarantee made by the Secretary under this paragraph shall be incontestable in the hands of a holder of the guaranteed loan.

(G) ALLOWED USES OF FUNDS.—

(i) IN GENERAL.—The proceeds of any guarantee issued under this paragraph shall be used to finance—

(I) the construction of facilities; or
(II) the purchase of cellulosic biomass.

(ii) QUALIFIED CELLULOSE BIOMASS-TO-FUEL FACILITIES.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 relating to exempt facility bonds is amended by striking ‘‘or’’ at the end of paragraph (13), by striking the period at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting ‘‘, or’’, and by adding at the end the following:

‘‘(19) qualified cellulosic biomass-to-plant facilities.’’

(iii) QUALIFIED CELLULOSE BIOMASS-TO-FUEL FACILITIES.—Subsection 112(b)(10)(2)(C) of such Code is amended by adding at the end the following:

‘‘(9) QUALIFIED CELLULOSE BIOMASS-TO-FUEL FACILITIES.—In this section—

(I) QUALIFIED CELLULOSE BIOMASS-TO-FUEL FACILITIES.—Section 112(b)(10) of such Code is amended by adding at the end the following:

‘‘(10) qualified cellulosic biomass-to-plant facilities’’

(ii) NATIONAL LIMITATION.—There is a national limitation on such amount and which when added to other incentives offered under subparagraph (B) of subsection (b)(1)(C) of such Act for such calendar year.

(ii) ENFORCEMENT OF NATIONAL LIMITATION.—An issue shall not be treated as an issue described in subsection (a)(15) if the aggregate face amount of bonds issued for any calendar year (when added to the aggregate face amount of bonds previously issued as part of issues described in subsection (a)(15) for such calendar year) exceeds the national cellulosic biomass-to-fuels bond limitation for such calendar year.

(iii) ALLOWED USES OF FUNDS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection.

(iv) ALLOCATION BY SECRETARY OF ENERGY.—Any guarantee issued under this paragraph shall be incontestable in the hands of a holder of the guaranteed loan.

(v) AMENDMENT.—The amendments made by this subsection apply to bonds issued after the date of the enactment of this Act.

(4) CELLULOSE BIOMASS FUELS PERFORMANCE INCENTIVES PROGRAM.—

(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to make available to commercial scale cellulosic biomass-to-fuels 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 enactment of this Act, the Secretary shall make available to commercial scale cellulosic biomass-to-fuels producers performance incentives on a per gallon basis of cellulosic biomass-to-fuel from eligible facilities.

(v) ALLOWED USES OF FUNDS.—The Secretary shall allocate the amount of incentives authorized under clause (i) to promote the use of cellulosic biomass in facilities producing cellulosic biomass-to-fuels in accordance with the Secretary’s deemed program.

(W) PAYMENTS.—During the period described in subclause (I), payments shall be made to producers of cellulosic biomass-to-fuels for such amount which when added to other incentives available under subclause (II) for the reverse auction conducted under this clause, each eligible facility shall request a desired amount of performance incentive on a per gallon basis.

(X) 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 and continuing until the funds available under subclause (II) for the reverse auction are committed.
reduce the petroleum use of transportation.

eventually to fuel cell vehicles and use of
celves, plug-in hybrid fuel cell vehicles, and
commercialization of all types of hybrid
and reduce emissions;

sources of emissions
and other on-road and non-road mobile
range of applications using diverse electric
driving, demonstration, and commer-

in hybrid electric vehicles, plug-in hybrid
train development and integration for plug-
senger and commercial vehicles and for non-

A facility se-
by the Secretary shall receive the
the amount of performance incentive requested
lected by the Secretary shall receive the

The Secretary shall estab-
limited to the lesser of

The Secretary shall conduct a program of research, development, demon-
stration, and commercial application for
electric drive transportation technology, in-
cluding

The term “battery” means an energy story device used in an on-road or
non-road vehicle powered in whole or in part using an

(b) TREE EFFICIENCY PROGRAM.

(b) DEFINITIONS.

The term

(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 mo-
bile source applications by
(A) improvement in battery, drive train, and control system technologies; and
(B) working with industry and the Adminis-
trator of the Environmental Protection
Agency to
(1) understand and inventory markets; and
(2) identify and implement methods of
removing barriers for existing and emerging
applications.

(d) GOALS.—The goals of the electric drive
transportation technology program estab-
lished under subsection (c) shall be to de-
velop procedures for testing and certification
of criteria pollutants, fuel economy, and
petroleum use for light-, medium- and heavy-
duty vehicle applications, including consider-

(i) mass market passenger and light-duty truck applica-
tions; and
(ii) private fleet applications; and
(E) medium- and heavy-duty applications; and
(7) a nationalwide coordination strategy for
electric drive transportation technologies

Because existing and emerging tech-
ology systems that minimize the emissions profile

(i) an on-road or non-road vehicle

(paragraph (B), by adding at the end the fol-
lowing:

(b) a vehicle or propelled piece of
equipment that is primarily intended for use on
private or public property other than pub-
lc-owed highways, freeways, streets, and
roads.

