

111TH CONGRESS  
1ST SESSION

# H. R. 520

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high fuel consumption automobiles to replace such automobiles with fuel efficient automobiles or public transportation, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2009

Mr. ISRAEL (for himself, Mr. INSLEE, Mr. HINCHEY, Mr. MOORE of Kansas, and Ms. LEE of California) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high fuel consumption automobiles to replace such automobiles with fuel efficient automobiles or public transportation, 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 “Accelerated Retirement  
5 of Inefficient Vehicles Act of 2009”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) AUTOMOBILE; MANUFACTURER; MODEL;  
4 MODEL YEAR.—The terms “automobile”, “manufac-  
5 turer”, “model”, and “model year” have the mean-  
6 ings given such terms in section 32901(a) of title  
7 49, United States Code.

8 (2) CERTIFICATE OF TITLE.—The term “cer-  
9 tificate of title” means a State-issued document  
10 showing ownership of an automobile.

11 (3) DEALER.—The term “dealer” means a per-  
12 son residing in a State that engages in the sale,  
13 lease, or distribution of new automobiles to the first  
14 person (except a dealer buying as a dealer) that is  
15 an ultimate purchaser.

16 (4) DISMANTLER.—The term “dismantler”  
17 means a person residing in a State who is licensed  
18 to operate a business employing 3 or more persons  
19 to take automobiles apart for the purpose of reclaim-  
20 ing usable parts and recyclable materials.

21 (5) ELIGIBLE FLEET OPERATOR.—The term  
22 “eligible fleet operator” means—

23 (A) the operator of a fleet of automobiles  
24 that is owned by a State, Indian tribe, or local  
25 government; or

1 (B) the owner of 2 or more automobiles  
2 authorized to carry passengers for hire under  
3 State, tribal, or local regulations governing the  
4 operation of taxi cabs.

5 (6) ELIGIBLE HIGH FUEL CONSUMPTION AUTO-  
6 MOBILE.—The term “eligible high fuel consumption  
7 automobile” means a high fuel consumption auto-  
8 mobile that, at the time it is presented for participa-  
9 tion in the program established under section 3—

10 (A) is in drivable condition; and

11 (B) has been continuously registered and  
12 licensed to operate in any State for a period of  
13 not fewer than 120 consecutive days for oper-  
14 ation on public roads.

15 (7) FUEL EFFICIENT AUTOMOBILE.—The term  
16 “fuel efficient automobile” means an automobile  
17 manufactured for any model year after 2003 that, at  
18 the time of the original sale to a consumer—

19 (A) carries a manufacturer’s suggested re-  
20 tail price of \$45,000 or less;

21 (B) complies with the applicable air emis-  
22 sion and related requirements under the Na-  
23 tional Emission Standards Act (42 U.S.C. 7521  
24 et seq.);

1 (C) qualifies for listing in emission bin 1,  
2 2, 3, 4, or 5 (as defined in section 86.1803–01  
3 of title 40, Code of Federal Regulations); and

4 (D)(i) for automobiles manufactured in  
5 any of the model years 2004 through 2010,  
6 achieves a measured fuel economy level that ex-  
7 ceeds by 25 percent the fuel economy standard  
8 prescribed by the Secretary of Transportation  
9 under section 32902 of title 49, United States  
10 Code, for the model year and compliance cat-  
11 egory of such automobile; or

12 (ii) for automobiles manufactured for any  
13 model year after 2010, achieves a measured  
14 fuel economy level that exceeds by 25 percent  
15 the fuel economy target prescribed by the Sec-  
16 retary of Transportation under such section  
17 32902 for the model year and automobile at-  
18 tribute group into which such automobile is  
19 classified.

20 (8) HIGH FUEL CONSUMPTION AUTOMOBILE.—

21 The term “high fuel consumption automobile”  
22 means an automobile manufactured for any model  
23 year before 2008 for which the originally certified  
24 measured fuel economy level is less than 18 miles  
25 per gallon.

