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105TH CONGRESS
1ST SESSION

H. R. 2568

To amend the Energy Policy Act of 1992 to take into account newly developed renewable energy-based fuels and to equalize alternative fuel vehicle acquisition incentives to increase the flexibility of controlled fleet owners and operators, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 1997

Mr. SHIMKUS (for himself, Ms. MCCARTHY of Missouri, Mr. GUTKNECHT, Mr. EVANS, Mr. HASTERT, Mr. KLUG, Mrs. EMERSON, Mr. HULSHOF, Mr. WELLER, Ms. DANNER, Mr. SKELTON, Mr. GILCHREST, Mr. BEREUTER, Mr. LATHAM, Mr. NUSSLE, Mr. THOMPSON, Mr. EWING, Mr. LEACH, Mr. GANSKE, Mr. BOSWELL, Mr. COSTELLO, Mr. THUNE, Mr. LAHOOD, and Mr. STRICKLAND) introduced the following bill; which was referred to the Committee on Commerce

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A BILL

To amend the Energy Policy Act of 1992 to take into account newly developed renewable energy-based fuels and to equalize alternative fuel vehicle acquisition incentives to increase the flexibility of controlled fleet owners and operators, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Energy Policy Act Amendments of 1997''.

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

Sec. 1. Short title; table of contents.

TITLE I—ALTERNATIVE FUELS—GENERAL

Sec. 101. Definitions.
Sec. 102. Amendments to the Energy Policy and Conservation Act.
Sec. 103. Compliance with acquisition requirements.
Sec. 104. Fuel and vehicle neutrality.

TITLE II—ALTERNATIVE FUELS—NON-FEDERAL PROGRAMS

Sec. 201. State and local incentives programs.
Sec. 202. Alternative fuel bus program.
Sec. 203. Alternative fuel use in nonroad vehicles and engines.

TITLE III—AVAILABILITY AND USE OF REPLACEMENT FUELS, ALTERNATIVE FUELS, AND ALTERNATIVE FUELED PRIVATE VEHICLES

Sec. 301. Modification of goals; additional rulemaking authority.
Sec. 302. Credits.
Sec. 303. Secretary's recommendation to Congress.

TITLE I—ALTERNATIVE FUELS—GENERAL

SEC. 101. DEFINITIONS.

Section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211) is amended—

(1) in paragraph (2), by inserting ''biodiesel; biodiesel mixtures containing 20 percent or more by volume of biodiesel with other fuels'' after ''biological materials;'';

(2) by redesignating paragraphs (11) through (14) as paragraphs (13), (15), (16), and (17), respectively;

(3) by inserting after paragraph (10) the following new paragraphs:

"(11) the term 'heavy duty marine vessel' means a marine vessel of greater than 8,500 pounds gross weight rating;

"(12) the term 'heavy duty motor vehicle' means a motor vehicle of greater than 8,500 pounds gross vehicle weight rating;";

(4) by inserting after paragraph (13) (as so redesignated by paragraph (2) of this section) the following new paragraph:

"(14) the term 'marine vessel' means a motorized watercraft or other artificial contrivance used as a means of transportation primarily on the navigable waters of the United States;"; and

(5) in paragraph (15) (as so redesignated by paragraph (2) of this section), by inserting "biodiesel, biodiesel mixtures containing 20 percent or more by volume of biodiesel with other fuels," after "biological materials,".

SEC. 102. AMENDMENTS TO THE ENERGY POLICY AND CONSERVATION ACT.

Section 400AA of the Energy Policy and Conservation Act (42 U.S.C. 6374) is amended—

(1) in the second sentence of subsection (a)(3)(B), by striking "if, after conversion," and inserting in lieu thereof ", and existing fleet vehicles

may be converted to use alternative fuels and considered an acquisition, if, after either such type of conversion,''; and

(2) in subsection (g)(2), by inserting ''biodiesel; biodiesel mixtures containing 20 percent or more by volume of biodiesel with other fuels;'' after ''biological materials;''.