(A) development of efficient cooling sys-
tems that optimize for different goals, in-
cluding:

(A) light-duty, medium-duty, or heavy-
duty motor vehicle; or

(A) high capacity, high efficiency lithium
nickel metal hybrid batteries for plug-in
hybrid electric vehicles, plug-in hybrid
cell vehicles, and engine dominant
hybrid electric vehicles, including:

(A) development of efficient cooling sys-
tems that minimize the emissions profile
when clean diesel engines are part of a plug-
in hybrid drive system

(ii) nightly off-board charging; and

(C) development of different control sys-
tems that optimize for different goals, in-
cluding:

(i) battery life;
(ii) reduction of petroleum consumption;
(iii) green house gas reduction; and
(iv) understanding consumer preference for

(B) equipment related to transportation or
mobile sources of air pollution that use an
electric motor to replace an internal com-
bustion engine for all or part of the work
of the equipment, including corded electric
equipment linked to transportation or mo-
bile source applications.

in hybrid electric vehicles, plug-in hybrid electric
vehicles, plug-in hybrid fuel cell vehi-
cles, and engine dominant hybrid electric
vehicles, including

(A) development of efficient cooling sys-
tems for passenger and commercial vehicles and for non-
road equipment;

(B) 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) innovative electric drive technology de-
veloped in the United States;
(2) growth of job opportunities for electric
drive design and manufacturing;
(3) validation of the plug-in hybrid poten-
tial through fleet demonstration; and
(4) enabling the fuel cell revolution by es-
ablishing a mature electric drive tech-
nology system that is an integral part of the
fuel cell vehicle system.

(e) AUTHORIZATION OF APPROPRIATIONS.—
There are authorized to be appropriated such

SEC. 154. NEAR-TERM VEHICLE TECHNOLOGY
PROGRAM.

(a) PURPOSES.—The purposes of this section are

(1) to enable and promote comprehensive
development, demonstration, and commer-
cialization 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 com-
ponents, 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, in-
stitutional arrangements, National Lab-
oratories, and research institutions to ex-
pand innovation, industrial growth, and jobs
in the United States;
(3) to take greater advantage of the exist-
ing electric infrastructure for transporta-
tion and other on-road and non-road mobile
sources of electricity;

(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 tech-
nologies do not connect to the grid great
en-
hance the energy security of the United
States, reduce dependence on imported oil,
and reduce greenhouse gas emissions;
(4) to more quickly advance the widespread
commer-
cialization of all types of hybrid
electric vehicle technology into all sizes and
applications of vehicles leading to commer-
cialization of plug-in hybrid electric vehi-
ciles, plug-in hybrid fuel cell vehicles, and
eventually to fuel cell vehicles and use of
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) INCENTIVES RECEIVED.—A facility se-
lected 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)(i),
the value of incentives paid under this sub-
section for projects that are begun not later
than 4 years after the date of establishment
time of the fuel cell technology program shall be
limited to the lesser of—
(1) $0.75 per gallon;
(II) $1,000,000 per million gallons of capac-
ity; or
(III) 40 percent of the total capacity 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 establish-
ment of the program under this para-
graph and ends on the date that is 10 years
after the date of establishment of the pro-
gram.

(a) PROGRAM.—The Secretary shall establish a program under this para-
graph and carry out such program to
(A) in partnership with industry; and
(B) for a wide range of electric drive com-
ponents, 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, in-
stitutional arrangements, National Labor-
oratories, and research institutions to ex-
pand innovation, industrial growth, and jobs
in the United States;
(3) to take greater advantage of the exist-
ing electric infrastructure for transporta-
tion and other on-road and non-road mobile
sources of electricity;

(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 tech-
nologies do not connect to the grid great
en-
hance the energy security of the United
States, reduce dependence on imported oil,
and reduce greenhouse gas emissions;
(4) to more quickly advance the widespread
commer-
cialization of all types of hybrid
electric vehicle technology into all sizes and
applications of vehicles leading to commer-
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that begins on the date that is 4 years after the date of establish-
ment of the program under this para-
graph and ends on the date that is 10 years
after the date of establishment of the pro-
gram.
"(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 on which it is mounted.

"(2) PROGRAM.—The Secretary shall de-

velop and carry out a national tire fuel effi-
ciency 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 identifying tire fuel economy to enable tire buyers to make informed purchasing deci-
sions about the fuel economy of tires; 

(B) policies and procedures to promote the performance and efficiency of replacement tires, including purchase incentives, website listings on the Internet, printed fuel econ-

omy guide booklets, and mandatory require-
ments for tire retailers to provide tire buy-
ners 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 de-

sign and establish—

(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; 

(B) secure the maximum technically fea-
sible and cost-effective fuel savings; 

(C) do not adversely affect tire safety; 

(D) incorporate the results from—

(i) laboratory testing; 

(ii) to the extent appropriate and avail-
able, on-road fleet testing programs con-
ducted with voluntary participants; and

(E) do not adversely affect efforts to manage scrap tires.

"(5) APPLICABILITY.—The policies, pro-
duced standards and standards developed under para-
graph (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 sub-
section; and

(ii) subject to subparagraph (B), revise the standards as necessary to ensure compli-
ance with standards under paragraph (4).

