

110TH CONGRESS  
1ST SESSION

# S. 1503

To improve domestic fuels security.

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IN THE SENATE OF THE UNITED STATES

MAY 24, 2007

Mr. INHOFE (for himself and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To improve domestic fuels security.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Gas Petroleum Refiner Improvement and Community  
6 Empowerment Act” or “Gas PRICE Act”.

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

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

TITLE I—COLLABORATIVE PERMITTING PROCESS FOR DOMESTIC  
FUELS FACILITIES

Sec. 101. Collaborative permitting process for domestic fuels facilities.

TITLE II—ENVIRONMENTAL ANALYSIS OF FISCHER-TROPSCH  
FUELS

Sec. 201. Evaluation of Fischer-Tropsch diesel and jet fuel as an emission control strategy.

TITLE III—DOMESTIC COAL-TO-LIQUID FUEL AND CELLULOSIC  
BIOMASS ETHANOL

Sec. 301. Economic development assistance to support commercial-scale cellulosic biomass ethanol projects and coal-to-liquids facilities on BRAC property and Indian land.

TITLE IV—ALTERNATIVE HYDROCARBON AND RENEWABLE  
RESERVES DISCLOSURES CLASSIFICATION SYSTEM

Sec. 401. Alternative hydrocarbon and renewable reserves disclosures classification system.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. Authorization of appropriations.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-  
4 trator” means the Administrator of the Environ-  
5 mental Protection Agency.

6 (2) COAL-TO-LIQUID.—The term “coal-to-liq-  
7 uid” means—

8 (A) with respect to a process or tech-  
9 nology, the use of a feedstock, the majority of  
10 which is derived from the coal resources of the  
11 United States, using the class of reactions  
12 known as Fischer-Tropsch, to produce synthetic  
13 fuel suitable for transportation; and

14 (B) with respect to a facility, the portion  
15 of a facility related to producing the inputs for  
16 the Fischer-Tropsch process, or the finished

1 fuel from the Fischer-Tropsch process, using a  
2 feedstock that is primarily domestic coal at the  
3 Fischer-Tropsch facility.

4 (3) DOMESTIC FUELS FACILITY.—

5 (A) IN GENERAL.—The term “domestic  
6 fuels facility” means—

7 (i) a coal liquification or coal-to-liquid  
8 facility at which coal is processed into syn-  
9 thetic crude oil or any other transportation  
10 fuel;

11 (ii) a facility that produces a renew-  
12 able fuel (as defined in section 211(o)(1)  
13 of the Clean Air Act (42 U.S.C.  
14 7545(o)(1))); and

15 (iii) a facility at which crude oil is re-  
16 fined into transportation fuel or other pe-  
17 troleum products.

18 (B) INCLUSION.—The term “domestic  
19 fuels facility” includes a domestic fuels facility  
20 expansion.

21 (4) DOMESTIC FUELS FACILITY EXPANSION.—

22 The term “domestic fuels facility expansion” means  
23 a physical change in a domestic fuels facility that re-  
24 sults in an increase in the capacity of the domestic  
25 fuels facility.

1           (5) DOMESTIC FUELS FACILITY PERMITTING  
2           AGREEMENT.—The term “domestic fuels facility per-  
3           mitting agreement” means an agreement entered  
4           into between the Administrator and a State or In-  
5           dian tribe under subsection (b).

6           (6) DOMESTIC FUELS PRODUCER.—The term  
7           “domestic fuels producer” means an individual or  
8           entity that—

9                   (A) owns or operates a domestic fuels facil-  
10                  ity; or

11                   (B) seeks to become an owner or operator  
12                  of a domestic fuels facility.

13           (7) INDIAN LAND.—The term “Indian land”  
14           has the meaning given the term “Indian lands” in  
15           section 3 of the Native American Business Develop-  
16           ment, Trade Promotion, and Tourism Act of 2000  
17           (25 U.S.C. 4302).

18           (8) INDIAN TRIBE.—The term “Indian tribe”  
19           has the meaning given the term in section 4 of the  
20           Indian Self-Determination and Education Assistance  
21           Act (25 U.S.C. 450b).

22           (9) PERMIT.—The term “permit” means any  
23           permit, license, approval, variance, or other form of  
24           authorization that a refiner is required to obtain—

25                   (A) under any Federal law; or

1 (B) from a State or Indian tribal govern-  
 2 ment agency delegated with authority by the  
 3 Federal Government, or authorized under Fed-  
 4 eral law to issue permits.

5 (10) SECRETARY.—The term “Secretary”  
 6 means the Secretary of Energy.