SEC. 103. COMPLIANCE WITH ACQUISITION REQUIREMENTS.

Title III of the Energy Policy Act of 1992 (42 U.S.C. 13211 et seq.) is amended by adding at the end the following new section:

''SEC. 312. COMPLIANCE WITH ACQUISITION REQUIREMENTS.

''(a) CONVERSION.—The conversion of a vehicle owned as part of a fleet into an alternative fueled vehicle shall be considered as an acquisition of an alternative fueled vehicle for purposes of compliance with a requirement to acquire alternative fueled vehicles under this title or title IV or V, if after the conversion the original equipment manufacturer's warranty continues to apply to the vehicle, pursuant to an agreement between the original equipment manufacturer and the person performing the conversion.

"(b) HEAVY DUTY VEHICLES.—The acquisition of 1 heavy duty vehicle that is an alternative fueled vehicle, or the acquisition or conversion of 1 heavy duty marine vessel described in subsection (c), shall be considered as the acquisition of 2 light duty alternative fueled vehicles for purposes of compliance with a requirement to acquire alternative fueled vehicles under this title or title IV or V.

"(c) MARINE VESSELS.—The—

"(1) acquisition of a marine vessel that operates solely on alternative fuels or that is capable of operating on alternative fuels and is capable of operating on gasoline or diesel fuel; or

"(2) conversion of a marine vessel already owned into a marine vessel described in paragraph (1), if after conversion the original equipment manufacturer's warranty continues to apply to the marine vessel, pursuant to an agreement between the original equipment manufacturer and the person performing the conversion,

shall be considered as the acquisition of an alternative fueled vehicle for purposes of compliance with a requirement to acquire alternative fueled vehicles under this title or title IV or V.

"(d) ALTERNATIVE FUEL USE.—

"(1) IN GENERAL.—The acquisition by a fleet or covered person of a volume of alternative fuel equal to the total estimated fuel requirements for 1 year of a dual fueled vehicle—

"(A) that is part of that fleet or owned by that covered person; and

"(B) with respect to which no credit has been claimed under this paragraph for the same year,

shall be credited by the Secretary as the acquisition of 1 alternative fueled vehicle for purposes of compliance with a requirement to acquire alternative fueled vehicles under this title or title IV or V.

"(2) ACCOUNTING.—In allowing a credit under paragraph (1), the Secretary may request a Federal agency or require a covered person to provide an accounting of the required acquisition of alternative fuel.

"(3) GUIDELINES.—The Secretary shall amend the guidelines required under section 308 to enable Federal agencies to better comply with paragraph (1) of this subsection.".

SEC. 104. FUEL AND VEHICLE NEUTRALITY.

Title III of the Energy Policy Act of 1992 (42 U.S.C. 13211 et seq.) is further amended by adding at the end the following new section:

"SEC. 313. FUEL AND VEHICLE NEUTRALITY.

''The Secretary shall carry out this title and titles IV and V in a manner that is, to the maximum extent practicable, neutral with respect to the type of alternative fuel and alternative fueled vehicle used.''.

TITLE II—ALTERNATIVE FUELS—NON-FEDERAL PROGRAMS

SEC. 201. STATE AND LOCAL INCENTIVES PROGRAMS.

(a) ESTABLISHMENT OF PROGRAM.—Section 409(a) of the Energy Policy Act of 1992 (42 U.S.C. 13235(a)) is amended—

(1) in paragraph (2)(A), by striking ''alternative fueled vehicles'' and inserting in lieu thereof ''light duty and heavy duty alternative fueled vehicles and increasing the use of alternative fuels''; and

(2) in paragraph (3)—

(A) in subparagraph (B), by inserting ''converted or acquired'' after ''introduction of'';

(B) in subparagraph (E), by inserting '', along with incentives toward use of, and report-

ing requirements relating to, such fuels'' after ''fueled vehicles''; and

(C) in subparagraph (G)—

(i) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(ii) by inserting before clause (ii), as so redesignated, the following new clause: ''(i) alternative fuels;''.