(B) LIMITATION.—The Secretary may not reduce fuel economy standards applicable to replacement tires.

"(7) NO PREEMPTION OF STATE LAW.—Noth-
ing in this section preempts any provision of State law relating to higher fuel economy standards applicable to replacement tires de-

signed 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 sum of tires produced or imported is less than 15,000 annually;

(B) a deep tread, winter-type snow tire, space-saver tire, 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 vehi-

cle.

"(b) CONFORMING AMENDMENT.—Section

3013(b)(1) of title 49, United States Code, is amended by striking ‘‘When’’ and inserting ‘‘Except as provided in section 3013(d), when’’.

"(c) TIME FOR IMPLEMENTATION.—Beginning not later than March 31, 2008, the Secretary of Transportation shall administer the na-
tional tire fuel efficiency program estab-
lished under this subtitle of title 49, United States Code, in accordance with the policies, procedures, and standards developed under section 30124(b)(2) of such title.

SEC. 156. HEAVY-DUTY TRUCKS.

(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 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) IDLING REDUCTION SYSTEM.—The term ‘‘idling reduction system’’ means a device or system of devices used to reduce long dura-
tion idling of a main drive engine in a vehi-
cle.

(3) LONG DURATION IDLING.—The term ‘‘long duration idling’’ means the operation of a main drive engine of a heavy-duty motor vehi-

icle for a period of more than 5 consecutive minutes when the main drive engine is not engaged in the task for which it was designed, and such period does not include idling as a result of traffic con-
gestion or other impediments to the move-
ment of a heavy-duty vehicle.

(b) REGULATIONS.—Not later than 1 year af-
after the date of enactment of this Act, the Administrator of the Environmental Protec-
tion Agency shall consult with the Secretary of Transportation, prescribe regu-
lations that ensure the maximum feasible and cost effective reductions in fuel con-
sumption during long duration idling of heavy-duty motor vehicles. The Adminis-
trator shall review the regulations not less frequently than every 3 years and revise the regulations as necessary to ensure that the regu-
lations reflect the maximum feasible and cost effective reductions in fuel consumption during long duration idling.

(c) AIR QUALITY.—Not later than 1 year af-
after the date of enactment of this Act, the Administrator of the Environmental Protec-
tion Agency shall prescribe regulations that ensure the maximum feasible and cost effective reductions in fuel consumption during long duration idling.

(d) REVIEW.

(1) IN GENERAL.—Notwithstanding sub-
section (a), a State may—

(A) permit electrification or other idling reduction technologies, and equipment, for use by motor vehicles used for commercial pur-
poses, to be placed in rest and recreation areas, and in safety rest areas, constructed or located on rights-of-way of the Interstate System in the State, if the idling reduction measures do not—

(i) reduce the existing number of des-

ignated truck parking spaces at any given rest or recreation area; or

(ii) preclude the use of the spaces by trucks employing alternative idle reduction technologies; and

(B) charge a fee, or permit the charging of a fee, for the use of a parking space that pro-

vides electrification or other idling reduc-
tion facilities and equipment.

(2) PURPOSE OF FACILITIES.—The exclusive purpose of the electrification or other idling reduction facilities described in paragraph (1) or (2) (or any combination thereof) shall be to en-
able operators of motor vehicles used for commercial purposes—

(A) to reduce idling of a truck while parked in the designated truck parking area; and

(B) to use equipment specifically designed to reduce idling of a truck, or provide alter-
native power for supporting driver comfort, while parked.

SEC. 157. FUEL EFFICIENCY FOR HEAVY DUTY TRUCKS.

(a) APPROPRIATIONS.—The term ‘‘heavy-duty truck’’ 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.

(b) STANDARDS.—

(1) REQUIREMENTS.—The Sec-
tary of Transportation shall prescribe stan-
dards that ensure the maximum feasible and cost effective reductions in fuel consumption during long duration idling, and be stated in objective terms.

(2) CONSIDERATIONS AND AUDIT.—

When prescribing a heavy-duty motor vehicle fuel economy standard under this chapter, the Secretary shall—

(a) determine the extent to which the standard will carry out section 3301,

(c) cooperate. The Secretary may ad-
vise, assist, and cooperate with departments, agencies, and instrumentalities of the United States Government, States, and other public bodies in developing fuel econ-

omy standards for heavy duty motor vehi-


SEC. 158. 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 REPLACEMENT TOLL 
OUTLET.—The term ‘‘alternative fuel replacement toll outlet’’ means a device or system of devices used to reduce long duration idling.

(A) equipped to dispense alternative fuel into motor vehicles; and

(B) at which alternative fuel is sold or of-
fered for sale to the general public for use in motor vehicles without the need to establish an account.

SEC. 159. FUEL ECONOMY FOR HEAVY DUTY VEHICLE STANDARDS.

(a) STANDARDS.—The term ‘‘heavy-duty motor vehicle fuel economy standards’’ means the fuel economy standards prescribed under this chapter. In developing the plan and estab-
lishing testing priorities, the Secretary shall consider factors the Secretary com-

ponent, consistent with section 33001 and the Secretary’s other duties and powers under this chapter.