7 (11) STATE.—The term “State” means—

8 (A) a State;

9 (B) the District of Columbia;

10 (C) the Commonwealth of Puerto Rico;

11 and

12 (D) any other territory or possession of the

13 United States.

14 **TITLE I—COLLABORATIVE PER-**  
 15 **MITTING PROCESS FOR DO-**  
 16 **MESTIC FUELS FACILITIES**

17 **SEC. 101. COLLABORATIVE PERMITTING PROCESS FOR DO-**  
 18 **MESTIC FUELS FACILITIES.**

19 (a) IN GENERAL.—At the request of the Governor  
 20 of a State or the governing body of an Indian tribe, the  
 21 Administrator shall enter into a domestic fuels facility per-  
 22 mitting agreement with the State or Indian tribe under  
 23 which the process for obtaining all permits necessary for  
 24 the construction and operation of a domestic fuels facility

1 shall be improved using a systematic interdisciplinary  
2 multimedia approach as provided in this section.

3 (b) AUTHORITY OF ADMINISTRATOR.—Under a do-  
4 mestic fuels facility permitting agreement—

5 (1) the Administrator shall have authority, as  
6 applicable and necessary, to—

7 (A) accept from a refiner a consolidated  
8 application for all permits that the domestic  
9 fuels producer is required to obtain to construct  
10 and operate a domestic fuels facility;

11 (B) establish a schedule under which each  
12 Federal, State, or Indian tribal government  
13 agency that is required to make any determina-  
14 tion to authorize the issuance of a permit  
15 shall—

16 (i) concurrently consider, to the max-  
17 imum extent practicable, each determina-  
18 tion to be made; and

19 (ii) complete each step in the permit-  
20 ting process; and

21 (C) issue a consolidated permit that com-  
22 bines all permits that the domestic fuels pro-  
23 ducer is required to obtain; and

24 (2) the Administrator shall provide to State and  
25 Indian tribal government agencies—

1 (A) financial assistance in such amounts as  
2 the agencies reasonably require to hire such ad-  
3 ditional personnel as are necessary to enable  
4 the government agencies to comply with the ap-  
5 plicable schedule established under paragraph  
6 (1)(B); and

7 (B) technical, legal, and other assistance in  
8 complying with the domestic fuels facility per-  
9 mitting agreement.

10 (c) AGREEMENT BY THE STATE.—Under a domestic  
11 fuels facility permitting agreement, a State or governing  
12 body of an Indian tribe shall agree that—

13 (1) the Administrator shall have each of the au-  
14 thorities described in subsection (b); and

15 (2) each State or Indian tribal government  
16 agency shall—

17 (A) make such structural and operational  
18 changes in the agencies as are necessary to en-  
19 able the agencies to carry out consolidated  
20 project-wide permit reviews concurrently and in  
21 coordination with the Environmental Protection  
22 Agency and other Federal agencies; and

23 (B) comply, to the maximum extent prac-  
24 ticable, with the applicable schedule established  
25 under subsection (b)(1)(B).

1 (d) INTERDISCIPLINARY APPROACH.—

2 (1) IN GENERAL.—The Administrator and a  
3 State or governing body of an Indian tribe shall in-  
4 corporate an interdisciplinary approach, to the max-  
5 imum extent practicable, in the development, review,  
6 and approval of domestic fuels facility permits sub-  
7 ject to this section.

8 (2) OPTIONS.—Among other options, the inter-  
9 disciplinary approach may include use of—

10 (A) environmental management practices;

11 and

12 (B) third party contractors.

13 (e) DEADLINES.—

14 (1) NEW DOMESTIC FUELS FACILITIES.—In the  
15 case of a consolidated permit for the construction of  
16 a new domestic fuels facility, the Administrator and  
17 the State or governing body of an Indian tribe shall  
18 approve or disapprove the consolidated permit not  
19 later than—

20 (A) 360 days after the date of the receipt  
21 of the administratively complete application for  
22 the consolidated permit; or

23 (B) on agreement of the applicant, the Ad-  
24 ministrator, and the State or governing body of  
25 the Indian tribe, 90 days after the expiration of

1 the deadline established under subparagraph  
2 (A).

3 (2) EXPANSION OF EXISTING DOMESTIC FUELS  
4 FACILITIES.—In the case of a consolidated permit  
5 for the expansion of an existing domestic fuels facil-  
6 ity, the Administrator and the State or governing  
7 body of an Indian tribe shall approve or disapprove  
8 the consolidated permit not later than—

9 (A) 120 days after the date of the receipt  
10 of the administratively complete application for  
11 the consolidated permit; or

12 (B) on agreement of the applicant, the Ad-  
13 ministrator, and the State or governing body of  
14 the Indian tribe, 30 days after the expiration of  
15 the deadline established under subparagraph  
16 (A).