1           (9) MEASURED FUEL ECONOMY LEVEL.—The  
2       term “measured fuel economy level” means the fuel  
3       economy level of a new automobile model measured  
4       in accordance with section 32904 of title 49, United  
5       States Code, and regulations prescribed thereunder.

6           (10) NEW AUTOMOBILE.—The term “new auto-  
7       mobile” means an automobile for which a manufac-  
8       turer, distributor, or dealer has never transferred  
9       the equitable or legal title to such automobile to an  
10      ultimate purchaser.

11          (11) NONPASSENGER AUTOMOBILE.—The term  
12      “nonpassenger automobile” means an automobile  
13      classified as a light truck under part 523 of title 49,  
14      Code of Federal Regulations.

15          (12) PERSON.—The term “person” has the  
16      meaning given such term in section 551 of title 5,  
17      United States Code.

18          (13) PROGRAM.—The term “Program” means  
19      the Accelerated Retirement of Inefficient Vehicles  
20      Program established under section 3.

21          (14) REGISTERED OWNER.—The term “reg-  
22      istered owner” means, with respect to an auto-  
23      mobile, the person whose name appears on the cur-  
24      rent State certificate of registration for such auto-  
25      mobile.

1           (15) SCRAP RECYCLING FACILITY.—The term  
2           “scrap recycling facility” means a business—

3                   (A) employing 3 or more individuals at a  
4                   fixed location in a State, where machinery and  
5                   equipment are utilized for processing and man-  
6                   ufacturing scrap metal into prepared grades;  
7                   and

8                   (B) whose principal product is scrap iron,  
9                   scrap steel, or nonferrous metallic scrap for sale  
10                  for remelting purposes.

11          (16) SECRETARY.—The term “Secretary”  
12          means the Secretary of Energy.

13          (17) STATE.—The term “State” has the mean-  
14          ing given such term in section 32101 of title 49,  
15          United States Code.

16          (18) ULTIMATE PURCHASER.—The term “ulti-  
17          mate purchaser” means, with respect to any new  
18          automobile, the first person who in good faith pur-  
19          chases such automobile for purposes other than re-  
20          sale.

21          (19) VOUCHER.—The term “voucher” means a  
22          voucher issued to the registered owner of an eligible  
23          high fuel consumption automobile under section  
24          3(a).

1 **SEC. 3. ACCELERATED RETIREMENT OF INEFFICIENT VEHI-**  
2 **CLES PROGRAM.**

3 (a) ESTABLISHMENT.—There is established in the  
4 Department of Energy a program to be known as the “Ac-  
5 celerated Retirement of Inefficient Vehicles Program”,  
6 through which the Secretary shall—

7 (1) authorize the issuance of a voucher, subject  
8 to the limitations described in subsection (e)(1), to  
9 any person or eligible fleet operator who is a reg-  
10 istered owner of an eligible high fuel consumption  
11 automobile, which voucher may be used solely by  
12 such person or eligible fleet operator for the pur-  
13 chase of a new or used fuel efficient automobile  
14 upon the transfer of the certificate of title to such  
15 high fuel consumption automobile to a dealer, dis-  
16 mantler, or scrap recycling facility participating in  
17 the Program;

18 (2) allow any dealer, dismantler, or scrap recy-  
19 cling facility to participate in the Program if the  
20 dealer, dismantler, or scrap recycling facility agrees  
21 to—

22 (A) scrap any eligible high fuel consump-  
23 tion automobile upon receiving the certificate of  
24 title to such automobile pursuant to the Pro-  
25 gram;

1 (B) issue a voucher to the registered owner  
2 of such automobile;

3 (C) certify to the Secretary that such auto-  
4 mobile has been crushed or shredded in accord-  
5 ance with subsection (e)(4); and

6 (D) comply with all applicable require-  
7 ments under this Act and any regulations pro-  
8 mulgated by the Secretary to carry out this Act;

9 (3) require that all dealers accept vouchers pre-  
10 sented by a person or eligible fleet operator de-  
11 scribed in paragraph (1) as partial payment for the  
12 purchase of a new or used fuel efficient automobile;  
13 and

14 (4) make payments to dealers for vouchers ac-  
15 cepted by such dealers under paragraph (3) between  
16 January 1, 2009 and December 31, 2014, in accord-  
17 ance with the provisions of this section.

