

110TH CONGRESS  
1ST SESSION

# S. 859

To require the Secretary of Energy to award funds to study the feasibility of constructing dedicated ethanol pipelines to increase the energy, economic, and environmental security of the United States, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 13, 2007

Mr. HARKIN (for himself and Mr. LUGAR) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To require the Secretary of Energy to award funds to study the feasibility of constructing dedicated ethanol pipelines to increase the energy, economic, and environmental security of the United States, and for other purposes.

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 “Ethanol Infrastructure  
5       Expansion Act of 2007”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

1           (1) it is in the national interest to make greater  
2       use of ethanol in transportation fuels;

3           (2) ethanol is a clean, renewable fuel that pro-  
4       vides public health benefits in the form of reduced  
5       emissions, including reduced greenhouse gas emis-  
6       sions that cause climate change;

7           (3) ethanol use provides economic gains to agri-  
8       cultural producers, biofuels producers, and rural  
9       areas;

10          (4) ethanol use benefits the national security of  
11       the United States by displacing the use of petro-  
12       leum, much of which is imported from foreign coun-  
13       tries that are hostile to the United States;

14          (5) ethanol can reduce prices at the pump for  
15       motoring consumers by extending fuel supplies and  
16       due to the competitive cost of ethanol relative to  
17       conventional gasoline;

18          (6) ethanol faces shipping challenges in pipe-  
19       lines that transport other liquid transportation fuels;

20          (7) currently ethanol is shipped by rail tanker  
21       cars, barges, and trucks, all of which could, as eth-  
22       anol production expands, encounter capacity limits  
23       due to competing use demands for the rail tanker  
24       cars, barges, and trucks;

1           (8) as the United States ethanol market ex-  
2           pands in the coming years there is likely to be a  
3           need for dedicated ethanol pipelines to transport eth-  
4           anol from the Midwest, where ethanol generally is  
5           produced, to the Eastern and Western United  
6           States;

7           (9) as of the date of enactment of this Act,  
8           dedicated ethanol pipelines do not exist in the  
9           United States and will be challenging to construct,  
10          at least initially;

11          (10) Brazil has already shown that ethanol can  
12          be shipped effectively via pipeline; and

13          (11) having an ethanol pipeline study completed  
14          in the very near term is important because the con-  
15          struction of 1 or more dedicated ethanol pipelines  
16          would take at least several years to complete.

17 **SEC. 3. DEFINITION OF SECRETARY.**

18          In this Act, the term “Secretary” means the Sec-  
19          retary of Energy.

20 **SEC. 4. FEASIBILITY STUDIES.**

21          (a) IN GENERAL.—The Secretary, in coordination  
22          with the Secretary of Agriculture and the Secretary of  
23          Transportation, shall spend up to \$1,000,000 to fund fea-  
24          sibility studies for the construction of dedicated ethanol  
25          pipelines.

1 (b) CONDUCT OF STUDIES.—

2 (1) IN GENERAL.—The Secretary shall—

3 (A) through a competitive solicitation proc-  
 4 ess, select 1 or more firms having capabilities in  
 5 the planning, development, and construction of  
 6 dedicated ethanol pipelines to carry out the fea-  
 7 sibility studies described in subsection (a); or

8 (B) carry out the feasibility studies in con-  
 9 junction with such firms.

10 (2) TIMING.—

11 (A) IN GENERAL.—If the Secretary elects  
 12 to select 1 or more firms under paragraph  
 13 (1)(A), the Secretary shall award funding under  
 14 this section not later than 120 days after the  
 15 date of enactment of this Act.

16 (B) STUDIES.—As a condition of receiving  
 17 funds under this section, a recipient of funding  
 18 shall agree to submit to the Secretary a com-  
 19 pleted feasibility study not later than 360 days  
 20 after the date of enactment of this Act.

21 (c) STUDY FACTORS.—Feasibility studies funded  
 22 under this Act shall include consideration of—

23 (1) existing or potential barriers to dedicated  
 24 ethanol pipelines, including technical, siting, financ-  
 25 ing, and regulatory barriers;

1           (2) potential evolutionary pathways for the de-  
2       velopment of an ethanol pipeline transport system,  
3       such as starting with localized gathering networks as  
4       compared to major interstate ethanol pipelines to  
5       carry larger volumes from the Midwest to the East  
6       or West coast;

7           (3) market risk, including throughput risk, and  
8       ways of mitigating the risk;

9           (4) regulatory, financing, and siting options  
10      that would mitigate risk in these areas and help en-  
11      sure the construction of dedicated ethanol pipelines;

12          (5) financial incentives that may be necessary  
13      for the construction of dedicated ethanol pipelines,  
14      including the return on equity that sponsors of the  
15      first dedicated ethanol pipelines will require to invest  
16      in the pipelines;

17          (6) ethanol production of 20,000,000,000,  
18      30,000,000,000, and 40,000,000,000 gallons per  
19      year by 2020; and

20          (7) such other factors that the Secretary con-  
21      siders to be appropriate.

22      (d) CONFIDENTIALITY.—If a recipient of funding  
23      under this section requests confidential treatment for crit-  
24      ical energy infrastructure information or commercially-  
25      sensitive data contained in a feasibility study submitted

1 by the recipient under subsection (b)(2)(B), the Secretary  
2 shall offer to enter into a confidentiality agreement with  
3 the recipient to maintain the confidentiality of the sub-  
4 mitted information.

5 (e) REVIEW; REPORT.—The Secretary shall—

6 (1) review the feasibility studies submitted  
7 under subsection (b)(2)(B) or carried out under sub-  
8 section (b)(1)(B); and

9 (2) not later than 15 months after the date of  
10 enactment of this Act, submit to Congress a report  
11 that includes—

12 (A) information about the potential bene-  
13 fits of constructing dedicated ethanol pipelines;  
14 and

15 (B) recommendations for legislation that  
16 could help provide for the construction of dedi-  
17 cated ethanol pipelines.

18 **SEC. 5. FUNDING.**

19 There is authorized to be appropriated to the Sec-  
20 retary to carry out this Act \$1,000,000 for fiscal year  
21 2008, to remain available until expended.

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