SEC. 160. FUEL ECONOMY FOR LIGHT DUTY VEHICLE STANDARDS.

(a) DEFINITIONS.—In this section:

(1) LIGHT DUTY VEHICLE; LIGHT DUTY 
VEHICLE FUEL ECONOMY STANDARDS.—

(A) the term ‘‘light duty vehicle’’ 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

(B) the term ‘‘light duty vehicle fuel economy standards’’ means the fuel economy standards prescribed under this chapter. In developing the plan and estab-
lishing testing priorities, the Secretary shall consider factors the Secretary com-

ponent, consistent with section 33001 and the Secretary’s other duties and powers under this chapter.

(b) COOPERATION WITH STATES.—The Secretary shall specify the effective date and promulgate fuel economy standards for heavy duty motor vehi-


SEC. 161. FLEXIBLE FUEL VEHICLE STANDARDS.

(a) DEFINITIONS.—In this section:

(1) FLEXIBLE FUEL VEHICLE.—The term ‘‘flexible fuel vehicle’’ has the meaning given such term in section 33001 of title 49, United States Code.

(2) FLEXIBLE FUEL REFUEL 
OUTLET.—The term ‘‘flexible fuel refuel-

outlet’’ means a device or system of devices used to reduce long duration idling.

(A) equipped to dispense alternative fuel into motor vehicles; and

(B) at which alternative fuel is sold or of-
fered for sale to the general public for use in motor vehicles without the need to establish an account.
FLEXIBLE FUEL VEHICLES.—The term “flexible fuel vehicle” means an alternative fuel vehicle capable of 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, provided that the motor 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;

(B) a refiner or distributor who owns, leases, or controls a retail gasoline outlet that is primarily operated by another person or nonprofit organization for the funding, recognition, and abuse; and

(5) increasing percentage of light duty vehicles that are alternative or flexible fuel vehicles.

(1) In general.—Of the new light duty vehicles sold in the United States—

(A) at least 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 sold in the United States are 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 alternative fuel at each of such vehicle fuel pumps at not less than 10 percent of such pumps.

(2) Compliance.—An owner or lessor is in compliance with the requirement under paragraph (1) if the owner or lessor—

(A) provides alternative fuel at vehicle fuel pumps owned or controlled by the owner or lessor; or

(B) purchases credits from another owner or lessor who operates more than the minimum required number of alternative fuel pumps.

(3) 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 within the following 18-month period; and

(B) notify owners and lessors with retail gasoline outlets in the counties identified under subparagraph (A) of the alternative fuel pump requirement under this subsection.

(4) Rulemaking.—The Secretary of Energy shall issue regulations to carry out the provisions of this subsection.

SEC. 159. OIL SAVINGS STUDIES.

(a) In General.—The Secretary of Transportation shall develop and implement pilot projects the purpose of which is to reduce vehicle miles traveled.

(b) Highway Congestion Tolling Evaluation Study.—The Secretary of Transportation shall carry out a national evaluation study to determine how technology can best be applied to assess—

(1) mileage-based road user charges on major highways at peak-commuting times for the purposes of—

(A) reducing oil usage;

(B) lessening traffic congestion; and

(C) expanding travel alternatives; and

(2) the economic impact on users.

(c) Parking Cash-Out Evaluation Project.—The Secretary of Transportation shall carry out a national evaluation pilot project to assess how offering commuters the option to receive the cash value of their workplace parking place instead of free parking—

(1) reduce oil usage;

(2) lessen highway congestion; and

(3) promote economic development.

(d) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2006 through 2015.

SEC. 159A. NATIONALWIDE MEDIA CAMPAIGN TO DECREASE OIL CONSUMPTION.

(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 implement a national media campaign for the purpose of decreasing oil consumption in the United States over the period.

(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 nonprofit organizations for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(c) Use of Funds.—

(1) In General.—Amounts made available to carry out this section shall be used for the following:

(A) Advertising Costs.—

(i) the purchase of media time and space.

(ii) Creative and talent costs.

(iii) Testing and evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(v) The negotiated fees for the winning bidder on requests from 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.—

(i) Operational and management expenses.

(ii) Debts for the media campaign.

(2) Limitations.—

(A) In general.—In carrying out this section, the Secretary shall allocate not less than 85 percent of funds made available under subsection (b)(1) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(B) Reports.—The Secretary shall annually submit to Congress a report that describes—

(i) the strategy of the national media campaign and whether specific objectives of the campaign were achieved, including—

(A) determinations concerning the rate of change of oil consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of oil consumption;

(ii) steps taken to ensure that the national media campaign is done in an efficient manner consistent with the overall strategy and focus of the campaign; and

(3) plans to purchase advertising time and space;

(4) policies 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; and

(5) all contracts or cooperative agreements entered into with a corporate affiliation, partnership, or individual working on behalf of the national media campaign.

(e) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2006 through 2010.

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 (referred to in this section 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 this subtitile, that will be required, that will be required, to save from 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.

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 Administrator.