18 (b) AMOUNT OF VOUCHER.—

19 (1) VOUCHER REDEMPTION VALUE IF USED TO-  
20 WARD PURCHASE OF NEW A FUEL EFFICIENT AUTO-  
21 MOBILE.—A voucher issued under the Program dur-  
22 ing the 4-year period beginning on January 1, 2009,  
23 may be applied to offset the purchase price of a new  
24 fuel efficient automobile by—



1 (A) \$4,500 if the eligible high fuel con-  
2 sumption automobile was manufactured for a  
3 model year that is 7 or fewer years less than  
4 the calendar year in which the voucher was  
5 issued;

6 (B) \$3,000 if the eligible high fuel con-  
7 sumption automobile was manufactured for a  
8 model year that is 8 to 10 years less than the  
9 calendar year in which the voucher was issued;  
10 and

11 (C) \$2,500 if the eligible high fuel con-  
12 sumption automobile was manufactured for a  
13 model year that is 11 or more years less than  
14 the calendar year in which the voucher was  
15 issued.

16 (2) VOUCHER REDEMPTION VALUE IF USED TO-  
17 WARD PURCHASE OF A USED FUEL EFFICIENT  
18 AUTOMOBILE.—A voucher issued under the Program  
19 during the 4-year period beginning on January 1,  
20 2009, may be applied to offset the purchase price of  
21 a used fuel efficient automobile by—

22 (A) \$3,000 if the eligible high fuel con-  
23 sumption automobile was manufactured for a  
24 model year that is 7 or fewer years less than

1 the calendar year in which the voucher was  
2 issued;

3 (B) \$2,000 if the eligible high fuel con-  
4 sumption automobile was manufactured for a  
5 model year that is 8 to 10 years less than the  
6 calendar year in which the voucher was issued;  
7 and

8 (C) \$1,500 if the eligible high fuel con-  
9 sumption automobile was manufactured for a  
10 model year that is 11 or more years less than  
11 the calendar year in which the voucher was  
12 issued.

13 (3) VOUCHER REDEMPTION VALUE IF USED TO-  
14 WARD PURCHASE OF A HIGHLY FUEL EFFICIENT  
15 AUTOMOBILE.—The values determined under para-  
16 graphs (1) or (2) shall be increased by \$1,000 if the  
17 voucher issued under the Program is applied to off-  
18 set the purchase price of a fuel efficient automobile  
19 that achieves a measured fuel economy level that ex-  
20 ceeds by 50 percent the fuel economy standard pre-  
21 scribed by the Secretary of Transportation under  
22 section 32902 of title 49, United States Code, for  
23 the model year and compliance category of such  
24 automobile.

1           (4) VOUCHER REDEMPTION VALUE IF USED  
2           FOR TRANSIT FARE CREDITS.—A voucher issued  
3           under the program during the 4-year period begin-  
4           ning on January 1, 2009, may be applied to acquire  
5           single-passenger transit fare credits from partici-  
6           pating transit operators in an amount equal to the  
7           amounts provided under paragraph (2).

8           (c) ADMINISTRATIVE PAYMENTS TO PARTICIPATING  
9           DEALERS, DISMANTLERS, AND SCRAP RECYCLING FA-  
10          CILITIES.—The Secretary shall provide for a payment of  
11          \$50, or another amount determined reasonable by the Sec-  
12          retary, to participating dealers, dismantlers, and scrap re-  
13          cycling facilities for each voucher issued under the Pro-  
14          gram in consideration of the administrative costs related  
15          to such issuance.

