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1           **TITLE VII—VEHICLES AND**  
2                           **FUELS**  
3           **Subtitle A—Existing Programs**

4   **SEC. 701. USE OF ALTERNATIVE FUELS BY DUAL FUELED**  
5                           **VEHICLES.**

6           Section 400AA(a)(3)(E) of the Energy Policy and  
7 Conservation Act (42 U.S.C. 6374(a)(3)(E)) is amended  
8 to read as follows:

9           “(E)(i) Dual fueled vehicles acquired pursuant to this  
10 section shall be operated on alternative fuels unless the  
11 Secretary determines that an agency qualifies for a waiver  
12 of such requirement for vehicles operated by the agency  
13 in a particular geographic area in which—

14                   “(I) the alternative fuel otherwise required to  
15           be used in the vehicle is not reasonably available to

1 retail purchasers of the fuel, as certified to the Sec-  
2 retary by the head of the agency; or

3 “(II) the cost of the alternative fuel otherwise  
4 required to be used in the vehicle is unreasonably  
5 more expensive compared to gasoline, as certified to  
6 the Secretary by the head of the agency.

7 “(III) The Secretary shall monitor compliance with  
8 this subparagraph by all such fleets and shall report annu-  
9 ally to Congress on the extent to which the requirements  
10 of this subparagraph are being achieved. The report shall  
11 include information on annual reductions achieved from  
12 the use of petroleum-based fuels and the problems, if any,  
13 encountered in acquiring alternative fuels.”.

14 **SEC. 702. INCREMENTAL COST ALLOCATION.**

15 Section 303(c) of the Energy Policy Act of 1992 (42  
16 U.S.C. 13212(c)) is amended by striking “may” and in-  
17 serting “shall”.

18 **SEC. 703. ALTERNATIVE COMPLIANCE AND FLEXIBILITY.**

19 (a) ALTERNATIVE COMPLIANCE.—Title V of the En-  
20 ergy Policy Act of 1992 (42 U.S.C. 13251 et seq.) is  
21 amended—

22 (1) by redesignating section 514 (42 U.S.C.  
23 13264) as section 515; and

24 (2) by inserting after section 513 (42 U.S.C.  
25 13263) the following:

1 **“SEC. 514. ALTERNATIVE COMPLIANCE.**

2 “(a) APPLICATION FOR WAIVER.—Any covered per-  
3 son subject to section 501 and any State subject to section  
4 507(o) may petition the Secretary for a waiver of the ap-  
5 plicable requirements of section 501 or 507(o).

6 “(b) GRANT OF WAIVER.—The Secretary shall grant  
7 a waiver of the requirements of section 501 or 507(o) on  
8 a showing that the fleet owned, operated, leased, or other-  
9 wise controlled by the State or covered person—

10 “(1) will achieve a reduction in the annual con-  
11 sumption of petroleum motor fuels equal to the re-  
12 duction in consumption of petroleum motor fuels  
13 that would result if the alternative fueled vehicles re-  
14 quired under sections 501 and 507(o), respectively,  
15 but not acquired due to a waiver request, were to  
16 use alternative fuel 100 percent of the time; and

17 “(2) is in compliance with all applicable vehicle  
18 emission standards established by the Administrator  
19 of the Environmental Protection Agency under the  
20 Clean Air Act (42 U.S.C. 7401 et seq.).

21 “(c) REPORTING REQUIREMENT.—Not later than  
22 December 31 of a model year, any State or covered person  
23 granted a waiver under this section for the preceding  
24 model year shall submit to the Secretary an annual report  
25 that—

1           “(1) certifies the quantity of the petroleum  
2           motor fuel reduction of the State or covered person  
3           during the preceding model year; and

4           “(2) projects the baseline quantity of the petro-  
5           leum motor fuel reduction of the State or covered  
6           person during the following model year.

7           “(d) **REVOCAION OF WAIVER.**—If a State or covered  
8           person that receives a waiver under this section fails to  
9           comply with this section, the Secretary—

10           “(1) shall revoke the waiver; and

11           “(2) may impose on the State or covered person  
12           a penalty under section 512.”.

13           (b) **CONFORMING AMENDMENT.**—Section 511 of the  
14           Energy Policy Act of 1992 (42 U.S.C. 13261) is amended  
15           by striking “or 507” and inserting “507, or 514”.

16           (c) **TABLE OF CONTENTS AMENDMENT.**—The table  
17           of contents of the Energy Policy Act of 1992 (42 U.S.C.  
18           prec. 13201) is amended by striking the item relating to  
19           section 514 and inserting the following:

“Sec. 514. Alternative compliance.

“Sec. 515. Authorization of appropriations.”.

20           **SEC. 704. REVIEW OF ENERGY POLICY ACT OF 1992 PRO-**  
21           **GRAMS.**

22           (a) **IN GENERAL.**—Not later than 180 days after the  
23           date of enactment of this section, the Secretary shall com-  
24           plete a study to determine the effect that titles III, IV,

1 and V of the Energy Policy Act of 1992 (42 U.S.C. 13211  
2 et seq.) have had on—

3 (1) the development of alternative fueled vehicle  
4 technology;

5 (2) the availability of that technology in the  
6 market; and

7 (3) the cost of alternative fueled vehicles.

8 (b) TOPICS.—As part of the study under subsection  
9 (a), the Secretary shall specifically identify—

10 (1) the number of alternative fueled vehicles ac-  
11 quired by fleets or covered persons required to ac-  
12 quire alternative fueled vehicles;

13 (2) the quantity, by type, of alternative fuel ac-  
14 tually used in alternative fueled vehicles acquired by  
15 fleets or covered persons;

16 (3) the quantity of petroleum displaced by the  
17 use of alternative fuels in alternative fueled vehicles  
18 acquired by fleets or covered persons;

19 (4) the direct and indirect costs of compliance  
20 with requirements under titles III, IV, and V of the  
21 Energy Policy Act of 1992 (42 U.S.C. 13211 et  
22 seq.), including—

23 (A) vehicle acquisition requirements im-  
24 posed on fleets or covered persons;

1 (B) administrative and recordkeeping ex-  
2 penses;

3 (C) fuel and fuel infrastructure costs;

4 (D) associated training and employee ex-  
5 penses; and

6 (E) any other factors or expenses the Sec-  
7 retary determines to be necessary to compile re-  
8 liable estimates of the overall costs and benefits  
9 of complying with programs under those titles  
10 for fleets, covered persons, and the national  
11 economy;

12 (5) the existence of obstacles preventing compli-  
13 ance with vehicle acquisition requirements and in-  
14 creased use of alternative fuel in alternative fueled  
15 vehicles acquired by fleets or covered persons; and

16 (6) the projected impact of amendments to the  
17 Energy Policy Act of 1992 made by this title.

18 (c) REPORT.—Upon completion of the study under  
19 this section, the Secretary shall submit to Congress a re-  
20 port that describes the results of the study and includes  
21 any recommendations of the Secretary for legislative or  
22 administrative changes concerning the alternative fueled  
23 vehicle requirements under titles III, IV, and V of the En-  
24 ergy Policy Act of 1992 (42 U.S.C. 13211 et seq.).

1 **SEC. 705. REPORT CONCERNING COMPLIANCE WITH AL-**  
2 **TERNATIVE FUELED VEHICLE PURCHASING**  
3 **REQUIREMENTS.**

4 Section 310(b)(1) of the Energy Policy Act of 1992  
5 (42 U.S.C. 13218(b)(1)) is amended by striking “1 year  
6 after the date of enactment of this subsection” and insert-  
7 ing “February 15, 2006”.

8 **SEC. 706. JOINT FLEXIBLE FUEL/HYBRID VEHICLE COM-**  
9 **MERCIALIZATION INITIATIVE.**

10 (a) **DEFINITIONS.**—In this section:

11 (1) **ELIGIBLE ENTITY.**—The term eligible entity  
12 means—

13 (A) a for-profit corporation;

14 (B) a nonprofit corporation; or

15 (C) an institution of higher education.

16 (2) **PROGRAM.**—The term “program” means a  
17 program established under subsection (b).

18 (b) **ESTABLISHMENT.**—The Secretary shall establish  
19 a program to improve technologies for the commercializa-  
20 tion of—

21 (1) a combination hybrid/flexible fuel vehicle; or

22 (2) a plug-in hybrid/flexible fuel vehicle.

23 (c) **GRANTS.**—In carrying out the program, the Sec-  
24 retary shall provide grants that give preference to pro-  
25 posals that—



1           (1) achieve the greatest reduction in miles per  
2           gallon of petroleum fuel consumption;

3           (2) achieve not less than 250 miles per gallon  
4           of petroleum fuel consumption; and

5           (3) have the greatest potential of commer-  
6           cialization to the general public within 5 years.

7           (d) VERIFICATION.—Not later than 90 days after the  
8           date of enactment of this Act, the Secretary shall publish  
9           in the Federal Register procedures to verify—

10           (1) the hybrid/flexible fuel vehicle technologies  
11           to be demonstrated; and

12           (2) that grants are administered in accordance  
13           with this section.

14           (e) REPORT.—Not later than 260 days after the date  
15           of enactment of this Act, and annually thereafter, the Sec-  
16           retary shall submit to Congress a report that—

17           (1) identifies the grant recipients;

18           (2) describes the technologies to be funded  
19           under the program;

20           (3) assesses the feasibility of the technologies  
21           described in paragraph (2) in meeting the goals de-  
22           scribed in subsection (c);

23           (4) identifies applications submitted for the  
24           program that were not funded; and

1           (5) makes recommendations for Federal legisla-  
2           tion to achieve commercialization of the technology  
3           demonstrated.

4           (f) **AUTHORIZATION OF APPROPRIATIONS.**—There  
5           are authorized to be appropriated to carry out this section,  
6           to remain available until expended—

7           (1) \$3,000,000 for fiscal year 2006;

8           (2) \$7,000,000 for fiscal year 2007;

9           (3) \$10,000,000 for fiscal year 2008; and

10          (4) \$20,000,000 for fiscal year 2009.

11 **Subtitle B—Hybrid Vehicles, Ad-**  
12 **vanced Vehicles, and Fuel Cell**  
13 **Buses**

14 **PART 1—HYBRID VEHICLES**

15 **SEC. 711. HYBRID VEHICLES.**

16           The Secretary shall accelerate efforts directed toward  
17           the improvement of batteries and other rechargeable en-  
18           ergy storage systems, power electronics, hybrid systems in-  
19           tegration, and other technologies for use in hybrid vehi-  
20           cles.