(c) Secretary of Management and Budget.—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 18 months after the date of enactment of this Act, the Secretary, the Secretary of Transportation, and the Administrator shall promulgate such final regulations described in subsections (a), (b), 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) achieve at least the oil savings required as a result of the regulation under the action plan published under section 159B.
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 subsection (a), the Secretary of Energy, the Secretary of Transportation, and the Administrator shall propose new or revised regulations under subsection (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 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 progress achieved in implementing the oil savings targets established under section 159B:**

(2) **analyzes the expected oil savings under the requirements established under this subtitle and the amendments made by this subtitle:**

and (G)(A) **analyzes the potential to achieve oil savings:**

if A are in addition to the savings 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 2016 or any subsequent calendar year.

(b) **INADEQUATE OIL SAVINGS.—**If the oil savings projected under subsection (a) are not allowable for the purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial non-tax purpose if the origin of such financial accounting benefit is a reduction of income tax.

(c) **FINAL REGULATIONS.—**Not later than 180 days after the date on which regulations are promulgated by the Administrator under section 159B, simultaneously with the report required under subsection (a)—

(1) **the Administrator shall promulgate an annual report 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 (b), (c), and (c), respectively, of section 159C.**

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 subsection, 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 2006 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:

(1) **(A) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE, ETC.—**

(2) **(A) 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 transactions (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

(2) **DEFINITION OF ECONOMIC SUBSTANCE.—**

For purposes of subparagraph (A)—

(1) **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 non-tax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.**

In applying subparagraph (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial non-tax 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 profit potential unless—

(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.**

(3) **TREATMENT OF FEES AND FOREIGN TAXES.—**Fees and foreign 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.—**

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 be claimed with respect to the transaction is substantial in relation to the present value of the economic substance only if—

(i) **it results in an allocation of income or gain to the tax indifferent party in excess of such party’s economic income or gain,** or

(ii) **it results in a basis adjustment or shift of basis on account of overstating the income or gain of the tax indifferent party.**

(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 allowable 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) **EXCEPTION FOR FEDERAL TAX APPLICATIONS 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 the 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—**

(1) **depreciation,**

(2) **any tax credit, or**

(iii) **subclause (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.—**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 be construed as being in addition 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 exceptions 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. 5522. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) **IN GENERAL.—**Subchapter A of chapter 68 is amended by inserting after section 6622A the following new section—

SEC. 6622A. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(1) **IMPOSITION OF PENALTY.—**If a taxpayer has a noneconomic substance transaction underpayment for any taxable year, there shall be added to the tax an amount which equals 20 percent of the amount of such underpayment.

(2) **REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—**Subparagraph (a) shall be applied by substituting ‘30 percent’ for ‘40 percent’ with respect to the portion of any noneconomic substance transaction underpayment with respect to which the taxpayer electing 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—

(A) **IN GENERAL.—**The term ‘noneconomic substance transaction underpayment’ means any amount which would be an underpayment 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.

(B) **NONECONOMIC SUBSTANCE TRANSACTION.—**The term ‘noneconomic substance transaction’ means any transaction if—

(A) **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**

(B) **the transaction fails to meet the requirements of any similar rule of law.**

(d) **RULES APPLICABLE TO COMpromise OF PENALTY.—**

(1) **IN GENERAL.—**If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service's Office of Appeals to compromise the penalty.
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 penalty.

(2) APPLICABLE RULES. — The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

(c) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES. —

(1) For coordination of penalty with understatement under section 6662 and other special rules, section 6662.

(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).

SECTION 363. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL. — Section 163(m) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended —

(1) In paragraph (1), inserting “and non-economic substance transactions” for “reportable transactions”.

(2) In paragraph (2), inserting “and a non-economic substance transaction” after “reportable transaction understatement”.

(3) In paragraph (2), inserting “or section 6662B” before the period at the end.

(4) In paragraph (2), inserting “a non-economic substance transaction understatement” after “reportable transaction understatement”.

(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. 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

On page 35 of title XV as agreed to, strike lines 1 through 16, and insert the following:

(1) APPLICATION PERIOD. — Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant who submits an application during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1) shall be considered to have met the requirements of 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 subparagraph (B) in a timely manner. Any information contained in the application shall be protected as provided in section 522(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 under subsection (a)(1) within 60 days following the date of submittal of the application for certification.

(d) TIME TO MEET CERTAINTY FOR CERTIFICATION. — Each applicant for certification shall have 2 years from the date of acceptance by the Secretary of the application during which the Secretary may require in order to make a determination to accept or reject an application for certification under subsection (d)(2) in a timely manner.

(e) PERIOD OF ISSUANCE. — An applicant which receives a certification shall have 5 years from the date of issuance of the certification in order to place the project in service and if such project is not placed in service by that time period then the certification shall no longer be valid.

On page 35 of title XV as agreed to, strike lines 4 through 23.

On page 36 of title XV as agreed to, line 24, strike “(5)”. On page 37 of title XV as agreed to, line 16, strike “committment”.

On page 37, line 17, strike “(e)(4)(B)” and insert “paragraph (c)”.

On page 37 of title XV as agreed to, line 19, strike “(D)(2)(B)(ii)” and insert “paragraph (D)”.

