

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

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.

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 “Energy Policy Act Amendments of 1997”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 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.

3 **TITLE I—ALTERNATIVE FUELS—**
 4 **GENERAL**

5 **SEC. 101. DEFINITIONS.**

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

8 (1) in paragraph (2), by inserting “biodiesel;
 9 biodiesel mixtures containing 20 percent or more by
 10 volume of biodiesel with other fuels” after “biologi-
 11 cal materials;”;

12 (2) by redesignating paragraphs (11) through
 13 (14) as paragraphs (13), (15), (16), and (17), re-
 14 spectively;

15 (3) by inserting after paragraph (10) the fol-
 16 lowing new paragraphs:

1 “(11) the term ‘heavy duty marine vessel’
2 means a marine vessel of greater than 8,500 pounds
3 gross weight rating;

4 “(12) the term ‘heavy duty motor vehicle’
5 means a motor vehicle of greater than 8,500 pounds
6 gross vehicle weight rating;”;

7 (4) by inserting after paragraph (13) (as so re-
8 designated by paragraph (2) of this section) the fol-
9 lowing new paragraph:

10 “(14) the term ‘marine vessel’ means a motor-
11 ized watercraft or other artificial contrivance used as
12 a means of transportation primarily on the navigable
13 waters of the United States;”;

14 (5) in paragraph (15) (as so redesignated by
15 paragraph (2) of this section), by inserting “biodie-
16 sel, biodiesel mixtures containing 20 percent or more
17 by volume of biodiesel with other fuels,” after “bio-
18 logical materials,”.

19 **SEC. 102. AMENDMENTS TO THE ENERGY POLICY AND CON-**
20 **SERVATION ACT.**

21 Section 400AA of the Energy Policy and Conserva-
22 tion Act (42 U.S.C. 6374) is amended—

23 (1) in the second sentence of subsection
24 (a)(3)(B), by striking “if, after conversion,” and in-
25 serting in lieu thereof “, and existing fleet vehicles

1 may be converted to use alternative fuels and consid-
2 ered an acquisition, if, after either such type of con-
3 version,”; and

4 (2) in subsection (g)(2), by inserting “biodiesel;
5 biodiesel mixtures containing 20 percent or more by
6 volume of biodiesel with other fuels;” after “biologi-
7 cal materials;”.

8 **SEC. 103. COMPLIANCE WITH ACQUISITION REQUIRE-**
9 **MENTS.**

10 Title III of the Energy Policy Act of 1992 (42 U.S.C.
11 13211 et seq.) is amended by adding at the end the follow-
12 ing new section:

13 **“SEC. 312. COMPLIANCE WITH ACQUISITION REQUIRE-**
14 **MENTS.**

15 “(a) CONVERSION.—The conversion of a vehicle
16 owned as part of a fleet into an alternative fueled vehicle
17 shall be considered as an acquisition of an alternative
18 fueled vehicle for purposes of compliance with a require-
19 ment to acquire alternative fueled vehicles under this title
20 or title IV or V, if after the conversion the original equip-
21 ment manufacturer’s warranty continues to apply to the
22 vehicle, pursuant to an agreement between the original
23 equipment manufacturer and the person performing the
24 conversion.

1 “(b) HEAVY DUTY VEHICLES.—The acquisition of 1
2 heavy duty vehicle that is an alternative fueled vehicle, or
3 the acquisition or conversion of 1 heavy duty marine vessel
4 described in subsection (c), shall be considered as the ac-
5 quisition of 2 light duty alternative fueled vehicles for pur-
6 poses of compliance with a requirement to acquire alter-
7 native fueled vehicles under this title or title IV or V.

8 “(c) MARINE VESSELS.—The—

9 “(1) acquisition of a marine vessel that oper-
10 ates solely on alternative fuels or that is capable of
11 operating on alternative fuels and is capable of oper-
12 ating on gasoline or diesel fuel; or

13 “(2) conversion of a marine vessel already
14 owned into a marine vessel described in paragraph
15 (1), if after conversion the original equipment manu-
16 facturer’s warranty continues to apply to the marine
17 vessel, pursuant to an agreement between the origi-
18 nal equipment manufacturer and the person per-
19 forming the conversion,

20 shall be considered as the acquisition of an alternative
21 fueled vehicle for purposes of compliance with a require-
22 ment to acquire alternative fueled vehicles under this title
23 or title IV or V.

24 “(d) ALTERNATIVE FUEL USE.—

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

5 “(A) that is part of that fleet or owned by
6 that covered person; and

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

10 shall be credited by the Secretary as the acquisition
11 of 1 alternative fueled vehicle for purposes of compli-
12 ance with a requirement to acquire alternative fueled
13 vehicles under this title or title IV or V.

14 “(2) ACCOUNTING.—In allowing a credit under
15 paragraph (1), the Secretary may request a Federal
16 agency or require a covered person to provide an ac-
17 counting of the required acquisition of alternative
18 fuel.

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

1 **SEC. 104. FUEL AND VEHICLE NEUTRALITY.**

2 Title III of the Energy Policy Act of 1992 (42 U.S.C.
3 13211 et seq.) is further amended by adding at the end
4 the following new section:

5 **“SEC. 313. FUEL AND VEHICLE NEUTRALITY.**

6 “The Secretary shall carry out this title and titles IV
7 and V in a manner that is, to the maximum extent prac-
8 ticable, neutral with respect to the type of alternative fuel
9 and alternative fueled vehicle used.”.