21 **SEC. 712. EFFICIENT HYBRID AND ADVANCED DIESEL VEHI-**  
22 **CLES.**

23           (a) **PROGRAM.**—The Secretary shall establish a pro-  
24           gram to encourage domestic production and sales of effi-  
25           cient hybrid and advanced diesel vehicles. The program

1 shall include grants to domestic automobile manufacturers  
2 to encourage domestic production of efficient hybrid and  
3 advanced diesel vehicles.

4 (b) **AUTHORIZATION OF APPROPRIATIONS.**—There  
5 are authorized to be appropriated to the Secretary for car-  
6 rying out this section such sums as may be necessary for  
7 each of the fiscal years 2006 through 2015.

## 8 **PART 2—ADVANCED VEHICLES**

### 9 **SEC. 721. PILOT PROGRAM.**

10 (a) **ESTABLISHMENT.**—The Secretary, in consulta-  
11 tion with the Secretary of Transportation, shall establish  
12 a competitive grant pilot program (referred to in this part  
13 as the “pilot program”), to be administered through the  
14 Clean Cities Program of the Department, to provide not  
15 more than 30 geographically dispersed project grants to  
16 State governments, local governments, or metropolitan  
17 transportation authorities to carry out a project or  
18 projects for the purposes described in subsection (b).

19 (b) **GRANT PURPOSES.**—A grant under this section  
20 may be used for the following purposes:

21 (1) The acquisition of alternative fueled vehicles  
22 or fuel cell vehicles, including—

23 (A) passenger vehicles (including neighbor-  
24 hood electric vehicles); and

1 (B) motorized 2-wheel bicycles or other ve-  
2 hicles for use by law enforcement personnel or  
3 other State or local government or metropolitan  
4 transportation authority employees.

5 (2) The acquisition of alternative fueled vehi-  
6 cles, hybrid vehicles, or fuel cell vehicles, including—

7 (A) buses used for public transportation or  
8 transportation to and from schools;

9 (B) delivery vehicles for goods or services;  
10 and

11 (C) ground support vehicles at public air-  
12 ports (including vehicles to carry baggage or  
13 push or pull airplanes toward or away from ter-  
14 minal gates).

15 (3) The acquisition of ultra-low sulfur diesel ve-  
16 hicles.

17 (4) Installation or acquisition of infrastructure  
18 necessary to directly support an alternative fueled  
19 vehicle, fuel cell vehicle, or hybrid vehicle project  
20 funded by the grant, including fueling and other  
21 support equipment.

22 (5) Operation and maintenance of vehicles, in-  
23 frastructure, and equipment acquired as part of a  
24 project funded by the grant.

25 (c) APPLICATIONS.—

## 1 (1) REQUIREMENTS.—

2 (A) IN GENERAL.—The Secretary shall  
3 issue requirements for applying for grants  
4 under the pilot program.

5 (B) MINIMUM REQUIREMENTS.—At a min-  
6 imum, the Secretary shall require that an appli-  
7 cation for a grant—

8 (i) be submitted by the head of a  
9 State or local government or a metropoli-  
10 tan transportation authority, or any com-  
11 bination thereof, and a registered partici-  
12 pant in the Clean Cities Program of the  
13 Department; and

14 (ii) include—

15 (I) a description of the project  
16 proposed in the application, including  
17 how the project meets the require-  
18 ments of this part;

19 (II) an estimate of the ridership  
20 or degree of use of the project;

21 (III) an estimate of the air pollu-  
22 tion emissions reduced and fossil fuel  
23 displaced as a result of the project,  
24 and a plan to collect and disseminate  
25 environmental data, related to the

1 project to be funded under the grant,  
2 over the life of the project;

3 (IV) a description of how the  
4 project will be sustainable without  
5 Federal assistance after the comple-  
6 tion of the term of the grant;

7 (V) a complete description of the  
8 costs of the project, including acquisi-  
9 tion, construction, operation, and  
10 maintenance costs over the expected  
11 life of the project;

12 (VI) a description of which costs  
13 of the project will be supported by  
14 Federal assistance under this part;  
15 and

16 (VII) documentation to the satis-  
17 faction of the Secretary that diesel  
18 fuel containing sulfur at not more  
19 than 15 parts per million is available  
20 for carrying out the project, and a  
21 commitment by the applicant to use  
22 such fuel in carrying out the project.

23 (2) PARTNERS.—An applicant under paragraph  
24 (1) may carry out a project under the pilot program  
25 in partnership with public and private entities.

1 (d) SELECTION CRITERIA.—In evaluating applica-  
2 tions under the pilot program, the Secretary shall—

3 (1) consider each applicant’s previous experi-  
4 ence with similar projects; and

5 (2) give priority consideration to applications  
6 that—

7 (A) are most likely to maximize protection  
8 of the environment;

9 (B) demonstrate the greatest commitment  
10 on the part of the applicant to ensure funding  
11 for the proposed project and the greatest likeli-  
12 hood that the project will be maintained or ex-  
13 panded after Federal assistance under this part  
14 is completed; and

15 (C) exceed the minimum requirements of  
16 subsection (c)(1)(B)(ii).

17 (e) PILOT PROJECT REQUIREMENTS.—

18 (1) MAXIMUM AMOUNT.—The Secretary shall  
19 not provide more than \$15,000,000 in Federal as-  
20 sistance under the pilot program to any applicant.

21 (2) COST SHARING.—The Secretary shall not  
22 provide more than 50 percent of the cost, incurred  
23 during the period of the grant, of any project under  
24 the pilot program.

1           (3) MAXIMUM PERIOD OF GRANTS.—The Sec-  
2       retary shall not fund any applicant under the pilot  
3       program for more than 5 years.

4           (4) DEPLOYMENT AND DISTRIBUTION.—The  
5       Secretary shall seek to the maximum extent prac-  
6       ticable to ensure a broad geographic distribution of  
7       project sites.

8           (5) TRANSFER OF INFORMATION AND KNOWL-  
9       EDGE.—The Secretary shall establish mechanisms to  
10      ensure that the information and knowledge gained  
11      by participants in the pilot program are transferred  
12      among the pilot program participants and to other  
13      interested parties, including other applicants that  
14      submitted applications.

15      (f) SCHEDULE.—

16           (1) PUBLICATION.—Not later than 90 days  
17      after the date of enactment of this Act, the Sec-  
18      retary shall publish in the Federal Register, Com-  
19      merce Business Daily, and elsewhere as appropriate,  
20      a request for applications to undertake projects  
21      under the pilot program. Applications shall be due  
22      not later than 180 days after the date of publication  
23      of the notice.

24           (2) SELECTION.—Not later than 180 days after  
25      the date by which applications for grants are due,



1 the Secretary shall select by competitive, peer re-  
2 viewed proposal, all applications for projects to be  
3 awarded a grant under the pilot program.

4 (g) DEFINITIONS.—For purposes of carrying out the  
5 pilot program, the Secretary shall issue regulations defin-  
6 ing any term, as the Secretary determines to be necessary.

7 **SEC. 722. REPORTS TO CONGRESS.**

8 (a) INITIAL REPORT.—Not later than 60 days after  
9 the date on which grants are awarded under this part,  
10 the Secretary shall submit to Congress a report con-  
11 taining—

12 (1) an identification of the grant recipients and  
13 a description of the projects to be funded;

14 (2) an identification of other applicants that  
15 submitted applications for the pilot program; and

16 (3) a description of the mechanisms used by the  
17 Secretary to ensure that the information and knowl-  
18 edge gained by participants in the pilot program are  
19 transferred among the pilot program participants  
20 and to other interested parties, including other ap-  
21 plicants that submitted applications.

22 (b) EVALUATION.—Not later than 3 years after the  
23 date of enactment of this Act, and annually thereafter  
24 until the pilot program ends, the Secretary shall submit

1 to Congress a report containing an evaluation of the effec-  
2 tiveness of the pilot program, including—

3 (1) an assessment of the benefits to the envi-  
4 ronment derived from the projects included in the  
5 pilot program; and

6 (2) an estimate of the potential benefits to the  
7 environment to be derived from widespread applica-  
8 tion of alternative fueled vehicles and ultra-low sul-  
9 fur diesel vehicles.

10 **SEC. 723. AUTHORIZATION OF APPROPRIATIONS.**

11 There are authorized to be appropriated to the Sec-  
12 retary to carry out this part \$200,000,000, to remain  
13 available until expended.

14 **PART 3—FUEL CELL BUSES**

15 **SEC. 731. FUEL CELL TRANSIT BUS DEMONSTRATION.**

16 (a) IN GENERAL.—The Secretary, in consultation  
17 with the Secretary of Transportation, shall establish a  
18 transit bus demonstration program to make competitive,  
19 merit-based awards for 5-year projects to demonstrate not  
20 more than 25 fuel cell transit buses (and necessary infra-  
21 structure) in 5 geographically dispersed localities.

22 (b) PREFERENCE.—In selecting projects under this  
23 section, the Secretary shall give preference to projects that  
24 are most likely to mitigate congestion and improve air  
25 quality.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to the Secretary to carry  
3 out this section \$10,000,000 for each of fiscal years 2006  
4 through 2010.

## 5 **Subtitle C—Clean School Buses**

### 6 **SEC. 741. CLEAN SCHOOL BUS PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) ADMINISTRATOR.—The term “Adminis-  
9 trator” means the Administrator of the Environ-  
10 mental Protection Agency.

11 (2) ALTERNATIVE FUEL.—The term “alter-  
12 native fuel” means—

13 (A) liquefied natural gas, compressed nat-  
14 ural gas, liquefied petroleum gas, hydrogen, or  
15 propane;

16 (B) methanol or ethanol at no less than 85  
17 percent by volume; or

18 (C) biodiesel conforming with standards  
19 published by the American Society for Testing  
20 and Materials as of the date of enactment of  
21 this Act.

22 (3) CLEAN SCHOOL BUS.—The term “clean  
23 school bus” means a school bus with a gross vehicle  
24 weight of greater than 14,000 pounds that—

25 (A) is powered by a heavy duty engine; and

1 (B) is operated solely on an alternative  
2 fuel or ultra-low sulfur diesel fuel.

3 (4) **ELIGIBLE RECIPIENT.**—

4 (A) **IN GENERAL.**—Subject to subpara-  
5 graph (B), the term “eligible recipient”  
6 means—

7 (i) 1 or more local or State govern-  
8 mental entities responsible for—

9 (I) providing school bus service  
10 to 1 or more public school systems; or

11 (II) the purchase of school buses;

12 (ii) 1 or more contracting entities that  
13 provide school bus service to 1 or more  
14 public school systems; or

15 (iii) a nonprofit school transportation  
16 association.

