

110TH CONGRESS
1ST SESSION

H. R. 3300

To provide for the development of a market for coal-to-liquid fuel.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2007

Mr. NUNES introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To provide for the development of a market for coal-to-liquid fuel.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coal-to-Liquid Fuel
5 Marketing Act of 2007”.

6 **SEC. 2. GOVERNMENT AUCTION OF LONG TERM PUT OP-**
7 **TION CONTRACTS ON COAL-TO-LIQUID FUEL**
8 **PRODUCED BY QUALIFIED COAL-TO-LIQUID**
9 **FACILITIES.**

10 (a) IN GENERAL.—The Secretary shall, from time to
11 time, auction to the public coal-to-liquid fuel put option

1 contracts having expiration dates of 5 years, 10 years, 15
2 years, or 20 years.

3 (b) CONSULTATION WITH SECRETARY OF EN-
4 ERGY.—The Secretary shall consult with the Secretary of
5 Energy regarding—

6 (1) the frequency of the auctions;

7 (2) the strike prices specified in the contracts;

8 (3) the number of contracts to be auctioned
9 with a given strike price and expiration date; and

10 (4) the capacity of existing or planned facilities
11 to produce coal-to-liquid fuel.

12 (c) DEFINITIONS.—In this section:

13 (1) COAL-TO-LIQUID FUEL.—The term “coal-to-
14 liquid fuel” means any transportation-grade liquid
15 fuel derived primarily from coal (including peat) and
16 produced at a qualified coal-to-liquid facility.

17 (2) COAL-TO-LIQUID PUT OPTION CONTRACT.—
18 The term “coal-to-liquid put option contract” means
19 a contract, written by the Secretary, which—

20 (A) gives the holder the right (but not the
21 obligation) to sell to the Government of the
22 United States a certain quantity of a specific
23 type of coal-to-liquid fuel produced by a quali-
24 fied coal-to-liquid facility specified in the con-
25 tract, at a strike price specified in the contract,

1 on or before an expiration date specified in the
2 contract; and

3 (B) is transferable by the holder to any
4 other entity.

5 (3) QUALIFIED COAL-TO-LIQUID FACILITY.—

6 The term “qualified coal-to-liquid facility” means a
7 manufacturing facility that has the capacity to
8 produce at least 10,000 barrels per day of transpor-
9 tation grade liquid fuels from a feedstock that is pri-
10 marily domestic coal (including peat and any prop-
11 erty which allows for the capture, transportation, or
12 sequestration of by-products resulting from such
13 process, including carbon emissions).

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of the Treasury.

16 (5) STRIKE PRICE.—The term “strike price”
17 means, with respect to a put option contract, the
18 price at which the holder of the contract has the
19 right to sell the fuel which is the subject of the con-
20 tract.

21 (d) REGULATIONS.—The Secretary shall prescribe
22 such regulations as may be necessary to carry out this
23 section.

1 (e) EFFECTIVE DATE.—This section shall take effect
2 1 year after the date of the enactment of this Act.

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