On page 37 of title XV as agreed to, line 20, strike “committment”.

On page 37, between lines 22 and 23, insert the following:

(c) REALLOCATION. — If the Secretary determines that megawatts under clause (i) or (ii) of paragraph (3)(B) are available for reallocation pursuant to the requirements set forth in paragraph (2), the Secretary is authorized to conduct an additional program for application for reallocation.

On page 38 of title XV as agreed to, line 7, strike “or polygeneration”.

On page 38 of title XV as agreed to, begin line with 13 strike all through page 39, line 25, and insert the following:

(c) The project, consisting of one or more electric generation units on one site, shall have a total nameplate generating capacity of at least 400 megawatts.

(d) The project, consisting of one or more electric generation units on one site, shall have a total nameplate generating capacity of at least 400 megawatts.

(e) There is evidence of ownership or control of a site of sufficient size to allow the proposed project to be constructed and to operate on a long-term basis.

(f) The project will be located in the United States.

SEC. 960. 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

On page 38 (of title XV as agreed to), line 12, strike all through page 39, line 25, and insert the following:

(c) The project, consisting of one or more electric generation units on one site, shall have a total nameplate generating capacity of at least 400 megawatts.

(d) The project, consisting of one or more electric generation units on one site, shall have a total nameplate generating capacity of at least 400 megawatts.

(e) There is evidence of ownership or control of a site of sufficient size to allow the proposed project to be constructed and to operate on a long-term basis.

(f) The project will be located in the United States.

(g) The project will be located in the United States.
SA 961. Mr. ALEXANDER (for himself, Mr. WARNER, Ms. LANDRIEU, Mr. MCCAIN, Mr. ALLEN, Mr. VOINOVICH, Mr. BROWNBACK, Mr. BURR, and Mr. BURNT) introduced 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 senior executive of every entity at the lowest level of government that possesses 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 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.

(2) A Qualified Wind Project is any wind-turbine project which is—

(A) in a Highly Scenic Area; or

(B) within 20 miles of the boundaries of an area described in subparagraph (A), (B), (C), (D), or (F) of paragraphs (i) or (ii) above.

(D) for purposes of paragraphs (i) and (ii), 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. 4321 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 a determination of the effects of the project on the survival and mortality analysis of a Qualified Wind Project.

(B) A Qualified Wind Project shall not be eligible for any Federal tax subsidy.

(6) EFFECTIVE DATE.—

(1) This section shall expire 10 years after the date of enactment of this Act.

(2) 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.

(7) 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 offshore; 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; which was ordered to lie on the table; as follows:

On page 724, line 12, insert before “shall enter” the following: “; in consultation with the Administrator of the Environmental Protection Agency.”

On page 724, line 13, insert “and the Administrator of the Environmental Protection Agency” after “State or local level.”

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; which was ordered to lie on the table; as follows:

1. On page 14, strike Lines 4 through 17 and insert after “all such funds, to states and to local political subdivisions, shall only be expendable for mitigation measures and environmentally significant projects 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; 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 coalmine gas capture 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 section—

(1) In GENERAL.—The term ‘qualified coalmine gas captured’ means any coalmine gas which—

(i) is in a coalmine gas well 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 to 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 adding at the end the following new paragraph:

“(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 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.—For purposes of this section, the term ‘qualified coalmine gas’ means—

“(1) in general.—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, 2006, 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 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 adding at the end the following new paragraph:

“(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 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.—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 during the period beginning after September 30, 2005, and ending before January 1, 2006, 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 coal mine is located.

"(3) NONCOMPLIANCE WITH POLLUTION LAWS.—This paragraph shall not apply to the capture or extraction of coal mine 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 permitting requirements.

"(4) DEFINITIONS.—

"(A) COALMINE GAS.—For purposes of this paragraph, the term 'coalmine gas' means any moneys earned during or as a result of domestic coal mining—operations, or

"(B) GAS-ONLY LEASE.—For purposes of this section, the term 'gas-only lease' means a lease entered into after the date of enactment of this Act, taking into consideration environmental resource conservation and recovery, economic factors, and other factors, as the Secretary determines to be relevant; and

"(C) LEASE.—The term 'lease' includes a gas-only lease under section 8(q).

"(D) 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, 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) RESOURCES.—

"(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, 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.

"(F) RESPONSE OF SECRETARY.—Not later than 45 days after the date on which the Governor (acting on behalf of the State of which the petition of the Governor relating to, or lying seaward of the coastline of, that State, Section 230(c) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) (as amended by section 321) is amended

"(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, not later than 180 days after the date on which a petition is approved, or considered to be approved, under subparagraph (B) or (C), the Secretary shall—

"(i) 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 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 Secretary, without consultation with any State, shall include the areas covered by the petition in lease sales under the subsequent 5-year Outer Continental Shelf oil and gas leasing program.

"(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 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 line 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) REVENUE SHARING.—If the Governor of a State requests the Secretary to allow gas, or 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.

(5) POST LEASING REVENUES.—In addition to the amounts described in 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) CONSERVATION ROYALTIES.—After making distributions in accordance with subparagraphs (A) and (B), and in accordance with section 307(c) of the Act, 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 the 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.