17 (B) **SPECIAL REQUIREMENTS.**—In the case  
18 of eligible recipients identified under clauses (ii)  
19 and (iii), the Administrator shall establish time-  
20 ly and appropriate requirements for notice and  
21 may establish timely and appropriate require-  
22 ments for approval by the public school systems  
23 that would be served by buses purchased or ret-  
24 rofit using grant funds made available under  
25 this section.

1           (5) RETROFIT TECHNOLOGY.—The term “retrofit technology” means a particulate filter or other  
2 emissions control equipment that is verified or certified by the Administrator or the California Air Resources Board as an effective emission reduction  
3 technology when installed on an existing school bus.  
4

5           (6) ULTRA LOW SULFUR DIESEL FUEL.—The  
6 term “ultra-low sulfur diesel fuel” means diesel fuel  
7 that contains sulfur at not more than 15 parts per  
8 million.  
9

10           (b) PROGRAM FOR RETROFIT OR REPLACEMENT OF  
11 CERTAIN EXISTING SCHOOL BUSES WITH CLEAN  
12 SCHOOL BUSES.—  
13

14           (1) ESTABLISHMENT.—

15           (A) IN GENERAL.—The Administrator, in  
16 consultation with the Secretary and other appropriate Federal departments and agencies,  
17 shall establish a program for awarding grants  
18 on a competitive basis to eligible recipients for  
19 the replacement, or retrofit (including  
20 repowering, aftertreatment, and remanufactured engines) of, certain existing school buses.  
21

22           (B) BALANCING.—In awarding grants  
23 under this section, the Administrator shall, to  
24

1 the maximum extent practicable, achieve an ap-  
2 propriate balance between awarding grants—

3 (i) to replace school buses; and

4 (ii) to install retrofit technologies.

5 (2) PRIORITY OF GRANT APPLICATIONS.—

6 (A) REPLACEMENT.—In the case of grant  
7 applications to replace school buses, the Admin-  
8 istrator shall give priority to applicants that  
9 propose to replace school buses manufactured  
10 before model year 1977.

11 (B) RETROFITTING.—In the case of grant  
12 applications to retrofit school buses, the Admin-  
13 istrator shall give priority to applicants that  
14 propose to retrofit school buses manufactured  
15 in or after model year 1991.

16 (3) USE OF SCHOOL BUS FLEET.—

17 (A) IN GENERAL.—All school buses ac-  
18 quired or retrofitted with funds provided under  
19 this section shall be operated as part of the  
20 school bus fleet for which the grant was made  
21 for not less than 5 years.

22 (B) MAINTENANCE, OPERATION, AND  
23 FUELING.—New school buses and retrofit tech-  
24 nology shall be maintained, operated, and fueled

1           according to manufacturer recommendations or  
2           State requirements.

3           (4) **RETROFIT GRANTS.**—The Administrator  
4           may award grants for up to 100 percent of the ret-  
5           rofit technologies and installation costs.

6           (5) **REPLACEMENT GRANTS.**—

7           (A) **ELIGIBILITY FOR 50 PERCENT**  
8           **GRANTS.**—The Administrator may award  
9           grants for replacement of school buses in the  
10          amount of up to ½ of the acquisition costs (in-  
11          cluding fueling infrastructure) for—

12                   (i) clean school buses with engines  
13                   manufactured in model year 2005 or 2006  
14                   that emit not more than—

15                           (I) 1.8 grams per brake horse-  
16                           power-hour of non-methane hydro-  
17                           carbons and oxides of nitrogen; and

18                           (II) .01 grams per brake horse-  
19                           power-hour of particulate matter; or

20                   (ii) clean school buses with engines  
21                   manufactured in model year 2007, 2008,  
22                   or 2009 that satisfy regulatory require-  
23                   ments established by the Administrator for  
24                   emissions of oxides of nitrogen and partic-

1                   ulate matter to be applicable for school  
2                   buses manufactured in model year 2010.

3                   (B) ELIGIBILITY FOR 25 PERCENT  
4                   GRANTS.—The Administrator may award  
5                   grants for replacement of school buses in the  
6                   amount of up to  $\frac{1}{4}$  of the acquisition costs (in-  
7                   cluding fueling infrastructure) for—

8                   (i) clean school buses with engines  
9                   manufactured in model year 2005 or 2006  
10                  that emit not more than—

11                   (I) 2.5 grams per brake horse-  
12                   power-hour of non-methane hydro-  
13                   carbons and oxides of nitrogen; and

14                   (II) .01 grams per brake horse-  
15                   power-hour of particulate matter; or

16                   (ii) clean school buses with engines  
17                   manufactured in model year 2007 or there-  
18                   after that satisfy regulatory requirements  
19                   established by the Administrator for emis-  
20                   sions of oxides of nitrogen and particulate  
21                   matter from school buses manufactured in  
22                   that model year.

23                  (6) ULTRA LOW SULFUR DIESEL FUEL.—

24                   (A) IN GENERAL.—In the case of a grant  
25                   recipient receiving a grant for the acquisition of



1 ultra-low sulfur diesel fuel school buses with en-  
2 gines manufactured in model year 2005 or  
3 2006, the grant recipient shall provide, to the  
4 satisfaction of the Administrator—

5 (i) documentation that diesel fuel con-  
6 taining sulfur at not more than 15 parts  
7 per million is available for carrying out the  
8 purposes of the grant; and

9 (ii) a commitment by the applicant to  
10 use that fuel in carrying out the purposes  
11 of the grant.

12 (7) DEPLOYMENT AND DISTRIBUTION.—The  
13 Administrator shall, to the maximum extent prac-  
14 ticable—

15 (A) achieve nationwide deployment of clean  
16 school buses through the program under this  
17 section; and

18 (B) ensure a broad geographic distribution  
19 of grant awards, with no State receiving more  
20 than 10 percent of the grant funding made  
21 available under this section during a fiscal year.

22 (8) ANNUAL REPORT.—

23 (A) IN GENERAL.—Not later than January  
24 31 of each year, the Administrator shall submit  
25 to Congress a report that—

1 (i) evaluates the implementation of  
2 this section; and

3 (ii) describes—

4 (I) the total number of grant ap-  
5 plications received;

6 (II) the number and types of al-  
7 ternative fuel school buses, ultra-low  
8 sulfur diesel fuel school buses, and  
9 retrofitted buses requested in grant  
10 applications;

11 (III) grants awarded and the cri-  
12 teria used to select the grant recipi-  
13 ents;

14 (IV) certified engine emission lev-  
15 els of all buses purchased or retro-  
16 fitted under this section;

17 (V) an evaluation of the in-use  
18 emission level of buses purchased or  
19 retrofitted under this section; and

20 (VI) any other information the  
21 Administrator considers appropriate.

22 (c) EDUCATION.—

23 (1) IN GENERAL.—Not later than 90 days after  
24 the date of enactment of this Act, the Administrator

1 shall develop an education outreach program to pro-  
2 mote and explain the grant program.

3 (2) COORDINATION WITH STAKEHOLDERS.—

4 The outreach program shall be designed and con-  
5 ducted in conjunction with national school bus trans-  
6 portation associations and other stakeholders.

7 (3) COMPONENTS.—The outreach program  
8 shall—

9 (A) inform potential grant recipients on  
10 the process of applying for grants;

11 (B) describe the available technologies and  
12 the benefits of the technologies;

13 (C) explain the benefits of participating in  
14 the grant program; and

15 (D) include, as appropriate, information  
16 from the annual report required under sub-  
17 section (b)(8).

18 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to the Administrator to  
20 carry out this section, to remain available until ex-  
21 pended—

22 (1) \$55,000,000 for each of fiscal years 2006  
23 and 2007; and

24 (2) such sums as are necessary for each of fis-  
25 cal years 2008, 2009, and 2010.

1 **SEC. 742. DIESEL TRUCK RETROFIT AND FLEET MOD-**  
2 **ERNIZATION PROGRAM.**

3 (a) **ESTABLISHMENT.**—The Administrator, in con-  
4 sultation with the Secretary, shall establish a program for  
5 awarding grants on a competitive basis to public agencies  
6 and entities for fleet modernization programs including in-  
7 stallation of retrofit technologies for diesel trucks.

8 (b) **ELIGIBLE RECIPIENTS.**—A grant shall be award-  
9 ed under this section only to a State or local government  
10 or an agency or instrumentality of a State or local govern-  
11 ment or of two or more State or local governments who  
12 will allocate funds, with preference to ports and other  
13 major hauling operations.

14 (c) **AWARDS.**—

15 (1) **IN GENERAL.**—The Administrator shall  
16 seek, to the maximum extent practicable, to ensure  
17 a broad geographic distribution of grants under this  
18 section.

19 (2) **PREFERENCES.**—In making awards of  
20 grants under this section, the Administrator shall  
21 give preference to proposals that—

22 (A) will achieve the greatest reductions in  
23 emissions of nonmethane hydrocarbons, oxides  
24 of nitrogen, and/or particulate matter per pro-  
25 posal or per truck; or

1           (B) involve the use of Environmental Pro-  
2           tection Agency or California Air Resources  
3           Board verified emissions control retrofit tech-  
4           nology on diesel trucks that operate solely on  
5           ultra-low sulfur diesel fuel after September  
6           2006.

7           (d) CONDITIONS OF GRANT.—A grant shall be pro-  
8           vided under this section on the conditions that—

9           (1) trucks which are replacing scrapped trucks  
10          and on which retrofit emissions-control technology  
11          are to be demonstrated—

12                 (A) will operate on ultra-low sulfur diesel  
13                 fuel where such fuel is reasonably available or  
14                 required for sale by State or local law or regula-  
15                 tion;

16                 (B) were manufactured in model year 1998  
17                 and before; and

18                 (C) will be used for the transportation of  
19                 cargo goods especially in port areas or used in  
20                 goods movement and major hauling operations;

21           (2) grant funds will be used for the purchase of  
22           emission control retrofit technology, including State  
23           taxes and contract fees; and

24           (3) grant recipients will provide at least 50 per-  
25           cent of the total cost of the retrofit, including the

1 purchase of emission control retrofit technology and  
2 all necessary labor for installation of the retrofit,  
3 from any source other than this section.