17 (f) FEDERAL AGENCIES.—Each Federal agency that  
18 is required to make any determination to authorize the  
19 issuance of a permit shall comply with the applicable  
20 schedule established under subsection (b)(1)(B).

21 (g) JUDICIAL REVIEW.—Any civil action for review  
22 of any determination of any Federal, State, or Indian trib-  
23 al government agency in a permitting process conducted  
24 under a domestic fuels facility permitting agreement  
25 brought by any individual or entity shall be brought exclu-

1 sively in the United States district court for the district  
2 in which the domestic fuels facility is located or proposed  
3 to be located.

4 (h) EFFICIENT PERMIT REVIEW.—In order to reduce  
5 the duplication of procedures, the Administrator shall use  
6 State permitting and monitoring procedures to satisfy  
7 substantially equivalent Federal requirements under this  
8 section.

9 (i) SEVERABILITY.—If 1 or more permits that are re-  
10 quired for the construction or operation of a domestic fuels  
11 facility are not approved on or before any deadline estab-  
12 lished under subsection (e), the Administrator may issue  
13 a consolidated permit that combines all other permits that  
14 the domestic fuels producer is required to obtain other  
15 than any permits that are not approved.

16 (j) SAVINGS.—Nothing in this section affects the op-  
17 eration or implementation of otherwise applicable law re-  
18 garding permits necessary for the construction and oper-  
19 ation of a domestic fuels facility.

20 (k) CONSULTATION WITH LOCAL GOVERNMENTS.—  
21 Congress encourages the Administrator, States, and tribal  
22 governments to consult, to the maximum extent prac-  
23 ticable, with local governments in carrying out this sec-  
24 tion.

1 (l) EFFECT ON LOCAL AUTHORITY.—Nothing in this  
2 section affects—

3 (1) the authority of a local government with re-  
4 spect to the issuance of permits; or

5 (2) any requirement or ordinance of a local gov-  
6 ernment (such as zoning regulations).

7 **TITLE II—ENVIRONMENTAL**  
8 **ANALYSIS OF FISCHER-**  
9 **TROPSCH FUELS**

10 **SEC. 201. EVALUATION OF FISCHER-TROPSCH DIESEL AND**  
11 **JET FUEL AS AN EMISSION CONTROL STRAT-**  
12 **EGY.**

13 (a) IN GENERAL.—In cooperation with the Secretary  
14 of Energy, the Secretary of Defense, the Administrator  
15 of the Federal Aviation Administration, Secretary of  
16 Health and Human Services, and Fischer-Tropsch indus-  
17 try representatives, the Administrator shall—

18 (1) conduct a research and demonstration pro-  
19 gram to evaluate the air quality benefits of ultra-  
20 clean Fischer-Tropsch transportation fuel, including  
21 diesel and jet fuel;

22 (2) evaluate the use of ultra-clean Fischer-  
23 Tropsch transportation fuel as a mechanism for re-  
24 ducing engine exhaust emissions; and

1           (3) submit recommendations to Congress on the  
2           most effective use and associated benefits of these  
3           ultra-clean fuels for reducing public exposure to ex-  
4           haust emissions.

5           (b) GUIDANCE AND TECHNICAL SUPPORT.—The Ad-  
6           ministrators shall, to the extent necessary, issue any guid-  
7           ance or technical support documents that would facilitate  
8           the effective use and associated benefit of Fischer-Tropsch  
9           fuel and blends.

10          (c) REQUIREMENTS.—The program described in sub-  
11          section (a) shall consider—

12                 (1) the use of neat (100 percent) Fischer-  
13                 Tropsch fuel and blends with conventional crude oil-  
14                 derived fuel for heavy-duty and light-duty diesel en-  
15                 gines and the aviation sector; and

16                 (2) the production costs associated with domes-  
17                 tic production of those ultra clean fuel and prices for  
18                 consumers.

19          (d) REPORTS.—The Administrator shall submit to  
20          the Committee on Environment and Public Works of the  
21          Senate and the Committee on Energy and Commerce of  
22          the House of Representatives—

23                 (1) not later than 180 days after the date of  
24                 enactment of this Act, an interim report on actions  
25                 taken to carry out this section; and

1           (2) not later than 1 year after the date of en-  
2           actment of this Act, a final report on actions taken  
3           to carry out this section.