(iii) The Land and Water Conservation Fund to provide financial assistance to States under section 6 of that Act (16 U.S.C. 460f–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;

(C) any area not included in the outer Continental Shelf;

(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; or

(F) 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 118(a)(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 apply to

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, or oil or natural gas, leasing in the moratorium area, and the Secretary allows that leasing, any additional royalty paid by the lessee 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 apply to

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 contract, 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 apply to

SA 977. Mr. SNOWE submitted an amendment intended to be proposed to amendment SA 825 submitted by Mr. KERRY 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 18(b)(1) of the Small Business Act (15 U.S.C. 671(b)(1)) is amended—

(i) by striking “aquaculture,”; and

(ii) by inserting before the semicolon at the end of

other than aquaculture”;

SA 797. Mr. FRIST (for Mr. CONRAD (for himself, Mr. DURBIN, and Ms.

STABELOW) 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:

(4) facilities that—

(i) generate 1 or more hydrogen-rich and carbon monoxide-rich product streams from the gasification of coal or coal waste; and

(ii) use those streams to facilitate the production of ultra clean premium fuels through the Fischer-Tropsch process.

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 and economically 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. 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, and from other 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 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 will disturb the surface area 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;
(v) require the owner or operator of a project under this subsection, within such period as the Secretary may determine—
(I) to conduct research in the order in which the Secretary shall as assign the areas referred to in subparagraph (A), listed in the geographic areas described in subparagraph (B);
(ii) have a high probability of leading to commercial production.

(3) NATIONWIDE PROGRAMS.—
(A) IN GENERAL.—The Secretary of Energy shall prioritize the development of oil shale and tar sands in existence on the public land; and
(B) in the last proviso—
(i) provide notice to, and solicit comment from, the Governors of the States of Colorado, Utah, and Wyoming; and
(ii) provide for consultation with affected State and local governments; and
(C) representatives of industry; and
(D) representatives of local governments; and
(E) representatives of other interested parties.

(4) TECHNICAL ASSISTANCE.—
(A) IN GENERAL.—The Secretary 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.
(B) The geographic areas referred to in subparagraph (A), listed in the order in which the Secretary shall assign priority, are—
(i) the Green River Formation to meet the potential needs of oil shale and tar sands development.
(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.

(5) USE OF STATE FUNDS.—In carrying out the assessment under paragraph (1), the Secretary may request assistance from any State-administered geological survey or university.

(6) AUTHORIZATION OF APPROPRIATIONS.—
(A) IN GENERAL.—Nothing in this section preempts or affects any State water law or interstate compact relating to water.

(B) AUTHORIZATION OF APPROPRIATIONS.—
The Secretary may appropriate such sums as are necessary to carry out this section.
SA 980. Mr. FRIST (for Mr. STABENOW (for herself, Mrs. 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. 2. INVESTIGATION OF GASOLINE PRICES.

(a) INVESTIGATION.—Not later than 90 days after the date of enactment of this Act, the Federal Trade Commission shall conduct an investigation to determine if the price of gasoline is being artificially manipulated by reducing refinery capacity or by any other form of refinery manipulation or price gouging practices.

(b) EVALUATION AND ANALYSIS.—The Secretary shall direct the National Petroleum Council to conduct an evaluation and analysis to determine whether, and to what extent, environmental and other regulations affect new domestic refinery construction and significant expansion of existing refinery capacity.

(c) REPORTS TO CONGRESS.—

(1) INVESTIGATION.—On completion of the investigation under subsection (a), the Federal Trade Commission shall submit to Congress a report that describes—

(A) the results of the investigation; and

(B) any recommendations of the Federal Trade Commission.

(2) EVALUATION AND ANALYSIS.—On completion of the evaluation and analysis under subsection (b), the Secretary shall submit to Congress a report that describes—

(A) the results of the evaluation and analysis; and

(B) any recommendations of the National Petroleum Council.

SA 981. Mr. FRIST (for Mr. KOHL (for himself, Mr. DEWINE, and Mr. LIEBERMAN)) 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 53, strike lines 4 through 8 and insert the following:

Small Business Administration shall make program information available directly to small businesses and through other Federal agencies, including the Federal Emergency Management Agency and the Department of Agriculture, and coordinate assistance with the Secretary of Commerce for manufacturing extension partnership programs for the benefit of small businesses and through other Federal agencies, including the Manufacturing Extension Partnership Program.”

SA 982. Mr. FRIST (for Mr. ALBINDER) 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 755, after line 25, add the following:

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 repayment 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 Programs 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 Programs 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 report to Congress 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 517, after line 22, insert the following:

SEC. 9. LOW-VOLUME GAS RESERVOIR RESEARCH PROGRAM.

(a) DEFINITIONS.—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 to a State under this section to enable the Secretary to carry out this section—

(A) for each of the fiscal years 2007 and 2008.

(b) GRANTS.—The Secretary, in cooperation with the Secretary of Agriculture and the Secretary of the Interior, may make grants for the purposes described in section 9(c) to States that meet the requirements under paragraph (1) and (2) of subsection (b).