4 (e) VERIFICATION.—Not later than 90 days after the  
5 date of enactment of this Act, the Administrator shall  
6 publish in the Federal Register procedures to—

7 (1) make grants pursuant to this section;

8 (2) verify that trucks powered by ultra-low sul-  
9 fur diesel fuel on which retrofit emissions-control  
10 technology are to be demonstrated will operate on  
11 diesel fuel containing not more than 15 parts per  
12 million of sulfur after September 2006; and

13 (3) verify that grants are administered in ac-  
14 cordance with this section.

15 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated to the Administrator to  
17 carry out this section, to remain available until expended  
18 the following sums:

19 (1) \$20,000,000 for fiscal year 2006.

20 (2) \$35,000,000 for fiscal year 2007.

21 (3) \$45,000,000 for fiscal year 2008.

22 (4) Such sums as are necessary for each of fis-  
23 cal years 2009 and 2010.

1 **SEC. 743. FUEL CELL SCHOOL BUSES.**

2 (a) ESTABLISHMENT.—The Secretary shall establish  
3 a program for entering into cooperative agreements—

4 (1) with private sector fuel cell bus developers  
5 for the development of fuel cell-powered school  
6 buses; and

7 (2) subsequently, with not less than 2 units of  
8 local government using natural gas-powered school  
9 buses and such private sector fuel cell bus developers  
10 to demonstrate the use of fuel cell-powered school  
11 buses.

12 (b) COST SHARING.—The non-Federal contribution  
13 for activities funded under this section shall be not less  
14 than—

15 (1) 20 percent for fuel infrastructure develop-  
16 ment activities; and

17 (2) 50 percent for demonstration activities and  
18 for development activities not described in paragraph  
19 (1).

20 (c) REPORTS TO CONGRESS.—Not later than 3 years  
21 after the date of enactment of this Act, the Secretary shall  
22 transmit to Congress a report that—

23 (1) evaluates the process of converting natural  
24 gas infrastructure to accommodate fuel cell-powered  
25 school buses; and

1           (2) assesses the results of the development and  
2           demonstration program under this section.

3           (d) **AUTHORIZATION OF APPROPRIATIONS.**—There  
4           are authorized to be appropriated to the Secretary to carry  
5           out this section \$25,000,000 for the period of fiscal years  
6           2006 through 2009.

## 7           **Subtitle D—Miscellaneous**

### 8           **SEC. 751. RAILROAD EFFICIENCY.**

9           (a) **ESTABLISHMENT.**—The Secretary shall (in co-  
10           operation with the Secretary of Transportation and the  
11           Administrator of the Environmental Protection Agency)  
12           establish a cost-shared, public-private research partner-  
13           ship involving the Federal Government, railroad carriers,  
14           locomotive manufacturers and equipment suppliers, and  
15           the Association of American Railroads, to develop and  
16           demonstrate railroad locomotive technologies that increase  
17           fuel economy, reduce emissions, and lower costs of oper-  
18           ation.

19           (b) **AUTHORIZATION OF APPROPRIATIONS.**—There  
20           are authorized to be appropriated to the Secretary to carry  
21           out this section—

22                   (1) \$25,000,000 for fiscal year 2006;

23                   (2) \$35,000,000 for fiscal year 2007; and

24                   (3) \$50,000,000 for fiscal year 2008.



1 **SEC. 752. MOBILE EMISSION REDUCTIONS TRADING AND**  
2 **CREDITING.**

3 (a) IN GENERAL.—Not later than 180 days after the  
4 date of enactment of this Act, the Administrator of the  
5 Environmental Protection Agency shall submit to Con-  
6 gress a report on the experience of the Administrator with  
7 the trading of mobile source emission reduction credits for  
8 use by owners and operators of stationary source emission  
9 sources to meet emission offset requirements within a non-  
10 attainment area.

11 (b) CONTENTS.—The report shall describe—

12 (1) projects approved by the Administrator that  
13 include the trading of mobile source emission reduc-  
14 tion credits for use by stationary sources in com-  
15 plying with offset requirements, including a descrip-  
16 tion of—

17 (A) project and stationary sources location;

18 (B) volumes of emissions offset and trad-  
19 ed;

20 (C) the sources of mobile emission reduc-  
21 tion credits; and

22 (D) if available, the cost of the credits;

23 (2) the significant issues identified by the Ad-  
24 ministrator in consideration and approval of trading  
25 in the projects;

1           (3) the requirements for monitoring and assess-  
2           ing the air quality benefits of any approved project;

3           (4) the statutory authority on which the Admin-  
4           istrator has based approval of the projects;

5           (5) an evaluation of how the resolution of issues  
6           in approved projects could be used in other projects;  
7           and

8           (6) any other issues that the Administrator con-  
9           siders relevant to the trading and generation of mo-  
10          bile source emission reduction credits for use by sta-  
11          tionary sources or for other purposes.

12 **SEC. 753. AVIATION FUEL CONSERVATION AND EMISSIONS.**

13          (a) IN GENERAL.—Not later than 60 days after the  
14          date of enactment of this Act, the Administrator of the  
15          Federal Aviation Administration and the Administrator of  
16          the Environmental Protection Agency shall jointly initiate  
17          a study to identify—

18               (1) the impact of aircraft emissions on air qual-  
19               ity in nonattainment areas;

20               (2) ways to promote fuel conservation measures  
21               for aviation to enhance fuel efficiency and reduce  
22               emissions; and

23               (3) opportunities to reduce air traffic inefficien-  
24               cies that increase fuel burn and emissions.

1           (b) FOCUS.—The study under subsection (a) shall  
2 focus on how air traffic management inefficiencies, such  
3 as aircraft idling at airports, result in unnecessary fuel  
4 burn and air emissions.

5           (c) REPORT.—Not later than 1 year after the date  
6 of the initiation of the study under subsection (a), the Ad-  
7 ministrator of the Federal Aviation Administration and  
8 the Administrator of the Environmental Protection Agen-  
9 cy shall jointly submit to the Committee on Energy and  
10 Commerce and the Committee on Transportation and In-  
11 frastructure of the House of Representatives and the Com-  
12 mittee on Environment and Public Works and the Com-  
13 mittee on Commerce, Science, and Transportation of the  
14 Senate a report that—

15           (1) describes the results of the study; and

16           (2) includes any recommendations on ways in  
17 which unnecessary fuel use and emissions affecting  
18 air quality may be reduced—

19           (A) without adversely affecting safety and  
20 security and increasing individual aircraft noise;  
21 and

22           (B) while taking into account all aircraft  
23 emissions and the impact of those emissions on  
24 the human health.

1           (d) **RISK ASSESSMENTS.**—Any assessment of risk to  
2 human health and the environment prepared by the Ad-  
3 ministrator of the Federal Aviation Administration or the  
4 Administrator of the Environmental Protection Agency to  
5 support the report in this section shall be based on sound  
6 and objective scientific practices, shall consider the best  
7 available science, and shall present the weight of the sci-  
8 entific evidence concerning such risks.

9 **SEC. 754. DIESEL FUELED VEHICLES.**

10           (a) **DEFINITION OF TIER 2 EMISSION STANDARDS.**—  
11 In this section, the term “tier 2 emission standards”  
12 means the motor vehicle emission standards that apply to  
13 passenger cars, light trucks, and larger passenger vehicles  
14 manufactured after the 2003 model year, as issued on  
15 February 10, 2000, by the Administrator of the Environ-  
16 mental Protection Agency under sections 202 and 211 of  
17 the Clean Air Act (42 U.S.C. 7521, 7545).

18           (b) **DIESEL COMBUSTION AND AFTER-TREATMENT**  
19 **TECHNOLOGIES.**—The Secretary shall accelerate efforts to  
20 improve diesel combustion and after-treatment tech-  
21 nologies for use in diesel fueled motor vehicles.

22           (c) **GOALS.**—The Secretary shall carry out subsection  
23 (b) with a view toward achieving the following goals:

1           (1) Developing and demonstrating diesel tech-  
2           nologies that, not later than 2010, meet the fol-  
3           lowing standards:

4                   (A) Tier 2 emission standards.

5                   (B) The heavy-duty emissions standards of  
6           2007 that are applicable to heavy-duty vehicles  
7           under regulations issued by the Administrator  
8           of the Environmental Protection Agency as of  
9           the date of enactment of this Act.

10          (2) Developing the next generation of low-emis-  
11          sion, high efficiency diesel engine technologies, in-  
12          cluding homogeneous charge compression ignition  
13          technology.

14 **SEC. 755. CONSERVE BY BICYCLING PROGRAM.**

15          (a) DEFINITIONS.—In this section:

16                  (1) PROGRAM.—The term “program” means  
17          the Conserve by Bicycling Program established by  
18          subsection (b).

19                  (2) SECRETARY.—The term “Secretary” means  
20          the Secretary of Transportation.

21          (b) ESTABLISHMENT.—There is established within  
22          the Department of Transportation a program to be known  
23          as the “Conserve by Bicycling Program”.

24          (c) PROJECTS.—

1           (1) IN GENERAL.—In carrying out the program,  
2           the Secretary shall establish not more than 10 pilot  
3           projects that are—

4                   (A) dispersed geographically throughout  
5           the United States; and

6                   (B) designed to conserve energy resources  
7           by encouraging the use of bicycles in place of  
8           motor vehicles.

9           (2) REQUIREMENTS.—A pilot project described  
10          in paragraph (1) shall—

11                   (A) use education and marketing to con-  
12          vert motor vehicle trips to bicycle trips;

13                   (B) document project results and energy  
14          savings (in estimated units of energy con-  
15          served);

16                   (C) facilitate partnerships among inter-  
17          ested parties in at least 2 of the fields of—

18                           (i) transportation;

19                           (ii) law enforcement;

20                           (iii) education;

21                           (iv) public health;

22                           (v) environment; and

23                           (vi) energy;

24                   (D) maximize bicycle facility investments;

1           (E) demonstrate methods that may be  
2           used in other regions of the United States; and

3           (F) facilitate the continuation of ongoing  
4           programs that are sustained by local resources.

5           (3) COST SHARING.—At least 20 percent of the  
6           cost of each pilot project described in paragraph (1)  
7           shall be provided from non-Federal sources.

8           (d) ENERGY AND BICYCLING RESEARCH STUDY.—

9           (1) IN GENERAL.—Not later than 2 years after  
10          the date of enactment of this Act, the Secretary  
11          shall enter into a contract with the National Acad-  
12          emy of Sciences for, and the National Academy of  
13          Sciences shall conduct and submit to Congress a re-  
14          port on, a study on the feasibility of converting  
15          motor vehicle trips to bicycle trips.