4   **TITLE III—DOMESTIC COAL-TO-**  
5   **LIQUID FUEL AND CEL-**  
6   **LULOSIC BIOMASS ETHANOL**

7   **SEC. 301. ECONOMIC DEVELOPMENT ASSISTANCE TO SUP-**  
8                   **PORT COMMERCIAL-SCALE CELLULOSIC BIO-**  
9                   **MASS ETHANOL PROJECTS AND COAL-TO-LIQ-**  
10                  **UIDS FACILITIES ON BRAC PROPERTY AND**  
11                  **INDIAN LAND.**

12           (a) PRIORITY.—Notwithstanding section 206 of the  
13   Public Works and Economic Development Act of 1965 (42  
14   U.S.C. 3146), in awarding funds made available to carry  
15   out section 209(c)(1) of that Act (42 U.S.C. 3149(c)(1))  
16   pursuant to section 702 of that Act (42 U.S.C. 3232),  
17   the Secretary and the Economic Development Administra-  
18   tion shall give priority to projects to support commercial-  
19   scale cellulosic biomass ethanol projects and coal-to-liquids  
20   facilities.

21           (b) FEDERAL SHARE.—Except as provided in sub-  
22   section (c)(3)(B) and notwithstanding the Public Works  
23   and Economic Development Act of 1965 (42 U.S.C. 3121  
24   et seq.), the Federal share of a project to support a com-

1 commercial-scale biomass ethanol facility or coal-to-liquid fa-  
2 cility shall be—

3 (1) 80 percent of the project cost; or

4 (2) for a project carried out on Indian land,  
5 100 percent of the project cost.

6 (c) ADDITIONAL AWARD.—

7 (1) IN GENERAL.—The Secretary shall make an  
8 additional award in connection with a grant made to  
9 a recipient (including any Indian tribe for use on In-  
10 dian land) for a project to support a commercial-  
11 scale biomass ethanol facility or coal-to-liquid facil-  
12 ity.

13 (2) AMOUNT.—The amount of an additional  
14 award shall be 10 percent of the amount of the  
15 grant for the project.

16 (3) USE.—An additional award under this sub-  
17 section shall be used—

18 (A) to carry out any eligible purpose under  
19 the Public Works and Economic Development  
20 Act of 1965 (42 U.S.C. 3121 et seq.);

21 (B) notwithstanding section 204 of that  
22 Act (42 U.S.C. 3144), to pay up to 100 percent  
23 of the cost of an eligible project or activity  
24 under that Act; or

1 (C) to meet the non-Federal share require-  
2 ments of that Act or any other Act.

3 (4) NON-FEDERAL SOURCE.—For the purpose  
4 of paragraph (3)(C), an additional award shall be  
5 treated as funds from a non-Federal source.

6 (5) FUNDING.—The Secretary shall use to  
7 carry out this subsection any amounts made avail-  
8 able—

9 (A) for economic development assistance  
10 programs; or

11 (B) under section 702 of the Public Works  
12 and Economic Development Act of 1965 (42  
13 U.S.C. 3232).

14 **TITLE IV—ALTERNATIVE HY-**  
15 **DROCARBON AND RENEW-**  
16 **ABLE RESERVES DISCLO-**  
17 **SURES CLASSIFICATION SYS-**  
18 **TEM**

19 **SEC. 401. ALTERNATIVE HYDROCARBON AND RENEWABLE**  
20 **RESERVES DISCLOSURES CLASSIFICATION**  
21 **SYSTEM.**

22 (a) IN GENERAL.—The Securities and Exchange  
23 Commission shall appoint a task force composed of gov-  
24 ernment and private sector representatives, including ex-  
25 perts in the field of dedicated energy crop feedstocks for

1 cellulosic biofuels production, to analyze, and submit to  
2 Congress a report (including recommendations) on—

3           (1) modernization of the hydrocarbon reserves  
4 disclosures classification system of the Commission  
5 to reflect advances in reserves recovery from non-  
6 traditional sources (such as deep water, oil shale, tar  
7 sands, and renewable reserves for cellulosic biofuels  
8 feedstocks); and

9           (2) the creation of a renewable reserves classi-  
10 fication system for cellulosic biofuels feedstocks.

11       (b) DEADLINE FOR REPORT.—The Commission shall  
12 submit the report required under subsection (a) not later  
13 than 180 days after the date of enactment of this Act.

14       **TITLE V—AUTHORIZATION OF**  
15                           **APPROPRIATIONS**

16       **SEC. 501. AUTHORIZATION OF APPROPRIATIONS.**

17       There are authorized to be appropriated such sums  
18 as are necessary to carry out this Act and the amendments  
19 made by this Act.

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