(c) USE OF FUNDS.—The Secretary is encouraged to ensure that the funds provided under this section are used to carry out best practices in the study of low-volume natural gas reservoirs.

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:

SEC. 9. LOW-VOLUME GAS RESERVOIR RESEARCH PROGRAM.

(a) DEFINITIONS.—In this section, 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.

(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 to a State under this section to enable the Secretary to carry out this section—

(2) providing or modernizing electric generation facilities that serve rural areas.

(3) 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 subsection (b).

(2) In making grants for the purposes described in subsection (b), the Secretary...
shall give preference to renewable energy facilities.

(d) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out this section $25,000,000 for each of fiscal years 2006 through 2012.

SA 987. Mr. Frist (for Mr. Alexander) 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 758, after line 25, add the following:

SEC. 12. PASSIVE SOLAR TECHNOLOGIES.
(a) Definition of Passive Solar Technology.—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 leveled costs of avoided electricity for passive 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 passive solar technologies in, 5, 10, 15, 20, and 25 years after the date of enactment of this Act.

If—
(A) incentives comparable to the incentives provided for electricity generation technologies were provided for passive solar technologies; and
(B) no new incentives for passive solar technologies were provided,
the Secretary shall submit to Congress a report 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 energy; as follows:

On page 498, between lines 20 and 21, insert the following:

SEC. 9. HYDROGEN INTERMEDIATE FUELS RESEARCH PROGRAM.
(a) In General.—The Secretary, in coordination 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 tranfer of 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 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 hydrogen;
(4) 10 years after the date on which the program begins, installing and operating an ethanol reformer, or reformer for another low-cost transportable renewable feedstocks (including syngas and hydrogen compression, storage, and dispensing), at the facilities of a fleet operator;
(5) operating the 1 or more vehicles described 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 environmental conditions.
(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000.

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 energy; as follows:

On page 11, between lines 10 and 11, insert the following:

(3) converting at least 1 commercially available internal combustion engine hybrid electric passenger vehicle to operate on hydrogen;

On page 11, line 11, strike “(O)” and insert “(P)”.

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 PROGRAM.
(a) In General.—Section 306(e) of the Energy Conservation and Production Act (42 U.S.C. 6836(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 40 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 2001 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 ASHRAE Standard 90.1—2001, or any succeeding version of that standard that has received an affirmative determination from the Secretary under subsection (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 implementing residential and commercial building energy efficiency codes, as described in subparagraph (A).
(3) Of the funds made available under this subsection, the Secretary may use $50,000 for each fiscal year to train State and local officials to implement codes described in paragraph (1); and
(4) There are authorized to be appropriated 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 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, strike lines 23 through 25, and insert the following:

(20) by striking “section 106(b) of the Naval Petroleum Reserves Production Act of 1976 (90 Stat. 304; 42 U.S.C. 6504)” and inserting “section 106(a);”.

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

SEC. 405. 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.
Section 956. Carbon Capture Research and Development 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 transportation 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—

(A) $20,000,000 for fiscal year 2006;
(B) $30,000,000 for fiscal year 2007; and
(C) $30,000,000 for fiscal year 2008.

(c) Authorized Education Activities.—

Section 3165(b) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 8781c(b)) 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) Support summer internships at Department research and development facilities, for mathematics teachers and science teachers who teach in grades from kindergarten through grade 12 at Department research and development facilities.

“(17) Sponsor and assist in educational and training activities identified as critical skills needs for future workforce development at Department research and development facilities.”

(d) Definition of Department Research and Development Facilities.—

Section 3167(3) of the Department of Energy Science Education Enhancement Act (42 U.S.C. 8781d(3)) is amended by striking “from the Office of Science of the Department of Energy” and inserting “by the Department of Energy.”

(e) 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.

(f) Definitions.—

The Secretary shall interpret the term “Department research and development facilities” in accordance with section 7381b(a)(1) of the Energy Science Education Enhancement Act (42 U.S.C. 8781b(1)).
SEC. 13. 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 could 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 air 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. 14. 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) Recommendations.—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 NATURE 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-366 of the Dirksen Senate Office Building in Washington, DC.

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, in SR-328A, Russell Senate Office Building. The purpose of this hearing will be to review the Livestock Mandatory Reporting Act 1999.

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 9:30 a.m. to hold a public business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGENDA LEGISLATION

S. 662, Postal Accountability Enhancement Act; S. 457, Purchase Card Waste Elimination Act; S. 611, Emergency Medical Services Support 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 6200 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 "Nevada Governor 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 Paseno 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 "Boone Pickens Post Office".

S. 1206/H.R. 504, 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 Orles Post Office Building".

H.R. 1001, a bill to designate the facility of the U.S. Postal Service located at 301 South Heatherilde 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".

S. 904, a bill to designate the facility of the U.S. Postal Service located at 1560 Union Valley Road in West Milford, NJ, as the "Brian P. Farrello Post Office Building".

H.R. 1542, a bill to designate the facility of the U.S. Postal Service located at 695 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. Goodpaster Post Office Building".

H.R. 1324, 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 61 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.