16          (2) COMPONENTS.—The study shall—

17                (A) document the results or progress of  
18                the pilot projects under subsection (c);

19                (B) determine the type and duration of  
20                motor vehicle trips that people in the United  
21                States may feasibly make by bicycle, taking into  
22                consideration factors such as—

23                      (i) weather;

24                      (ii) land use and traffic patterns;

1 (iii) the carrying capacity of bicycles;

2 and

3 (iv) bicycle infrastructure;

4 (C) determine any energy savings that  
5 would result from the conversion of motor vehi-  
6 cle trips to bicycle trips;

7 (D) include a cost-benefit analysis of bicy-  
8 cle infrastructure investments; and

9 (E) include a description of any factors  
10 that would encourage more motor vehicle trips  
11 to be replaced with bicycle trips.

12 (e) **AUTHORIZATION OF APPROPRIATIONS.**—There is  
13 authorized to be appropriated to the Secretary to carry  
14 out this section \$6,200,000, to remain available until ex-  
15 pended, of which—

16 (1) \$5,150,000 shall be used to carry out pilot  
17 projects described in subsection (c);

18 (2) \$300,000 shall be used by the Secretary to  
19 coordinate, publicize, and disseminate the results of  
20 the program; and

21 (3) \$750,000 shall be used to carry out sub-  
22 section (d).

23 **SEC. 756. REDUCTION OF ENGINE IDLING OF HEAVY-DUTY**  
24 **VEHICLES.**

25 (a) **DEFINITIONS.**—In this section:



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

4           (2) ADVANCED TRUCK STOP ELECTRIFICATION  
5           SYSTEM.—The term “advanced truck stop elec-  
6           trification system” means a stationary system that  
7           delivers heat, air conditioning, electricity, or commu-  
8           nications, and is capable of providing verifiable and  
9           auditable evidence of use of those services, to a  
10          heavy-duty vehicle and any occupants of the heavy-  
11          duty vehicle with or without relying on components  
12          mounted onboard the heavy-duty vehicle for delivery  
13          of those services.

14          (3) AUXILIARY POWER UNIT.—The term “auxil-  
15          iary power unit” means an integrated system that—

16                (A) provides heat, air conditioning, engine  
17                warming, or electricity to components on a  
18                heavy-duty vehicle; and

19                (B) is certified by the Administrator under  
20                part 89 of title 40, Code of Federal Regulations  
21                (or any successor regulation), as meeting appli-  
22                cable emission standards.

23          (4) HEAVY-DUTY VEHICLE.—The term “heavy-  
24          duty vehicle” means a vehicle that—

1 (A) has a gross vehicle weight rating great-  
2 er than 8,500 pounds; and

3 (B) is powered by a diesel engine.

4 (5) IDLE REDUCTION TECHNOLOGY.—The term  
5 “idle reduction technology” means an advanced  
6 truck stop electrification system, auxiliary power  
7 unit, or other device or system of devices that—

8 (A) is used to reduce long-duration idling  
9 of a heavy-duty vehicle; and

10 (B) allows for the main drive engine or  
11 auxiliary refrigeration engine of a heavy-duty  
12 vehicle to be shut down.

13 (6) ENERGY CONSERVATION TECHNOLOGY.—  
14 the term “energy conservation technology” means  
15 any device, system of devices, or equipment that im-  
16 proves the fuel economy of a heavy-duty vehicle.

17 (7) LONG-DURATION IDLING.—

18 (A) IN GENERAL.—The term “long-dura-  
19 tion idling” means the operation of a main  
20 drive engine or auxiliary refrigeration engine of  
21 a heavy-duty vehicle, for a period greater than  
22 15 consecutive minutes, at a time at which the  
23 main drive engine is not engaged in gear.

24 (B) EXCLUSIONS.—The term “long-dura-  
25 tion idling” does not include the operation of a

1 main drive engine or auxiliary refrigeration en-  
2 gine of a heavy-duty vehicle during a routine  
3 stoppage associated with traffic movement or  
4 congestion.

5 (b) IDLE REDUCTION TECHNOLOGY BENEFITS, PRO-  
6 GRAMS, AND STUDIES.—

7 (1) IN GENERAL.—Not later than 90 days after  
8 the date of enactment of this Act, the Administrator  
9 shall—

10 (A)(i) commence a review of the mobile  
11 source air emission models of the Environ-  
12 mental Protection Agency used under the Clean  
13 Air Act (42 U.S.C. 7401 et seq.) to determine  
14 whether the models accurately reflect the emis-  
15 sions resulting from long-duration idling of  
16 heavy-duty vehicles and other vehicles and en-  
17 gines; and

18 (ii) update those models as the Adminis-  
19 trator determines to be appropriate; and

20 (B)(i) commence a review of the emission  
21 reductions achieved by the use of idle reduction  
22 technology; and

23 (ii) complete such revisions of the regula-  
24 tions and guidance of the Environmental Pro-



1                   ployment of idle reduction and energy con-  
2                   servation technologies .

3                   (ii) **PRIORITY.**—The Administrator  
4                   shall give priority to the deployment of idle  
5                   reduction and energy conservation tech-  
6                   nologies based on the costs and beneficial  
7                   effects on air quality and ability to lessen  
8                   the emission of criteria air pollutants.

9                   **(B) FUNDING.**—

10                   (i) **AUTHORIZATION OF APPROPRIA-**  
11                   **TIONS.**—There are authorized to be appro-  
12                   priated to the Administrator to carry out  
13                   subparagraph (A) \$19,500,000 for fiscal  
14                   year 2006, \$30,000,000 for fiscal year  
15                   2007, and \$45,000,000 for fiscal year  
16                   2008.

17                   (ii) **COST SHARING.**—Subject to clause  
18                   (iii), the Administrator shall require at  
19                   least 50 percent of the costs directly and  
20                   specifically related to any project under  
21                   this section to be provided from non-Fed-  
22                   eral sources.

23                   (iii) **NECESSARY AND APPROPRIATE**  
24                   **REDUCTIONS.**—The Administrator may re-  
25                   duce the non-Federal requirement under

1 clause (ii) if the Administrator determines  
2 that the reduction is necessary and appro-  
3 priate to meet the objectives of this sec-  
4 tion.

5 (5) IDLING LOCATION STUDY.—

6 (A) IN GENERAL.—Not later than 90 days  
7 after the date of enactment of this Act, the Ad-  
8 ministrator, in consultation with the Secretary  
9 of Transportation, shall commence a study to  
10 analyze all locations at which heavy-duty vehi-  
11 cles stop for long-duration idling, including—

- 12 (i) truck stops;
- 13 (ii) rest areas;
- 14 (iii) border crossings;
- 15 (iv) ports;
- 16 (v) transfer facilities; and
- 17 (vi) private terminals.

18 (B) DEADLINE FOR COMPLETION.—Not  
19 later than 180 days after the date of enactment  
20 of this Act, the Administrator shall—

- 21 (i) complete the study under subpara-  
22 graph (A); and
- 23 (ii) prepare and make publicly avail-  
24 able 1 or more reports of the results of the  
25 study.

1           (c) VEHICLE WEIGHT EXEMPTION.—Section 127(a)  
2 of title 23, United States Code, is amended—

3           (1) by designating the first through eleventh  
4 sentences as paragraphs (1) through (11), respec-  
5 tively; and

6           (2) by adding at the end the following:

7           “(12) HEAVY DUTY VEHICLES.—

8           “(A) IN GENERAL.—Subject to subpara-  
9 graphs (B) and (C), in order to promote reduc-  
10 tion of fuel use and emissions because of engine  
11 idling, the maximum gross vehicle weight limit  
12 and the axle weight limit for any heavy-duty ve-  
13 hicle equipped with an idle reduction technology  
14 shall be increased by a quantity necessary to  
15 compensate for the additional weight of the idle  
16 reduction system.

17           “(B) MAXIMUM WEIGHT INCREASE.—The  
18 weight increase under subparagraph (A) shall  
19 be not greater than 400 pounds.

20           “(C) PROOF.—On request by a regulatory  
21 agency or law enforcement agency, the vehicle  
22 operator shall provide proof (through dem-  
23 onstration or certification) that—

24           “(i) the idle reduction technology is  
25 fully functional at all times; and

1                   “(ii) the 400-pound gross weight in-  
2                   crease is not used for any purpose other  
3                   than the use of idle reduction technology  
4                   described in subparagraph (A).”.

5           (d) **REPORT.**—Not later than 60 days after the date  
6 on which funds are initially awarded under this section,  
7 and on an annual basis thereafter, the Administrator shall  
8 submit to Congress a report containing—

9                   (1) an identification of the grant recipients, a  
10                  description of the projects to be funded and the  
11                  amount of funding provided; and

12                  (2) an identification of all other applicants that  
13                  submitted applications under the program.

14 **SEC. 757. BIODIESEL ENGINE TESTING PROGRAM.**

15           (a) **IN GENERAL.**—Not later than 180 days after the  
16 date of enactment of this Act, the Secretary shall initiate  
17 a partnership with diesel engine, diesel fuel injection sys-  
18 tem, and diesel vehicle manufacturers and diesel and bio-  
19 diesel fuel providers, to include biodiesel testing in ad-  
20 vanced diesel engine and fuel system technology.

21           (b) **SCOPE.**—The program shall provide for testing  
22 to determine the impact of biodiesel from different sources  
23 on current and future emission control technologies, with  
24 emphasis on—



1           (1) the impact of biodiesel on emissions war-  
2           ranty, in-use liability, and antitampering provisions;

3           (2) the impact of long-term use of biodiesel on  
4           engine operations;

5           (3) the options for optimizing these technologies  
6           for both emissions and performance when switching  
7           between biodiesel and diesel fuel; and

8           (4) the impact of using biodiesel in these fuel-  
9           ing systems and engines when used as a blend with  
10          2006 Environmental Protection Agency-mandated  
11          diesel fuel containing a maximum of 15-parts-per-  
12          million sulfur content.

13          (c) **REPORT.**—Not later than 2 years after the date  
14 of enactment of this Act, the Secretary shall provide an  
15 interim report to Congress on the findings of the program,  
16 including a comprehensive analysis of impacts from bio-  
17 diesel on engine operation for both existing and expected  
18 future diesel technologies, and recommendations for en-  
19 suring optimal emissions reductions and engine perform-  
20 ance with biodiesel.

21          (d) **AUTHORIZATION OF APPROPRIATIONS.**—There  
22 are authorized to be appropriated \$5,000,000 for each of  
23 fiscal years 2006 through 2010 to carry out this section.