16          (d) LISTS OF ELIGIBLE AUTOMOBILES TO BE MAIN-  
17          TAINED.—The Secretary, in cooperation with the Sec-  
18          retary of Transportation, shall prepare, maintain, pub-  
19          licize, and make available through the Internet, lists of  
20          automobiles, classified by make and model, which are clas-  
21          sified under this section as—

- 22                  (1) eligible high fuel consumption automobiles;  
23                  (2) new fuel efficient automobiles; or  
24                  (3) used fuel efficient automobiles.

25          (e) PROGRAM SPECIFICATIONS.—

1 (1) LIMITATIONS.—

2 (A) VOUCHERS PER PERSON.—Not more  
3 than 1 voucher may be issued to a person in  
4 any period of 3 successive calendar years. A  
5 person may be issued a voucher if the person  
6 demonstrates, in a manner prescribed by rule  
7 by the Secretary, that such person—

8 (i) is the registered owner of an eligi-  
9 ble high fuel consumption automobile; and

10 (ii) attests that such high fuel con-  
11 sumption automobile has not been im-  
12 ported into the United States during the  
13 previous 4-month period.

14 (B) VOUCHERS FOR ELIGIBLE FLEETS.—A  
15 voucher for the purchase of a new or used fuel  
16 efficient automobile from a dealer may be  
17 issued to an eligible fleet operator for each eligi-  
18 ble high fuel consumption automobile for which  
19 such eligible fleet operator is the registered  
20 owner, as demonstrated in a manner prescribed  
21 by rule by the Secretary.

22 (C) OFFSET.—A dealer—

23 (i) shall credit the amount of the  
24 voucher being applied toward the purchase  
25 of a fuel efficient automobile; and

1                   (ii) may not offset the amount of the  
2                   voucher against any other rebate or dis-  
3                   count otherwise being offered by the dealer  
4                   or manufacturer.

5                   (D) JOINT OWNERSHIP.—Not more than 1  
6                   voucher may be issued to the joint owners of an  
7                   eligible high fuel consumption automobile, un-  
8                   less such automobile is operated by an eligible  
9                   fleet operator.

10                  (E) NO COMBINATION OF VOUCHERS.—A  
11                  person may not apply 2 or more vouchers  
12                  issued under the Program toward the purchase  
13                  of a single fuel efficient automobile.

14                  (F) COMBINATION WITH OTHER INCEN-  
15                  TIVES PERMITTED.—Notwithstanding any other  
16                  provision of law, the availability or use of a  
17                  Federal or State tax incentive or a State-issued  
18                  voucher for the purchase of a fuel efficient  
19                  automobile shall not limit the value or issuance  
20                  of a voucher under the Program to any person  
21                  or eligible fleet operator otherwise eligible to re-  
22                  ceive such a voucher.

23                  (G) DURATION.—Each voucher shall ex-  
24                  pire 2 years after the date on which the voucher  
25                  is issued and may not be renewed.

1                   (H) PROMPT FULFILLMENT OF REDEMP-  
2                   TION REQUESTS REQUIRED.—The Secretary  
3                   shall provide for the payment of all vouchers  
4                   submitted to the Secretary for redemption in  
5                   accordance with the provisions of this Act not  
6                   later than 60 days after such submission, or  
7                   within such lesser period as the Secretary deter-  
8                   mines to be practicable.

9                   (I) NUMBER AND AMOUNT.—The total  
10                  number and value of vouchers issued under the  
11                  Program may not exceed the amounts appro-  
12                  priated for such purpose.

13               (2) CONSUMER EDUCATION PROGRAM.—The  
14               Secretary shall carry out a consumer education pro-  
15               gram aimed at informing persons about the Pro-  
16               gram, its fuel economy purposes, and the availability  
17               of vouchers under the Program.