(b) FEDERAL ASSISTANCE TO STATES.—Section 409(b) of the Energy Policy Act of 1992 (42 U.S.C. 13235(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) in subparagraph (C), by striking the period at the end and inserting in lieu thereof ''; and''; and

(C) by adding at the end the following:

''(D) grants of Federal financial assistance for the incremental purchase cost of alternative fuels.'';

(2) in paragraph (2)(B), by inserting ''and the volume of alternative fuel likely to be consumed'' after ''be introduced''; and

(3) in paragraph (3)—

(A) by inserting ''alternative fuels and'' after ''in procuring''; and

(B) by inserting ''fuels and'' after ''of such''.

(c) GENERAL PROVISIONS.—Section 409(c)(2)(A) of the Energy Policy Act of 1992 (42 U.S.C. 13235(c)(2)(A)) is amended by inserting ''and volume of alternative fuel consumed'' after ''alternative fueled vehicles in use''.

SEC. 202. ALTERNATIVE FUEL BUS PROGRAM.

Section 410(c) of the Energy Policy Act of 1992 (42 U.S.C. 13236(c)) is amended in the second sentence by striking ''and the conversion of school buses to dedicated vehicles'' and inserting ''the incremental cost of alternative fuels used in dual fueled school buses, and the conversion of school buses to alternative fueled vehicles''.

SEC. 203. ALTERNATIVE FUEL USE IN NONROAD VEHICLES AND ENGINES.

Section 412 of the Energy Policy Act of 1992 (42 U.S.C. 13238) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in the first sentence, by striking ''a study'' and inserting in lieu thereof ''studies''; and

(ii) in the second sentence—

(I) by striking ''study'' and inserting in lieu thereof ''studies''; and

(II) by striking ''2 years'' and inserting in lieu thereof ''6 and 10 years'';

(B) in paragraph (2)—

(i) by striking ''study'' each place it appears and inserting in lieu thereof ''studies''; and

(ii) in the second sentence, by inserting ''and engines'' after ''such vehicles''; and

(C) in paragraph (3)—

(i) by striking ''report'' and inserting in lieu thereof ''reports''; and

(ii) by striking ''may'' and inserting in lieu thereof ''shall'';

(2) in subsection (b), by inserting ''marine vessels,'' after ''vehicles or engines used for marine purposes,''; and

(3) in subsection (c), by striking ''study'' and inserting in lieu thereof ''studies''.

TITLE III—AVAILABILITY AND USE OF REPLACEMENT FUELS, ALTERNATIVE FUELS, AND ALTERNATIVE FUELED PRIVATE VEHICLES

SEC. 301. MODIFICATION OF GOALS; ADDITIONAL RULEMAKING AUTHORITY.

Section 504(a) of the Energy Policy Act of 1992 (42 U.S.C. 13254(a)) is amended by striking ''Within 3 years after the date of enactment of this Act, and periodically thereafter'' and inserting in lieu thereof ''Before October 1, 1998, and before October 1, 2003''.

SEC. 302. CREDITS.

Section 508 of the Energy Policy Act of 1992 (42 U.S.C. 13258) is amended by adding at the end the following new subsection:

''(e) ALTERNATIVE COMPLIANCE CREDITS.—Any action which is considered or credited as an acquisition of an alternative fueled vehicle under section 312 shall be eligible for a credit under this section as if it were such an acquisition.''.

SEC. 303. SECRETARY'S RECOMMENDATION TO CONGRESS.

Section 509(a) of the Energy Policy Act of 1992 (42 U.S.C. 13259(a)) is amended—

(1) in paragraph (2)—

(A) by inserting ‘‘, including through conversion and warranty,’’ after ‘‘public alternative fueled vehicles’’; and

(B) by striking ‘‘and’’ at the end;

(2) in paragraph (3) by striking the comma at the end and inserting in lieu thereof ‘‘; and’’; and

(3) by adding after paragraph (3) the following new paragraph:

‘‘(4) exempting replacement fuels from taxes levied on nonreplacement fuels,’’.

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