24          (e) **DEFINITION.**—For purposes of this section, the  
25 term “biodiesel” means a diesel fuel substitute produced

1 from nonpetroleum renewable resources that meets the  
2 registration requirements for fuels and fuel additives es-  
3 tablished by the Environmental Protection Agency under  
4 section 211 of the Clean Air Act (42 U.S.C. 7545) and  
5 that meets the American Society for Testing and Materials  
6 D6751-02a Standard Specification for Biodiesel Fuel  
7 (B100) Blend Stock for Distillate Fuels.

8 **SEC. 758. ULTRA-EFFICIENT ENGINE TECHNOLOGY FOR**  
9 **AIRCRAFT.**

10 (a) **ULTRA-EFFICIENT ENGINE TECHNOLOGY PART-**  
11 **nership.**—The Secretary shall enter into a cooperative  
12 agreement with the National Aeronautics and Space Ad-  
13 ministration for the development of ultra-efficient engine  
14 technology for aircraft.

15 (b) **PERFORMANCE OBJECTIVE.**—The Secretary shall  
16 establish the following performance objectives for the pro-  
17 gram set forth in subsection (a):

18 (1) A fuel efficiency increase of at least 10 per-  
19 cent.

20 (2) A reduction in the impact of landing and  
21 takeoff nitrogen oxides emissions on local air quality  
22 of 70 percent.

23 (3) Exploring advanced concepts, alternate pro-  
24 pulsion, and power configurations, including hybrid  
25 fuel cell powered systems.

1           (4) Exploring the use of alternate fuel in con-  
2           ventional or nonconventional turbine-based systems.

3           (c) **AUTHORIZATION OF APPROPRIATIONS.**—There  
4 are authorized to be appropriated to the Secretary for car-  
5 rying out this section \$50,000,000 for each of the fiscal  
6 years 2006, 2007, 2008, 2009, and 2010.

## 7   **Subtitle E—Automobile Efficiency**

### 8   **SEC. 771. AUTHORIZATION OF APPROPRIATIONS FOR IM-** 9                   **PLEMENTATION AND ENFORCEMENT OF** 10                   **FUEL ECONOMY STANDARDS.**

11           In addition to any other funds authorized by law,  
12 there are authorized to be appropriated to the National  
13 Highway Traffic Safety Administration to carry out its ob-  
14 ligations with respect to average fuel economy standards  
15 \$3,500,000 for each of the fiscal years 2006 through  
16 2010.

### 17   **SEC. 772. EXTENSION OF MAXIMUM FUEL ECONOMY IN-** 18                   **CREASE FOR ALTERNATIVE FUELED VEHI-** 19                   **CLES.**

20           (a) **MANUFACTURING INCENTIVES.**—Section 32905  
21 of title 49, United States Code, is amended—

22           (1) in each of subsections (b) and (d), by strik-  
23 ing “1993–2004” and inserting “1993–2010”;

24           (2) in subsection (f), by striking “2001” and  
25 inserting “2007”; and

1           (3) in subsection (f)(1), by striking “2004” and  
2           inserting “2010”.

3           (b) **MAXIMUM FUEL ECONOMY INCREASE.**—Sub-  
4           section (a)(1) of section 32906 of title 49, United States  
5           Code, is amended—

6           (1) in subparagraph (A), by striking “the model  
7           years 1993–2004” and inserting “model years  
8           1993–2010”; and

9           (2) in subparagraph (B), by striking “the model  
10          years 2005–2008” and inserting “model years  
11          2011–2014”.

12 **SEC. 773. STUDY OF FEASIBILITY AND EFFECTS OF REDUC-**  
13 **ING USE OF FUEL FOR AUTOMOBILES.**

14          (a) **IN GENERAL.**—Not later than 30 days after the  
15          date of the enactment of this Act, the Administrator of  
16          the National Highway Traffic Safety Administration shall  
17          initiate a study of the feasibility and effects of reducing  
18          by model year 2014, by a significant percentage, the  
19          amount of fuel consumed by automobiles.

20          (b) **SUBJECTS OF STUDY.**—The study under this sec-  
21          tion shall include—

22               (1) examination of, and recommendation of al-  
23               ternatives to, the policy under current Federal law  
24               of establishing average fuel economy standards for  
25               automobiles and requiring each automobile manufac-

1 turer to comply with average fuel economy standards  
2 that apply to the automobiles it manufactures;

3 (2) examination of how automobile manufactur-  
4 ers could contribute toward achieving the reduction  
5 referred to in subsection (a);

6 (3) examination of the potential of fuel cell  
7 technology in motor vehicles in order to determine  
8 the extent to which such technology may contribute  
9 to achieving the reduction referred to in subsection  
10 (a); and

11 (4) examination of the effects of the reduction  
12 referred to in subsection (a) on—

13 (A) gasoline supplies;

14 (B) the automobile industry, including  
15 sales of automobiles manufactured in the  
16 United States;

17 (C) motor vehicle safety; and

18 (D) air quality.

19 (c) **REPORT.**—The Administrator shall submit to  
20 Congress a report on the findings, conclusion, and rec-  
21 ommendations of the study under this section by not later  
22 than 1 year after the date of the enactment of this Act.

23 **SEC. 774. UPDATE TESTING PROCEDURES.**

24 The Administrator of the Environmental Protection  
25 Agency shall update or revise the adjustment factors in

1 sections 600.209–85 and 600.209–95, of the Code of Fed-  
2 eral Regulations, CFR Part 600 (1995) Fuel Economy  
3 Regulations for 1977 and Later Model Year Automobiles  
4 to take into consideration higher speed limits, faster accel-  
5 eration rates, variations in temperature, use of air condi-  
6 tioning, shorter city test cycle lengths, current reference  
7 fuels, and the use of other fuel depleting features.

## 8 **Subtitle F—Federal and State** 9 **Procurement**

### 10 **SEC. 781. DEFINITIONS.**

11 In this subtitle:

12 (1) **FUEL CELL.**—The term “fuel cell” means a  
13 device that directly converts the chemical energy of  
14 a fuel and an oxidant into electricity by electro-  
15 chemical processes occurring at separate electrodes  
16 in the device.

17 (2) **LIGHT-DUTY OR HEAVY-DUTY VEHICLE**  
18 **FLEET.**—The term “light-duty or heavy-duty vehicle  
19 fleet” does not include any vehicle designed or pro-  
20 cured for combat or combat-related missions.

21 (3) **STATIONARY; PORTABLE.**—The terms “sta-  
22 tionary” and “portable”, when used in reference to  
23 a fuel cell, include—

24 (A) continuous electric power; and

25 (B) backup electric power.

1           (4) **TASK FORCE.**—The term “Task Force”  
2 means the Hydrogen and Fuel Cell Technical Task  
3 Force established under section 806 of this Act.

4           (5) **TECHNICAL ADVISORY COMMITTEE.**—The  
5 term “Technical Advisory Committee” means the  
6 independent Technical Advisory Committee selected  
7 under section 807 of this Act.

8 **SEC. 782. FEDERAL AND STATE PROCUREMENT OF FUEL**  
9                   **CELL VEHICLES AND HYDROGEN ENERGY**  
10                   **SYSTEMS.**

11       (a) **PURPOSES.**—The purposes of this section are—

12           (1) to stimulate acceptance by the market of  
13 fuel cell vehicles and hydrogen energy systems;

14           (2) to support development of technologies re-  
15 lating to fuel cell vehicles, public refueling stations,  
16 and hydrogen energy systems; and

17           (3) to require the Federal government, which is  
18 the largest single user of energy in the United  
19 States, to adopt those technologies as soon as prac-  
20 ticable after the technologies are developed, in con-  
21 junction with private industry partners.

22       (b) **FEDERAL LEASES AND PURCHASES.**—

23           (1) **REQUIREMENT.**—

24           (A) **IN GENERAL.**—Not later than January  
25 1, 2010, the head of any Federal agency that

1 uses a light-duty or heavy-duty vehicle fleet  
2 shall lease or purchase fuel cell vehicles and hy-  
3 drogen energy systems to meet any applicable  
4 energy savings goal described in subsection (c).

5 (B) LEARNING DEMONSTRATION VEHI-  
6 CLES.—The Secretary may lease or purchase  
7 appropriate vehicles developed under subsection  
8 (c)(1) to meet the requirement in subparagraph  
9 (A).

10 (2) COSTS OF LEASES AND PURCHASES.—

11 (A) IN GENERAL.—The Secretary, in co-  
12 operation with the Task Force and the Tech-  
13 nical Advisory Committee, shall pay to Federal  
14 agencies (or share the cost under interagency  
15 agreements) the difference in cost between—

16 (i) the cost to the agencies of leasing  
17 or purchasing fuel cell vehicles and hydro-  
18 gen energy systems under paragraph (1);  
19 and

20 (ii) the cost to the agencies of a fea-  
21 sible alternative to leasing or purchasing  
22 fuel cell vehicles and hydrogen energy sys-  
23 tems, as determined by the Secretary.

24 (B) COMPETITIVE COSTS AND MANAGE-  
25 MENT STRUCTURES.—In carrying out subpara-



1 graph (A), the Secretary, in consultation with  
2 the agency, may use the General Services Ad-  
3 ministration or any commercial vendor to en-  
4 sure—

5 (i) a cost-effective purchase of a fuel  
6 cell vehicle or hydrogen energy system; or

7 (ii) a cost-effective management struc-  
8 ture of the lease of a fuel cell vehicle or hy-  
9 drogen energy system.

10 (3) EXCEPTION.—

11 (A) IN GENERAL.—If the Secretary deter-  
12 mines that the head of an agency described in  
13 paragraph (1) cannot find an appropriately effi-  
14 cient and reliable fuel cell vehicle or hydrogen  
15 energy system in accordance with paragraph  
16 (1), that agency shall be excepted from compli-  
17 ance with paragraph (1).

18 (B) CONSIDERATION.—In making a deter-  
19 mination under subparagraph (A), the Sec-  
20 retary shall consider—

21 (i) the needs of the agency; and

22 (ii) an evaluation performed by—

23 (I) the Task Force; or

24 (II) the Technical Advisory Com-  
25 mittee.

1 (c) ENERGY SAVINGS GOALS.—

2 (1) IN GENERAL.—

3 (A) REGULATIONS.—Not later than De-  
4 cember 31, 2006, the Secretary shall—

5 (i) in cooperation with the Task  
6 Force, promulgate regulations for the pe-  
7 riod of 2008 through 2010 that extend and  
8 augment energy savings goals for each  
9 Federal agency, in accordance with any  
10 Executive order issued after March 2000;  
11 and

12 (ii) promulgate regulations to expand  
13 the minimum Federal fleet requirement  
14 and credit allowances for fuel cell vehicle  
15 systems under section 303 of the Energy  
16 Policy Act of 1992 (42 U.S.C. 13212).