18               (3) TRANSIT FARE CREDITS.—The Secretary  
19               shall promulgate regulations that allow operators of  
20               bus and rail public transit systems to redeem vouch-  
21               ers properly issued to any person under this Act to  
22               offset the purchase price of annual transit passes or  
23               any other form of individual transit fare credit des-  
24               ignated by the transit system operator. Participating  
25               transit system operators shall establish the terms

1 and conditions for the ownership, use, and expira-  
2 tion of any transit fare credits acquired through the  
3 use of a voucher issued under this Act.

4 (4) DISPOSITION OF ELIGIBLE HIGH FUEL CON-  
5 SUMPTION AUTOMOBILES.—

6 (A) IN GENERAL.—Any automobile dealer,  
7 dismantler, or scrap recycling facility who re-  
8 ceives a certificate of title to any eligible high  
9 fuel consumption automobile in exchange for a  
10 voucher under the Program shall certify to the  
11 Secretary, in such manner as the Secretary  
12 shall prescribe by rule, that such automobile  
13 and engine—

14 (i) have been crushed or shredded  
15 within such period as the Secretary pre-  
16 scribes;

17 (ii) have been processed prior to  
18 crushing or shredding to ensure the re-  
19 moval and appropriate disposition of re-  
20 frigerants, antifreeze, lead products, mer-  
21 cury switches, and such other toxic or haz-  
22 ardous vehicle components as the Secretary  
23 may specify by rule; and

24 (iii) have not been, and will not be,  
25 sold, leased, exchanged, or otherwise dis-

1                   posed of for use as an automobile in the  
2                   United States or in any other country.

3                   (B) SAVINGS PROVISION.—Nothing in sub-  
4                   paragraph (A) may be construed to preclude a  
5                   dismantler from—

6                   (i) selling any parts of such scrapped  
7                   automobile other than the engine block and  
8                   drive train for use as replacement parts; or

9                   (ii) retaining the proceeds from such  
10                  sale.

11                  (C) COORDINATION.—The Secretary shall  
12                  coordinate with the Attorney General to ensure  
13                  that the National Motor Vehicle Title Informa-  
14                  tion System is appropriately updated to reflect  
15                  the crushing or shredding of high fuel consump-  
16                  tion automobiles under this section.

17                  (f) RULEMAKING.—Not later than 120 days after the  
18                  date of the enactment of this Act, the Secretary shall pro-  
19                  mulgate regulations to implement the Program, includ-  
20                  ing—

21                  (1) the removal and disposition of toxic or haz-  
22                  ardous materials from eligible high fuel consumption  
23                  vehicles presented for participation in the program;  
24                  and



1           (2) the enforcement of the penalties described  
2       in section 4.

3       (g) **DISCLAIMER.**—Nothing in this Act or any other  
4 provision of law limits the authority of Congress or the  
5 Secretary to terminate or limit the Program or the  
6 issuance of vouchers under the Program.

7       **SEC. 4. PENALTIES.**

8       (a) **VIOLATION.**—It shall be unlawful for any person  
9 to violate any provision under this Act or any regulations  
10 issued pursuant to section 3(f).

11       (b) **PENALTIES.**—Any person who commits a viola-  
12 tion described in subsection (a) shall be liable to the  
13 United States Government for a civil penalty of not more  
14 than \$5,000 for each violation. A separate violation shall  
15 be deemed to have occurred for each day the person con-  
16 tinues to be in violation of any provision under this Act.

17       **SEC. 5. REPORT.**

18       The Secretary shall submit a report to the Committee  
19 on Energy and Commerce of the House of Representatives  
20 and the Committee on Energy and Natural Resources of  
21 the Senate every 6 months that specifies, for the most re-  
22 cent 6-month period—

23           (1) the number of vouchers which have been  
24       used under the Program; and

1           (2) the make, model, model year, location of  
2       sale, and manufacturing location of each vehicle  
3       traded in or purchased under the Program.

4   **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

5       There are authorized to be appropriated, for each of  
6   the fiscal years 2009 through 2014, such sums as may  
7   be necessary to carry out this Act, which shall remain  
8   available until expended.

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