10 **TITLE II—ALTERNATIVE**
11 **FUELS—NON-FEDERAL**
12 **PROGRAMS**

13 **SEC. 201. STATE AND LOCAL INCENTIVES PROGRAMS.**

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

17 (1) in paragraph (2)(A), by striking “alter-
18 native fueled vehicles” and inserting in lieu thereof
19 “light duty and heavy duty alternative fueled vehi-
20 cles and increasing the use of alternative fuels”; and

21 (2) in paragraph (3)—

22 (A) in subparagraph (B), by inserting
23 “converted or acquired” after “introduction of”;

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

1 ing requirements relating to, such fuels” after
2 “fueled vehicles”; and

3 (C) in subparagraph (G)—

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

7 (ii) by inserting before clause (ii), as
8 so redesignated, the following new clause:

9 “(i) alternative fuels;”.

10 (b) FEDERAL ASSISTANCE TO STATES.—Section
11 409(b) of the Energy Policy Act of 1992 (42 U.S.C.
12 13235(b)) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (B), by striking
15 “and” at the end;

16 (B) in subparagraph (C), by striking the
17 period at the end and inserting in lieu thereof
18 “; and”; and

19 (C) by adding at the end the following:

20 “(D) grants of Federal financial assistance for
21 the incremental purchase cost of alternative fuels.”;

22 (2) in paragraph (2)(B), by inserting “and the
23 volume of alternative fuel likely to be consumed”
24 after “be introduced”; and

25 (3) in paragraph (3)—

1 (A) by inserting “alternative fuels and”
2 after “in procuring”; and

3 (B) by inserting “fuels and” after “of
4 such”.

5 (c) GENERAL PROVISIONS.—Section 409(c)(2)(A) of
6 the Energy Policy Act of 1992 (42 U.S.C.
7 13235(c)(2)(A)) is amended by inserting “and volume of
8 alternative fuel consumed” after “alternative fueled vehi-
9 cles in use”.

10 **SEC. 202. ALTERNATIVE FUEL BUS PROGRAM.**

11 Section 410(c) of the Energy Policy Act of 1992 (42
12 U.S.C. 13236(c)) is amended in the second sentence by
13 striking “and the conversion of school buses to dedicated
14 vehicles” and inserting “the incremental cost of alter-
15 native fuels used in dual fueled school buses, and the con-
16 version of school buses to alternative fueled vehicles”.

17 **SEC. 203. ALTERNATIVE FUEL USE IN NONROAD VEHICLES**
18 **AND ENGINES.**

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

21 (1) in subsection (a)—

22 (A) in paragraph (1)—

23 (i) in the first sentence, by striking “a
24 study” and inserting in lieu thereof “stud-
25 ies”; and

1 (ii) in the second sentence—

2 (I) by striking “study” and in-
3 serting in lieu thereof “studies”; and

4 (II) by striking “2 years” and in-
5 serting in lieu thereof “6 and 10
6 years”;

7 (B) in paragraph (2)—

8 (i) by striking “study” each place it
9 appears and inserting in lieu thereof
10 “studies”; and

11 (ii) in the second sentence, by insert-
12 ing “and engines” after “such vehicles”;
13 and

14 (C) in paragraph (3)—

15 (i) by striking “report” and inserting
16 in lieu thereof “reports”; and

17 (ii) by striking “may” and inserting in
18 lieu thereof “shall”;

19 (2) in subsection (b), by inserting “marine ves-
20 sels,” after “vehicles or engines used for marine pur-
21 poses,”; and

22 (3) in subsection (c), by striking “study” and
23 inserting in lieu thereof “studies”.

1 **TITLE III—AVAILABILITY AND**
2 **USE OF REPLACEMENT**
3 **FUELS, ALTERNATIVE FUELS,**
4 **AND ALTERNATIVE FUELED**
5 **PRIVATE VEHICLES**

6 **SEC. 301. MODIFICATION OF GOALS; ADDITIONAL RULE-**
7 **MAKING AUTHORITY.**

8 Section 504(a) of the Energy Policy Act of 1992 (42
9 U.S.C. 13254(a)) is amended by striking “Within 3 years
10 after the date of enactment of this Act, and periodically
11 thereafter” and inserting in lieu thereof “Before October
12 1, 1998, and before October 1, 2003”.

13 **SEC. 302. CREDITS.**

14 Section 508 of the Energy Policy Act of 1992 (42
15 U.S.C. 13258) is amended by adding at the end the follow-
16 ing new subsection:

17 “(e) **ALTERNATIVE COMPLIANCE CREDITS.**—Any ac-
18 tion which is considered or credited as an acquisition of
19 an alternative fueled vehicle under section 312 shall be
20 eligible for a credit under this section as if it were such
21 an acquisition.”.

22 **SEC. 303. SECRETARY’S RECOMMENDATION TO CONGRESS.**

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

25 (1) in paragraph (2)—

1 (A) by inserting “, including through con-
2 version and warranty,” after “public alternative
3 fueled vehicles”; and

4 (B) by striking “and” at the end;

5 (2) in paragraph (3) by striking the comma at
6 the end and inserting in lieu thereof “; and”; and

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

9 “(4) exempting replacement fuels from taxes
10 levied on nonreplacement fuels,”.

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