17 (B) REVIEW, EVALUATION, AND NEW REG-  
18 ULATIONS.—Not later than December 31,  
19 2010, the Secretary shall—

20 (i) review the regulations promulgated  
21 under subparagraph (A);

22 (ii) evaluate any progress made to-  
23 ward achieving energy savings by Federal  
24 agencies; and

1 (iii) promulgate new regulations for  
2 the period of 2011 through 2015 to  
3 achieve additional energy savings by Fed-  
4 eral agencies relating to technical and cost-  
5 performance standards.

6 (2) OFFSETTING ENERGY SAVINGS GOALS.—An  
7 agency that leases or purchases a fuel cell vehicle or  
8 hydrogen energy system in accordance with sub-  
9 section (b)(1) may use that lease or purchase to  
10 count toward an energy savings goal of the agency.

11 (d) COOPERATIVE PROGRAM WITH STATE AGEN-  
12 CIES.—

13 (1) IN GENERAL.—The Secretary may establish  
14 a cooperative program with State agencies managing  
15 motor vehicle fleets to encourage purchase of fuel  
16 cell vehicles by the agencies.

17 (2) INCENTIVES.—In carrying out the coopera-  
18 tive program, the Secretary may offer incentive pay-  
19 ments to a State agency to assist with the cost of  
20 planning, differential purchases, and administration.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
22 authorized to be appropriated to carry out this section—

23 (1) \$15,000,000 for fiscal year 2008;

24 (2) \$25,000,000 for fiscal year 2009;

25 (3) \$65,000,000 for fiscal year 2010; and

1           (4) such sums as are necessary for each of fis-  
2           cal years 2011 through 2015.

3 **SEC. 783. FEDERAL PROCUREMENT OF STATIONARY, PORT-**  
4 **ABLE, AND MICRO FUEL CELLS.**

5           (a) PURPOSES.—The purposes of this section are—

6           (1) to stimulate acceptance by the market of  
7           stationary, portable, and micro fuel cells; and

8           (2) to support development of technologies re-  
9           lating to stationary, portable, and micro fuel cells.

10          (b) FEDERAL LEASES AND PURCHASES.—

11           (1) IN GENERAL.—Not later than January 1,  
12           2006, the head of any Federal agency that uses elec-  
13           trical power from stationary, portable, or microport-  
14           able devices shall lease or purchase a stationary,  
15           portable, or micro fuel cell to meet any applicable  
16           energy savings goal described in subsection (c).

17           (2) COSTS OF LEASES AND PURCHASES.—

18           (A) IN GENERAL.—The Secretary, in co-  
19           operation with the Task Force and the Tech-  
20           nical Advisory Committee, shall pay the cost to  
21           Federal agencies (or share the cost under inter-  
22           agency agreements) of leasing or purchasing  
23           stationary, portable, and micro fuel cells under  
24           paragraph (1).

1                   (B) COMPETITIVE COSTS AND MANAGE-  
2                   MENT STRUCTURES.—In carrying out subpara-  
3                   graph (A), the Secretary, in consultation with  
4                   the agency, may use the General Services Ad-  
5                   ministration or any commercial vendor to en-  
6                   sure—

7                   (i) a cost-effective purchase of a sta-  
8                   tionary, portable, or micro fuel cell; or

9                   (ii) a cost-effective management struc-  
10                  ture of the lease of a stationary, portable,  
11                  or micro fuel cell.

12                 (3) EXCEPTION.—

13                 (A) IN GENERAL.—If the Secretary deter-  
14                 mines that the head of an agency described in  
15                 paragraph (1) cannot find an appropriately effi-  
16                 cient and reliable stationary, portable, or micro  
17                 fuel cell in accordance with paragraph (1), that  
18                 agency shall be excepted from compliance with  
19                 paragraph (1).

20                 (B) CONSIDERATION.—In making a deter-  
21                 mination under subparagraph (A), the Sec-  
22                 retary shall consider—

23                   (i) the needs of the agency; and

24                   (ii) an evaluation performed by—

25                   (I) the Task Force; or

1 (II) the Technical Advisory Com-  
2 mittee of the Task Force.

3 (c) ENERGY SAVINGS GOALS.—An agency that leases  
4 or purchases a stationary, portable, or micro fuel cell in  
5 accordance with subsection (b)(1) may use that lease or  
6 purchase to count toward an energy savings goal described  
7 in section 808 of this Act that is applicable to the agency.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
9 authorized to be appropriated to carry out this section—

- 10 (1) \$20,000,000 for fiscal year 2006;  
11 (2) \$50,000,000 for fiscal year 2007;  
12 (3) \$75,000,000 for fiscal year 2008;  
13 (4) \$100,000,000 for fiscal year 2009;  
14 (5) \$100,000,000 for fiscal year 2010; and  
15 (6) such sums as are necessary for each of fis-  
16 cal years 2011 through 2015.

17 **Subtitle G—Diesel Emissions**  
18 **Reduction**

19 **SEC. 791. DEFINITIONS.**

20 In this subtitle:

- 21 (1) ADMINISTRATOR.—The term “Adminis-  
22 trator” means the Administrator of the Environ-  
23 mental Protection Agency.

1           (2) CERTIFIED ENGINE CONFIGURATION.—The  
2 term “certified engine configuration” means a new,  
3 rebuilt, or remanufactured engine configuration—

4           (A) that has been certified or verified by—

5                 (i) the Administrator; or

6                 (ii) the California Air Resources  
7 Board;

8           (B) that meets or is rebuilt or remanufac-  
9 tured to a more stringent set of engine emission  
10 standards, as determined by the Administrator;  
11 and

12           (C) in the case of a certified engine con-  
13 figuration involving the replacement of an exist-  
14 ing engine or vehicle, an engine configuration  
15 that replaced an engine that was—

16                 (i) removed from the vehicle; and

17                 (ii) returned to the supplier for re-  
18 manufacturing to a more stringent set of  
19 engine emissions standards or for  
20 scrappage.

21           (3) ELIGIBLE ENTITY.—The term “eligible enti-  
22 ty” means—

23           (A) a regional, State, local, or tribal agen-  
24 cy with jurisdiction over transportation or air  
25 quality; and

1 (B) a nonprofit organization or institution  
2 that—

3 (i) represents or provides pollution re-  
4 duction or educational services to persons  
5 or organizations that own or operate diesel  
6 fleets; or

7 (ii) has, as its principal purpose, the  
8 promotion of transportation or air quality.

9 (4) **EMERGING TECHNOLOGY.**—The term  
10 “emerging technology” means a technology that is  
11 not certified or verified by the Administrator or the  
12 California Air Resources Board but for which an ap-  
13 provable application and test plan has been sub-  
14 mitted for verification to the Administrator or the  
15 California Air Resources Board.

16 (5) **HEAVY-DUTY TRUCK.**—The term “heavy-  
17 duty truck” has the meaning given the term “heavy  
18 duty vehicle” in section 202 of the Clean Air Act  
19 (42 U.S.C. 7521).

20 (6) **MEDIUM-DUTY TRUCK.**—The term “me-  
21 dium-duty truck” has such meaning as shall be de-  
22 termined by the Administrator, by regulation.

23 (7) **VERIFIED TECHNOLOGY.**—The term  
24 “verified technology” means a pollution control tech-  
25 nology, including a retrofit technology, advanced



1 truckstop electrification system, or auxiliary power  
2 unit, that has been verified by—

3 (A) the Administrator; or

4 (B) the California Air Resources Board.

5 **SEC. 792. NATIONAL GRANT AND LOAN PROGRAMS.**

6 (a) IN GENERAL.—The Administrator shall use 70  
7 percent of the funds made available to carry out this sub-  
8 title for each fiscal year to provide grants and low-cost  
9 revolving loans, as determined by the Administrator, on  
10 a competitive basis, to eligible entities to achieve signifi-  
11 cant reductions in diesel emissions in terms of—

12 (1) tons of pollution produced; and

13 (2) diesel emissions exposure, particularly from  
14 fleets operating in areas designated by the Adminis-  
15 trator as poor air quality areas.

16 (b) DISTRIBUTION.—

17 (1) IN GENERAL.—The Administrator shall dis-  
18 tribute funds made available for a fiscal year under  
19 this subtitle in accordance with this section.

20 (2) FLEETS.—The Administrator shall provide  
21 not less than 50 percent of funds available for a fis-  
22 cal year under this section to eligible entities for the  
23 benefit of public fleets.

24 (3) ENGINE CONFIGURATIONS AND TECH-  
25 NOLOGIES.—

1 (A) CERTIFIED ENGINE CONFIGURATIONS  
2 AND VERIFIED TECHNOLOGIES.—The Adminis-  
3 trator shall provide not less than 90 percent of  
4 funds available for a fiscal year under this sec-  
5 tion to eligible entities for projects using—

- 6 (i) a certified engine configuration; or  
7 (ii) a verified technology.

8 (B) EMERGING TECHNOLOGIES.—

9 (i) IN GENERAL.—The Administrator  
10 shall provide not more than 10 percent of  
11 funds available for a fiscal year under this  
12 section to eligible entities for the develop-  
13 ment and commercialization of emerging  
14 technologies.

15 (ii) APPLICATION AND TEST PLAN.—  
16 To receive funds under clause (i), a manu-  
17 facturer, in consultation with an eligible  
18 entity, shall submit for verification to the  
19 Administrator or the California Air Re-  
20 sources Board a test plan for the emerging  
21 technology, together with the application  
22 under subsection (c).

23 (c) APPLICATIONS.—

24 (1) IN GENERAL.—To receive a grant or loan  
25 under this section, an eligible entity shall submit to

1 the Administrator an application at a time, in a  
2 manner, and including such information as the Ad-  
3 ministrator may require.

4 (2) INCLUSIONS.—An application under this  
5 subsection shall include—

6 (A) a description of the air quality of the  
7 area served by the eligible entity;

8 (B) the quantity of air pollution produced  
9 by the diesel fleets in the area served by the eli-  
10 gible entity;

11 (C) a description of the project proposed  
12 by the eligible entity, including—

13 (i) any certified engine configuration,  
14 verified technology, or emerging technology  
15 to be used or funded by the eligible entity;  
16 and

17 (ii) the means by which the project  
18 will achieve a significant reduction in diesel  
19 emissions;

20 (D) an evaluation (using methodology ap-  
21 proved by the Administrator or the National  
22 Academy of Sciences) of the quantifiable and  
23 unquantifiable benefits of the emissions reduc-  
24 tions of the proposed project;

1                   (E) an estimate of the cost of the proposed  
2                   project;

3                   (F) a description of the age and expected  
4                   lifetime control of the equipment used or fund-  
5                   ed by the eligible entity;

6                   (G) a description of the diesel fuel avail-  
7                   able in the areas to be served by the eligible en-  
8                   tity, including the sulfur content of the fuel;  
9                   and

10                  (H) provisions for the monitoring and  
11                  verification of the project.

