



SENATE ENERGY BILL (HR 4)

TRANSPORTATION PROVISIONS

National Fuel Economy Standards (Sec 801-804): The Secretary of Transportation must set new fuel economy standards for passenger automobiles within 24 months and for non-passenger automobiles within 15 months, and must issue an environmental assessment of the effects of the implementation of the new standards. The Congress establishes an expedited procedure to enact its own fuel economy standards should the Secretary fail to comply with this section within the specified time frame. Congress defines additional factors to include as considerations in deciding maximum feasible average fuel economy, including air quality, national energy security, passenger safety, industry competition, job security, commercial availability of technologies, the integration of fuel cells and hybrid technologies, and the findings of a National Research Council Study on CAFE standards.

Federal Agency Procurement of Cleaner Light-Duty Trucks (Sec 805): Federal agencies with light duty truck fleets not required under the Energy Policy Act of 1992 to purchase cleaner vehicles must procure hybrid light-duty trucks when this is feasible. For federal agencies with light-duty truck fleets obligated under EPACT to purchase cleaner vehicles, alternative fueled or hybrid light-duty trucks must constitute:

- (A) Five percent of light-duty truck purchases in fiscal years 2005 and 2006, and
- (B) Ten percent of light-duty truck purchases in each fiscal year after 2006.

Dual Fueled Vehicle Loophole (Sec 806): Dual fueled vehicles operated by federal agencies must all use alternative fuel by 2009. The Secretary may provide a waiver upon request if:

- (A) by 2009 at least 50 percent of the annual volume of fuel used in dual fueled vehicles is alternative fuel, and
- (B) by 2011 at least 75 percent of the annual volume of fuel used in dual fueled vehicles is alternative fuel.
- (C) the administrator of the agency requests a regional waiver certifying that alternative fuels are not reasonably available in a particular region.

Hybrid-Electric and Fuel Cell Research (Sec 807): Provides \$225 million to expand research and development activities.

Diesel Fueled Vehicle Technologies (Sec 808): Directs the expansion of research and development activities to achieve diesel engine technologies meeting TIER II emissions standards by 2010

Fuel Cell Demonstration Program (Sec 809): The Department of Transportation and Department of Defense will jointly carry out with industry a demonstration program of fuel cell and related technologies. Industry must contribute half of the program's costs.

Clean Bus Deployment Study (Sec 810): The Secretary of Transportation must determine how best to convert transit and school buses to cleaner fuels and advanced vehicle technologies. The study must

establish a feasible deployment timeframe and cost analysis, and determine air quality and fuel consumption benefits.

Alternative Fueled Vehicle Exception to HOV Lanes (Sec 811): States can allow alternative fueled vehicles to use HOV lanes regardless of passenger occupancy.

Renewable Fuels Data Collection (Sec 812): The Energy Information Administration must collect and supply renewable fuels statistics including production, costs, and market data beginning with the year 1998.

Green School Bus Program (Sec 813-816): Establishes a program for the demonstration and commercial application of alternative fueled, ultra low-sulfur diesel-powered and fuel cell powered school buses. Encourages school agencies receiving federal funds to develop an anti-idling policy.

Temporary Biodiesel Credit Expansion (Sec 817): Allows covered fleets to use biodiesel to satisfy all alternative fueled vehicle requirements in vehicle model years 2002 through 2005, otherwise fleets or covered persons can use biodiesel to satisfy only 50 percent of these requirements. Calls for a study comparing the availability and cost of biodiesel to other alternative fuels.

Credit Expansion for Hybrids, Dedicated Vehicles and Infrastructure (Sec 819): Provides partial EPACT credits for light-duty hybrid-vehicles, double credits for medium and heavy-duty dedicated vehicles, and credits for substantial contributions toward the acquisition and use of dedicated vehicles by non-covered fleets or investment in alternative fuel infrastructure.

Federal Fleet Efficient Vehicle Purchases (Sec 821): Requires executive agencies to purchase automobiles that increase average fuel economy of their new vehicle fleets.

Idling Reduction of Heavy-Duty Vehicles (Sec 822): The Department of Energy and the Department of Transportation will engage in a study of the potential fuel savings that idle reduction technologies provide in heavy-duty vehicles. After such a study, the Secretary may issue regulations requiring the installation of these technologies on newly manufactured heavy-duty vehicles.

Commercial Fuel Cell Vehicle Deployment Program (Sec 824): The Secretary will establish a program with timetables to enable commercial sale of 100,000 fuel cell vehicles by 2010 and 2.5 million by 2020. The program must also include goals to sell 50 million gasoline equivalent gallons by 2010 and 2.5 billion by 2020.

Hydrogen Research, Development and Information Sharing (Sec 1223): The Secretary will work with government, public and private organizations to share and evaluate hydrogen research and development; research hydrogen production methods that minimize greenhouse gas emissions; and develop hydrogen energy applications in areas with poor energy infrastructure that can stimulate foreign economic development.

New Tax Credits for Fuel Cell, Hybrid, Dedicated Electric and Alternative Powered Vehicles (Sec 2001, 2002): Provides tax credits for the purchase of new fuel cell, hybrid, dedicated electric, dedicated alternative or mixed alternative fueled vehicles. Section 2001 provides additional credits for fuel efficiency. In the case of tax exempt entities seeking to receive this credit, the seller of the vehicle becomes the tax credit recipient contingent that the seller discloses at the time of sale the specific amount of any tax credit otherwise allowable to the entity.

New Tax Credits for Alternative Fuel Infrastructure and Fuel Sales (Sec 2003, 2004): Provides tax credits up to fifty percent of the costs incurred for the installation of alternative fuel refueling infrastructure not to exceed \$30,000 for any retail property or \$1,000 for any residential property. For tax exempt entities, the credit transfers to the installer of the infrastructure, contingent that the installer clearly discloses this to the entity. Also provides tax credits for the retail sale of each gasoline equivalent gallon of alternative fuel (to include natural gas, liquid petroleum gas, hydrogen and methanol or ethanol at 85 percent by volume).