12                  (3) PRIORITY.—In providing a grant or loan  
13                  under this section, the Administrator shall give pri-  
14                  ority to proposed projects that, as determined by the  
15                  Administrator—

16                         (A) maximize public health benefits;

17                         (B) are the most cost-effective;

18                         (C) serve areas—

19                                 (i) with the highest population den-  
20                                 sity;

21                                 (ii) that are poor air quality areas, in-  
22                                 cluding areas identified by the Adminis-  
23                                 trator as—

1 (I) in nonattainment or mainte-  
2 nance of national ambient air quality  
3 standards for a criteria pollutant;

4 (II) Federal Class I areas; or

5 (III) areas with toxic air pollut-  
6 ant concerns;

7 (iii) that receive a disproportionate  
8 quantity of air pollution from a diesel  
9 fleets, including truckstops, ports, rail  
10 yards, terminals, and distribution centers;  
11 or

12 (iv) that use a community-based  
13 multistakeholder collaborative process to  
14 reduce toxic emissions;

15 (D) include a certified engine configura-  
16 tion, verified technology, or emerging tech-  
17 nology that has a long expected useful life;

18 (E) will maximize the useful life of any  
19 certified engine configuration, verified tech-  
20 nology, or emerging technology used or funded  
21 by the eligible entity;

22 (F) conserve diesel fuel; and

23 (G) use diesel fuel with a sulfur content of  
24 less than or equal to 15 parts per million, as  
25 the Administrator determines to be appropriate.

1 (d) USE OF FUNDS.—

2 (1) IN GENERAL.—An eligible entity may use a  
3 grant or loan provided under this section to fund the  
4 costs of—

5 (A) a retrofit technology (including any in-  
6 cremental costs of a repowered or new diesel  
7 engine) that significantly reduces emissions  
8 through development and implementation of a  
9 certified engine configuration, verified tech-  
10 nology, or emerging technology for—

11 (i) a bus;

12 (ii) a medium-duty truck or a heavy-  
13 duty truck;

14 (iii) a marine engine;

15 (iv) a locomotive; or

16 (v) a nonroad engine or vehicle used  
17 in—

18 (I) construction;

19 (II) handling of cargo (including  
20 at a port or airport);

21 (III) agriculture;

22 (IV) mining; or

23 (V) energy production; or

24 (B) programs or projects to reduce long-  
25 duration idling using verified technology involv-

1           ing a vehicle or equipment described in sub-  
2           paragraph (A).

3           (2) REGULATORY PROGRAMS.—

4                 (A) IN GENERAL.—Notwithstanding para-  
5           graph (1), no grant or loan provided under this  
6           section shall be used to fund the costs of emis-  
7           sions reductions that are mandated under Fed-  
8           eral, State or local law.

9                 (B) MANDATED.—For purposes of sub-  
10          paragraph (A), voluntary or elective emission  
11          reduction measures shall not be considered  
12          “mandated”, regardless of whether the reduc-  
13          tions are included in the State implementation  
14          plan of a State.

15   **SEC. 793. STATE GRANT AND LOAN PROGRAMS.**

16          (a) IN GENERAL.—Subject to the availability of ade-  
17          quate appropriations, the Administrator shall use 30 per-  
18          cent of the funds made available for a fiscal year under  
19          this subtitle to support grant and loan programs adminis-  
20          tered by States that are designed to achieve significant  
21          reductions in diesel emissions.

22          (b) APPLICATIONS.—The Administrator shall—

23                 (1) provide to States guidance for use in apply-  
24          ing for grant or loan funds under this section, in-  
25          cluding information regarding—

1 (A) the process and forms for applications;

2 (B) permissible uses of funds received; and

3 (C) the cost-effectiveness of various emis-

4 sion reduction technologies eligible to be carried

5 out using funds provided under this section;

6 and

7 (2) establish, for applications described in para-

8 graph (1)—

9 (A) an annual deadline for submission of

10 the applications;

11 (B) a process by which the Administrator

12 shall approve or disapprove each application;

13 and

14 (C) a streamlined process by which a State

15 may renew an application described in para-

16 graph (1) for subsequent fiscal years.

17 (c) ALLOCATION OF FUNDS.—

18 (1) IN GENERAL.—For each fiscal year, the Ad-

19 ministrator shall allocate among States for which

20 applications are approved by the Administrator

21 under subsection (b)(2)(B) funds made available to

22 carry out this section for the fiscal year.

23 (2) ALLOCATION.—Using not more than 20

24 percent of the funds made available to carry out this

25 subtitle for a fiscal year, the Administrator shall



1 provide to each State described in paragraph (1) for  
2 the fiscal year an allocation of funds that is equal  
3 to—

4 (A) if each of the 50 States qualifies for  
5 an allocation, an amount equal to 2 percent of  
6 the funds made available to carry out this sec-  
7 tion; or

8 (B) if fewer than 50 States qualifies for an  
9 allocation, an amount equal to the amount de-  
10 scribed in subparagraph (A), plus an additional  
11 amount equal to the product obtained by multi-  
12 plying—

13 (i) the proportion that—

14 (I) the population of the State;  
15 bears to

16 (II) the population of all States  
17 described in paragraph (1); by

18 (ii) the amount of funds remaining  
19 after each State described in paragraph (1)  
20 receives the 2-percent allocation under this  
21 paragraph.

22 (3) STATE MATCHING INCENTIVE.—

23 (A) IN GENERAL.—If a State agrees to  
24 match the allocation provided to the State  
25 under paragraph (2) for a fiscal year, the Ad-

1            administrator shall provide to the State for the  
2            fiscal year an additional amount equal to 50  
3            percent of the allocation of the State under  
4            paragraph (2).

5            (B) REQUIREMENTS.—A State—

6                    (i) may not use funds received under  
7                    this subtitle to pay a matching share re-  
8                    quired under this subsection; and

9                    (ii) shall not be required to provide a  
10                    matching share for any additional amount  
11                    received under subparagraph (A).

12            (4) UNCLAIMED FUNDS.—Any funds that are  
13            not claimed by a State for a fiscal year under this  
14            subsection shall be used to carry out section 792.

15            (d) ADMINISTRATION.—

16                    (1) IN GENERAL.—Subject to paragraphs (2)  
17                    and (3) and, to the extent practicable, the priority  
18                    areas listed in section 792(c)(3), a State shall use  
19                    any funds provided under this section to develop and  
20                    implement such grant and low-cost revolving loan  
21                    programs in the State as are appropriate to meet  
22                    State needs and goals relating to the reduction of  
23                    diesel emissions.

24                    (2) APPORTIONMENT OF FUNDS.—The Gov-  
25                    ernor of a State that receives funding under this

1 section may determine the portion of funds to be  
2 provided as grants or loans.

3 (3) USE OF FUNDS.—A grant or loan provided  
4 under this section may be used for a project relating  
5 to—

6 (A) a certified engine configuration; or

7 (B) a verified technology.

8 **SEC. 794. EVALUATION AND REPORT.**

9 (a) IN GENERAL.—Not later than 1 year after the  
10 date of enactment of this Act, and biennially thereafter,  
11 the Administrator shall submit to Congress a report evalu-  
12 ating the implementation of the programs under this sub-  
13 title.

14 (b) INCLUSIONS.—The report shall include a descrip-  
15 tion of—

16 (1) the total number of grant applications re-  
17 ceived;

18 (2) each grant or loan made under this subtitle,  
19 including the amount of the grant or loan;

20 (3) each project for which a grant or loan is  
21 provided under this subtitle, including the criteria  
22 used to select the grant or loan recipients;

23 (4) the actual and estimated air quality and  
24 diesel fuel conservation benefits, cost-effectiveness,

1 and cost-benefits of the grant and loan programs  
2 under this subtitle;

3 (5) the problems encountered by projects for  
4 which a grant or loan is provided under this subtitle;  
5 and

6 (6) any other information the Administrator  
7 considers to be appropriate.

8 **SEC. 795. OUTREACH AND INCENTIVES.**

9 (a) **DEFINITION OF ELIGIBLE TECHNOLOGY.**—In  
10 this section, the term “eligible technology” means—

- 11 (1) a verified technology; or  
12 (2) an emerging technology.

13 (b) **TECHNOLOGY TRANSFER PROGRAM.**—

14 (1) **IN GENERAL.**—The Administrator shall es-  
15 tablish a program under which the Administrator—

16 (A) informs stakeholders of the benefits of  
17 eligible technologies; and

18 (B) develops nonfinancial incentives to pro-  
19 mote the use of eligible technologies.

20 (2) **ELIGIBLE STAKEHOLDERS.**—Eligible stake-  
21 holders under this section include—

22 (A) equipment owners and operators;

23 (B) emission and pollution control tech-  
24 nology manufacturers;

25 (C) engine and equipment manufacturers;

1 (D) State and local officials responsible for  
2 air quality management;

3 (E) community organizations; and

4 (F) public health, educational, and envi-  
5 ronmental organizations.

6 (c) STATE IMPLEMENTATION PLANS.—The Adminis-  
7 trator shall develop appropriate guidance to provide credit  
8 to a State for emission reductions in the State created  
9 by the use of eligible technologies through a State imple-  
10 mentation plan under section 110 of the Clean Air Act  
11 (42 U.S.C. 7410).

12 (d) INTERNATIONAL MARKETS.—The Administrator,  
13 in coordination with the Department of Commerce and in-  
14 dustry stakeholders, shall inform foreign countries with  
15 air quality problems of the potential of technology devel-  
16 oped or used in the United States to provide emission re-  
17 ductions in those countries.

18 **SEC. 796. EFFECT OF SUBTITLE.**

19 Nothing in this subtitle affects any authority under  
20 the Clean Air Act (42 U.S.C. 7401 et seq.) in existence  
21 on the day before the date of enactment of this Act.

22 **SEC. 797. AUTHORIZATION OF APPROPRIATIONS.**

23 There is authorized to be appropriated to carry out  
24 this subtitle \$200,000,000 for each of fiscal years 2006  
25 through 2010, to remain available until expended.